



All Financial Information has been translated into English except for the Annual Corporate Governance Report, which is available in the Spanish versión. In the event of discrepancy, the Spanish-language version prevails.

## **STATEMENT OF RESPONSIBILITY OF THE DIRECTORS OF GREENERGY RENOVABLES, S.A. ON THE CONTENT OF THE ANNUAL 2022 SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS**

With regard to the annual separate and consolidated financial statements of Greenergy Renovables, S.A. for 2022, and in accordance with Article 8 of Royal Legislative Decree 1362/2007, of October 19, which enacts the consolidated text of the Securities Market Law, the members of the Board of Directors hereby state:

That, to the best of their knowledge, the annual financial statements, prepared in accordance with applicable accounting principles, provide a true and fair view of the financial position and profit and loss of Greenergy Renovables, S.A. and the undertakings included in the consolidation, taken as a whole, and that the directors' report includes a fair view of the development and performance of the businesses and the position of the Greenergy Renovables, S.A. and the undertakings in the consolidation, taken as a whole, together with a description of the principal risks and uncertainties that they face.

Statement issued by the Board of Directors of GREENERGY RENOVABLES, S.A. on February 24, 2023 for the purpose of authorizing the separate and 2022 consolidated financial statements.

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Mr. David Ruiz de Andrés  
(Chief Executive Officer)

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Mr. Antonio Jiménez Alarcón  
(Board Member)

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Mr. Florentino Vivancos Gasset  
(Board Member)

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Ms. Ana Peralta Moreno  
(Board Member)

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Mr. Nicolás Bergareche Mendoza  
(Board Member)

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Ms. María del Rocío Hortigüela Esturillo  
(Board Member)

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Ms. María Merry del Val Mariátegui  
(Board Member)

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Ms. Teresa Quirós Álvarez  
(Board Member)

**Audit Report on Financial Statements  
issued by an Independent Auditor**

**GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES  
Consolidated Financial Statements and  
Consolidated Management Report  
for the year ended  
December 31, 2022**

## **AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR**

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the shareholders of GREENERGY RENOVABLES, S.A.:

### **Audit report on the consolidated financial statements**

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#### **Opinion**

We have audited the consolidated financial statements of GREENERGY RENOVABLES, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated financial position statement at December 31, 2022, the consolidated profit or loss statement, the consolidated other comprehensive income statement, the consolidated changes in equity statement, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2022 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

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#### **Basis for opinion**

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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

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## Key audit matters

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

### *Impairment of non-financial non-current assets*

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**Description** At December 31, 2022, the Group recognized PP&E items under non-current assets amounting to 582,149 thousand, mainly corresponding to wind farms and photovoltaic solar plants under development, construction or in operation.

For the purpose of assessing the impairment of non-current non-financial assets, the Group allocates such assets to the corresponding cash-generating units (CGU), which are then individually assigned to the projects.

The Group estimates, at least at year-end, or earlier in the case of impairment indicators being identified, the recoverable amount of each cash-generating unit considering their value in use.

The determination of the recoverable amount of these assets, requires the use of complex estimations, which involves the application of judgements in establishing the assumptions considered by the Group's Management in relation to those estimates.

We have considered this area to be a Key Audit Matter due to the significance of the amounts involved, and the inherent complexity of the estimation process in determining the recoverable amount of the mentioned assets.

The main aspects on which the Group applies judgements in determining the related assumptions are the estimate of future margins, the evolution of working capital, the discounted and growth rates, as well as the economic and regulatory conditions in the different markets in which the business operates.

The information related to the valuation standards and the main assumptions used by the Group's Management in determining the impairment of non-current non-financial assets, are included in Notes 3.5 and 6 of the accompanying consolidated financial statements.

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### Our response

Our Audit procedures included, among others, the following:

- ▶ Understanding the processes established by Group Management in the determination of impairment of the mentioned non-current non-financial assets
- ▶ Assessment of the analysis of the impairment indicators of the cash generating units performed by the Group Management.
- ▶ Review the models used by the Group's Management, in collaboration with our valuation specialists, focusing, in particular, on the mathematical consistency of the model, the reasonableness of the projected cash flows, the discount and long-term growth rates, and the consistency of these models with the business plans approved by the Group's governing bodies. In conducting our review, we held interviews with those responsible for the development of the models, and we used recognized external sources and other available information to contrast the data.

- ▶ Review of the sensitivity analysis performed by the Group's Management with respect to the estimates made in determining the recoverable amount in the event of changes in the relevant assumptions considered.
- ▶ Review of the disclosures included in the consolidated financial statements in accordance with the applicable financial reporting framework.

### *Recognition of income from construction contracts and sales of developments*

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**Description** The Grenergy Group carries out a significant part of its business through contracts for the construction of Photovoltaic solar plants and development sells to third parties. The information on the recognition of revenue from these contracts is provided in Note 3.14 of the accompanying consolidated financial statements.

Given that that they represent a significant volume of the Group's revenue, we determined recognition of revenue from constructions contracts and sales of developments to be a key audit matter.

Construction contracts affect the valuation of completed work pending certification, which at December 31, 2022 amounts to 8,689 thousand euros (note 11 to the accompanying consolidated financial statements) and likewise require that Group management make significant estimates related primarily to total costs, costs incurred, completion costs, and the expected profit or loss earned upon project completion.

Sales of developments are completed when control of the over the goods and services underlying the performance obligation has been transferred to the buyer and the sale is considered legally irrevocable, taking termination clauses, among others, into account. Given the complexity of analyzing these transactions, we determined this to be a key audit matter.

### **Our response**

Our audit procedures included, among others, the following:

- ▶ Gaining an understanding of the process used for constructions contracts to manage projects in progress. Choosing a selected sample of contracts, based on their significance, and verifying that their terms and conditions, as well as the invoiced income and related sales costs at year end, were recognized in the income statement in accordance with the input method (based on costs incurred in proportion to estimated total costs) over time, ensuring that costs are allocated at the correct amount and to the correct period, and checking against bank statements that invoiced amounts have been collected.
- ▶ Inquiring with Company Management about the development stage of the most relevant projects to ensure that there are no significant deviations between the projected and actual costs. Checking that the balances of uninvoiced completed construction recognized at December 31, 2022 from invoices issued after year-end have been billed correctly.
- ▶ Understanding the transactions carried out in connection with sales of development by analyzing the sale agreements reached and holding meetings with Company Management. Reviewing the accounting effects arising from the difference between the selling amount and the net asset transferred. Examining bank statements to verify collection of the sale of the subsidiaries in accordance with the payment schedule stipulated in the sale agreement.
- ▶ Reviewing the disclosures made in the notes to the consolidated financial statement comply with the applicable financial reporting framework.

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### **Other information: consolidated management report**

Other information refers exclusively to the 2022 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the consolidated management report, in conformity with prevailing audit regulations in Spain, entails:

- a. Checking only that the consolidated non-financial statement, certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.
- b. Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2022 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

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### **Responsibilities of the parent company's directors and the audit committee for the consolidated financial statements**

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

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### **Auditor's responsibilities for the audit of the consolidated financial statements**

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

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

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

We communicate with the audit committee of the parent company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the parent company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

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



## Report on other legal and regulatory requirements

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### European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of GREENERGY RENOVABLES, S.A. and subsidiaries for the 2022 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of GREENERGY RENOVABLES, S.A. are responsible for submitting the annual financial report for the 2022 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Board remuneration report has been incorporated by reference in the consolidated management report.

Our responsibility consists of examining the digital files prepared by the directors of the parent company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, in all material respects, in accordance with the ESEF Regulation.

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### Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on February 27, 2023.

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### Term of engagement

The ordinary general shareholders' meeting held on May 11, 2022 appointed us as Group auditors for two years, commencing on December 31, 2022.

Previously, we were appointed as auditors by the shareholders for three year and we have been carrying out the audit of the consolidated financial statements continuously since December 31, 2019.

ERNST & YOUNG, S.L.  
(Registered in the Official Register of  
Auditors under No. S0530)

(Signed in the original version)

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David Ruiz-Roso Moyano  
(Registered in the Official Register of  
Auditors under No. 18336)

February 27, 2023



**GREENERGY RENOVABLES, S.A.  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT  
REPORT FOR THE YEAR ENDED  
DECEMBER 31, 2022**

**GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT DECEMBER 31, 2022 AND 2021**  
(Thousands of euros)

ASSETS	Notes	12.31.2022	12.31.2021
<b>NON-CURRENT ASSETS</b>		<b>681,842</b>	<b>428,450</b>
<b>Intangible assets</b>	<b>Note 7</b>	<b>248</b>	<b>81</b>
Software		238	70
Patents, licenses, trademarks, et al.		10	11
<b>Property, plant, and equipment</b>	<b>Note 6</b>	<b>582,149</b>	<b>388,783</b>
Land and buildings		96	76
Plant and other PP&E		412,192	198,078
PP&E under construction and prepayments		169,861	190,629
<b>Right-of-use assets</b>	<b>Note 8</b>	<b>28,175</b>	<b>13,072</b>
<b>Investments accounted for using the equity method</b>	<b>Note 9.1</b>	<b>4,515</b>	<b>-</b>
<b>Financial investments</b>	<b>Note 9.2</b>	<b>19,428</b>	<b>1,073</b>
Equity instruments		40	-
Derivatives		16,444	-
Other financial assets		2,944	1,073
<b>Deferred tax assets</b>	<b>Note 19</b>	<b>47,327</b>	<b>25,441</b>
<b>CURRENT ASSETS</b>		<b>205,139</b>	<b>176,358</b>
<b>Inventories</b>	<b>Note 10</b>	<b>6,611</b>	<b>17,347</b>
Raw materials and other consumables		2,157	7,853
Plant under construction		100	3,892
Prepayments to suppliers		4,354	5,602
<b>Trade and other receivables</b>		<b>80,049</b>	<b>79,693</b>
Trade receivables	<b>Note 11</b>	47,880	56,261
Other accounts receivable		159	382
Receivables from employees		6	5
Current tax assets	<b>Note 19</b>	2,528	628
Other receivables from public administrations	<b>Note 19</b>	29,476	22,417
<b>Financial investments</b>	<b>Note 9.2</b>	<b>11,972</b>	<b>7,961</b>
Loans to companies		727	1,539
Derivatives		1,501	-
Other financial assets		9,744	6,422
<b>Accruals</b>		<b>837</b>	<b>2,689</b>
<b>Cash and cash equivalents</b>	<b>Note 12</b>	<b>105,670</b>	<b>68,668</b>
Cash in hand		105,670	68,668
<b>TOTAL ASSETS</b>		<b>886,981</b>	<b>604,808</b>

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of financial position for the years ended December 31, 2022 and 2021.

# GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2022 AND 2021

(Thousands of euros)

EQUITY AND LIABILITIES	Notes	12.31.2022	12.31.2021
<b>EQUITY</b>		<b>244,815</b>	<b>158,708</b>
Equity attributed to the Parent company		245,053	159,323
<b>Capital and reserves</b>		<b>268,257</b>	<b>170,666</b>
Share capital	Note 13.1	10,714	9,774
Issued capital		10,714	9,774
Share premium	Note 13.2	198,912	109,851
<b>Reserves</b>	Note 13.3	<b>68,056</b>	<b>52,310</b>
(Shares and participation units of the Parent company)	Note 13.4	(19,728)	(17,577)
Profit (loss) for the year attributed to the Parent		10,303	16,308
Unrealized gains (losses) reserve	Note 14	(23,204)	(11,343)
Hedging transactions		(25,617)	(11,493)
Currency translation differences		2,413	150
Minority interests	Note 15	(238)	(615)
<b>NON-CURRENT LIABILITIES</b>		<b>420,896</b>	<b>286,376</b>
Provisions	Note 16	16,354	12,509
<b>Borrowings</b>	Note 17	<b>384,119</b>	<b>259,502</b>
Bonds and other marketable debt securities		83,231	31,223
Bank borrowings		254,229	201,905
Lease liabilities		26,073	11,051
Derivatives		20,586	15,323
Deferred tax liabilities	Note 19	20,423	14,365
<b>CURRENT LIABILITIES</b>		<b>221,270</b>	<b>159,724</b>
Provisions	Note 16	8,153	1,804
<b>Borrowings</b>	Note 17	<b>118,612</b>	<b>74,165</b>
Bonds and other marketable debt securities		34,529	32,146
Bank borrowings		46,307	34,148
Lease liabilities		1,505	1,389
Derivatives		36,141	6,326
Other financial liabilities		130	156
<b>Trade and other payables</b>		<b>94,505</b>	<b>82,413</b>
Suppliers		85,050	76,793
Other accounts payable		5,644	3,028
Employee benefits payable		1,745	1,180
Current income tax liabilities	Note 19	293	107
Other payables to public administrations	Note 19	1,484	1,303
Customer advances		289	2
Accruals		-	1,342
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>886,981</b>	<b>604,808</b>

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of financial position for the years ended December 31, 2022 and 2021.

**GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEARS**  
**ENDED DECEMBER 31, 2022 AND 2021**  
(Thousands of euros)

	Notes	12.31.2022	12.31.2021
<b>CONTINUING OPERATIONS</b>			
<b>Revenue</b>	<b>Note 4</b>	<b>110,584</b>	<b>82,506</b>
Sale of goods		107,969	79,731
Rendering of services		2,615	2,775
<b>Changes in inventory of finished products and work in progress</b>		<b>(3,792)</b>	<b>12,923</b>
<b>Work performed by the entity and capitalized</b>	<b>Note 4</b>	<b>182,423</b>	<b>137,648</b>
<b>Cost of sales</b>	<b>Note 20.1</b>	<b>(208,983)</b>	<b>(172,728)</b>
<b>Other operating income</b>		<b>299</b>	<b>683</b>
<b>Employee benefits expense</b>	<b>Note 20.2</b>	<b>(14,772)</b>	<b>(9,597)</b>
<b>Other operating expenses</b>	<b>Note 20.3</b>	<b>(15,671)</b>	<b>(10,026)</b>
<b>Depreciation and amortization</b>	<b>Notes 6, 7, and 8</b>	<b>(14,178)</b>	<b>(7,125)</b>
<b>Impairment and losses</b>	<b>Notes 6 and 24.2</b>	<b>(6,160)</b>	<b>(1,913)</b>
<b>Other gains or losses</b>		<b>66</b>	<b>15</b>
<b>OPERATING PROFIT (LOSS)</b>		<b>29,816</b>	<b>32,386</b>
<b>Finance income</b>	<b>Note 20.4</b>	<b>471</b>	<b>-</b>
<b>Finance costs from interest accrued on debt</b>	<b>Note 20.4</b>	<b>(19,632)</b>	<b>(9,321)</b>
<b>Other finance costs</b>	<b>Note 20.4</b>	<b>(3,022)</b>	<b>(4,935)</b>
<b>Profit (loss) for companies under the equity method</b>	<b>Note 9.1</b>	<b>(325)</b>	<b>-</b>
<b>FINANCE COST</b>		<b>(22,508)</b>	<b>(14,256)</b>
<b>PROFIT (LOSS) BEFORE TAX</b>		<b>7,308</b>	<b>18,130</b>
Corporate income tax	<b>Note 19</b>	3,001	(2,118)
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>		<b>10,309</b>	<b>16,012</b>
<b>PROFIT (LOSS) ATTRIBUTED TO MINORITY INTERESTS</b>		<b>6</b>	<b>(296)</b>
<b>PROFIT (LOSS) FOR THE YEAR ATTRIBUTED TO THE PARENT</b>		<b>10,303</b>	<b>16,308</b>
<b>Earnings (losses) per share</b>	<b>Note 13.6</b>	<b>0.34</b>	<b>0.60</b>

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of profit or loss for the years ended December 31, 2022 and 2021.

**GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER**  
**31, 2022 AND 2021**

**A) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

(Thousands of euros)

	12.31.2022	12.31.2021
<b>CONSOLIDATED PROFIT (LOSS) FOR THE YEAR (I)</b>	<b>10,309</b>	<b>16,012</b>
<b>OTHER COMPREHENSIVE INCOME RECOGNIZED DIRECTLY IN EQUITY</b>		
Items which can be taken to profit or loss subsequently		
- Currency translation differences	2,263	2,850
- From cash flow hedges	(18,832)	(12,962)
- Tax effect	4,708	3,219
<b>TOTAL INCOME AND EXPENSE RECOGNIZED DIRECTLY IN CONSOLIDATED EQUITY (II)</b>	<b>(11,861)</b>	<b>(6,893)</b>
<b>TOTAL CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD (I+II)</b>	<b>(1,552)</b>	<b>9,119</b>
Attributable to:		
Parent company	(1,558)	9,364
Minority interests	6	(245)

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of comprehensive income for the years ended December 31, 2022 and 2021.

**B) CONSOLIDATED STATEMENT OF ALL CHANGES IN EQUITY**

(Thousands of euros)

	Share capital	Share premium	Reserves	(Treasury shares)	Profit for the period attributed to the Parent company	Unrealized gains (losses) reserve	Minority interests	Total
<b>BALANCE AT DECEMBER 31, 2020</b>	<b>8,507</b>	<b>6,118</b>	<b>31,912</b>	<b>(8,115)</b>	<b>15,233</b>	<b>(4,450)</b>	<b>(370)</b>	<b>48,835</b>
Adjustments for changes in criteria and misstatements	-	-	-	-	-	-	-	-
<b>ADJUSTED OPENING BALANCE 2021</b>	<b>8,507</b>	<b>6,118</b>	<b>31,912</b>	<b>(8,115)</b>	<b>15,233</b>	<b>(4,450)</b>	<b>(370)</b>	<b>48,835</b>
Total consolidated comprehensive income	-	-	-	-	16,308	(6,893)	(296)	9,119
Capital increase	1,267	103,733	(1,138)	-	-	-	-	103,862
Transactions with shares of the Parent company (net)	-	-	6,085	(9,462)	-	-	-	(3,377)
Changes in the consolidation scope, transfers, and other minor effects	-	-	218	-	-	-	51	269
Appropriation of profit from prior year	-	-	15,233	-	(15,233)	-	-	-
<b>BALANCE AT DECEMBER 31, 2021</b>	<b>9,774</b>	<b>109,851</b>	<b>52,310</b>	<b>(17,577)</b>	<b>16,308</b>	<b>(11,343)</b>	<b>(615)</b>	<b>158,708</b>
Adjustments for changes in criteria and misstatements	-	-	-	-	-	-	-	-
<b>ADJUSTED OPENING BALANCE 2022</b>	<b>9,774</b>	<b>109,851</b>	<b>52,310</b>	<b>(17,577)</b>	<b>16,308</b>	<b>(11,343)</b>	<b>(615)</b>	<b>158,708</b>
Total consolidated comprehensive income	-	-	-	-	10,303	(11,861)	6	(1,552)
Capital increase	940	89,061	(1,075)	-	-	-	-	88,926
Transactions with shares of the Parent company (net)	-	-	1,410	(2,151)	-	-	-	(741)
Changes in the consolidation scope, transfers, and other minor effects	-	-	(897)	-	-	-	371	(526)
Appropriation of profit from prior year	-	-	16,308	-	(16,308)	-	-	-
<b>BALANCE AT DECEMBER 31, 2022</b>	<b>10,714</b>	<b>198,912</b>	<b>68,056</b>	<b>(19,728)</b>	<b>10,303</b>	<b>(23,204)</b>	<b>(238)</b>	<b>244,815</b>

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of changes in equity for the years ended December 31, 2022 and 2021.

# GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Thousands of euros)

	Notes	12.31.2022	12.31.2021
<b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1. Profit (loss) before tax</b>		<b>7,308</b>	<b>18,130</b>
<b>2. Adjustments to profit</b>		<b>38,517</b>	<b>23,830</b>
a) Depreciation and amortization (+)	6 and 7	14,178	7,125
b) Impairment and losses (+/-)	24.2	6,160	1,926
c) Changes in provisions (+/-)		71	741
e) Gains (losses) from derecognition and disposal of assets (+/-)	6 and 7	-	(13)
g) Finance income (-)		(471)	-
h) Finance costs (+)	20	19,632	9,321
i) Exchange gains (losses) (+/-)	20	(1,191)	(1,560)
j) Change in fair value of financial instruments (+/-)		(187)	6,290
k) Other income and expenses (-/+)	5	325	-
<b>3. Changes in working capital</b>		<b>20,156</b>	<b>(22,789)</b>
a) Inventories (+/-)	10	10,736	(24,743)
b) Trade and other receivables (+/-)	11	(356)	(36,937)
c) Other current assets (+/-)		1,852	(1,943)
d) Trade and other payables (+/-)		7,011	38,364
e) Other current liabilities (+/-)		913	1,342
f) Other non-current assets and liabilities (+/-)		-	1,128
<b>4. Other cash flows from operating activities</b>		<b>(27,583)</b>	<b>(5,438)</b>
a) Interest paid (-)	20	(19,632)	(1,191)
c) Interest received (+)		471	-
d) Income tax receipts (payments) (+/-)	20	(8,422)	(4,247)
<b>5. Cash flows from operating activities (+/-1+/-2+/-3+/-4)</b>		<b>38,398</b>	<b>13,733</b>
<b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>6. Payments on investments (-)</b>		<b>(200,720)</b>	<b>(200,647)</b>
a) Companies consolidated using the equity method	9	(4,840)	-
b) Intangible assets	7	(195)	(24)
c) Property, plant, and equipment	6	(189,782)	(198,137)
e) Other financial assets		(5,903)	(2,486)
<b>7. Proceeds from disinvestments (+)</b>		<b>1,482</b>	<b>16</b>
c) Property, plant, and equipment	6	-	16
e) Other financial assets	8	1,482	-
<b>8. Cash flows from (used in) investing activities (7+6)</b>		<b>(199,238)</b>	<b>(200,631)</b>
<b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>9. Proceeds from and payments on equity instruments</b>		<b>88,846</b>	<b>101,623</b>
a) Proceeds from issuance of equity instruments (+)	13	90,001	105,000
c) Acquisition of own equity instruments (-)	13	(30,242)	(59,634)
d) Disposal of equity instruments of the Parent company	13	29,087	56,257
<b>10. Proceeds from and payments of financial liabilities</b>		<b>110,893</b>	<b>133,697</b>
a) <i>Issues (+)</i>		<i>317,901</i>	<i>179,690</i>
1. Bonds and other marketable debt securities (+)		225,836	73,720
2. Bank borrowings (+)	17	92,065	105,970
b) <i>Repayment and redemption of:</i>		<i>(207,008)</i>	<i>(45,993)</i>
1. Bonds and other marketable debt securities (-)	17	(171,445)	(32,000)
2. Bank borrowings (-)	17	(34,148)	(9,715)
3. Leases (-)	17	(1,389)	-
4. Other borrowings (-)	17	(26)	(4,278)
<b>12. Cash flows from financing activities (+/-9+/-10-11)</b>		<b>199,739</b>	<b>235,320</b>
<b>D) Net foreign exchange difference</b>		<b>(1,897)</b>	<b>(323)</b>
<b>E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (+/-A+/-B+/-C+/-D)</b>		<b>37,002</b>	<b>48,099</b>
<b>Cash and cash equivalents at January 1</b>	12	68,668	20,569
<b>Cash and cash equivalents at December 31</b>	12	105,670	68,668

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated cash flow statement for the years ended December 31, 2022 and 2021.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

*Notes to the consolidated financial statements  
for the year ended December 31, 2022*

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022**

#### **1. Group companies**

##### **1.1. Company information**

**GREENERGY RENOVABLES, S.A.** ("the Parent") was incorporated in Madrid on July 2, 2007 via public deed, as filed at the Mercantile Register of Madrid in Tome 24.430, Book 0, Folio 112, Section 8, Page M-439.423, 1st inscription. Its registered business and tax address, where it also performs its activities, is located at Calle Rafael Botí, nº 26, Madrid.

The corporate purpose of the Greenergy Group and the sectors in which it performs its activities are as follows: the promotion and commercialization of renewable energy installations, production of electric energy as well as any complementary activities, and management and operation of such renewable energy installations.

The Greenergy Group is present in Spain, Chile, Peru, Colombia, Argentina, Mexico, Italy, the United Kingdom, Poland, the USA, and Germany.

In each of the countries in which the Group operates, it has a parent company which conducts the outsourcing functions arranged under EPC (Engineering, Procurement, and Construction) and O&M (Operation and Management) contracts, or asset-management contracts using company personnel. The remaining subsidiaries are considered Special Purpose Vehicles (SPVs) where each of the solar parks or wind parks are located.

The breakdown of the companies which make up the Group is presented in Appendix I. In addition, the main changes in the consolidation scope corresponding to 2022 and 2021 are disclosed in Appendix II to the accompanying consolidated financial statements.

The shares of the Parent, Greenergy Renovables, S.A., have been listed on the Madrid, Barcelona, Bilbao, and Valencia stock exchanges since December 16, 2019.

The Parent is in turn a member of the Daruan Group, the parent of which is Daruan Group Holding, S.L.U., a company resident in Spain.

##### **1.2. Regulatory framework**

The Greenergy Group performs its activity in a regulated environment with different characteristics depending on the country in which it operates. The Group's regulatory framework is disclosed in Appendix III. No relevant matters arose in this respect during 2022 which had a significant impact on the consolidated financial statements.



## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

*Notes to the consolidated financial statements  
for the year ended December 31, 2022*

## **2. Basis of presentation**

### **2.1 True and fair view**

The annual consolidated financial statements of Greenergy Renovables, S.A. corresponding to FY 2021 were approved by the general shareholder meeting held on May 11, 2022.

The consolidated financial statements corresponding to FY 2022, which were authorized for issue by the Board of Directors of Greenergy Renovables, S.A. on February 24, 2023, as well as those of its investees, will be submitted for approval by shareholders at their respective general meetings. It is expected that they will be approved without modification.

Greenergy's annual 2022 consolidated financial statements were prepared based on the accounting records held by Greenergy Renovables, S.A. and the remaining entities which comprise the Group, in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU"), and in conformity with Regulation (EC) 1606/2002 of the European Parliament and Council.

They were prepared using the historical cost approach, though modified by the fair value recognition criteria applied to derivative financial instruments, business combinations, and defined benefit pension plans.

The preparation of the consolidated financial statements under IFRS-EU requires the use of certain significant accounting estimates. It also requires Management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant, are disclosed in Note 2.3.

The Group's directors have prepared the accompanying consolidated financial statements on a going-concern basis.

These consolidated financial statements give a true and fair view of Greenergy's consolidated equity and consolidated financial position at December 31, 2022, as well as the consolidated results of its operations, changes in the consolidated statement of comprehensive income, consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended.

The consolidated financial statements are presented in thousands of euros, unless indicated otherwise.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

*Notes to the consolidated financial statements  
for the year ended December 31, 2022*

### **2.2 Adoption of International Financial Reporting Standards (IFRS)**

- a) Standards and interpretations approved by the European Union and applied for the first time during the current reporting period.

The accounting policies used to prepare the accompanying consolidated financial statements are the same as those applied to prepare the consolidated financial statements for the year ended December 31, 2021, as none of the standards, interpretations or amendments that are effective for the first time in the current year have had any impact on the Group's accounting policies.

- b) Standards and interpretations issued by the IASB not yet applicable in the current reporting period

The Group intends to apply the standards, interpretations, and amendments to standards issued by the IASB, not mandatory in the European Union, when they become effective and to the extent applicable. Although the Group is at present analyzing their impact, based on the analysis performed to date, it estimates that their initial application will not have a significant impact on its consolidated financial statements.

### **2.3 Responsibility for the information presented and significant estimates**

The Parent's Board of Directors is responsible for the information included in these consolidated financial statements.

The most significant judgments and estimates necessary for application of the accounting policies described in Note 3 are as follows:

- The useful life of PP&E items (Notes 3.4 and 6)
- Impairment losses on certain assets (Notes 3.4, 3.11, 6, and 7)
- The probability of occurrence and amounts corresponding to certain provisions and contingencies (Notes 3.15 and 16)
- The recognition of income based on degree of project completion (Note 3.14)
- The market value of derivatives (such as interest rate swaps and hedging instruments for energy sales prices) (Notes 3.10 and 17.5)
- The recoverability of deferred tax assets (Notes 3.13 and 19).

Although these estimates were made based on the best information available regarding the events analyzed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively in accordance with the requirements of IAS 8, recognizing the effects of the change in estimates under the appropriate heading in the consolidated statement of profit or loss.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

*Notes to the consolidated financial statements  
for the year ended December 31, 2022*

### **2.4 Comparison of information**

For comparative purposes the accompanying consolidated financial statements are presented together with the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year ended December 31, 2021.

Law 18/2022, of September 28, was published on September 29, 2022, on the creation and growth of companies, including additional disclosures relating to volume and invoiced amounts paid within the established deadlines. No comparative information from the previous year is presented.

### **2.5 Seasonality**

Given the activity in which the Group companies engage, their transactions are not significantly cyclical or seasonal in their nature.

### **2.6 Climate change**

The accompanying consolidated financial statements were prepared taking into account the provisions of the informative document issued by the International Accounting Standards Board (IASB) in November 2020, which included disclosure requirements with respect to climate change.

In February 2021 Greenergy published its ESG Action Plan 2021, including the objectives for the first phase of the ESG Roadmap 2023, affirming its commitment to informing the public on its progress on a quarterly basis.

The ESG Roadmap 2023 is a strategic plan to boost Greenergy's sustainability in five strategic areas. It is based on the results of an internal diagnostic process and a materiality analysis performed by the Group in 2020.

The Sustainability Policy, approved by the Board of Directors on December 20, 2021, is aligned with the ESG Roadmap 2023 and with the action plans defined for each of the strategic areas.

It integrates the United Nations Sustainable Development Goals into the sustainability strategy, emphasizing those we have chosen as a priority and where Greenergy's contribution can be more significant.

Sustainability permeates all of Greenergy's decisions, with special attention paid to protecting the environment, promoting biodiversity, and contributing in the fight against climate change.

Greenergy's growth contributes directly to the fight against climate change, enabling the energy transition and decarbonization of the economy. The substitution of fossil fuels with renewable energies is key to reducing society's greenhouse gas emissions and limiting global warming to below 1.5°C.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

*Notes to the consolidated financial statements  
for the year ended December 31, 2022*

Analysis measures:

- The scope 1, 2, and 3 emissions that Greenergy generates directly or indirectly in its activity are measured in accordance with the criteria established in the international GHG Protocol standard and the ISO 14064 standard, including emissions corresponding to all greenhouse gases relevant to Greenergy.
- Greenergy's identification of emission sources and carbon footprint calculations for 2021 have obtained independent verification for their alignment with the principles and requirements of the ISO 14064 standard.
- A plan has been drafted to implement a 55% reduction in Greenergy's emissions by 2030 and achieve net zero emissions by 2050 (Scope 1 and 2).

A summary of the main milestones achieved in 2022 is provided below.

In the second quarter, Greenergy developed an energy efficiency and emissions reduction plan establishing an ambitious program for replacing Greenergy's fossil fuel vehicles with hybrid/electric vehicles, using energy-efficient lighting fixtures, and obtaining certification of electricity supply from renewable sources, amongst others. Finally, three internal sustainability training sessions were organized for both management and key personnel to promote ESG awareness at a transversal level in the Group.

In the fourth quarter, a control system was defined with respect to implementation of the policies established within the Group's internal regulatory framework, designating a control manager to carry out each policy. Greenergy has also revised and expanded its internal ESG reporting procedure on a periodic basis, including ESG metrics that depend on financial and material criteria in accordance with the commitments established in the Sustainability Policy. Further, in parallel with the previous objectives, the employee training plan was improved during this quarter with a view to supporting professional development, improving team capabilities, and strengthening commitment to the employees.

- With a view to managing ESG risks in Greenergy's supply chain, in the fourth quarter of the year the purchasing procedure was updated by incorporating a series of ESG clauses (human rights protection, conflict minerals, zero tolerance to corruption and bribery, among others).

In addition, in terms of environmental matters, a biodiversity program will be implemented over the coming months dedicated to restoration and conservation of natural resources, while a water use program has also been designed in which the water footprint was measured based on the ISO 14046 standard, using the results obtained to identify improvements for efficient water use and management.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

*Notes to the consolidated financial statements  
for the year ended December 31, 2022*

### **2.7 War in Ukraine**

The international geopolitical instability provoked by the Russian Federation's military invasion of Ukraine in February 2022 has led to inflationary pressures in the economy with significant increases for raw materials prices, the price of energy, and currency exchange rates. In light of these developments, the central banks have withdrawn most of the monetary stimulus measures while increasing interest rates in the second half of 2022.

In spite of the aforementioned uncertainty, the impact on the Group's consolidated financial statements was of little significance given that the Group does not operate in the region affected by the war.

### **2.8 Covid-19**

Business activity gradually recovered during 2022. In addition, there were no significant impacts on the consolidated financial statements relating to Covid-19.

## **3. Accounting principles and policies and measurement criteria**

### **3.1. Consolidation principles**

#### **3.1.1 Subsidiaries**

All companies over which Greenergy Renovables, S.A. exercises control are considered subsidiaries. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the entity. When assessing whether the Group controls another company, the existence and effect of potential voting rights exercisable at the date to which the assessment relates is taken into account together with possible agreements with other shareholders.

The subsidiaries have been fully consolidated; all their assets, liabilities, income, expenses and expenses have been included in the consolidated financial statements after the corresponding adjustments and eliminations in respect of intra-group transactions have been made. Subsidiaries are excluded from consolidation from the date on which they no longer form part of the Group.

The acquisition of subsidiaries is accounted for using the acquisition method. Acquisition cost is the fair value of the assets delivered, equity instruments issued, and liabilities incurred or assumed at the exchange date, plus any costs directly attributable to the acquisition. Any excess of the acquisition cost over the fair value of the identifiable net assets acquired is recognized as goodwill. If the acquisition cost is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of profit or loss. This last case is considered a "bargain purchase" and is accounted for in accordance with IFRS 3.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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The intangible assets acquired via a business combination are recognized separately to goodwill if the recognition criteria for assets are fulfilled, that is, if they can be separated or arise from legal or contractual rights and when their fair value can be reliably measured.

Identifiable assets acquired and liabilities or contingent liabilities assumed in a business combination are initially measured at their fair values as of the acquisition date, regardless of the percentage of minority interests.

When loss of control over a subsidiary occurs, for exclusive purposes of the consolidation, the gains or losses recognized in the separate financial statements of the company which is reducing its interests must be adjusted by the amount which arose from the reserves held in consolidated companies and generated from the acquisition date, as well as the amount which arose from income and expenses generated by the subsidiary in the year until the date on which control is lost.

With respect to the interest held by external partners, their interest in equity is recognized under "Equity" as "Minority interests" in the Group's consolidated statement of financial position. Likewise, profit for the year attributable to external partners is recorded under "Profit (loss) attributed to minority interests" in the consolidated statement of profit or loss.

### **3.1.2 Joint arrangements**

In accordance with IFRS 11, in a joint arrangement the parties are related via a contractual agreement which grants two or more of the involved parties joint control over the arrangement. Joint control exists when decisions on relevant activities require the unanimous consent of all the parties that share control.

A joint arrangement is classified as a joint operation when the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement; or as a joint venture when the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The interests held in joint operations are consolidated under the proportional consolidation method and the interests held in joint ventures are consolidated under the equity method.

Under the equity method, the Group's interests in joint ventures are initially recognized at cost and are subsequently restated to recognize its share of post-acquisition profit and loss and movements in other comprehensive income.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this should be the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying amount, and recognizes the resulting amount under "Profit (loss) from investments consolidated under the equity method" in the consolidated statement of profit or loss.

The assets and liabilities assigned to joint operations are recognized in the consolidated statement of financial position, classified according to their specific nature and the Group's percentage of ownership interest. Similarly, income and expenses arising from joint operations are presented in the consolidated statement of profit or loss in accordance with their nature and the Group's percentage of ownership interest.

For more detailed information on joint operations, see Note 18.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

*Notes to the consolidated financial statements  
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### **3.1.2 Associates**

Associates are consolidated using the equity method.

When this method is applied for the first time, interest in the associate is measured at the amount represented by the percentage of interest held by the Group companies in the associate with respect to its equity, after adjusting assets to their fair value at the date of acquiring significant influence.

The difference between the carrying amount of the interest held as recognized in the separate financial statements and the amount referred to in the previous paragraph represents goodwill, which is recognized as an investment consolidated under the equity method.

In general, except when a negative difference arises upon acquisition of significant influence, the investment is initially measured at cost.

Results generated by entities consolidated under the equity method are recognized from the date on which significant influence was acquired.

The carrying amount of the interest held is modified (upwards or downwards) in the proportion corresponding to the Group companies and in connection with the changes to the equity of the investee subsequent to initial measurement, once the share of unrealized gains (losses) generated in transactions between said entity and Group companies have been eliminated.

The greater value attributed to the investment as a consequence of applying the acquisition method is reduced in subsequent periods, with a charge against consolidated results or another corresponding equity item, to the extent the investment is amortized/depreciated or the corresponding equity items are derecognized or disposed of to third parties. Likewise, a charge against consolidated results is recognized when impairment losses arise on equity items of the investee, with a limit up to the capital gains assigned to them at the date of first consolidation under the equity method.

Changes in the value of the investment corresponding to results for the year from the investee form a part of consolidated results, recognized under "Share in profit (loss) of companies consolidated using the equity method." However, if the associate incurs losses, the reduction in the carrying amount of the investment will be limited to the carrying amount calculated under the equity method. If the interest held is reduced to zero, the additional losses and the corresponding liability are recognized to the extent that legal, contractual, implicit or tacit obligations have arisen, or if the Group has made payments on behalf of the investee.

Changes in the value of the investment corresponding to other changes in equity are shown in the corresponding headings under equity in accordance with their nature.

Associated investments are harmonized in terms of measurement standards and reporting periods in the same way as for subsidiaries.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

*Notes to the consolidated financial statements  
for the year ended December 31, 2022*

### **3.1.3 Prior standardization of the balances recognized in the separate financial statements**

Before proceeding to perform the eliminations upon consolidation, the reporting periods, measurement criteria, and internal operations were standardized.

The financial statements of the companies included in the consolidation scope and used for consolidation purposes correspond to the financial year ended December 31, 2022.

In order to standardize internal operations, the amounts recognized for balances arising from internal transactions which were not in agreement, or those for which there were amounts pending recognition, the appropriate adjustments were made to perform the subsequent eliminations.

In order to standardize the groupings, when the structure of the financial statements of a Group company did not agree with that of the annual consolidated financial statements, the necessary reclassifications were performed.

### **3.1.4 Conversion of financial statements of foreign companies included in the consolidation scope**

All the goods, rights, and obligations of foreign companies are translated into euros using the exchange rate prevailing at the closing date to which the annual financial statements of said companies refer. The balances in the income statements are converted using the exchange rates prevailing at the dates upon which the transactions were carried out, applying an average rate. The difference between the amount of equity calculated as per the above and the amount of equity converted at the historic exchange rates is recorded under equity in the consolidated statement of financial position under "Currency translation differences."

### **3.1.5 Goodwill on consolidation or negative consolidation difference**

"Goodwill on consolidation or negative consolidation difference" is determined based on the criteria described in Note 3.2, "Business combinations."

Goodwill is not amortized and, as indicated in IFRS 3, is tested for impairment once a year or sooner if there are any indications of possible impairment. Thus, goodwill resulting from a business combination is allocated to each of the cash-generating units ("CGUs"), or to the entirety of all the Group's CGUs if appropriate, that are expected to benefit from the synergies of the combination, applying the criteria outlined in section 3.2 of this note. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses.

### **3.1.6 Transactions between companies included in the consolidation scope**

Subsequent to the standardizations described in the previous section, the reciprocal credits and debits as well as income and expenses, and results from internal transactions not carried out with respect to third parties, were eliminated in the consolidated financial statements.



## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

*Notes to the consolidated financial statements  
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### **3.2. Business Combinations**

The Group applies the acquisition method to account for its business combinations. The acquisition date is that on which the Group obtains control of the acquired business. The consideration transferred to acquire a subsidiary includes:

- the fair values of the transferred assets;
- liabilities incurred with previous owners of the acquired business;
- equity interests issued by the Group;
- the fair value of any asset or liability resulting from a contingent consideration arrangement; and
- the fair value of any prior interest held in the equity of the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination, with certain limited exceptions, are measured initially at their acquisition-date fair values. The Group recognizes any non-controlling interests in an acquired entity at the respective acquisition date fair value or at the percentage of the non-controlling interest held in the identifiable net assets of the acquired entity.

Acquisition-related costs are expensed as incurred.

The excess amount of:

- the consideration transferred;
- the amount of any non-controlling interests in the acquired entity; and
- the fair value at the acquisition date of any prior holding in the acquired entity

over the fair value of the identifiable net assets acquired is recognized as goodwill. Should the above amounts be less than the fair value of the acquiree's net identifiable assets, the difference is directly recognized in profit or loss as a bargain purchase under "Negative goodwill in business combinations."

Where settlement of any portion of cash payments is deferred, amounts payable in the future are discounted to their fair value at the exchange date. The discount rate used is the incremental rate on the entity's borrowings, which corresponds to that which could be obtained for a similar loan from an independent financial institution under comparable terms and conditions.

The contingent consideration is classified as equity or a financial liability. Amounts classified as financial liabilities are subsequently remeasured at fair value, with changes in the fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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### **3.3. Intangible assets**

Intangible assets are considered to be identifiable non-monetary assets, without physical substance, which arise as a result of a legal business or are developed internally. Only those assets are recognized whose cost can be estimated reliably and from which the Group considers it probable that future economic benefits will be generated.

Intangible assets are initially recognized at acquisition or production cost, and subsequently they are measured at cost less any accumulated amortization and impairment losses.

#### Licenses and trademarks

Trademarks and licenses have a finite useful life and are carried at cost less accumulated amortization and impairment. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives.

#### Software

This heading includes the amounts paid to acquire software or user licenses for programs and computer applications, provided that they are expected to be used for several years. They are amortized systematically on a straight-line basis over a period of four years.

Expenses for maintenance or global reviews of the systems, or recurring expenses as a consequence of the modification or upgrading of these applications, are recognized directly as expenses in the year in which they are incurred.

At December 31 the Group had no intangible assets with an indefinite useful life.

### **3.4. Property, plant, and equipment**

PP&E items correspond to those assets owned by the Group for use in production or for the provision of goods and services, or for administrative purposes, and which are expected to be used over more than one period.

The assets comprising PP&E are recognized at acquisition cost (updated as per various legal provisions, if applicable) or production cost, less accumulated depreciation and any impairment losses.

In addition, the Group considers "PP&E under construction and prepayments" to include those expenses incurred in the development (performance of electricity studies for connection of the projects, preparation of the environmental impact statement, basic/detailed engineering work for industry projects, performance of topographical, hydrological, and geotechnical activities during the project, environmental commitments, electrical/environmental/urban/archaeological pre-feasibility studies, consulting services for technical assistance, as well as personnel expenses for employees directly involved in the development of projects) and construction of certain installations which are either still under construction or in their initial design, development or construction phases, and which will be operated by the Group once they have been started up.

**GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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The cost of PP&E constructed by the Group is determined following the same principles as those used for acquisitions of PP&E items. "Work performed by the entity and capitalized" records all the construction costs associated with the EPC contract (Engineering, Procurement, and Construction) which the Group incurs in the construction of parks for their subsequent operation, given that it is Grenergy constructing its own park. These expenses correspond to the cost of labor, installation, assembly, and start-up for the parks. It is Grenergy who designs and constructs its own park with its own personnel, resorting to subcontractors for certain work performed under supervision of the different construction managers (Grenergy employees). These subcontracting costs are also included under "Work performed by the entity and capitalized."

Costs incurred to expand, upgrade, improve, substitute or renovate PP&E items which increase productivity, capacity or efficiency, or extend the useful life of the asset, are recognized as a greater cost of said assets with the corresponding derecognition of the assets or items that have been substituted or renovated.

The acquisition cost of PP&E items which require a period of more than one year to be readied for use includes those financial expenses accrued before being readied for use in accordance with the criteria described in IAS 23. In contrast, finance interest accrued subsequent to said date, or related to financing acquisition of the remaining PP&E items, does not increase the acquisition cost and is recognized in the consolidated statement of profit or loss for the year in which said interest accrues.

The costs incurred for refurbishing leased premises are included under the heading for plant, depreciated systematically on a straight-line basis over a period of 8 years and never exceeding the duration of the lease agreement.

Plant and PP&E under construction include the cost of the operating licenses acquired as a consequence of the business combinations, depreciated over their useful life (25-30 years).

Conservation, repair, and maintenance expenses that do not increase the useful lives of assets are charged to the consolidated statement of profit or loss of the year in which they are incurred.

Depreciation is calculated systematically on a straight-line basis over the estimated useful life of each asset, based on the acquisition or production cost less the residual value, as follows:

	<b>Years of useful life</b>
Machinery and technical installations	5-12
Solar and wind parks	25-30
Transport equipment	5-10
Furniture and fixtures	10
Data processing equipment	4
Other PP&E items	6-8

The useful life of the parks was determined based on the useful lives of the main components (panels, structures, inverters, etc.) which comprise the parks and are certified by their manufacturers, since the Group considers these materials will generate normal returns during the period. Residual values are not taken into account for purposes of depreciation.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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In addition, the Group on occasion has to cover significant costs with respect to the closing of installations recognized under PP&E, corresponding to dismantling costs or other related costs, so that the consolidated statement of financial position includes provisions for these items (Notes 6 and 16). The estimate of the present value of these costs is recognized as a greater carrying amount for the asset with a credit to "Provisions" when the asset is initially put to use. This estimate is revised periodically so that the provision reflects the present value of all future estimated costs. The Group applies a risk-free rate to financially discount the provision given that the estimated future cash flows to settle the obligation reflect the specific risks of the corresponding liability. The risk-free rate used corresponds to the returns generated, at the closing date of the reporting period, of the government bonds with sufficient market depth and solvency and a similar maturity to that of the obligation in question. The change in the provision due to financial discounting is recognized with a charge to "Finance costs" in the consolidated statement of profit or loss.

The values and remaining life of these assets are reviewed at each reporting date and adjusted if necessary.

### **3.5. Impairment**

At the closing of each period, the Group analyzes whether there are any indications that the carrying amounts of its non-current assets exceed their corresponding recoverable amounts, that is, whether any of them are impaired. For those assets identified, it estimates the recoverable amount, which is understood to be the greater of (i) fair value less necessary sales costs or (ii) value in use. Where the asset does not generate cash flows independently of other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs.

If the recoverable amount thus determined is lower than the asset's carrying amount, the difference is recognized in the consolidated statement of profit or loss, reducing the carrying amount of the asset to the recoverable amount, and future amortization/depreciation charges are adjusted in proportion to the adjusted carrying amounts and the new remaining useful life, should a new estimate be necessary.

Similarly, if there is an indication of recovery in the value of an impaired asset, the Group recognizes the reversal of the impairment loss previously recorded and adjusts the future amortization/depreciation charges accordingly. Under no circumstances will said reversal result in an increase in the carrying amount of the asset exceeding that amount that would have been recognized had no impairment losses been recognized in previous years.

The gain or loss arising from the disposal or derecognition of an asset is calculated as the difference between the consideration received and the carrying amount of the asset, and is included in the consolidated statement of profit or loss for the year in which the change occurs.

The CGUs identified by the Group correspond to each of the projects, regardless of the number of SPVs associated with the projects, representing the lowest level at which independent cash flows are generated. Independently of the number of SPVs which comprise a project, everything is negotiated, analyzed, and managed as a single project.

At December 31 the Group had no PP&E items with an indefinite useful life.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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### **3.6. Leases**

At inception of a contract, the Group assesses whether it is a lease agreement or includes a lease. A contract is a lease agreement, or contains a lease, when it transfers the right to control use of an identified asset for a period of time in exchange for consideration.

The lease term is the non-cancelable period, taking into account the initial term of each contract, unless Greenergy has the unilateral option of extending or terminating the contract and it is reasonably certain that it will exercise that option, in which case the corresponding extension or early termination terms are factored in.

Greenergy only reconsiders whether the contract is a lease agreement or contains a lease, if the terms and conditions agreed upon in the contract change.

#### **Lessee**

For each of the lease agreements in which it is the lessee, Greenergy will recognize a right-of-use asset and a financial lease liability (Notes 8 and 17.6).

#### **Lessor**

In the case of lease agreements in which it is the lessor, Greenergy will classify them as either operating leases or finance leases.

A lease is classified as a finance lease when Greenergy substantially transfers all the risks and rewards incidental to ownership of the underlying asset to the client. A lease is classified as an operating lease when the risks and rewards incidental to ownership of the underlying asset are not substantially transferred.

- Operating Leases: Payments for operating leases are recognized as income in the income statement of the lessor on a straight-line basis over the term of the contract, except when a different distribution more faithfully reflects the pattern in which the profits deriving from use of the underlying leased asset are distributed.
- Finance leases: Greenergy recognizes the assets it holds in connection with a finance lease as a receivable balance in the consolidated statement of financial position, at an amount equal to the net investment in the lease, utilizing the implicit interest rate of the lease agreement for its valuation.

Subsequently, the lessor recognizes finance income over the term of the lease so that it obtains a constant interest rate for each period with respect to the pending net finance investment relating to the lease (leased asset). Further, the lessor applies the lease payments against the gross investment in order to reduce both the principal as well as the accrued finance income.

### **3.7. Right-of-use assets**

The Group recognizes a right-of-use asset at the inception date of the lease agreement. The cost of the right-of-use asset includes the initial amount of the lease liability, any direct initial costs, payments for leases made prior to the inception date, as well as any dismantling costs related to the asset. Subsequently, the right-of-use asset is recognized at cost less accumulated amortization/depreciation and, if applicable, the associated impairment provision, adjusted to reflect any subsequent valuation or modification of the lease.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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The Group applies the exemption for short-term leases (defined as leases with a duration less than or equal to 12 months) and leases of low-value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term, unless a different approach more faithfully reflects the time pattern over which the economic benefits of the leased asset are consumed.

The right-of-use assets are amortized/depreciated on a straight-line basis over the shorter period of the lease term or the useful life of the underlying asset. If a lease involves transfer of ownership of the underlying asset or the cost of the right-of-use asset reflects the intention of the Group to exercise a purchase option, the asset related to the right-of-use is amortized/depreciated over the useful life of the underlying asset. Amortization/depreciation starts from the inception date of the lease.

To determine the lease terms and the non-cancelable periods Greenergy uses the initial term of each contract except where it has the unilateral option of extending or terminating the contract and it is reasonably certain that it will exercise that option, in which case the corresponding extension or early termination terms are factored in.

The main leases contracted by the Group and which are subject to this regulation correspond to offices and the land where the different solar parks are located. In the case of land where the solar and wind parks are located, the right-of-use asset is recognized as soon as construction of the park commences, given that this is when all the rights and obligations relating to the leased land are obtained. The lease duration ranges between 25 and 30 years for land.

### **3.8. Financial instruments**

A financial instrument is any contract that simultaneously gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. The Group only recognizes financial instruments in the statement of financial position when it becomes party to such a type of contract.

In the accompanying consolidated statement of financial position, financial assets and liabilities are classified as current depending on whether their maturity is equal to or less than twelve months from the reporting date. In the case of longer maturities, they are classified as non-current.

The financial assets and liabilities which the Group most frequently owns are the following:

- Financing granted to related parties and personnel of the Group, regardless of the legal manner in which this occurs
- Trade receivables
- Financing received from financial institutions and suppliers
- Securities, both those representing debt (obligations, bonds, letters of credit, etc.) or equity instruments of other entities (shares) or interests held in collective investment institutions.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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### **a) Financial assets**

Based on the characteristics of the contractual cash flows and the entity's business model for managing its financial assets, the Group recognizes the financial assets it holds in the following categories:

- a) Assets at amortized cost: these financial assets are held in order to collect contractual cash flows which, based on their contractual terms, give rise to cash flows on specified dates that are solely payments of principal and interest.

This category includes "Trade and other receivables" which are measured at the moment of their recognition in the statement of financial position at market value and subsequently at amortized cost utilizing the effective interest rate. The Group recognizes the corresponding impairment provisions for any differences between the recoverable amount of its accounts receivable and the carrying amounts at which they are recognized in accordance with the previous paragraph. Said provisions are recognized in accordance with the expected losses. The Group has carried out an analysis of expected losses and concluded that this IFRS does not have any significant effect on the annual consolidated financial statements for the years 2022 and 2021.

- b) Financial assets at fair value through other comprehensive income: these are assets held with the objective of both obtaining contractual cash flows from them and selling them, and, based on the contractual terms, the cash flows are received on specified dates that are solely payments of principal and interest. Interest, impairment losses, and currency translation differences are recognized in profit or loss as per the amortized cost model. The remaining changes in fair value are recognized in consolidated equity balances and can be reclassified to the consolidated statement of profit or loss when sold.

However, in the cases of equity instruments, provided they are not held for trading, they can be measured under this category without the amounts recognized in consolidated equity subsequently being reclassified to the consolidated statement of profit or loss upon their sale, with only dividends received being recognized in profit or loss.

- c) Financial assets at fair value through profit or loss: this category includes the remaining financial assets not described in the previous categories.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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### **b) Financial liabilities**

Financial liabilities are classified based on the agreed-upon contractual terms and taking into account the economic substance of the corresponding transactions.

- Bank borrowings and other remunerated liabilities: Loans, bank overdrafts, obligations, and other similar instruments which accrue interest are initially recognized at fair value, which is equivalent to the cash received net of directly attributable transaction costs incurred. Finance expenses accrued, including premiums payable on settlement or redemption and direct issue costs, are recognized in the consolidated statement of profit or loss using the effective interest rate method, increasing the carrying amount of the financial liabilities to the extent that they are not settled in the period in which they accrue. Said expenses likewise include loans at zero interest, recognized at their nominal amounts given that they do not significantly differ from fair value.

Loans repayable in the short term, but whose long-term refinancing is assured at the discretion of Group through available long-term credit facilities, are classified as non-current liabilities in the accompanying consolidated statement of financial position.

Further, those loans associated with projects which are classified under "Inventories" are classified as current liabilities.

- Trade receivables: the Group's trade receivables in general do not mature in more than one year and do not accrue explicit interest, and are recognized at their nominal value, which is not significantly different to their amortized cost.

The Group derecognizes a financial liability, or a part of the financial liability, as soon as the obligations relating to the corresponding contract have either expired or been settled or canceled.

The substantial modifications of initially recognized financial liabilities are accounted for as a cancellation of the original financial liability and the recognition of a new financial liability, provided the related conditions of the instruments are substantially different. The Group recognizes the difference between the carrying amount of the financial liability, or part of that liability, that has been extinguished or assigned to a third party and the consideration paid, including any assets assigned (other than cash) or liabilities assumed, in the consolidated statement of profit or loss.

### **c) Own equity instruments**

An equity instrument is any contract that evidences a residual interest in the Group's assets after deducting all of its liabilities.

The equity instruments issued by the Parent are recognized in equity at the amount received net of any issuance costs.

#### Share capital

Ordinary shares are classified as share capital. No other shares exist.



## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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Costs directly attributable to the issue or acquisition of new shares are recognized under equity as a deduction of the corresponding amount.

### Treasury shares

Transactions involving treasury shares in 2022 and 2021 are summarized in Note 13.4. They are deducted from equity in the accompanying consolidated statements of financial position for the years ended December 31, 2022 and 2021.

When the Group acquires or sells own equity instruments, the amount paid or received is recognized directly in consolidated equity. No gains or losses are recognized under profit or loss arising from the purchase, sale, issue or amortization of the Group's own equity instruments.

The Parent's shares are measured at average acquisition price.

### Share options (Note 3.18)

The Group has granted Greenergy Renovables, S.A. share option plans to certain employees.

Said options granted, in accordance with IFRS 2, are considered a share-based payment to be settled with own equity instruments. Therefore, they are measured at fair value on the grant date and charged to profit or loss using the straight-line method over the life of the plan, based on the different vesting periods of the share options, with a credit to equity.

As market prices are not available, the value of the share options was determined using valuation techniques which take into account all the factors and circumstances which, between independent and well informed parties, would have been applicable for determining their transaction value.

### **d) Cash and cash equivalents**

This heading in the accompanying consolidated statement of financial position includes cash in hand, demand deposits at credit entities, and other highly liquid short-term investments with original maturities of three months or less. The bank overdrafts are classified as borrowings under current liabilities in the accompanying consolidated statement of financial position.

### **3.9. Lease liabilities**

At the inception date of the lease, the Group recognizes a lease liability at the present value of the lease payments to be made over the lease term, discounted using the implicit interest rate of the lease or, if this cannot be easily determined, the incremental borrowing rate.

The lease payments to be made include fixed payments less any receivable lease incentives, variables which depend on an index or rate, as well as guarantees for the residual value expected to arise, the exercise price of a purchase option, if it is expected to be exercised, as well as termination penalty payments, if the term of the lease reflects the intention of the lessor to exercise an option to terminate the lease.

Any other variable payment is excluded from recognition of the lease liability and the right-of-use asset.

## GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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Subsequently, the financial lease liability is increased by the interest on the lease liability, reduced by the payments made. Likewise, the liability will be remeasured if there are any modifications to the amounts payable and the lease duration.

### **3.10. Derivative financial instruments and hedge accounting**

The Group's activities expose it to financial risk mainly arising from changes in interest rates. It hedges this risk exposure by using interest rate swaps. The Group does not use derivative financial instruments for speculative purposes, regardless of the fact that in certain cases the conditions for the application of hedge accounting are not met.

The derivatives are initially recognized at fair value and subsequently the necessary valuation adjustments are made to reflect their fair value at any given moment, recognizing said adjustments in the consolidated statement of financial position as current or non-current assets under "Financial investments - Derivatives," if they are positive, or as current or non-current liabilities under "Borrowings - Derivatives," if they are negative.

The gains or losses arising from any such changes in the fair value of derivatives are recognized in the consolidated statement of profit or loss for the year, unless the derivative instruments have been designated as hedging instruments for accounting purposes and are deemed to be highly effective, in which case they are recognized as follows:

- Fair value hedges: both the hedged item as well as the hedging instrument are measured at fair value, recognizing any changes in fair value for both instruments attributable to the hedged risk in the consolidated statement of profit or loss for the year, with the net effect reflected in the balance associated with the hedged item.
- Cash flow hedges: the changes in fair value of the financial derivative hedging instruments are recognized in equity, to the extent considered highly effective and net of the tax effect, under "Unrealized gains (loss) reserve" in the consolidated statement of financial position. The gains or losses accumulated under this heading and associated with the derivative are transferred to the consolidated statement of profit or loss to the extent that the hedged item affects the Group's profit or loss, or in the year in which the corresponding item is disposed of, with said effect reflected under the same heading in the consolidated statement of profit or loss.

When hedges relating to firm commitments or future transactions give rise to recognition of a non-financial asset or non-financial liability, the gain or loss accumulated in equity and associated with the derivative instrument is taken into account when determining the initial carrying amount of the asset or liability which gives rise to the hedged item.

In contrast, those changes in the fair value of derivative financial instruments which are deemed ineffective are recognized immediately in the consolidated statement of profit or loss.

This type of hedge mainly corresponds to those derivatives contracted to convert variable interest rates on financial debt to fixed rates as well as to ensure a fixed price in the sale of energy (Note 17.5).

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- Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or when it no longer qualifies for hedge accounting. When this occurs, the gain or loss accumulated under "Unrealized gains (loss) reserves" in equity is maintained under said heading until the hedged transaction is carried out, at which point the results of said transaction are adjusted. If it is expected that the hedged transaction will finally not be carried out, the loss or gain recognized in equity will be taken to the consolidated statement of profit or loss for the year.

Derivatives which are implicit in other financial instruments or in other main contracts are accounted for separately when their characteristics and risks are not closely related, provided that the whole instrument is not being accounted for at fair value recognizing the changes in fair value in the consolidated statement of profit or loss.

The fair value of the various derivative instruments is calculated on the following basis:

- Derivatives traded on organized markets: their fair value is obtained based on the quoted price at the closing date of the reporting period.
- Derivatives not traded on organized markets: for their measurement the Group uses techniques habitually used in financial markets, that is, discounting all future cash flows foreseen in the contract in accordance with their characteristics, such as the notional amount and the time schedule for collections and payments, based on market conditions at the closing date of the reporting period. The values thus obtained by the Group are compared to the valuations presented by financial intermediaries and independent third parties.

### **3.11. Inventories**

Inventories are measured at the lower of cost or net realizable value. The cost of finished products and work in progress includes those expenses incurred in the development (Note 3.4) and construction of installations which will be sold to third parties. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable sales costs.

Fixed assets (basically installations and civil engineering works) at the photovoltaic solar plants of subsidiaries included in the consolidation scope, meant for sale, are classified as inventories including reimbursable external finance expenses until they have been readied for operations.

The Group assesses the net realizable value of its inventories at each reporting date, recognizing any impairment losses as required if they are overstated. When the circumstances which gave rise to recognition of impairment losses on inventories no longer hold or there is clear evidence justifying an increase in the net realizable value due to changes in economic circumstances, the previously recognized impairment losses are reversed. This reversal is limited to the lower amount of either the cost or the new net realizable value of the inventories. Both impairment losses on inventories as well as their reversal are recognized in the consolidated statement of profit or loss for the period.

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The photovoltaic assets owned by the Group are initially classified as inventories, given that the directors consider that they will be sold. In those cases in which a decision is initially taken to operate the photovoltaic solar plant, they are classified under PP&E. Should a photovoltaic plant previously classified as inventory not be sold within a year subsequent to finalizing construction, it will be reclassified as PP&E.

### 3.12. Foreign currency translation

#### Functional and presentational currency

The items included in the consolidated financial statements of each of the Group companies are measured using the currency of the primary economic environment in which it operates (functional currency). Group companies use the currencies of the countries in which they are located as their functional currency, apart from the subsidiaries Grenergy Atlantic, S.A.; Kosten, S.A.; Grenergy Renovables Pacific. Ltda; Parque Fotovoltaico Nuevo Quillagua, SpA; GR Taruca, S.A.C.; GR Paino, S.A.C.; Grenergy Perú, S.A.C.; GR Las Palmas de Cocalán, SpA; GR Lleuque, SpA; GR Ruil, SpA; GR Torres del Paine, SpA, GR Power Chile, SpA; GR Cabo de Hornos, SpA; CE Centinela Solar, SpA; CE Uribe de Antofagasta Solar, SpA; GR Alerce Andino SpA; and GR Andino, SAC, which use the US dollar as their functional currency given that practically all their revenue is referenced to the US dollar, they are financed in US dollars, and their investments are also denominated in US dollars, as are most of their expenses.

#### Foreign currency transactions and balances

As the Group's functional currency is the euro, all balances and transactions denominated in currencies other than the euro are deemed to be denominated in foreign currency. Said transactions are recognized in euros applying the spot exchange rates prevailing at the transaction dates.

At year end, the monetary assets and liabilities denominated in foreign currencies are converted to euros utilizing the average spot exchange rate prevailing at said date in the corresponding currency markets.

The gains or losses obtained from settling transactions denominated in foreign currency and the conversion at closing date exchange rates of the monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit or loss for the year under "Exchange gains (losses)."

The exchange rates with respect to the euro of the main currencies used by the Group companies at December 31, 2022 and 2021 were as follows:

	December 31, 2022		December 31, 2021	
	Closing rate	Average accumulated rate	Closing rate	Average accumulated rate
US dollar (USD)	1.07	1.05	1.13	1.18
Peruvian sol (PEN)	4.09	4.02	4.52	4.55
Chilean peso (CLP)	915.95	913.59	955.64	901.75
Mexican peso (MXN)	20.72	21.07	23.20	24.07
Pound sterling (GBP)	0.86	0.85	0.84	0.86
Colombian peso (COP)	5,147.88	4,487.87	4,596.75	4,456.80
Polish zloty (PLN)	4.68	4.69	-	-

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### **3.13. Income tax**

Income tax expense for the year is calculated as the sum of current tax, resulting from applying the corresponding tax rate to taxable income for the year (after applying any possible tax deductions), and any changes in deferred tax assets and liabilities.

The tax effect relating to items directly recognized in equity is recognized under equity in the consolidated statement of financial position.

Deferred taxes are calculated in accordance with the balance sheet method, considering the temporary differences that arise between the tax bases of assets and liabilities and their carrying amounts, applying the regulations and tax rates that have been approved or are about to be approved at the reporting date and which are expected to apply when the corresponding deferred tax asset is realized or deferred tax liability is settled.

Deferred tax liabilities are recognized for all taxable temporary differences except for those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that is not a business combination and affects neither taxable profit nor accounting profit. Deferred tax assets are recognized when it is probable that the Group will generate sufficient taxable profit in the future against which the deductible temporary differences or the unused tax loss carryforwards or tax assets can be utilized.

In addition, potential differences at the consolidated level between the carrying amount of the investee and its tax base are also considered. In general, these differences arise from cumulative results generated from the date the investee was acquired, the tax credits related to the investment, and foreign currency translation differences in the case of investees whose functional currency is not the euro. Deferred tax assets and liabilities arising from these differences are recognized except, in the case of differences in tax bases, where the investor can control the timing of the reversal, and, in the case of deductible differences, if the temporary difference is likely to reverse in the foreseeable future and the company is expected to have sufficient future taxable profits.

In accordance with IAS 12, the non-monetary assets and liabilities of an entity are measured in terms of their functional currency. If the entity's tax profits or losses (and, therefore, the tax bases of its non-monetary assets and liabilities) are calculated in a different currency, the fluctuations in exchange rates will give rise to temporary differences, which will result in recognition of a deferred tax liability or asset.

At each reporting date the Group reviews the deferred tax assets and liabilities recognized to verify that they remain in force, making any appropriate adjustments on the basis of the results of the analysis performed.

Deferred tax assets and liabilities are offset when, and only when, there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the current tax balances on a net basis.

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The Parent has been filing its tax returns under a consolidated tax regime since 2021 together with the remaining Spanish companies included in the Greenergy Group, the identification number of which is 429/21. The remaining Group companies file their tax returns under an individual tax regime in accordance with the prevailing legislation applicable in their respective jurisdictions (Note 19.1).

### **3.14. Recognition of income and expenses**

#### a) General

Revenue from contracts with clients is recognized based on compliance with performance obligations with respect to the clients in accordance with IFRS 15.

Ordinary revenue represents the transfer of promised goods or services to clients in an amount that reflects the consideration to which Greenergy expects to be entitled in exchange for those goods and services.

A five-step model is established for recognizing revenue:

1. Identifying the contract(s) with a client
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the different performance obligations
5. Recognizing revenue in accordance with fulfillment of each obligation.

Based on this recognition model, sales of goods are recognized when the products have been delivered to and accepted by the client, even if they have not been invoiced or, where applicable, the services have been rendered and collection of the receivables is reasonably assured. Revenue for the year includes the estimates for construction projects executed but yet to be invoiced.

Expenses are recognized as accrued, immediately in the case of disbursements which will not generate future economic profit or when the requirements for recognizing them as an asset are not met.

Sales are measured net of taxes and discounts and Greenergy intra-group transactions are eliminated.

#### b) Income from construction contracts

For engineering, procurement, and construction contracts ("EPC contracts"), executed on land owned by third parties, the Group in general fulfills its performance obligations over a period of time and not at a specific moment, given that:

- The client simultaneously receives and consumes the benefits generated by the entity's activity over the course of the service being rendered.
- The asset has no alternative use for the Group.

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- The Group has the enforceable right to payment for activities already completed to date. For these purposes, the existence of resolatory clauses is also taken into account.

The average construction period for solar parks habitually ranges from 6 to 12 months, depending on their size.

For EPC contracts, since there are no significant deviations in real costs compared to budgeted costs, Greenergy generally recognizes income based on the input or stage of completion methods, recognizing ordinary income based on efforts made or expenses incurred by the Group to meet its execution commitments as compared to total forecast costs for fulfilling the execution commitment. Losses which may arise on the contracted projects are recognized, in their totality, at the moment said losses become apparent and can be estimated. The difference between revenue recognized for a project and the amount invoiced for that project is recognized in the following manner:

- if it is positive, such as "Work completed pending invoice" (deferred invoicing), under "Trade and other receivables" (Note 11);
  - if it is negative, such as "Advance collections" (early invoicing), under "Accruals."
- c) Income from the sale of solar parks

Revenue from the sale of solar parks is recognized at the moment when control over the underlying goods and services related to performance of the contractual terms is transferred to the buyer.

Specifically, the sale of solar parks whose fixed assets are classified under "Inventories" (Note 3.11) is recognized under "Revenue" in the consolidated statement of profit or loss as the sum of the price of the photovoltaic park's shares, plus the amount of its net associated debt (total debt less working capital), while at the same time derecognizing the corresponding balance under "Inventories" with a charge to "Changes in inventory of finished goods and work in progress" in the consolidated statement of profit or loss. The difference between these two amounts is the operating profit on the sale.

For the sale of shares in solar parks deemed 100% ready to build, recognition takes place as soon as control over the underlying goods and services for the performance obligation have been transferred to the buyer and the sale is considered legally irrevocable. For these purposes the Group also takes into account the existence of resolatory clauses, amongst other matters.

- d) Income from sale of energy

Revenue from the sale of energy is recognized when the energy corresponding to clients is delivered, regardless of when the invoices are issued. At the closing of the financial year, revenue recognized but not invoiced is classified under "Trade and other receivables" in accordance with IFRS 15. The revenue which has not been invoiced is estimated based on the information obtained from the consumption meters applying the corresponding rates (Note 11).

## GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the consolidated financial statements  
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### e) Income from the rendering of services

Revenue from the rendering of services corresponds to the operation and maintenance contracts as well as the asset management contracts for the solar parks. These services are generally provided on the basis of a specific date for periods generally lasting two years. Revenue arising from the rendering of these services is recognized in the year in which said services are provided on a straight-line basis over the duration of the contract.

### 3.15. Provisions and contingencies

At the date of authorization of the accompanying consolidated financial statements, the directors of the Parent made the following distinctions:

- Provisions: existing obligations at the reporting date arising from past events that are uncertain as to amount or timing but for which it is probable that the Group will suffer an outflow of resources which can be reliably estimated (Note 16).
- Contingent liabilities: possible obligations arising as a consequence of past events, materialization of which is conditional upon one or more events occurring in the future not entirely within control of the Group and which do not meet the requirements for recognition as provisions. At 2022 and 2021 year end there were no contingent liabilities other than those disclosed in Note 16.

The consolidated financial statements of the Group record all significant provisions with respect to which it considers there is a high probability that the related obligation will have to be met. These liabilities are quantified based on the best information available at the reporting date regarding the consequences of the triggering event and taking into account the time value of money, if significant.

Their allocation is made with a charge against the consolidated statement of profit or loss for the year in which the obligation arises (legal, contractual, or implicit), and can be fully or partially reversed with a credit to the consolidated statement of profit or loss when the obligations cease to exist or decrease.

#### Provisions for dismantling

The Group recognizes a provision to cover the dismantling costs for the solar and wind parks. Dismantling costs are determined as the present value of the expected costs to settle the obligation using estimated cash flows and are recognized as part of the corresponding asset's cost. The cash flows are discounted at a pre-tax discount rate that reflects the risks specific to the dismantling liability. The unwinding of the discount is recognized as a finance cost in the consolidated statement of profit or loss as incurred.

The estimated future dismantling costs are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Provisions are determined based on expected future discounted cash flows, using pre-tax market interest rates, and when appropriate, the risks specific to the liability, when the adjustment's effect is significant. When the discount method is used, the increased provision arising from the passage of time is recognized as a financial expense.



## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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It is the Group's policy to recognize this provision when an installation becomes operational (Note 16).

### **3.16. Environmental assets and liabilities**

Environmental assets are classified as those the Group utilizes in its activities over a long period of time whose primary purpose is to minimize the environmental impact and protect or improve the environment, including those assets designed to reduce or eliminate future contamination from the Group's activities.

The criteria for initial recognition, allocation for amortization/depreciation, and possible impairment loss adjustments on said assets are as described in Note 3.5 above.

Given the Group's activities, and in accordance with prevailing legislation, it controls the degree of contamination produced by waste and emissions by applying an appropriate waste disposal policy. Expenses for these purposes are charged to the consolidated statement of profit or loss for the year in which they are incurred.

### **3.17. Employee benefits expense**

Employee benefits expenses include all the Group's duties and obligations of a social nature, whether mandatory or voluntary, recognizing the obligations for bonus salary payments, holidays, and variable remuneration, as well as associated expenses.

#### **a) Short-term employee benefits**

This type of remuneration is measured at the undiscounted amount payable in exchange for services received. These benefits are generally recognized as personnel expenses for the year and are presented as a liability in the consolidated statement of financial position corresponding to the difference between the total expense accrued and the amount settled at the reporting date.

#### **b) Termination benefits**

In keeping with prevailing legislation, the Group is obliged to pay indemnities to employees who are dismissed through no fault of their own. Said termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it has a demonstrable commitment to terminate its current labor contracts under an irrevocable and detailed plan or to provide the benefits as part of an offer to encourage voluntary redundancy.

At year end the Group had no plan to reduce personnel that would require it to record a corresponding provision.

### **3.18. Share-based payments**

Transactions in which a company receives goods or services, including services rendered by employees, in exchange for its own equity instruments, or an amount based on the value of its equity instruments, such as share options or share appreciation rights, are considered equity-settled share-based payment transactions.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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The Group shall on the one hand recognize the goods and services received as an asset or an expense, based on their nature, at the date obtained and, on the other hand, the corresponding increase in equity if the transaction is settled with equity instruments or the corresponding liability if settled with a cash amount based on the value of equity instruments.

If the Group has the option to settle with equity instruments or in cash, it must recognize a liability to the extent that it has incurred a present obligation to settle in cash or with other assets; alternatively, it shall recognize a balance in equity. If the choice corresponds to the supplier of the goods or services, the Group will recognize a compound financial instrument, which shall include a liability component, for the other party's right to demand payment in cash, and an equity component, for the right to receive the consideration in equity instruments.

In transactions in which services must be completed throughout a certain period of time, these services shall be recognized as rendered during said period.

In transactions with employees which are settled with equity instruments, both the services rendered and the increase in equity to be recognized shall be measured at fair value of the equity instruments assigned on the grant date.

Equity-settled transactions which relate to goods or services other than those provided by employees shall be measured at the fair value of said goods or services, if this can be measured reliably, at the date received. If the fair value of the goods or services received cannot be reliably measured, the goods or services received and the increase in equity shall be measured at the fair value of the equity instruments granted at the date the Group obtains the goods or the other party renders the services.

After recognition of the goods and services received, as established in the above paragraphs, as well as the corresponding increase in equity, no additional adjustments shall be made to equity after the vesting date.

For cash-settled transactions, the goods or services received and the liability to be recognized shall be measured at the fair value of the liability corresponding to the date on which the recognition requirements are met.

Thereafter, and until settlement, the corresponding liability shall be measured at fair value at each year end, and any changes in value during the year shall be recognized in the consolidated statement of profit or loss.

At December 31, 2022 and 2021, the Parent had granted various incentive plans to its employees consisting of a share option plan on its shares. Said plan establishes that the transactions shall be settled via delivery of equity instruments (Note 13.5).

### **3.19. Related-party transactions**

The Group conducts all related-party transactions on an arm's length basis. In addition, since transfer prices are adequately supported, the Group's directors consider that there are no risks in this connection that could lead to significant liabilities in the future.

## GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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### 3.20. Earnings per share

Basic earnings per share are calculated by dividing consolidated profit for the year attributable to the Parent by the weighted average number of ordinary shares outstanding during the year, excluding the average number of shares of the Parent held by the Group.

Diluted earnings per share are calculated by dividing the consolidated profit attributable to ordinary shareholders, adjusted by the impact of dilutive potential ordinary shares, by the weighted average number of ordinary shares outstanding during the period, adjusted by the weighted average number of ordinary shares that would be issued should all the potential ordinary shares be converted into ordinary shares of the Parent. To this end, it is assumed that conversion takes place at the beginning of the period or when the dilutive potential ordinary shares are issued in the event of issuance during the year.

## 4. Segmented financial reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Chief Executive Officer when taking operational decisions for Greenergy about resources to be allocated to the segment and assessing its performance, and for which discrete financial information is available. Thus, the figures included by segment in said internal reports include income which is eliminated upon consolidation since the directors consider this better reflects the real activity of the Group as compared to the consolidated figures, which only reflect operations with third parties.

The Group classifies the business segments in which it performs its activities under the following operational divisions:

- Development and Construction: this division's activities involve the search for feasible projects, in both financial as well as technical terms, the necessary work for reaching all the milestones for initiating construction, and preparatory work on the land for the construction and starting up of each project. Revenue arises from the sale of developments to third parties, via sale of the companies holding title to the licenses and permits, as well as construction income relating to EPC contracts, and construction income from work carried out by the Group for its own parks.
- Energy: this division deals with revenue obtained from the sale of energy in each of the markets in which the Group has or will have its own operational projects as Independent Power Producer ("IPP").
- Services: this division includes the services rendered for projects once the start-up date has been reached (Commercial Operation Date - "COD") and which are therefore in the operational phase. It encompasses asset management and O&M activities provided for third-party projects.

**GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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The distribution of revenue and EBITDA amongst the three business segments at the closing of 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
<b>Income</b>		
Development and Construction	232,613	197,475
Energy	57,779	19,904
Services	2,615	2,775
<b>Total income (*)</b>	<b>293,007</b>	<b>220,154</b>

(\*) Alternative performance measure (APM) See Appendix II.

	Thousands of euros	
	2022	2021
<b>EBITDA</b>		
Development and Construction	22,127	33,135
Energy	36,064	13,267
Services	471	354
Corporate	(8,508)	(5,319)
<b>Total (*)</b>	<b>50,154</b>	<b>41,437</b>

(\*) Alternative performance measure (APM) See Appendix II.

The income shown in the above table includes the following headings in the accompanying consolidated statement of profit or loss: "Revenue" and "Work performed by the entity and capitalized." Likewise, the income presented in the above table includes an amount of 182,423 thousand euros for 2022 and 137,648 thousand euros for 2021, representing unrealized income from third parties and recognized under "Work performed by the entity and capitalized" in the accompanying consolidated statement of profit or loss.

The amount shown above for EBITDA includes "Operating profit" less "Depreciation and amortization" and "Impairment and losses" in the accompanying consolidated statement of profit or loss.

The total amount of income in 2022 and 2021, broken down by geographical location, is as follows:

	2022	2021
Chile	164,791	98,755
Spain	64,297	102,251
Peru	15,339	2,195
Argentina	8,163	3,435
Colombia	36,566	12,410
Mexico	2,875	1,108
Other	976	-
<b>Total (thousands of euros)</b>	<b>293,007</b>	<b>220,154</b>

**GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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The Group's assets and liabilities at December 31, 2022 and 2021 are shown below by geographical location:

Year ended December 31, 2022

ASSETS	Spain	Chile	Mexico	Peru	Colombia	Italy	United Kingdom	Poland	Argentina	Total 12.31.2022
<b>NON-CURRENT ASSETS</b>	<b>229,303</b>	<b>249,033</b>	<b>27,408</b>	<b>65,276</b>	<b>51,026</b>	<b>2,039</b>	<b>1,125</b>	<b>398</b>	<b>56,234</b>	<b>681,842</b>
Intangible assets	248	-	-	-	-	-	-	-	-	248
Property, plant, and equipment	185,481	208,758	26,192	57,548	49,172	2,031	1,118	389	51,460	582,149
Right-of-use assets	8,324	16,835	555	1,470	974	-	-	-	17	28,175
Investments accounted for using the equity method	4,515	-	-	-	-	-	-	-	-	4,515
Financial investments	13,761	5,627	3	13	-	8	7	9	-	19,428
Deferred tax assets	16,974	17,813	658	6,245	880	-	-	-	4,757	47,327
<b>CURRENT ASSETS</b>	<b>72,455</b>	<b>91,014</b>	<b>6,971</b>	<b>6,791</b>	<b>22,678</b>	<b>698</b>	<b>239</b>	<b>105</b>	<b>4,188</b>	<b>205,139</b>
Inventories	2,349	979	59	202	2,981	31	-	-	10	6,611
Trade and other receivables	35,255	28,443	4,381	4,281	4,513	218	23	62	2,873	80,049
Financial investments	10,103	1,785	-	-	84	-	-	-	-	11,972
Accruals	696	-	6	40	66	-	8	9	12	837
Cash and cash equivalents	24,052	59,807	2,525	2,268	15,034	449	208	34	1,293	105,670
<b>TOTAL ASSETS</b>	<b>301,758</b>	<b>340,047</b>	<b>34,379</b>	<b>72,067</b>	<b>73,704</b>	<b>2,737</b>	<b>1,364</b>	<b>503</b>	<b>60,422</b>	<b>886,981</b>

EQUITY AND LIABILITIES	Spain	Chile	Mexico	Peru	Colombia	Italy	United Kingdom	Poland	Argentina	Total 12.31.2022
<b>EQUITY</b>	<b>255,433</b>	<b>12,927</b>	<b>(4,962)</b>	<b>(9,936)</b>	<b>(5,584)</b>	<b>(159)</b>	<b>(193)</b>	<b>(157)</b>	<b>(2,554)</b>	<b>244,815</b>
Share capital	10,714	-	-	-	-	-	-	-	-	10,714
Share premium	198,912	-	-	-	-	-	-	-	-	198,912
Reserves	77,711	7,091	(4,527)	(5,709)	(805)	(29)	(42)	-	(5,634)	68,056
Profit (loss)	13,606	4,578	(121)	(4,585)	(5,448)	(130)	(153)	(155)	2,711	10,303
Treasury shares	(19,728)	-	-	-	-	-	-	-	-	(19,728)
Unrealized gains (losses) reserve	(25,617)	1,257	(254)	372	669	-	2	-	369	(23,204)
Minority interests	(165)	1	(60)	(14)	-	-	-	-	-	(238)
<b>NON-CURRENT LIABILITIES</b>	<b>221,189</b>	<b>131,476</b>	<b>1,008</b>	<b>9,625</b>	<b>25,718</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,880</b>	<b>420,896</b>
Provisions	2,560	2,525	333	5,141	478	-	-	-	5,317	16,354
Borrowings	213,429	119,835	534	1,027	25,240	-	-	-	24,054	384,119
Deferred tax liabilities	5,200	9,116	141	3,457	-	-	-	-	2,509	20,423
<b>CURRENT LIABILITIES</b>	<b>157,846</b>	<b>28,132</b>	<b>17,579</b>	<b>8,364</b>	<b>3,947</b>	<b>94</b>	<b>47</b>	<b>29</b>	<b>5,232</b>	<b>221,270</b>
Provisions	-	510	-	6,054	-	-	-	-	1,589	8,153
Borrowings	87,826	10,945	16,404	98	420	-	-	-	2,919	118,612
Trade and other payables	70,020	16,677	1,175	2,212	3,527	94	47	29	724	94,505
Accruals	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>634,468</b>	<b>172,535</b>	<b>13,625</b>	<b>8,053</b>	<b>24,081</b>	<b>(65)</b>	<b>(146)</b>	<b>(128)</b>	<b>34,558</b>	<b>886,981</b>

The Group initiated its activity in Poland and Germany during 2022.

Year ended December 31, 2021

ASSETS	Spain	Chile	Mexico	Peru	Colombia	Italy	United Kingdom	Argentina	Total 12.31.2021
<b>NON-CURRENT ASSETS</b>	<b>177,134</b>	<b>109,432</b>	<b>25,639</b>	<b>57,158</b>	<b>4,286</b>	<b>350</b>	<b>421</b>	<b>54,030</b>	<b>428,450</b>
Intangible assets	81	-	-	-	-	-	-	-	81
Property, plant, and equipment	156,659	99,073	24,559	52,891	4,246	348	414	50,593	388,783
Right-of-use assets	9,161	1,962	521	1,398	-	-	-	30	13,072
Financial investments	826	228	3	7	-	-	2	7	1,073
Deferred tax assets	10,407	8,169	556	2,862	40	-	-	3,407	25,441
<b>CURRENT ASSETS</b>	<b>104,429</b>	<b>53,740</b>	<b>7,310</b>	<b>4,482</b>	<b>1,454</b>	<b>139</b>	<b>151</b>	<b>4,653</b>	<b>176,358</b>
Inventories	11,490	5,228	52	38	522	3	-	14	17,347
Trade and other receivables	33,339	32,632	5,417	3,343	450	17	59	4,436	79,693
Financial investments	6,850	846	-	-	265	-	-	-	7,961
Accruals	2,533	8	37	68	-	(9)	3	49	2,689
Cash and cash equivalents	50,217	15,026	1,804	1,033	217	128	89	154	68,668
<b>TOTAL ASSETS</b>	<b>281,563</b>	<b>163,172</b>	<b>32,949</b>	<b>61,640</b>	<b>5,740</b>	<b>489</b>	<b>572</b>	<b>58,683</b>	<b>604,808</b>

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EQUITY AND LIABILITIES	Spain	Chile	Mexico	Peru	Colombia	Italy	United Kingdom	Argentina	Total 12.31.2021
<b>EQUITY</b>	<b>169,208</b>	<b>5,641</b>	<b>(4,406)</b>	<b>(5,873)</b>	<b>(829)</b>	<b>212</b>	<b>110</b>	<b>(5,355)</b>	<b>158,708</b>
Share capital	9,774	-	-	-	-	-	-	-	9,774
Share premium	109,851	-	-	-	-	-	-	-	109,851
Reserves	57,111	2,027	(1,876)	(2,272)	(176)	(9)	-	(2,495)	52,310
Profit (loss)	20,578	4,965	(2,652)	(3,033)	(671)	221	111	(3,211)	16,308
Treasury shares	(17,577)	-	-	-	-	-	-	-	(17,577)
Unrealized gains (losses) reserve	(10,365)	(1,352)	176	(170)	18	-	(1)	351	(11,343)
Minority interests	(164)	1	(54)	(398)	-	-	-	-	(615)
<b>NON-CURRENT LIABILITIES</b>	<b>141,799</b>	<b>72,359</b>	<b>893</b>	<b>33,335</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,990</b>	<b>286,376</b>
Provisions	-	1,021	276	4,742	-	-	-	6,470	12,509
Borrowings	140,839	68,949	491	25,224	-	-	-	23,999	259,502
Deferred tax liabilities	960	2,389	126	3,369	-	-	-	7,521	14,365
<b>CURRENT LIABILITIES</b>	<b>109,579</b>	<b>14,016</b>	<b>17,069</b>	<b>11,413</b>	<b>1,178</b>	<b>61</b>	<b>55</b>	<b>6,353</b>	<b>159,724</b>
Provisions	-	374	-	-	-	-	-	1,430	1,804
Borrowings	48,418	4,733	15,387	1,774	-	-	-	3,853	74,165
Trade and other payables	59,819	8,909	1,682	9,639	1,178	61	55	1,070	82,413
Accruals	1,342	-	-	-	-	-	-	-	1,342
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>420,586</b>	<b>92,016</b>	<b>13,556</b>	<b>38,875</b>	<b>349</b>	<b>273</b>	<b>165</b>	<b>38,988</b>	<b>604,808</b>

The Group initiated its activity in the United Kingdom during 2021.

## 5. Business Combinations

No business combinations occurred in 2022.

In 2021 the Parent acquired 100% of the share capital of three other companies (CE Centinela Solar, SpA; CE Uribe de Ansofagasta Solar, SpA; and Chapiquina Solar, SpA), titleholders to 3 solar energy projects in the very early stages of development. The cost of the business combination of these 3 projects amounted to 31 thousand euros, which agrees with the fair value of the assets and liabilities of these entities.

The results for all the business combinations carried out during 2021 are as follows:

	Fair value of assets and liabilities	Carrying amount of assets and liabilities	Difference	Assigned to:	
				Development (PP&E)	Deferred tax liabilities
MIGUEL SOLAR SPA	1,319	1	1,318	1,758	(440)
MAITE SOLAR SPA	1,268	1	1,267	1,689	(422)
CE CENTINELA SOLAR SPA	28	28	-	-	-
CE URIBE DE ANSOFAGASTA SOLAR SPA	3	3	-	-	-
CHAPIQUINA SOLAR SPA	1	1	-	-	-
<b>TOTAL</b>	<b>2,619</b>	<b>34</b>	<b>2,585</b>	<b>3,447</b>	<b>(862)</b>

None of the transactions include contingent payments. Likewise, no accounts receivable or contingent liabilities were acquired.

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**6. Property, plant, and equipment**

The breakdown and movements in this heading of the accompanying consolidated statement of financial position during 2022 and 2021 were as follows:

	Land and buildings	Parks in operation	Other PP&E items	PP&E under construction	TOTAL
<b>COST</b>					
<b>Balance at 12.31.2020</b>	<b>17</b>	<b>60,344</b>	<b>3,721</b>	<b>84,562</b>	<b>148,644</b>
Business combinations	-	-	-	3,447	3,447
Currency translation differences	-	5,071	68	6,310	11,449
Additions	59	1,131	258	193,242	194,690
Transfers	-	128,259	-	(93,352)	34,907
Provision for dismantling	-	7,756	-	-	7,756
Disposals, derecognitions, and reductions	-	-	(32)	-	(32)
<b>Balance at 12.31.2021</b>	<b>76</b>	<b>202,561</b>	<b>4,015</b>	<b>194,209</b>	<b>400,861</b>
Currency translation differences	-	11,017	61	958	12,036
Additions	20	5,433	1,332	182,997	189,782
Transfers	-	204,723	-	(204,723)	-
Provision for dismantling	-	4,409	-	-	4,409
<b>Balance at 12.31.2022</b>	<b>96</b>	<b>428,143</b>	<b>5,408</b>	<b>173,441</b>	<b>607,088</b>
<b>DEPRECIATION</b>					
<b>Balance at 12.31.2020</b>	-	-	(2,172)	-	(2,172)
Currency translation differences	-	-	36	-	36
Allowance for the year	-	(6,065)	(276)	-	(6,341)
Decreases	-	-	29	-	29
<b>Balance at 12.31.2021</b>	-	(6,065)	(2,383)	-	(8,448)
Currency translation differences	-	380	-	-	380
Allowance for the year	-	(12,710)	(531)	-	(13,241)
<b>Balance at 12.31.2022</b>	-	(18,395)	(2,914)	-	(21,309)
<b>IMPAIRMENT</b>					
<b>Balance at 12.31.2020</b>	-	-	(50)	(1,654)	(1,704)
Allowance for the year	-	-	-	(1,926)	(1,926)
<b>Balance at 12.31.2021</b>	-	-	(50)	(3,580)	(3,630)
Allowance for the year	-	-	-	-	-
<b>Balance at 12.31.2022</b>	-	-	(50)	(3,580)	(3,630)
<b>Net carrying amount at 12.31.2021</b>	<b>76</b>	<b>196,496</b>	<b>1,582</b>	<b>190,629</b>	<b>388,783</b>
<b>Net carrying amount at 12.31.2022</b>	<b>96</b>	<b>409,748</b>	<b>2,444</b>	<b>169,861</b>	<b>582,149</b>

The integration of the solar and wind parks reflected under "Parks in operation" and "PP&E under construction" in the consolidated figures is at the construction cost for the Group.

The useful lives and depreciation criteria used for these items are disclosed in Note 3.4.

**PP&E associated with parks**

A part of the balances recognized in the table above corresponds to the cost of the assets associated with the solar and wind parks. The breakdown by park at 2022 and 2021 year end is as follows:

Name of park	Technology	Country	Status	Capacity (MW)	Start-up	2022				2021			
						Cost	Accumulated depreciation	Impairment	Net carrying amount	Cost	Accumulated depreciation	Impairment	Net carrying amount
Kosten	Wind	Argentina	Finished	24	2020	54,928	(3,404)	-	51,524	52,082	(1,138)	-	50,944
Duna & Huambos	Wind	Peru	Finished	36	2021	57,780	(3,809)	-	53,971	52,759	(1,671)	-	51,088
Quillagua	Solar	Chile	Finished	103	2021	78,610	(6,010)	-	72,600	72,892	(2,785)	-	70,127
San Miguel de Allende	Solar	Mexico	Finished	35	2021	27,748	(1,609)	-	26,139	25,564	(491)	-	25,073
Escuderos	Solar	Spain	Finished	200	2022	123,621	(3,424)	-	120,197	116,733	-	-	116,733
PMGDs Chile	Solar	Chile	Finished	66	2022	45,539	-	-	45,539	34,432	-	-	34,432
PMGDs Colombia	Solar	Colombia	Finished	60	2022	39,917	(139)	-	39,778	12,409	-	-	12,409
PMGDs Chile	Solar	Chile	In progress	120	-	49,685	-	-	49,685	4,107	-	-	4,107
PMGDs Colombia	Solar	Colombia	In progress	12	-	5,212	-	-	5,212	-	-	-	-
Belinchón	Solar	Spain	In progress	150	-	42,201	-	-	42,201	-	-	-	-
Gran Tenó	Solar	Chile	In progress	240	-	26,866	-	-	26,866	-	-	-	-
Tamango	Solar	Chile	In progress	48	-	6,009	-	-	6,009	-	-	-	-
Other developments	Solar	Miscellaneous	In progress	-	-	43,468	-	(3,580)	39,888	25,792	-	(3,580)	22,212
<b>TOTAL</b>						<b>601,584</b>	<b>(18,395)</b>	<b>(3,580)</b>	<b>579,609</b>	<b>396,770</b>	<b>(6,065)</b>	<b>(3,580)</b>	<b>387,125</b>

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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### **Significant movements**

The main additions during 2022 and 2021 correspond to parks constructed during both years for operation and projects under development.

The transfers in 2022 from "PP&E under construction" to "Parks in operation" correspond to the net carrying amounts for the Escuderos parks (Spain) and various small parks (PMGDs) in Chile and Colombia which became operational over the course of 2022.

### **Impairment losses**

At the end of each reporting period, the directors evaluate whether there are any indications of impairment with respect to the photovoltaic solar installations or wind parks in an advanced stage of construction and in operation, except in the case of an event being detected which represents impairment, in which case the assessments are carried out more frequently. The Group uses, amongst other means, financial projections for each asset in order to perform these reviews. Said financial projections are structured in such a manner as to determine the costs of each project (both in the construction phase and the operational phase) and allow for the income to be projected over the entire lifetime of the installation, given that they are either regulated by long-term sales contracts or by means of the price curve obtained from independent experts when they are market-based.

Since all the solar plants and wind parks which the Group owned at December 31, 2022 were obtaining revenue and reasonably complying with the business plans, the directors consider there are no indications of any impairment except in the case of the Kosten (Argentina), Duna and Huambos (Peru), and San Miguel de Allende (Mexico) wind parks for which the Group performed an impairment test given the situation of the respective countries, the increases in interest rates, and the current international environment.

In addition, in 2021 the Group recognized an impairment loss on its PP&E amounting to 1,926 thousand euros, corresponding to a project in progress in Chile as it decided to discontinue said project given that the minimum requirements for profitability established by the Group were not met.

### **Impairment test for Kosten (Argentina)**

The most sensitive issues included when evaluating the recoverable amount determined in accordance with value in use and applying the methodology described in Note 3.5, are as follows:

- Electricity produced: the production performance was estimated based on a study carried out by an independent expert.
- Price of electricity: the energy prices were determined based on the energy sales contract signed with a third party for a duration of 20 years at a fixed price. No additional sales were considered during this period. For subsequent years up to completing the 25 years of useful life, a terminal value was included given the uncertainty of market prices in Argentina in the years following finalization of the contract, which is an habitual market practice, corresponding to 25% of the value of the civil engineering work performed, connection rights and infrastructure (which go beyond 20 years) and the project site, of little significance (approximately 1 million euros).



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- Operation and maintenance costs: these were determined based on the contracts signed and experience of the markets where Greenergy operates.
- In addition, the after tax discount rate used was 10.5% (2021: 9.30%).

### Test result

The recoverable amount calculated as value in use of the CGU is 44,885 thousand euros, greater than the net carrying amount of the CGU assets, so that it was not necessary to recognize any impairment losses.

A sensitivity analysis was performed for each of the following scenarios with regard to the key hypotheses:

- an increase in the discount rate by 100 basis points would result in additional impairment losses of 845 thousand euros;
- a decrease of 5% in electricity produced would result in additional impairment losses of 1,071 thousand euros;
- a 5% increase in operating and maintenance costs would not result in any impairment losses being recognized.

### **Impairment test for Duna & Huambos (Peru)**

The most sensitive issues included when evaluating the recoverable amount determined in accordance with value in use are as follows:

- Electricity produced: the production performance was estimated based on a study carried out by an independent expert.
- Price of electricity: energy prices were determined based on the expected performance of price curves and experience of the markets where Greenergy operates.
- Operation and maintenance costs: these were determined based on the contracts signed and experience of the markets where Greenergy operates.
- In addition, the after tax discount rate used was 7.94% (2021: 6.20%).

### Test result

The recoverable amount calculated as value in use of the CGU is 48,767 thousand euros, greater than the net carrying amount of the CGU assets, so that it was not necessary to recognize any impairment losses.

A sensitivity analysis was performed for each of the following scenarios with regard to the key hypotheses:

- an increase in the discount rate by 100 basis points would result in additional impairment losses of 2,063 thousand euros;

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- a decrease of 5% in electricity produced would result in additional impairment losses of 1,194 thousand euros;
- a 5% increase in operating and maintenance costs would not result in any impairment losses being recognized.

### **Impairment test for San Miguel de Allende (Mexico)**

The most sensitive issues included when evaluating the recoverable amount determined in accordance with value in use are as follows:

- Electricity produced: the production performance was estimated based on a study carried out by an independent expert.
- Price of electricity: the energy prices were determined based on a fixed price obtained when the long-term energy sales contract was awarded.
- Operation and maintenance costs: these were determined based on the contracts signed and experience of the markets where Greenergy operates.
- In addition, the after tax discount rate used was 7.25%.

### **Test result**

The recoverable amount calculated as value in use of the CGU is 26,280 thousand euros, greater than the net carrying amount of the CGU assets, so that it was not necessary to recognize any impairment losses.

A sensitivity analysis was performed for each of the following scenarios with regard to the key hypotheses:

- an increase in the discount rate by 100 basis points would result in additional impairment losses of 1,230 thousand euros;
- a decrease of 5% in electricity produced would result in additional impairment losses of 83 thousand euros;
- a 5% increase in operating and maintenance costs would not result in any impairment losses being recognized.

For the remainder of the Group's assets recognized under PP&E, there are no indications of impairment other than that already recognized at December 31, 2022 and 2021.

### **Fully depreciated assets**

At 2022 year end, the Group held fully depreciated assets still in use under "Property, plant, and equipment" totaling 189 thousand euros (2021: 28 thousand euros).

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### **Firm purchase and sale commitments**

In 2022 the Group made an advance payment amounting to 2,492 thousand euros (Note 9.2) when purchasing 11 companies in Chile for the construction of 11 solar plants. Since at December 31, 2022 the suspensive contractual conditions had not been fulfilled, they were not included in the consolidation scope.

In 2021 the Group made an advance payment amounting to 974 thousand euros (Note 9.2) when purchasing 9 companies in Chile for the construction of 9 solar plants. Since at December 31, 2021 the suspensive contractual conditions had not been fulfilled, they were not included in the consolidation scope. In 2022 the suspensive clauses for 5 of them were fulfilled and they entered the consolidation scope.

### **Guarantees**

At December 31, 2022, the Kosten, Duna & Huambos, Quillagua, Escuderos and other parks under construction were guaranteeing "Project finance" debts with financial institutions whose pending balance amounts to 270,669 thousand euros (2021: 226,680 thousand euros) (Note 17.2).

### **PP&E - Items not used in operations**

At December 31, 2022 and 2021, the Group did not have any significant PP&E items not being used in its operations.

### **Insurance**

The Group has arranged several insurance policies to cover the risks to which its PP&E is exposed. The coverage of these insurance policies is considered sufficient.

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**7. Intangible assets**

The breakdown and movements in this heading of the accompanying consolidated statement of financial position during 2022 and 2021 were as follows:

	Patents, licenses, trademarks, et al.	Software	TOTAL
<b>COST</b>			
<b>Balance at 12.31.2020</b>	<b>9,066</b>	<b>120</b>	<b>9,186</b>
Additions	8	16	24
Transfers	(9,343)	-	(9,343)
Currency translation differences	281	1	282
<b>Balance at 12.31.2021</b>	<b>12</b>	<b>137</b>	<b>149</b>
Additions	-	195	195
Currency translation differences	-	-	-
<b>Balance at 12.31.2022</b>	<b>12</b>	<b>332</b>	<b>344</b>
<b>AMORTIZATION</b>			
<b>Balance at 12.31.2020</b>	<b>-</b>	<b>(44)</b>	<b>(44)</b>
Allowance for the year	(1)	(23)	(24)
Disposals, derecognitions, and reductions	-	-	-
<b>Balance at 12.31.2021</b>	<b>(1)</b>	<b>(67)</b>	<b>(68)</b>
Allowance for the year	(1)	(27)	(28)
Disposals, derecognitions, and reductions	-	-	-
<b>Balance at 12.31.2022</b>	<b>(2)</b>	<b>(94)</b>	<b>(96)</b>
<b>Balance at 12.31.2021</b>	<b>11</b>	<b>70</b>	<b>81</b>
<b>Balance at 12.31.2022</b>	<b>10</b>	<b>238</b>	<b>248</b>

The useful lives for these assets and the amortization criteria applied are disclosed in Note 3.3.

The transfers in 2021 correspond to the fair value of the developments acquired in the purchase of Parque Eólico Quillagua, SpA and Kosten, S.A., transferred to "Property, plant, and equipment" (Note 6).

**Impairment losses**

The directors of the Group consider that there are no indications of any impairment losses on its intangible assets at 2022 and 2021 year end, consequently not recognizing any impairment loss allowances for either year.

**Fully amortized assets**

At 2022 and 2021 year end the Group's intangible assets included fully amortized assets still in use amounting to 8 thousand and 6 thousand euros, respectively.

**Firm sale and purchase commitments**

The Group has no commitments to acquire or sell any intangible assets at significant amounts. Neither are any of its intangible assets affected by litigation or encumbered as guarantees to third parties.

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**8. Right-of-use assets**

The breakdown for right-of-use assets as well as their movements for the years ended December 31, 2022 and 2021 are as follows:

Year ended December 31, 2022

	Land	Offices	Other	Total
<b>Balance at 12.31.2021</b>	<b>10,305</b>	<b>1,393</b>	<b>1,374</b>	<b>13,072</b>
Additions	15,350	439	-	15,789
Currency translation differences	180	43	-	223
Depreciation allowance	(441)	(279)	(189)	(909)
<b>Balance at 12.31.2022</b>	<b>25,394</b>	<b>1,596</b>	<b>1,185</b>	<b>28,175</b>

Year ended December 31, 2021

	Land	Offices	Other	Total
<b>Balance at 12.31.2020</b>	<b>4,135</b>	<b>1,008</b>	<b>141</b>	<b>5,284</b>
Additions	6,111	757	1,363	8,231
Currency translation differences	245	72	-	317
Depreciation allowance	(186)	(444)	(130)	(760)
<b>Balance at 12.31.2021</b>	<b>10,305</b>	<b>1,393</b>	<b>1,374</b>	<b>13,072</b>

"Land" includes the rental contracts for the land where the following parks are located: Kosten (Argentina), Duna & Huambos (Peru), Quillagua (Chile), San Miguel de Allende (Mexico), Escuderos (Spain), and various small-sized parks (PMGDs) in Chile and Colombia.

"Offices" includes the rental contracts for the office space in Spain and Chile.

"Other" includes the rental contracts for certain transport items and installations.

To determine the lease terms Greenergy used the initial term of each contract except where it has the unilateral option of extending or terminating the contract and it is reasonably certain that it will exercise that option, in which case the corresponding extension or early termination terms were factored in. The lease term for the land ranges from 20 to 30 years. In the case of the leased offices, the lease terms range from 3 to 7 years.

For the Kosten wind park a period of two years was considered, counting from the commercial operations date (June 2021). From the second year, future payments will be variable depending entirely on the fluctuations in energy produced, and are not included in the capitalization model but are instead recognized in profit or loss since said cash flows cannot be reliably estimated in light of the energy production estimates by independent experts varying by more than 20% annually, concluding that the cash flows from production cannot be estimated reliably and thus the lease for the Kosten wind park from the second year onwards will not fall within the scope of IFRS 16.

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**9. Financial assets****9.1 Investments accounted for using the equity method**

On February 24, 2022, the Group acquired 40% (thus not obtaining control) of the US solar project developer Sofos Harbert Renewable Energy, LLC for an amount of 5,000 thousand US dollars (equivalent to 4,468 thousand euros). The Group is thereby investing in the United States and rapidly entering the world's largest energy market, which is also growing in terms of renewable energy. This operation generated implicit goodwill amounting to 4,651 thousand euros. Said company is consolidated using the equity method.

The movement for this item during the year was as follows:

	<b>2022</b>
<b>Balance at January 1</b>	-
Investment	4,468
Share of profit (loss)	(325)
Currency translation differences	372
<b>Balance at December 31</b>	<b>4,515</b>

The breakdown for assets, liabilities, income, and results of the associate accounted for under the equity method is as follows:

(Thousands of euros)	<b>Sofos Harbert Renewable Energy, LLC (40%)</b>
<b>2022</b>	
<b>Financial information</b>	
Total non-current assets	77
Total current assets	4,093
Total non-current liabilities	-
Total current liabilities	14
<b>Equity</b>	<b>4,156</b>
<b>Carrying amount of investment</b>	<b>4,515</b>
<b>Statement of profit or loss</b>	
Operating income	1,004
Operating expenses	(1,848)
<b>Operating profit (loss)</b>	<b>(844)</b>
Finance cost	31
<b>Profit (loss) before tax</b>	<b>(813)</b>
Income tax expense	-
<b>Profit (loss) for the year</b>	<b>(813)</b>
<b>Share of the Group in the consolidated entity</b>	<b>(325)</b>

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**9.2 Financial investments**

The movements during 2022 and 2021 in the different balances recognized under the headings for financial investments in the accompanying statement of financial position are as follows:

	<b>Balance at 12.31.2020</b>	<b>Additions</b>	<b>Decreases</b>	<b>Balance at 12.31.2021</b>	<b>Additions</b>	<b>Decreases</b>	<b>Balance at 12.31.2022</b>
<b>Non-current investments</b>							
Equity instruments	-	-	-	-	40	-	40
Derivatives (Note 17)	-	-	-	-	16,444	-	16,444
Other financial assets	-	974	-	974	2,504	(670)	2,808
Security deposits and guarantees	87	12	-	99	37	-	136
	<b>87</b>	<b>986</b>	<b>-</b>	<b>1,073</b>	<b>19,025</b>	<b>(670)</b>	<b>19,428</b>
<b>Current investments</b>							
Loans to companies	-	1,539	-	1,539	-	(812)	727
Derivatives (Note 17)	-	-	-	-	1,501	-	1,501
Other financial assets	6,461	6,320	(6,359)	6,422	8,641	(5,319)	9,744
	<b>6,461</b>	<b>7,859</b>	<b>(6,359)</b>	<b>7,961</b>	<b>10,142</b>	<b>(6,131)</b>	<b>11,972</b>
<b>Total</b>	<b>6,548</b>	<b>8,845</b>	<b>(6,359)</b>	<b>9,034</b>	<b>29,167</b>	<b>(6,801)</b>	<b>31,400</b>

*Non-current equity instruments*

The balance recognized in connection with non-current equity instruments corresponds to a minority financial stake in an entity.

*Other non-current financial assets*

This item mainly corresponds to an advance payment made when purchasing companies in Chile for the construction of solar plants, which at December 31, 2022 had not fulfilled the suspensive contractual conditions and were therefore not included in the consolidation scope (Note 6).

*Current loans to companies*

The purchase contract for Parque Fotovoltaico Nuevo Quillagua SpA establishes that the amount equivalent to the costs incurred for adaptation of the substation in order to deliver energy to the standardized network tap-off will be discounted from the price up to a maximum amount of 1,850 thousand euros. This work is being carried out at present and is expected to end over the course of 2023. It does not interrupt the normal operations of the park as it only involves a legal requirement. Current loans to companies amounting to 727 thousand euros correspond to the amounts pending collection by the former shareholders for the work being carried out. These amounts are being collected to the extent said work is being executed.

**GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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*Other current financial assets*

The breakdown for this item is as follows:

	Thousands of euros	
	2022	2021
PPA Escuderos	7,892	-
Fixed-term deposits	640	6,422
Bank guarantees	1,125	-
Other	87	-
<b>Total</b>	<b>9,744</b>	<b>6,422</b>

- The balance recognized in connection with PPA Escuderos corresponds to a part of the payment made to the counterparty in a long-term purchase-sale contract for energy (PPA) which at December 31, 2022 was being disputed in the amount of 7,892 thousand euros (Note 17.5). At December 31, 2022 recovery of this amount is considered probable.
- Fixed-term deposits at financial entities which bear interest at market rates.
- Bank guarantees for obtaining the permits required for carrying out different projects in Chile.

The breakdown of the financial investments, based on how the Group manages them, is as follows:

## Year ended December 31, 2022

	Equity instruments	Loans, derivatives, and other	Total
<b>Non-current investments</b>			
Financial assets at amortized cost	-	136	136
At cost	40	19,252	19,292
	<b>40</b>	<b>19,388</b>	<b>19,428</b>
<b>Current investments</b>			
Financial assets at amortized cost	-	727	727
At cost	-	11,245	11,245
	-	<b>11,972</b>	<b>11,972</b>
<b>Total</b>	<b>40</b>	<b>31,360</b>	<b>31,400</b>

## Year ended December 31, 2021

	At fair value through profit or loss	Loans, derivatives, and other	Total
<b>Non-current investments</b>			
Financial assets at amortized cost	-	99	99
At cost	-	974	974
	-	<b>1,073</b>	<b>1,073</b>
<b>Current investments</b>			
Financial assets at amortized cost	-	7,961	7,961
	-	<b>7,961</b>	<b>7,961</b>
<b>Total</b>	-	<b>9,034</b>	<b>9,034</b>

The Group did not reclassify any financial assets to different categories, nor did it assign or transfer any financial assets during 2022 or 2021.



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At December 31, 2022 and 2021, the maturities of financial assets that are fixed or determinable by residual amounts have a duration of more than five years.

At December 31, 2022 and 2021, the Group had not delivered or accepted any financial assets as guarantees for transactions.

**10. Inventories**

The breakdown of inventories at December 31, 2022 and 2021 is as follows:

	12.31.2022			12.31.2021		
	Cost	Impairment losses	Balance	Cost	Impairment losses	Balance
Raw materials and other consumables	2,157	-	2,157	7,853	-	7,853
Plant under construction	100	-	100	3,892	-	3,892
Prepayments to suppliers	4,354	-	4,354	5,602	-	5,602
<b>Total</b>	<b>6,611</b>	<b>-</b>	<b>6,611</b>	<b>17,347</b>	<b>-</b>	<b>17,347</b>

At December 31, 2022 and 2021, the Group recognized materials yet to be used in the solar parks under "Raw materials and other consumables" in the respective amounts of 2,157 and 7,853 thousand euros.

The movements in inventories of plant under construction during 2022 and 2021 are broken down as follows:

	12.31.2022	12.31.2021
<b>Opening balance</b>	<b>3,892</b>	<b>16,533</b>
Changes in inventory of plant under construction	(3,792)	12,923
Transfers (Note 6)	-	(25,564)
<b>Closing balance</b>	<b>100</b>	<b>3,892</b>

"Plant under construction" presents a balance of 100 thousand euros at December 31, 2022, which includes the construction costs for various parks in Chile which will subsequently be sold to third parties (2021: 3,892 thousand euros). At December 31, 2021, this heading includes the construction costs for a photovoltaic plant located in Mexico (San Miguel de Allende), which was initially meant to be sold. In 2021 the Group decided to maintain this park in its portfolio and transferred it to "PP&E" (Note 6).

The Group has arranged insurance policies to cover the potential risks to which its inventories are exposed. The coverage of these insurance policies is considered sufficient.

At December 31, 2022 and 2021, there were no inventories encumbered in guarantee of debts.

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**11. Trade receivables**

"Trade receivables" in the accompanying consolidated statement of financial position presents receivable balances from construction and sales of photovoltaic solar plants, sales of energy, as well as income from operating and maintenance services rendered for photovoltaic solar plants. The breakdown of this item at December 31, 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
Receivable from sale of energy	7,976	5,591
Receivable for construction and operation & maintenance services	31,215	34,956
Contract assets	8,689	15,714
<b>Total</b>	<b>47,880</b>	<b>56,261</b>

"Receivable from sale of energy" includes an amount of 3,481 thousand euros corresponding to "energy produced pending invoice" (2021: 3,546 thousand euros) (Note 3.12).

"Contract assets" in the above table corresponds to invoices pending issue in connection with "production executed pending invoice" as a consequence of the positive difference between income recognized for each construction project and the amount invoiced for each such project.

The breakdown of sales to external clients who were invoiced amounts equal to or greater than 10% of net turnover for the years ended December 31, 2022 and 2021 is the following:

Clients	Thousands of euros	
	2022	2021
CARBONFREE CHILE, SPA	-	4,752
NEXTENERGY CAPITAL GROUP	14,107	55,264
<b>Total</b>	<b>14,107</b>	<b>60,016</b>

At 2022 and 2021 year end, none of the receivable balances were considered doubtful.

The carrying amounts of the trade receivables are denominated in the following currencies:

	Thousands of euros	
	2022	2021
Euros	1,079	1,555
US dollars	39,703	49,857
Chilean pesos	3,816	3,382
Mexican pesos	208	46
Peruvian soles	1,094	211
Colombian pesos	750	0
Argentinean pesos	1,230	1,210
<b>Total</b>	<b>47,880</b>	<b>56,261</b>

The Group continually monitors and analyzes the performance of all balances pending collection. Subsequent to analysis of the current situation, the directors considered that credit risk is not significant.

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### 12. Cash and cash equivalents

The breakdown for this heading at 2022 and 2021 year end is as follows:

	12.31.2022				12.31.2021			
	Corporate treasury	Project treasury		TOTAL	Corporate treasury	Project treasury		TOTAL
		Recourse	Unsecured			Recourse	Unsecured	
Cash in hand	61,142	3,652	40,876	105,670	52,222	2,673	13,773	68,668
<b>Total</b>	<b>61,142</b>	<b>3,652</b>	<b>40,876</b>	<b>105,670</b>	<b>52,222</b>	<b>2,673</b>	<b>13,773</b>	<b>68,668</b>

"Project treasury" corresponds to the treasury of the Group companies who own the parks. "Recourse project treasury" corresponds to the treasury of those parks which hold secured debt with respect to the Parent (Note 17.2).

At December 31, 2022, availability of the balances relating to "Corporate treasury" or "Recourse project treasury" was not restricted (2021: 1,518 thousand euros in compliance with interest payments on the loan which the Group company Kosten, S.A. was granted by the financial entity KFW (Note 17.2)).

The amounts presented for "Unsecured project treasury" are subject to restricted availability as a guarantee for servicing bank debt.

The carrying amounts of the Group companies' cash and cash equivalents are denominated in the following currencies:

Year ended December 31, 2022

	12.31.2022									
	Equivalent value in thousands of euros									
	Euros	US Dollars	Chilean pesos	Peruvian soles	Mexican pesos	Argentinean pesos	Pound Sterling	Polish zloty	Colombian pesos	Total
Cash in hand	16,635	75,314	5,047	1,630	470	17	208	34	6,315	105,670

Year ended December 31, 2021

	12.31.2021									
	Equivalent value in thousands of euros									
	Euros	US Dollars	Chilean pesos	Peruvian soles	Mexican pesos	Argentinean pesos	Pound Sterling	Colombian pesos	Total	
Cash in hand	44,812	18,894	4,162	149	237	108	89	217	68,668	

### 13. Capital and reserves

#### 13.1. Share capital

At December 31, 2022, the Parent's share capital amounted to 10,714 thousand euros, corresponding to 30,611,911 shares with a nominal value of 0.35 euros each.

On June 28, 2022, the Parent carried out a capital increase amounting to 90,001 thousand euros via the issue of 2,685,000 new shares at a nominal value of 0.35 euros each and a share premium of 33.17 euros each. The costs incurred for carrying out the capital increase amounted to 1,075 thousand euros (net of the tax effect), recognized as a decrease in voluntary reserves.

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On March 22, 2021, the Parent carried out a capital increase amounting to 105,000 thousand euros via the issue of 3,620,690 new shares at a nominal value of 0.35 euros each and a share premium of 28.65 euros each. The costs incurred for carrying out the capital increase amounted to 1,138 thousand euros (net of the tax effect), recognized as a decrease in voluntary reserves.

At December 31, 2022 and 2021, the following shareholders of the Parent held a direct stake of more than 10% of share capital:

Shareholder	2022	2021
Daruan Group Holding, S.L.	54%	58%

### 13.2. Share Premium

The share premium amounts to 198,912 thousand euros at December 31, 2022 (2021: 109,851 thousand euros). This balance can be used for the same purposes as the voluntary reserves of the Parent, including conversion to capital.

### 13.3. Reserves

The consolidated statement of changes in equity which forms a part of these consolidated financial statements provides the breakdown for aggregate balances and movements during 2022 and 2021. The breakdown and movements of the different balances comprising reserves are shown below:

	Balance at 12.31.2020	Increase	Decrease	Balance at 12.31.2021	Increase	Decrease	Balance at 12.31.2022
<b>Parent company reserves:</b>							
<u>Restricted reserves</u>							
Legal reserve	1,447	254	-	1,701	254	-	1,955
Capitalization reserve	778	743	-	1,521	-	-	1,521
<u>Unrestricted reserves:</u>							
Voluntary reserves	33,930	21,035	(1,138)	53,827	25,996	(1,075)	78,748
<b>Total reserves of the Parent</b>	<b>36,155</b>	<b>22,032</b>	<b>(1,138)</b>	<b>57,049</b>	<b>26,250</b>	<b>(1,075)</b>	<b>82,224</b>
<b>Reserves in consolidated companies</b>	<b>(4,243)</b>	<b>-</b>	<b>(496)</b>	<b>(4,739)</b>	<b>-</b>	<b>(9,429)</b>	<b>(14,168)</b>
<b>Total</b>	<b>31,912</b>	<b>22,032</b>	<b>(1,634)</b>	<b>52,310</b>	<b>26,250</b>	<b>(10,504)</b>	<b>68,056</b>

### Legal reserve

The legal reserve of the Parent was allocated in accordance with article 274 of the Spanish Corporate Enterprises Act, which states that in any event, companies must earmark an amount equal to 10% of profit for the year to a legal reserve until such reserve reaches at least 20% of share capital.

This reserve cannot be distributed and can only be used to offset losses if no other reserves are available for this purpose. Any amount of the reserve used for this purpose must be restored with future profits.

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**Voluntary reserves**

These reserves are freely distributable.

The gains or losses obtained on the purchase-sale of treasury shares are recognized directly under voluntary reserves. The increase in voluntary reserves in connection with this item recognized in 2022 totals 996 thousand euros (2021: 6,085 thousand euros).

**Capitalization reserve**

During 2017 the Parent set aside a capitalization reserve, with a charge to available reserves, corresponding to 10% of the increase in capital and reserves of 2016, in accordance with the stipulations of article 25 of Law 27/2014 of November 27, on Corporate Income Tax (Note 19).

This reserve will be restricted for a period of 5 years. No movements were recognized under this reserve during 2022 (2021: an increase of 743 thousand euros).

**13.4. Own equity instruments**

At 2022 and 2021 year end the portfolio of own equity instruments is broken down as follows:

	Balance at 12.31.2022	Balance at 12.31.2021
<b>Number of shares in treasury share portfolio</b>	<b>611,148</b>	<b>580,588</b>
<b>Total treasury share portfolio</b>	<b>19,728</b>	<b>17,577</b>
Liquidity Accounts	540	485
Fixed Own Portfolio Account	19,188	17,092

During 2022 and 2021, the movements in the treasury share portfolio of the Parent were as follows:

Year ended December 31, 2022

	Treasury shares		
	Number of shares	Nominal amount	Average acquisition price
<b>Balance at 12.31.2021</b>	<b>580,588</b>	<b>17,577</b>	<b>30.27</b>
Acquisitions	939,492	30,242	32.19
Disposals	(908,932)	(28,091)	30.91
<b>Balance at 12.31.2022</b>	<b>611,148</b>	<b>19,728</b>	<b>32.28</b>

Year ended December 31, 2021

	Treasury shares		
	Number of shares	Nominal amount	Average acquisition price
<b>Balance at 12.31.2020</b>	<b>484,345</b>	<b>8,115</b>	<b>16.75</b>
Acquisitions	1,908,312	59,634	31.25
Disposals	(1,812,069)	(50,172)	27.69
<b>Balance at 12.31.2021</b>	<b>580,588</b>	<b>17,577</b>	<b>30.27</b>

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The purpose of holding the treasury shares is to maintain them available for sale in the market as well as for the incentive plan approved for directors, executives, employees, and key collaborators of the Group (Note 13.5).

At December 31, 2022, treasury shares represent 2.0% (December 31, 2021: 2.1%) of all the Parent's shares.

**13.5. Incentive plans for employees**

The Board of Directors of the Parent has approved different incentive plans for certain executives and key personnel based on the granting of options on the Parent's shares. Options are granted at different times for each incentive plan though with the same characteristics as the incentive plans to which they are associated:

Incentive plan	Grant date	Date of approval	Number of shares designated at 12.31.2022	Exercise price per share (euros)
Incentive Plan I	Options granted 3	11/27/2018	139,143	3.50
Incentive plan I	Options granted 4	3/29/2019	42,000	6.90
Incentive Plan II	Options granted 1	10/2/2019	56,165	7.73
Incentive Plan II	Options granted 2	9/28/2020	131,451	15.28
Incentive Plan II	Options granted 3	12/10/2021	94,414	30.45
Incentive Plan II	Options granted 4	11/16/2022	226,086	29.18

The beneficiary of Incentive Plan I will be able to acquire:

- A third of the shares granted for the option from the date on which two years have elapsed counting from the grant date.
- A third of the shares granted for the option from the date on which three years have elapsed counting from the grant date.
- A third of the shares granted for the option from the date on which four years have elapsed counting from the grant date.

In Incentive Plan II, each year the beneficiary will have the right to exercise up to 25% of the options granted. The right to exercise shall be approved by the Commission for Appointments and Remuneration based on the beneficiary's compliance with the objectives established in the Remuneration Policy for Senior Management. The beneficiary can exercise the share options starting two years from their grant date and for a period of three years.

Said incentive plans establish that their settlement will be carried out by delivery of equity instruments to the employees should they exercise the options granted. The exercise prices of the options on shares were established by reference to the fair value of the corresponding equity instruments at the grant date.

The fair value of the equity instruments granted was determined at the grant date utilizing a Black Scholes valuation model based on the share price at the grant date.

As a consequence of accruals with respect to the estimated fair value of the equity instruments granted during the lifetime of the plan, a balance of 410 thousand euros was recognized under "Employee benefits expense" in the consolidated statement of profit or loss with a credit to "Reserves" in the consolidated statement of financial position.

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## Earnings (losses) per share

Basic

The basic earnings (losses) per share from continuing operations corresponding to the years ended December 31, 2022 and 2021 were as follows:

	<b>12.31.2022</b>	<b>12.31.2021</b>
Profit attributable to the shareholders of the Parent (thousands of euros)	10,303	16,308
Weighted average number of ordinary shares outstanding	30,016,043	27,394,445
<b>Basic earnings (losses) per share (euros)</b>	<b>0.34</b>	<b>0.60</b>

Basic earnings per share are calculated by dividing the profit attributable to the shareholders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted

There are no significant agreements for diluting basic earnings per share as calculated in the previous paragraph.

**14. Unrealized gains (losses) reserve****Hedging transactions**

These transactions correspond to the fair value at December 31, 2022 and 2021 of hedging instruments contracted by the Group to cover changes in interest rates and energy prices (Note 17.5).

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**Currency translation differences**

The breakdown of this heading in the consolidated statement of financial position for each company included in the consolidation scope is as follows:

	Original currency	12.31.2022	12.31.2021
GR RENOVABLES MEXICO S.A. DE C.V.	Mexican peso (MXN)	82	225
GREENERGY GREENHUB S.A. DE C.V.	Mexican peso (MXN)	(306)	(56)
GREENERGY PERU SAC	US dollar (USD)	(110)	(39)
GR PAINO SAC	US dollar (USD)	235	(59)
GR TARUCA SAC	US dollar (USD)	247	(73)
GREENERGY RENOVABLES PACIFIC, LTDA.	Chilean peso (CLP)	331	59
FAILO 3, LTDA.	Mexican peso (MXN)	-	1
GR COLOMBIA, SAS	Colombian peso (COP)	614	18
PARQUE FOTOVOLTAICO NUEVO QUILLAGUA SpA	US dollar (USD)	877	(222)
GR PACIFIC OVALLE, LTDA.	Chilean peso (CLP)	(40)	(40)
ORSIPO 5 SOLAR	Mexican peso (MXN)	(19)	6
MESO 4 SOLAR	Mexican peso (MXN)	(2)	1
ASTILO 1 SOLAR	Mexican peso (MXN)	(3)	1
GREENERGY OPEX, SpA	Chilean peso (CLP)	(29)	(73)
GREENERGY PALMAS DE COCOLÁN, SpA	US dollar (USD)	131	63
CE CENTINELA SOLAR SPA	US dollar (USD)	(8)	(7)
CE URIBE DE ANTOFAGASTA SOLAR SPA	US dollar (USD)	(8)	(1)
GREENERGY POWER, SpA	US dollar (USD)	(3)	(4)
GREENERGY RENEWABLES UK LIMITED	Pound sterling (GBP)	2	(1)
GREENERGY ATLANTIC S.A.	US dollar (USD)	(85)	144
KOSTEN S.A.	US dollar (USD)	453	207
GR RUIL, SPA	US dollar (USD)	(5)	-
GR LLEUQUE, SPA	US dollar (USD)	(11)	-
GR TORRES DEL PAINÉ SPA	US dollar (USD)	(2)	-
GR ALARCE ANDINO SPA	US dollar (USD)	(2)	-
PARQUE SOLAR TANGUA	Chilean peso (CLP)	20	-
GREENERGY POLSKA S.P.Z.O.O	Polish zloty (PLN)	(2)	-
GR CABO DE HORNOS, SPA	US dollar (USD)	1	-
GR SOL DE BAYUNCA SAS	Colombian peso (COP)	161	-
CERRITOS SOLAR S.A.S	Colombian peso (COP)	(19)	-
MONTELIBANO SOLAR, S.A.S	Colombian peso (COP)	1	-
GR PARQUE SOLAR LA MEDINA SAS	Colombian peso (COP)	(39)	-
GR PARQUE SOLAR LOS CABALLEROS SAS	Colombian peso (COP)	(49)	-
KOSTEN S.A.	US dollar (USD)	-	-
<b>Total</b>		<b>2,413</b>	<b>150</b>

**15. Minority interests**

The movements in this heading for each company were as follows:

Year ended December 31, 2022

	12.31.2021	Transfers	Profit (loss)	Currency translation differences	12.31.2022
GR. Renovables Mexico, S.A.	(43)	-	-	(3)	(46)
Greenergy Perú SAC	(22)	-	8	-	(14)
GR Paino, SAC	(212)	212	-	-	-
GR Taruca, SAC	(163)	163	-	-	-
Greenergy Renovables Pacific, Ltda.	(1)	-	-	1	-
Failo 3, Ltda.	(8)	-	(1)	(2)	(11)
Level Fotovoltaica S.L.	(164)	-	-	-	(164)
Meso 4 Solar	(1)	-	-	-	(1)
Astilo 1 Solar	(1)	-	(1)	-	(2)
<b>Total</b>	<b>(615)</b>	<b>375</b>	<b>6</b>	<b>(4)</b>	<b>(238)</b>



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Year ended December 31, 2021

	12.31.2020	Profit (loss)	Currency translation differences	12.31.2021
GR. Renovables México, S.A.	(35)	(8)	-	(43)
Grenergy Perú SAC	(15)	(6)	(1)	(22)
GR Paino, SAC	(76)	(160)	24	(212)
GR Taruca, SAC	(71)	(122)	30	(163)
Grenergy Renovables Pacific, Ltda.	-	-	(1)	(1)
Failo 3, Ltda.	(7)	-	(1)	(8)
Level Fotovoltaica S.L.	(164)	-	-	(164)
Meso 4 Solar	(1)	-	-	(1)
Astilo 1 Solar	(1)	-	-	(1)
<b>Total</b>	<b>(370)</b>	<b>(296)</b>	<b>51</b>	<b>(615)</b>

The balance of "Profit (loss) attributed to minority interests" in the accompanying consolidated statement of profit or loss represents the share of said minority shareholders in consolidated profit (loss) for the year.

Appendix I includes a breakdown of Grenergy's investees, indicating their activity as well as the corresponding percentage of equity interest held and control.

No matters arose requiring complex judgment in the analysis performed to determine whether Grenergy exercises control over the consolidated entities given that Grenergy has the right to variable remuneration from its involvement in the investees as well as the ability to affect those returns through its power over said investees. The analysis was based on representation of Grenergy in the subsidiaries' Board of Directors and its participation in significant decisions. Further, in general, there are no significant restrictions, such as protective rights, with regard to the ability of Grenergy to access the assets or utilize them, as well as to settle the liabilities.

## 16. Provisions and contingencies

The movements in this heading during 2022 and 2021 were as follows:

	Provision for penalties	Provision for delays	Provision for guarantees	Provision for dismantling	Total
<b>Balance at 12.31.2020</b>	<b>2,513</b>	<b>480</b>	<b>359</b>	<b>908</b>	<b>4,260</b>
Amounts provisioned	3,195	34	391	7,737	11,357
Currency translation differences	239	42	34	113	428
Finance costs	-	-	-	175	175
Amounts applied	(940)	(556)	(411)	-	(1,907)
<b>Balance at 12.31.2021</b>	<b>5,007</b>	<b>-</b>	<b>373</b>	<b>8,933</b>	<b>14,313</b>
Amounts provisioned	6,054	-	126	4,410	10,590
Currency translation differences	286	-	21	510	817
Finance costs	-	-	-	284	284
Amounts applied	(1,497)	-	-	-	(1,497)
<b>Balance at 12.31.2022</b>	<b>9,850</b>	<b>-</b>	<b>520</b>	<b>14,137</b>	<b>24,507</b>

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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### Provision for penalties

#### *Kosten (Argentina)*

This provision corresponds to the penalties in connection with the commercial start-up of the Kosten wind park, which arose from its electricity supply contract with Compañía Administradora del Mercado Mayorista Eléctrico S.A. (CAMMESA). In accordance with the aforementioned contract, the Group was committed to ensuring that the wind park would be finished and start commercial operations on August 13, 2019. However, due to different circumstances and events, mainly the bankruptcy of its most significant subcontractor, the wind park could not be completed. The final amount payable for the penalty in accordance with the supply contract totaled 5,508 thousand euros. The Group reached an agreement with CAMMESA in 2021 to settle the penalty in 48 monthly installments of equal amounts. In 2022 a balance of 1,497 thousand euros was applied via payment of said amount.

#### *Duna y Huambos (Peru)*

This provision corresponds to the penalties recognized in 2022 amounting to 6,160 thousand euros in connection with the start-up of commercial operations at the Duna y Huambos wind park (Note 24.2).

### Provision for delays and guarantees

At the end of each reporting period the Group evaluates the need to recognize a provision for guaranteeing and covering any inconsistencies that may arise with respect to materials, supplies, and spare parts delivered as well as penalties due to delays in connecting solar plants. At December 31, 2022 and 2021, the Group recognized provisions with respect to these items, based on its historical experience in the case of the guarantees and the contractual clauses in the case of delays.

### Provision for dismantling costs

The Group recognizes a provision for dismantling costs when the construction period for the solar and wind plants ends. This provision is calculated by estimating the present value of the obligations assumed in connection with dismantling or retirement and other associated obligations, such as restoration costs for the location on which the solar plants were constructed. At December 31, 2022 and 2021, this provision corresponds to the operational parks (Note 6).

### Legal proceedings and/or claim litigation underway

During 2022 and 2021, with the exception of the arbitration proceedings disclosed in Note 24.2, the Group was not party to any legal proceedings involving significant amounts for which the risk qualification regarding an outflow of resources was considered either probable or possible. Both the Group's legal advisers as well as the Parent's directors believe that the finalization of said proceedings and claim litigation will not have a significant effect on the consolidated financial statements and notes thereto for the year ended December 31, 2022. Consequently, no provision was allocated in this respect.

**GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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**17. Non-current and current borrowings**

The breakdown of these headings in the consolidated statement of financial position at December 31, 2022 and 2021 is as follows:

	Non-current borrowings	Current borrowings	Total at 12.31.21	Non-current borrowings	Current borrowings	Total at 12.31.22
<b>Bonds and other marketable debt securities</b>	<b>31,223</b>	<b>32,146</b>	<b>63,369</b>	<b>83,231</b>	<b>34,529</b>	<b>117,760</b>
<b>Bank borrowings</b>	<b>201,905</b>	<b>34,148</b>	<b>236,053</b>	<b>254,229</b>	<b>46,307</b>	<b>300,536</b>
Loans	201,905	34,148	236,053	254,229	44,101	298,330
Foreign financing - current	-	-	-	-	2,206	2,206
<b>Other financial liabilities</b>	<b>-</b>	<b>156</b>	<b>156</b>	<b>-</b>	<b>130</b>	<b>130</b>
<b>Derivatives</b>	<b>15,323</b>	<b>6,326</b>	<b>21,649</b>	<b>20,586</b>	<b>36,141</b>	<b>56,727</b>
<b>Lease liabilities</b>	<b>11,051</b>	<b>1,389</b>	<b>12,440</b>	<b>26,073</b>	<b>1,505</b>	<b>27,578</b>
<b>Total</b>	<b>259,502</b>	<b>74,165</b>	<b>333,667</b>	<b>384,119</b>	<b>118,612</b>	<b>502,731</b>

The only liabilities recognized at fair value correspond to derivative financial instruments. Said recognition was carried out by discounting cash flows (Note 3.10).

The fair value of the remaining financial assets and liabilities does not differ significantly from their carrying amounts.

At December 31, 2022 and 2021, the breakdown of borrowings by type of guarantee is as follows:

Year ended December 31, 2022

	2022						Total
	Corporate debt		Project debt				
	Non-current	Current	Secured		Unsecured		
Non-current			Current	Non-current	Current		
<b>Bonds and other marketable debt securities</b>	<b>83,231</b>	<b>34,529</b>	-	-	-	-	<b>117,760</b>
<b>Bank borrowings</b>	<b>8,267</b>	<b>6,829</b>	-	<b>16,352</b>	<b>245,962</b>	<b>23,126</b>	<b>300,536</b>
Loans	8,267	4,623	-	16,352	245,962	23,126	298,330
Foreign financing - current	-	2,206	-	-	-	-	2,206
<b>Other financial liabilities</b>	<b>-</b>	<b>130</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130</b>
<b>Derivatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,586</b>	<b>36,141</b>	<b>56,727</b>
<b>Lease liabilities</b>	<b>26,073</b>	<b>1,505</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,578</b>
<b>Total</b>	<b>117,571</b>	<b>42,993</b>	<b>-</b>	<b>16,352</b>	<b>266,548</b>	<b>59,267</b>	<b>502,731</b>

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Year ended December 31, 2021

	2021						Total
	Corporate debt		Project debt				
	Non-current	Current	Secured		Unsecured		
Non-current			Current	Non-current	Current		
<b>Bonds and other marketable debt securities</b>	<b>31,223</b>	<b>32,146</b>	-	-	-	-	<b>63,369</b>
<b>Bank borrowings</b>	<b>6,712</b>	<b>2,661</b>	<b>18,960</b>	<b>16,279</b>	<b>176,233</b>	<b>15,208</b>	<b>236,053</b>
Loans	6,712	2,661	18,960	16,279	176,233	15,208	236,053
<b>Other financial liabilities</b>	-	<b>156</b>	-	-	-	-	<b>156</b>
<b>Derivatives</b>	-	-	-	-	<b>15,323</b>	<b>6,326</b>	<b>21,649</b>
<b>Lease liabilities</b>	<b>11,051</b>	<b>1,389</b>	-	-	-	-	<b>12,440</b>
<b>Total</b>	<b>48,986</b>	<b>36,352</b>	<b>18,960</b>	<b>16,279</b>	<b>191,556</b>	<b>21,534</b>	<b>333,667</b>

The corporate guarantee makes the Parent liable with respect to the lender (in this case, the financial entities) with all its assets and cash in the event of a hypothetical default on the loan. The Group differentiates between two types of debt: corporate debt and project debt. Corporate debt is secured debt (recourse) as the Parent is liable to the lender with all its assets and cash up to the limit of the guarantee granted. Project debt can be secured or unsecured (recourse or non-recourse). Project debt is unsecured when the Parent is not liable to the lender and it is the asset itself which acts as the guarantee.

The project guarantees are related to the properties held by the companies corresponding to solar and wind parks.

At December 31, 2022 and 2021, the breakdown of borrowings by residual maturities is as follows:

Year ended December 31, 2022

	Bonds and other marketable debt securities	Bank borrowings	Other borrowings	Derivatives	Leases	Total
Until 12.31.2023	34,529	46,307	130	36,141	1,505	<b>118,612</b>
Until 12.31.2024	9,846	20,796	-	22,009	1,383	<b>54,034</b>
Until 12.31.2025	21,450	33,652	-	9,612	1,285	<b>65,999</b>
Until 12.31.2026	-	17,611	-	510	1,285	<b>19,406</b>
Until 12.31.2027	51,935	17,089	-	(843)	829	<b>69,010</b>
More than 5 periods	-	165,081	-	(10,702)	21,291	<b>175,670</b>
<b>Total</b>	<b>117,760</b>	<b>300,536</b>	<b>130</b>	<b>56,727</b>	<b>27,578</b>	<b>502,731</b>

Year ended December 31, 2021

	Bonds and other marketable debt securities	Bank borrowings	Other borrowings	Derivatives	Leases	Total
Until 12.31.2022	32,146	34,148	156	6,326	1,389	<b>74,165</b>
Until 12.31.2023	9,773	17,896	-	9,417	1,389	<b>38,475</b>
Until 12.31.2024	21,450	18,682	-	4,451	1,105	<b>45,688</b>
Until 12.31.2025	-	17,855	-	349	948	<b>19,152</b>
Until 12.31.2026	-	17,141	-	92	798	<b>18,031</b>
More than 5 periods	-	130,331	-	1,014	6,811	<b>138,156</b>
<b>Total</b>	<b>63,369</b>	<b>236,053</b>	<b>156</b>	<b>21,649</b>	<b>12,440</b>	<b>333,667</b>

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During 2022 and 2021 the Group complied with the payment of all its financial debt at maturity. Likewise, at the date of authorization of these consolidated financial statements the Group was in compliance with all its corresponding obligations.

The original currency of the carrying amounts recognized for non-current and current bank borrowings, both those associated with parks and those not associated with parks, is as follows:

	Balance at 12.31.2022	Balance at 12.31.2021
Euros	118,223	96,721
US dollars	157,627	139,332
Colombian pesos	24,686	-
<b>Total</b>	<b>300,536</b>	<b>236,053</b>

The Group's exposure to credit entities in connection with changes in interest rates is as follows:

	Balance	One year	More than one year
<b>At December 31, 2022</b>			
Borrowings from credit entities at variable interest rates	108,045	23,885	84,160
<b>At December 31, 2021</b>			
Borrowings from credit entities at variable interest rates	27,018	15,638	11,380

The movement in financial debt during 2022 and 2021, presenting the changes which generate cash flows separately from those which do not, is as follows:

Year ended December 31, 2022

	12.31.2021	Generate cash flows		Do not generate cash flows		12.31.2022
		Increase	Decrease	Currency translation differences	Other	
<b>Bonds and other marketable debt securities</b>	<b>63,369</b>	<b>225,836</b>	<b>(171,445)</b>	-	-	<b>117,760</b>
<b>Bank borrowings</b>	<b>236,053</b>	<b>92,065</b>	<b>(34,148)</b>	<b>6,566</b>	-	<b>300,536</b>
Loans	236,053	89,859	(34,148)	6,566	-	298,330
Foreign financing - current	-	2,206	-	-	-	2,206
<b>Other financial liabilities</b>	<b>156</b>	-	<b>(26)</b>	-	-	<b>130</b>
<b>Derivatives</b>	<b>21,649</b>	-	-	-	<b>35,078</b>	<b>56,727</b>
<b>Lease liabilities</b>	<b>12,440</b>	-	<b>(1,389)</b>	-	<b>16,527</b>	<b>27,578</b>
<b>TOTAL</b>	<b>333,667</b>	<b>317,901</b>	<b>(207,008)</b>	<b>6,566</b>	<b>51,605</b>	<b>502,731</b>

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Year ended December 31, 2021

	12.31.2020	Generate cash flows		Do not generate cash flows		12.31.2021
		Increase	Decrease	Currency translation differences	Other	
<b>Bonds and other marketable debt securities</b>	<b>21,649</b>	73,720	(32,000)	-	-	<b>63,369</b>
<b>Bank borrowings</b>	<b>123,325</b>	<b>105,970</b>	<b>(9,715)</b>	<b>9,244</b>	<b>7,229</b>	<b>236,053</b>
Loans	121,660	105,970	(8,050)	9,244	7,229	236,053
Credit lines	976	-	(976)	-	-	-
Foreign financing - current	689	-	(689)	-	-	-
<b>Other financial liabilities</b>	<b>3,210</b>	-	(3,054)	-	-	<b>156</b>
<b>Derivatives</b>	<b>2,397</b>	-	-	201	19,051	<b>21,649</b>
<b>Lease liabilities</b>	<b>4,882</b>	-	(1,224)	286	8,496	<b>12,440</b>
<b>TOTAL</b>	<b>155,463</b>	<b>179,690</b>	<b>(45,993)</b>	<b>9,731</b>	<b>34,776</b>	<b>333,667</b>

### 17.1. Bonds and other marketable debt securities

The breakdown for this heading is as follows:

Program	Date of program	Nominal amount	Amount issued	Issue date	Interest rate	Maturity date	Balance at 31.12.2022		Balance at 12.31.2021		2022 Finance costs	2021 Finance costs
							Non-current	Current	Non-current	Current		
Green Bond program (MARF) (*)	Mar-22	100,000	52,500	April-22	4%	5 years	21,415	445	21,450	293	1,288	1,197
Green commercial paper program (MARF)	Sept-21	100,000	60,916	Sept-21	0.7%-2.5%	5 years	9,846	32,539	9,773	31,853	758	86
Green Bond program (MARF) (*)	Oct-19	50,000	22,000	Nov-19	4.75%	5 years	51,970	1,545	-	-	1,546	-
<b>TOTAL</b>							<b>83,231</b>	<b>34,529</b>	<b>31,223</b>	<b>32,146</b>	<b>3,592</b>	<b>1,283</b>

(\*) Subject to fulfillment of a series of covenants, which had all been fulfilled at December 31, 2022 and 2021.

The issue of the Green Bond programs was validated by Vigeo Eiris in terms of environmental, social, and governance (ESG) criteria, in accordance with the directives contained in the Green Bond Principles.

The commercial paper program uses a financing framework aligned with the Green Loan Principles 2021 of the Loan Market Association (LMA) and with the Green Bond Principles 2021 of the International Capital Markets Association (ICMA). It is the first such program in Spain.

The Company's green financing framework was subjected to a Second Party Opinion (SPO) issued by the rating agency ESG Sustainalytics. The report considers the positive impact on the environment of the funds used and evaluates the credibility of the green financing framework used by Grenergy, as well as its alignment with international standards.

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### 17.2. Bank borrowings

The breakdown of loans subscribed and their main contractual conditions at December 31, 2022 and December 31, 2021 is as follows:

Year ended December 31, 2022

Financial entity	Maturity date	Type of guarantee	Installments	Thousands of euros		
				Non-current liabilities	Current liabilities	Total
KFW Bank	7/31/2034	Project guarantee	Semi-annual	24,055	2,880	26,935
Banco Security, Banco del Estado de Chile, and Penta Vida Compañía de Seguros de Vida	11/8/2036	Project guarantee	Semi-annual	46,202	3,362	49,564
Sinia Renovables	11/8/2036	Project guarantee	Semi-annual	8,604	4,923	13,527
Banco Sabadell (ICO)	4/30/2025	Corporate	Monthly	1,027	752	1,779
Bankinter (ICO)	4/30/2025	Corporate	Monthly	2,615	1,793	4,408
BBVA (ICO)	5/13/2025	Corporate	Monthly	174	124	298
Bankia (ICO)	4/30/2025	Corporate	Monthly	795	544	1,339
Banco Santander (ICO)	4/30/2025	Corporate	Monthly	435	301	736
Caixabank (ICO)	4/30/2025	Corporate	Monthly	387	250	637
Banco Santander (ICO)	9/1/2025	Corporate	Monthly	446	249	695
Abanca	2/28/2027	Corporate	Monthly	2,388	610	2,998
CIFI Latam	12/30/2021	Project guarantee	Semi-annual	-	16,352	16,352
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	21,022	1,843	22,865
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	21,100	1,663	22,763
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	21,017	1,810	22,827
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	21,001	1,841	22,842
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,978	531	3,509
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,978	531	3,509
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,978	531	3,509
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,978	531	3,509
Natixis	12/31/2027	Project guarantee	Semi-annual	32,012	2,260	34,272
Bancolombia	12/31/2036	Project guarantee	Semi-annual	24,266	420	24,686
Toesca	5/1/2025	Project guarantee	Held to maturity	14,771	-	14,771
NordLB and Bankinter	12/31/2042	Project guarantee	Semi-annual	-	-	-
NordLB and Bankinter	12/31/2042	Project guarantee	Semi-annual	-	-	-
NordLB and Bankinter	12/31/2042	Project guarantee	Semi-annual	-	-	-
<b>Total</b>				<b>254,229</b>	<b>44,101</b>	<b>298,330</b>

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The borrowings from credit entities in the above table accrue interest at market rates which depend on the characteristics of each loan.

Year ended December 31, 2021

Financial entity	Maturity date	Type of guarantee	Installments	Thousands of euros		
				Non-current liabilities	Current liabilities	Total
Banco Sabadell	10/20/2021	Corporate	Monthly	-	-	-
Banco Sabadell (USD)	4/19/2021	Corporate	Monthly	-	-	-
KFW Bank	7/31/2034	Project guarantee	Semi-annual	23,964	3,818	27,782
CAF-Banco de Desarrollo de América Latina & ICO	4/30/2036	Project guarantee	Semi-annual	18,960	937	19,897
Sinia Capital	11/30/2035	Project guarantee	Semi-annual	5,304	743	6,047
Banco Security, Banco del Estado de Chile, and Penta Vida Compañía de Seguros de Vida	11/8/2036	Project guarantee	Semi-annual	45,523	2,032	47,555
Sinia Renovables	11/8/2036	Project guarantee	Semi-annual	9,216	2,435	11,651
Banco Sabadell (ICO)	4/30/2025	Corporate	Monthly	1,779	737	2,516
Bankinter (ICO)	4/30/2025	Corporate	Monthly	1,231	489	1,720
BBVA (ICO)	5/13/2025	Corporate	Monthly	298	122	420
Bankia (ICO)	4/30/2025	Corporate	Monthly	1,338	529	1,867
Banco Santander (ICO)	4/30/2025	Corporate	Monthly	735	295	1,030
CaixaBank (ICO)	4/30/2025	Corporate	Monthly	637	244	881
Banco Santander (ICO)	9/1/2025	Corporate	Monthly	694	245	939
CIFI Latam	12/30/2021	Project guarantee	Semi-annual	-	15,342	15,342
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	17,925	1,254	19,179
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	15,980	1,124	17,104
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	17,419	1,215	18,634
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	17,908	1,251	19,159
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,984	334	3,318
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,984	334	3,318
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,984	334	3,318
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,984	334	3,318
Natixis	12/31/2027	Project guarantee	Semi-annual	11,058	-	11,058
<b>Total</b>				<b>201,905</b>	<b>34,148</b>	<b>236,053</b>

The borrowings from credit entities in the above table accrue interest at market rates which depend on the characteristics of each loan.

### Project finance

At December 31, 2022, the Group had subscribed 12 project finance arrangements:

- (i) a project finance arrangement granted by KFW Bank to the subsidiary GR Kosten, S.A.U. for construction and operation of the Kosten wind park (24 MW) in Argentina;
- (ii) a project finance arrangement granted by Banco Security, Banco del Estado de Chile, Penta Vida Compañía de Seguros de Vida, and Sinia Renovables, S.A.U. to the subsidiary Parque Eólico Quillagua, SpA for construction and operation of the Quillagua solar park in Chile with a capacity of 103 MW;
- (iii) a project finance arrangement granted by CIFI Latam to the subsidiary Green Hub for construction and operation of the San Miguel de Allende solar park in Mexico with a capacity of 30 MW;
- (iv) another 4 project finance arrangements granted by KFW Bank, Bankinter, and FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. to the subsidiaries GR Aitana, S.L., GR Bañuela, S.L., GR Aspe, S.L., and GR Turbón, S.L. for construction and operation of the Escuderos solar park in Spain with a capacity of 200 MW;
- (v) a project finance arrangement granted by Natixis for the construction and operation of 14 solar parks in Chile, corresponding to PMGDs and PMGs;



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- (vi) a project finance arrangement granted by Bancolombia for the construction and operation of 6 solar parks in Colombia with a capacity of 72 MW; and
- (vii) another 3 project finance arrangements granted by NordLB and Bankinter (Axis) to the subsidiaries GR Eugaba, S.L., GR Take, S.L., and GR Eugaba, S.L. for the construction and operation of the Belinchón solar park in Spain with a capacity of 150 MW.

Further, the 2 project finance arrangements associated with the Duna y Huambos solar park (Peru) were canceled in 2022.

At December 31, 2022 and 2021, the companies related to the project finance arrangements were complying with their contractual obligations. Each project finance arrangement has a series of positive/negative obligations, standard for this type of financing.

**17.3. Credit facilities and discount lines**

At December 31, 2022 and 2021, the Group had subscribed credit facilities and credit financing for foreign operations with various financial entities. The breakdown of the credit drawn at said dates together with the corresponding contractual terms is as follows:

Year ended December 31, 2022

Financial entity	Maturity date	Thousands of euros		
		Credit limit granted	Amount drawn	Amount available
SANTANDER	5/23/2023	650	-	650
BANKINTER	3/25/2023	500	-	500
BBVA	4/29/2023	500	-	500
BANCO SABADELL (VISA)	(*)	119	-	119
<b>Total credit facilities</b>		<b>1,769</b>	<b>-</b>	<b>1,769</b>
SABADELL	(*)	11,500	-	4,588
SANTANDER	(*)	30,000	-	-
CAIXABANK	(*)	25,000	-	4,702
BANKINTER	(*)	15,500	-	1,149
BBVA	(*)	40,000	252	1,217
ABANCA	2/9/2023	6,000	-	411
CAJAMAR	9/6/2023	30,000	-	30,000
CAJA RURAL DEL SUR	12/16/2023	5,500	-	5,500
UNICAJA	9/13/2023	11,000	-	10,000
BANCO COOPERATIVO ESPAÑOL	5/23/2023	10,000	-	7,725
SCOTIABANK	7/26/2023	25,000	-	23,660
<b>Total foreign financing</b>		<b>209,500</b>	<b>252</b>	<b>88,952</b>
<b>Total</b>		<b>211,269</b>	<b>252</b>	<b>90,721</b>

(\*) Tacit annual renewal

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Year ended December 31, 2021

Financial entity	Maturity date	Thousands of euros		
		Credit limit granted	Amount drawn	Amount available
SANTANDER	5/23/2023	650	-	650
SABADELL	6/16/2022	200	-	200
BANKINTER	6/28/2022	500	-	500
BBVA	4/29/2023	500	-	500
BANKIA (VISA)	(*)	3	-	3
BANCO SABADELL (VISA)	(*)	30	-	30
SECURITY (VISA)	(*)	8	-	8
<b>Total credit facilities</b>		<b>1,891</b>	-	<b>1,891</b>
SABADELL	(*)	17,800	-	300
SANTANDER	(*)	12,750	-	-
CAIXABANK	10/4/2022	15,600	-	951
BANKINTER	6/28/2022	21,700	-	11,800
BBVA	(*)	35,000	-	9,630
ABANCA	1/22/2023	3,600	-	1,530
NATIXIS	6/1/2022	10,000	-	2,000
<b>Total foreign financing</b>		<b>116,450</b>	-	<b>26,211</b>
<b>Total</b>		<b>118,341</b>	-	<b>28,102</b>

(\*) Tacit annual renewal

The credit facilities accrue interest at market rates.

#### 17.4. Other borrowings

At December 31, 2022 and 2021, the breakdown for other borrowings held by the Group was as follows:

Year ended December 31, 2022

Lender	Maturity date	Interest rate	Type of guarantee	Installments	Thousands of euros		
					Non-current liabilities	Current liabilities	Total
Spanish Center for the Development of Industrial Technology (CDTI)	5/12/2022	Zero interest	No	Monthly	-	130	130
<b>Total</b>					-	<b>130</b>	<b>130</b>

Year ended December 31, 2021

Lender	Maturity date	Interest rate	Type of guarantee	Installments	Thousands of euros		
					Non-current liabilities	Current liabilities	Total
Spanish Center for the Development of Industrial Technology (CDTI)	5/12/2022	Zero interest	No	Monthly	-	156	156
<b>Total</b>					-	<b>156</b>	<b>156</b>

This balance corresponds to the amount pending repayment on a zero interest loan granted by the CDTI on October 13, 2011 in the amount of 520 thousand euros in order to help financing the necessary investments for the project known as "Design and Modeling of a forecasting system for performance and integral control at energy distribution installations."

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### 17.5. Derivative financial instruments

The Group recognizes the fair value of the interest rate hedges and price hedges (financial PPA) contracted at December 31 under this heading:

	Non-current	Current	Total at 12.31.22	Non-current	Current	Total at 12.31.21
<i>Derivative financial assets</i>						
IRS Escuderos	12,059	843	12,902	-	-	-
IRS Quillagua	1,973	658	2,631	-	-	-
<b>Total interest rate hedges</b>	<b>14,032</b>	<b>1,501</b>	<b>15,533</b>	-	-	-
PPA Belinchón	2,412	-	2,412	-	-	-
<b>Total energy price hedges</b>	<b>2,412</b>	-	<b>2,412</b>	-	-	-
<b>Total</b>	<b>16,444</b>	<b>1,501</b>	<b>17,945</b>	-	-	-
<i>Financial liabilities - derivatives</i>						
IRS Quillagua	-	-	-	1,511	36	1,547
IRS PMGDs Chile	1,941	-	1,941	-	-	-
<b>Total interest rate hedges</b>	<b>1,941</b>	-	<b>1,941</b>	<b>1,511</b>	<b>36</b>	<b>1,547</b>
PPA Escuderos	18,645	36,141	54,786	13,812	6,290	20,102
<b>Total energy price hedges</b>	<b>18,645</b>	<b>36,141</b>	<b>54,786</b>	<b>13,812</b>	<b>6,290</b>	<b>20,102</b>
<b>Total</b>	<b>20,586</b>	<b>36,141</b>	<b>56,727</b>	<b>15,323</b>	<b>6,326</b>	<b>21,649</b>

#### Interest rate hedges (IRS)

The Greenergy Group regularly contracts interest rate derivatives which are designated as hedging instruments for accounting purposes. Said instruments are contracted to cover the potential changes in cash flows arising from interest payments associated with non-current financial liabilities at variable rates (Note 17.2).

The derivative financial instruments for hedging interest rates which the Group contracted, in force at December 31, 2022 and 2021, are recognized in the accompanying consolidated statement of financial position at their market value, as per the following breakdown:

	Date granted	Maturity date	Variable rate	Financial entity	Fixed rate
Quillagua hedge	2020	2036	6-month Libor	Banco Security and Banco del Estado de Chile	6.45%
Escuderos hedge	2021	2038	6-month Euribor	KFW and Bankinter	0.32%
Hedges for 14 PMGDs Chile	2021	2027	6-month Libor	Natixis	1.17

#### Hedges for energy sales

In the transactions they carry out, the Group companies seek to arrange long-term energy sales contracts for part or all of the energy produced at their installations so that the risk of fluctuations in market sales prices are partially or completely mitigated. Said contracts, depending on the regulatory framework within which the installations are being operated, can be executed with the physical delivery of energy (the so-called Power Purchase Agreements - PPAs) or via financial derivatives in which the underlying item corresponds to the market price for energy and for which the difference between said market price and the contractually established production price is settled periodically.

Some Group companies have arranged price hedging contracts (financial PPA) with a view to covering fluctuations in energy prices.

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Since the Group can demonstrate it has arranged contracts in accordance with the energy sales strategy established for the installation and since the differences that arise are settled, it designates said contracts as hedges and recognizes changes in the market values of the derivatives under "Unrealized gains (losses) reserve" in equity.

	Agreement date	Start date	Maturity date	Notional (MWh)	Price (euros/MW)
PPA Escuderos (4 contracts)	2020	8/1/2021	7/30/2033	360,000	30-40
PPA Belinchón (3 contracts)	2022	1/1/2025	12/31/2036	200,000	40-50

The power purchase agreements for the Escuderos and Belinchón projects oblige the parties to settle the differences between the fixed price and the market price for a certain amount of energy starting from August 1, 2021 and January 1, 2025, respectively. Once the parks start producing electricity, monthly settlements are carried out based on the changes in market prices with respect to the price fixed for sales. Further, an annual settlement was agreed upon for the difference between the monthly amount of energy expected in the PPA and the monthly amount produced multiplied by the difference between the average market price for the last 12 months and the fixed price.

As a consequence of the delay in starting up operations at the Escuderos project parks, the coverage provided by these financial instruments was ineffective in 2021, and therefore the Group recognized an expense of 6,290 thousand euros under "Other finance costs" in the consolidated statement of profit or loss.

Considering the average price of the last 12 months, Management's estimate for said ineffectiveness at December 31, 2022 amounts to 10,690 thousand euros, of which 4,400 thousand euros were recognized in the consolidated statement of profit or loss at said date.

A dispute arose with the counterparties of the contracts during 2022 regarding an estimated amount of 18,582 thousand euros in connection with the annual settlement of August 1, 2022.

On August 4, 2022, Grenergy filed an arbitration request before the International Chamber of Commerce (ICC) to resolve this dispute, alleging that the delay in starting up the wind parks was due to different exceptional circumstances that arose in 2021 and 2022.

Based on the risk assessment performed by the Group's external and internal lawyers, Grenergy Management decided to recognize an expense of 10,690 thousand euros (6,290 thousand euros were recognized in 2021 and the remaining 4,400 thousand euros were recognized at December 31, 2022). The difference (7,892 thousand euros) was paid to the counterparty of the contract and recognized as a recoverable balance under "Other financial assets" in the consolidated statement of financial position (Note 9) given that Grenergy Management decided not to recognize any type of provision as the associated risk was qualified as not probable and consequently there would be no impact on the condensed consolidated financial statements.

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### 17.6. Lease liabilities

Commencing January 1, 2019, due to the application of IFRS 16 "Leases," lease liabilities are treated as financial debt. The main liabilities recognized at December 31, 2022 and 2021 under this heading in the consolidated statement of financial position are as follows:

Year ended December 31, 2022

	Land	Offices	Other	Total
Non-current lease liabilities	24,265	935	873	26,073
Current lease liabilities	731	620	154	1,505
<b>TOTAL (thousands of euros)</b>	<b>24,996</b>	<b>1,555</b>	<b>1,027</b>	<b>27,578</b>

Year ended December 31, 2021

	Land	Offices	Other	Total
Non-current lease liabilities	9,035	877	1,139	11,051
Current lease liabilities	534	479	376	1,389
<b>TOTAL (thousands of euros)</b>	<b>9,569</b>	<b>1,356</b>	<b>132</b>	<b>12,440</b>

"Land" includes the lease liabilities from the rental contracts for the land upon which the solar and wind parks are located which were operational at December 31, 2022 and 2021 (Note 8).

"Offices" includes the lease liabilities from the rental contracts for the office space in Spain and Chile (Note 8).

"Other" includes the lease liabilities from the lease contracts for certain transportation items and installations (Note 8).

The incremental financing interest rate used by Greenergy arises from the homogeneous portfolio of leases, countries, and contractual durations.

The finance cost recognized in the consolidated statement of profit or loss corresponding to this item amounted to 383 thousand euros in 2022 and 185 thousand euros in 2021.

### 18. Joint operations

At December 31, 2022, the Group only participates in various joint operations which fulfill the conditions indicated in Note 3.1.2 with a view to constructing an electricity substation for use by the partners in various solar parks.

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The contribution of these joint operations to the assets, liabilities, income, and expenses of Greenergy is as follows:

	12.31.2022	12.31.2021
<b>Non-current assets</b>	<b>5,012</b>	<b>2,693</b>
Property, plant, and equipment	5,012	2,693
<b>Current assets</b>	<b>844</b>	<b>431</b>
Trade and other receivables	422	158
Cash and cash equivalents	422	273
<b>Current liabilities</b>	<b>(2,158)</b>	<b>(258)</b>
Trade and other payables	(2,158)	(258)
<b>Net assets (thousands of euros)</b>	<b>3,698</b>	<b>2,866</b>

	12.31.2022	12.31.2021
Revenue		-
Other operating expenses	(84)	40
Depreciation and amortization	(82)	-
<b>OPERATING PROFIT (LOSS)</b>	<b>(166)</b>	<b>40</b>
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>(166)</b>	<b>40</b>
<b>CONSOLIDATED PROFIT (thousands of euros)</b>	<b>(166)</b>	<b>40</b>

All the assets contributed to A.I.E. (Economic Interest Grouping) were done so based on the percentage of investment. Likewise, the Group does not hold any other assets or liabilities and neither has it incurred expenses in addition to those incurred together with the partners of A.I.E.

**19. Public administrations and tax matters**

The breakdown of balances with public administrations at December 31, 2022 and 2021 is as follows:

Receivable from public administrations	Non-current	Current	Balance at 12.31.22	Non-current	Current	Balance at 12.31.21
<b>Deferred tax assets</b>	<b>47,327</b>	-	<b>47,327</b>	<b>25,441</b>	-	<b>25,441</b>
<b>Current income tax assets</b>	-	<b>2,528</b>	<b>2,528</b>	-	<b>628</b>	<b>628</b>
<b>Other receivables from public administrations</b>	-	<b>29,476</b>	<b>29,476</b>	-	<b>22,417</b>	<b>22,417</b>
Tax refunds receivable from the tax authorities	-	2,839	2,839	-	243	243
VAT receivable from the tax authorities	-	26,637	26,637	-	22,174	22,174
<b>Total</b>	<b>47,327</b>	<b>32,004</b>	<b>79,331</b>	<b>25,441</b>	<b>23,045</b>	<b>48,486</b>

Payable to public administrations	Non-current	Current	Balance at 12.31.22	Non-current	Current	Balance at 12.31.21
<b>Deferred tax liabilities</b>	<b>20,423</b>	-	<b>20,423</b>	<b>14,365</b>	-	<b>14,365</b>
<b>Current income tax liabilities</b>	-	<b>293</b>	<b>293</b>	-	<b>107</b>	<b>107</b>
<b>Other payables to public administrations</b>	-	<b>1,484</b>	<b>1,484</b>	-	<b>1,303</b>	<b>1,303</b>
VAT payable to the tax authorities	-	950	950	-	875	875
Payable to the tax authorities for withholdings	-	243	243	-	251	251
Social security agencies	-	291	291	-	177	177
<b>Total</b>	<b>20,423</b>	<b>1,777</b>	<b>22,200</b>	<b>14,365</b>	<b>1,410</b>	<b>15,775</b>

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**Tax matters**

In accordance with current legislation in the countries in which Group companies are located, taxes cannot be considered definitive until they have been inspected by the tax authorities or the corresponding inspection period has elapsed.

Due to the varying interpretations of the tax regulations applicable, certain tax contingencies that are not objectively quantifiable could arise. Nevertheless, the Parent's directors considers that tax debts arising from possible future actions taken by the tax authorities corresponding to each of the Group companies would not have a significant effect on the consolidated financial statements taken as a whole.

**19.1 Corporate income tax**

The Parent has been filing its tax returns under a consolidated tax regime in Spain since 2021 together with the remaining Spanish companies included in the Greenergy Group, the identification number of which is 429/21. The remaining Group companies file their tax returns under an individual tax regime, in accordance with the prevailing legislation applicable in their respective jurisdictions.

The tax base, in accordance with the individual information of each company, is as follows:

Year ended December 31, 2022

	Statement of profit or loss		Total
	Increase	Decrease	
Accounting profit before tax for individual companies	2,744	-	2,744
Margins eliminated in the consolidation process (*)	4,564	-	4,564
<b>Consolidated accounting profit (loss) before tax</b>			<b>7,308</b>
Permanent differences (**)	115	(10,157)	(10,042)
Temporary differences (***)	5,892	(9,372)	(3,480)
<b>Taxable income (Tax results)</b>			<b>(6,214)</b>

Year ended December 31, 2021

	Statement of profit or loss		Total
	Increase	Decrease	
Accounting profit before tax for individual companies	14,997	-	14,997
Margins eliminated in the consolidation process (*)	3,133	-	3,133
<b>Consolidated accounting profit (loss) before tax</b>			<b>18,130</b>
Permanent differences (**)	-	(29,897)	(29,897)
Temporary differences (***)	17,441	(29,628)	(12,187)
<b>Taxable income (Tax results)</b>			<b>(23,954)</b>

(\*) Mainly corresponds to the consolidation adjustments related to the net carrying amount recognized for solar plants under PP&E.

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(\*\*) Corresponds to the capital gains from the sale of interests held.

(\*\*\*) The decreases in temporary differences mainly arose in Chilean, Peruvian, and Argentinian Group companies. Under the tax regulations of these countries, deferred tax liabilities are generated as a result of the difference in the measurement of carrying amounts and tax values of assets since for tax purposes certain components of the assets are considered as tax expenses in the year incurred. This results in a temporary difference which is adjusted to the extent the assets are depreciated/amortized. Likewise, the companies subject to these local tax regulations make certain adjustments to accounting results as a consequence of adjusting the assets and liabilities to their tax value taking into account the effects of inflation. These adjustments give rise to temporary differences which in turn give rise to deferred tax liabilities.

The reconciliation of consolidated accounting profit and corporate income tax, in accordance with the separate information for each company, is as follows:

	2022	2021
Tax payable	2,506	-
Change in deferred taxes	(1,739)	3,708
Current foreign tax	4,724	6,001
Adjustments to fixed assets - functional currency (IAS 12)	(2,959)	212
Tax loss carryforwards	(5,623)	(7,082)
Consolidation adjustments	90	(643)
Other	-	(78)
<b>Income tax expense (refund)</b>	<b>(3,001)</b>	<b>2,118</b>

While the theoretical tax rates vary depending on the different locations, the main rates applied for both FY 2022 and FY 2021 were as follows:

Country	Tax rate
Spain	25%
Chile	27%
Peru	29.50%
Argentina	35%
Mexico	30%
Colombia	33%
Italy	24%
United Kingdom	19%
Poland	19%

**Deferred tax assets and liabilities**

The difference between tax expense attributed to the year and previous years, and that which is already paid or payable for said periods, is recognized under "Deferred tax assets" or "Deferred tax liabilities," as appropriate. Said deferred taxes were calculated by applying the prevailing nominal tax rate to the corresponding amounts.



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The movements in these headings in the accompanying consolidated statement of financial position at December 31, 2022 and 2021 are as follows:

Year ended December 31, 2022

	12.31.2021	Additions	Currency translation differences	Derecognitions	12.31.2022
<b>Deferred tax assets</b>	<b>25,441</b>	<b>25,818</b>	<b>784</b>	<b>(4,716)</b>	<b>47,327</b>
Tax loss carryforwards	11,283	6,733	636	(1,110)	17,542
Tax deductions pending application	19	1,137	-	-	1,156
Unrealized internal margins	5,697	934	-	-	6,631
Capitalization reserve	735	-	-	-	735
Other temporary differences	3,504	4,105	105	(2,179)	5,535
Derivatives	3,456	10,238	-	(1,143)	12,551
Adjustments to fixed assets - functional currency (IAS 12)	747	2,671	43	(284)	3,177
<b>Deferred tax liabilities</b>	<b>(14,365)</b>	<b>(9,737)</b>	<b>(545)</b>	<b>4,224</b>	<b>(20,423)</b>
Temporary differences	(12,680)	(5,910)	(449)	3,652	(15,387)
Derivatives	-	(3,827)	-	-	(3,827)
Adjustments to fixed assets - functional currency (IAS 12)	(1,685)	-	(96)	572	(1,209)
<b>Total</b>	<b>(11,076)</b>				<b>26,904</b>

The deferred tax assets and liabilities shown in the above table corresponding to derivatives are recognized directly in equity and are not taken to the consolidated statement of profit or loss.

Year ended December 31, 2021

	12.31.2020	Additions	Business Combinations	Currency translation differences	Derecognitions	12.31.2021
<b>Deferred tax assets</b>	<b>10,217</b>	<b>15,454</b>	<b>-</b>	<b>361</b>	<b>(591)</b>	<b>25,441</b>
Tax loss carryforwards	3,888	7,082	-	313	-	11,283
Tax deductions pending application	-	19	-	-	-	19
Unrealized internal margins	5,085	612	-	-	-	5,697
Capitalization reserve	198	537	-	-	-	735
Other temporary differences	1,046	3,001	-	48	(591)	3,504
Derivatives	-	3,456	-	-	-	3,456
Adjustments to fixed assets - functional currency (IAS 12)	-	747	-	-	-	747
<b>Deferred tax liabilities</b>	<b>(5,591)</b>	<b>(7,984)</b>	<b>(862)</b>	<b>(189)</b>	<b>261</b>	<b>(14,365)</b>
Temporary differences	(4,921)	(7,025)	(862)	(133)	261	(12,680)
Derivatives	-	-	-	-	-	-
Adjustments to fixed assets - functional currency (IAS 12)	(670)	(959)	-	(56)	-	(1,685)
<b>Total</b>	<b>(4,626)</b>					<b>11,076</b>

The deferred tax assets and liabilities shown in the above table corresponding to derivatives are recognized directly in equity and are not taken to the consolidated statement of profit or loss.

Deferred tax assets arising from internal margins are eliminated in the consolidation process. Various Group companies are involved in the construction of the solar plants which the Group has recognized under "PP&E" (Note 6). When the unrealized gains arising from said transactions are eliminated, they generate a tax effect which will mostly be recovered in the year in which the interests held in the subsidiaries who own these parks are sold or via their amortization/depreciation.

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Application of the capitalization reserve in a given year is realized via a reduction in the tax base of the entity by the balance of said reserve. This reduction of the tax base results in a lower current corporate income tax for the year in which the incentive is applied. In the event that the tax base is insufficient for application of the reduction, the pending amounts can be applied in the two periods immediately succeeding the period in which it would have been generated. In cases of an insufficient tax base, amounts pending application give rise to recognition of a deductible temporary difference.

Deferred tax assets arising from derivatives correspond to the tax effect generated in the measurement of financial instruments contracted for hedging purposes (Note 17.5).

Deferred tax liabilities relating to business combinations correspond to the measurement at fair value of the assets acquired in the business combinations in Chile (Note 5). In addition, deferred tax liabilities from temporary differences reflect the deferred liabilities arising in business combinations from prior years in the amount of 2,990 thousand euros.

The remaining temporary differences under deferred tax liabilities mainly arise from the Chilean, Peruvian, and Argentinean Group companies.

In accordance with IAS 12, the non-monetary assets and liabilities of an entity are measured in terms of their functional currency. If the entity's tax profits or losses (and, therefore, the tax bases of its non-monetary assets and liabilities) are calculated in a different currency, the fluctuations in exchange rates will give rise to temporary differences, which will result in recognition of a deferred tax liability or asset.

The recoverability of deferred tax assets is evaluated at the moment they are recognized and at least at year end, in accordance with the Group's expected results for upcoming years.

**Tax loss carryforwards pending offset**

Deferred tax assets for unused tax loss carryforwards are recognized to the extent that, based on the Group's future business plans, it is probable that future taxable profit will be available against which these assets may be utilized.

At 2022 and 2021 year end the breakdown of tax loss carryforwards recognized but pending offset, by company, is as follows:

Thousands of euros	12.31.2022	12.31.2021
GR RENOVABLES MEXICO S.A.	-	277
PARQUE EÓLICO QUILLAGUA, SpA	18,551	16,589
KOSTEN SA	10,909	7,862
GREENERGY RENOVABLES PACIFIC	1,335	4,495
GR TARUCA, SAC	7,010	4,747
GR PAINO, SAC	5,171	3,826
GREENERGY RENOVABLES, S.A.	-	135
GR LLEUQUE, SPA	5,237	-
GR RUIL, SPA	6,119	-
GREENERGY PALMAS DE COCOLÁN, SPA	9,210	-
GR POWER CHILE, SPA	838	-
Other	662	-
<b>Total</b>	<b>65,042</b>	<b>37,931</b>

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The recovery of these tax assets is reasonably assured given that they correspond to companies expected to generate recurring profits in the coming years.

The limits to their application are broken down as follows:

Country	
Chile	No limit
Spain	No limit
Peru	No limit
Argentina	4 years
Mexico	No limit

**Deductions**

At 2022 and 2021 year end, there were deductions pending application in the amounts of 1,191 thousand and 55 thousand euros, respectively. These deductions mainly correspond to international double taxation relief generated in 2022 in connection with tax borne in Peru. Said amount can be applied in the tax returns filed for the tax periods which conclude during the 15 subsequent and consecutive years following the tax period of generation.

**20. Income and expenses****20.1 Cost of sales**

The breakdown of the consolidated balance recognized under this heading is as follows:

	12.31.2022			12.31.2021		
	Purchases	Changes in inventories	Total consumption	Purchases	Changes in inventories	Total consumption
Consumption of goods for resale	203,125	5,696	208,821	180,046	(7,334)	172,712
Work performed by third parties	162	-	162	16	-	16
<b>Total</b>	<b>203,287</b>	<b>5,696</b>	<b>208,983</b>	<b>180,062</b>	<b>(7,334)</b>	<b>172,728</b>

The breakdown of the purchases recorded in the accompanying consolidated statement of profit or loss is as follows:

	12.31.2022	12.31.2021
Spain	63,785	86,999
Imports	139,502	93,063
<b>Total</b>	<b>203,287</b>	<b>180,062</b>

**20.2 Employee benefits expense**

The breakdown of this heading in the consolidated statement of profit or loss for 2022 and 2021 is as follows:

	12.31.2022	12.31.2021
Wages and salaries	12,211	8,056
Social security payable by the company	2,129	1,454
Other social security expenses	432	87
<b>Total</b>	<b>14,772</b>	<b>9,597</b>

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The average number of employees, by professional category, in 2022 and 2021, was as follows:

Category	2022	2021
Directors and Senior Management	13	11
Managers	10	8
Department heads	32	22
Technical staff	150	92
Laborers	98	83
<b>Total</b>	<b>303</b>	<b>216</b>

The breakdown by gender of employees, directors, and senior management at 2022 and 2021 year end, is as follows:

Category	12.31.2022			12.31.2021		
	Men	Women	Total	Men	Women	Total
Directors and Senior Management	7	6	13	7	6	13
Managers	9	1	10	9	1	10
Department heads	27	10	37	20	5	25
Technical staff	104	80	184	64	43	107
Laborers	95	15	110	74	8	82
<b>Total</b>	<b>242</b>	<b>112</b>	<b>354</b>	<b>174</b>	<b>63</b>	<b>237</b>

The Group had no employees under contract with disabilities greater than or equal to 33% during 2022 or 2021.

**20.3 External services**

The breakdown of this heading in the consolidated statement of profit or loss for 2022 and 2021 is as follows:

Type	2022	2021
Leases	593	337
General repairs and maintenance	580	294
Park maintenance	8,159	5,010
Professional services	4,467	2,281
Insurance	534	258
Bank services	235	349
Advertising and publicity	250	216
Supplies	366	183
Other	113	343
Other taxes	303	14
Losses on, impairment of, and changes in trade provisions	71	741
<b>Total</b>	<b>15,671</b>	<b>10,026</b>

"Leases" corresponds to the rental expenses relating to low value contracts or contracts for a duration of less than one year.

"Park maintenance" at December 31, 2022 presents all the operating costs for the parks which were in operation during 2022 and 2021 (Note 6).

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The balance presented under "Losses on, impairment of, and changes in trade provisions" for FY 2021 arose from the following allowances recognized: 316 thousand euros corresponding to the provision for penalties of the Kosten park; 34 thousand euros corresponding to the provision for delays in the construction of various parks in Chile; and 391 thousand euros corresponding to the provision for guarantees (Note 16).

**20.4 Finance income and expenses**

The breakdown of finance income and expenses recognized in the accompanying consolidated statement of profit or loss is as follows:

	12.31.2022	12.31.2021
<b>Income</b>	<b>471</b>	-
Interest from other financial assets	471	-
Investments in equity instruments		
<b>Expenses</b>	<b>(19,632)</b>	<b>(9,321)</b>
Interest on borrowings	(19,632)	(9,321)
<b>Exchange gains (losses)</b>	<b>1,191</b>	<b>1,560</b>
<b>Change in fair value of financial instruments</b>	<b>(4,400)</b>	<b>(6,290)</b>
<b>Profit (loss) on investments under the equity method (Note 9.1)</b>	<b>(325)</b>	-
<b>Impairment of and gains (losses) on disposal of financial instruments</b>	<b>187</b>	<b>(205)</b>
Impairment and losses	187	(205)
<b>Finance cost</b>	<b>(22,508)</b>	<b>(14,256)</b>

The breakdown for exchange gains (losses) by currency at December 31, 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
US dollar (USD)	5,697	3,719
Argentine peso (ARS)	(1,425)	(1,098)
Peruvian sol (PEN)	(4)	(34)
Chilean peso (CLP)	(5)	6
Mexican peso (MXN)	2,199	(660)
Colombian peso (COP)	(5,271)	(373)
<b>Total</b>	<b>1,191</b>	<b>1,560</b>

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### 21. Foreign currency

The breakdown of transactions carried out in foreign currency during 2022 and 2021 is as follows:

Year ended December 31, 2022

	12.31.2022								Total
	Equivalent value in thousands of euros								
	US Dollars	Chilean pesos	Peruvian soles	Mexican pesos	Argentinean pesos	Pound Sterling	Polish zloty	Colombian pesos	
Sale of goods	61,772	22,284	4,837	2,875	8,163	-	-	1,926	101,857
Services rendered	-	2,331	-	-	-	-	-	-	2,331
<b>Total</b>	<b>61,772</b>	<b>24,615</b>	<b>4,837</b>	<b>2,875</b>	<b>8,163</b>	<b>-</b>	<b>-</b>	<b>1,926</b>	<b>104,188</b>
Purchases	(78,783)	(44,401)	(295)	(153)	-	-	-	(16,075)	(139,707)
Work performed by third parties	-	(162)	-	-	-	-	-	-	(162)
Receipt of services	(5,289)	(2,774)	(264)	(288)	(120)	(131)	(127)	(608)	(9,601)
<b>Total</b>	<b>(84,072)</b>	<b>(47,337)</b>	<b>(559)</b>	<b>(441)</b>	<b>(120)</b>	<b>(131)</b>	<b>(127)</b>	<b>(16,683)</b>	<b>(149,470)</b>

Year ended December 31, 2021

	12.31.2021								Total
	Equivalent value in thousands of euros								
	US Dollars	Chilean pesos	Peruvian soles	Mexican pesos	Argentinean pesos	Pound Sterling	Colombian pesos		
Sale of goods	59,965	12,913	2,195	1,108	3,435	-	-	-	79,616
Services rendered	-	2,523	-	-	-	-	-	-	2,523
<b>Total</b>	<b>59,965</b>	<b>15,436</b>	<b>2,195</b>	<b>1,108</b>	<b>3,435</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,139</b>
Purchases	(80,654)	(16,394)	-	(351)	-	-	-	-	(97,399)
Work performed by third parties	-	(16)	-	-	-	-	-	-	(16)
Receipt of services	(4,115)	(2,199)	(239)	(271)	(152)	(40)	(171)	(171)	(7,187)
<b>Total</b>	<b>(84,769)</b>	<b>(18,609)</b>	<b>(239)</b>	<b>(622)</b>	<b>(152)</b>	<b>(40)</b>	<b>(171)</b>	<b>(171)</b>	<b>(104,602)</b>

### 22. Environmental disclosures

During the development phase of the renewable energy projects, either solar or wind, the Group carries out environmental impact assessments systematically. These assessments include a description of all project activities susceptible of having an impact during the life of the project, from civil engineering work up to dismantling activities, and a complete study on alternatives for the installations and their evacuation lines is also performed. It further includes an environmental inventory which discloses the characteristics relating to air, soil, hydrology, vegetation, fauna, protected items, the countryside, heritage items, and socio-economic factors. The main objective is to identify, quantify, and measure all the possible impacts on the natural and socio-economic environment as well as the activities which give rise to them throughout the life of the project, and also to define the preventive, corrective, and compensatory measures with regard to said impacts.

Once the environmental permits have been obtained from the competent authority in the form of an Environmental Impact Statement and the initial construction phase of the projects has started, the Environmental Monitoring Programs are initiated and continued until the dismantling phase of the projects. These programs constitute the system which guarantees compliance with the protective measures defined and with respect to those incidents which may arise, allowing for detection of deviations from foreseen impacts and detection of new unexpected impacts, as well as recalibrating the proposed measures or adopting new ones. These programs also permit Management to monitor compliance with the Environmental Impact Statement efficiently and systematically as well as other deviations which are difficult to foresee and may arise over the course of the construction work and functioning of the project.

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The Group contracts specialized professional services for each project in order to perform the Environmental Impact Assessments and execute the Environmental Monitoring Programs together with the periodic associated reporting, adding transparency and rigor to the process. Likewise, environmental management plans are established which comprise all the possible specific plans developed in a complementary manner, such as in the case of landscape restoration and integration plans or specific plans for monitoring fauna.

The Group's projects are generally affected by the environmental impact of land occupation. Thus, the land selection phase plays a fundamental role and the Group searches for and locates land using a system for analyzing current environmental values with a view to minimizing environmental impact.

### 23. Related-party transactions

#### 23.1. Balances and transactions with related parties

In addition to Group entities and associates, the Group's related parties also include the directors and senior management of the Parent (including close family members) as well as those entities over which they may exercise control or significant influence.

At December 31, 2022, a balance of 71 thousand euros was recognized as payable to the majority shareholder of the Parent as a consequence of the rental contract for offices in Madrid. At December 31, 2021, the Group held no balances with related parties.

The breakdown of transactions performed with related parties in 2022 and 2021 is as follows:

	12.31.2022		12.31.2021	
	Parent company	Other related parties	Parent company	Other related parties
<b>Income</b>	<b>28</b>	-	-	-
Other current management income	28	-	-	-
<b>Expenses</b>	<b>(658)</b>	-	<b>(482)</b>	<b>(52)</b>
Leases	(658)	-	(482)	(46)
Services received	-	-	-	(6)

The transactions with related parties carried out during 2022 and 2021 relate to the normal course of the Group's business and were generally carried out on an arm's length basis:

- Renting of the offices at Rafael Botí 26 by Daruan Group Holding, S.L.U. for an amount of 688 thousand euros in 2022 (2021: 482 thousand euros).
- Re-invoicing costs to Daruan Group Holding, S.L.U. in the amount of 39 thousand euros in 2022.

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### 23.2. Disclosures relating to the directors and senior management

During 2022 and 2021 the Parent did not extend any advances or credit to its directors, nor did it assume any obligations on their behalf by way of guarantees extended. Likewise, the Parent has no pension or life insurance commitments for any of its current or former directors.

The amounts accrued by members of the Board of Directors during 2022 and 2021 were as follows:

Type of remuneration	2022	2021
Remuneration for membership of Board and/or Board committees	280	133
Salaries	90	155
Variable remuneration in cash	84	139
Share-based remuneration schemes	39	165
Other	42	50
<b>TOTAL</b>	<b>535</b>	<b>642</b>

The directors of the Parent are covered by a civil liability insurance policy for which it settled a premium amounting to 25 thousand euros in 2022 (2021: 25 thousand euros).

The amounts accrued by senior management corresponding to fixed remuneration, variable annual remuneration, and other items, amounted to 742 thousand euros in 2022 (2021: 829 thousand euros).

### 23.3. Other disclosures relating to the directors

At the date of authorization of these consolidated financial statements, none of the Parent's directors notified its Board of any conflicts of interest, direct or indirect, with those of the Group in connection with said members themselves or any persons to whom article 229 of the Spanish Corporate Enterprises Act refers.

The directors did not carry out any related-party transactions outside the ordinary course of activities or transactions which were not carried out on an arm's length basis with the Company or Group companies during the years 2022 and 2021.

## 24. Other disclosures

### 24.1. Risk management policy

The Group's risk management policy has been approved by Greenergy's Board of Directors. It is the Audit Committee which supervises the efficacy of the risk management system. Based on these policies, the Group's Finance Department has established a series of procedures and controls which make it possible to identify, measure and manage the financial risks arising from the use of financial instruments.

Specifically, activities with financial instruments expose the Group to credit, market, exchange rate, interest rate, and liquidity risk.



## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

*Notes to the consolidated financial statements  
for the year ended December 31, 2022*

### **Market risk**

The market in which the Group operates is related to the sector for production and commercialization of renewable energies. It is for this reason that the factors which influence said market positively and negatively can affect the Group's performance.

Market risk in the electricity sector is based on a complex price formation process in each of the countries or markets in which the Group performs its business activities.

In general, the price of products offered in the sector of renewable energies contains a regulated component as well as a market component. The first is controlled by the competent authorities of each country or market and can vary whenever said authorities consider it appropriate and necessary, resulting in an obligation for all market agents to adapt to the new circumstances, including the Group companies active in said countries. The cost of energy production would be affected as well as distribution to networks, thereby also affecting the price paid by Greenergy Group clients, either with respect to the negotiation of purchase-sales prices for its projects or price formation in the wholesale market ("merchant") as well as under the Power Purchase Agreements ("PPAs").

As far as the market component is concerned, there is the risk that the competitors of the Group, both for renewable energies as well as for conventional energies, may be able to offer lower prices, generating competition in the market which, via pricing, may endanger the stability of the Group's client portfolio and could thereby provoke a substantial negative impact on its activities, results, and financial position.

At any rate, as the performance of said sector varies significantly from country to country and continent to continent, three years ago the Group initiated a geographical diversification process, breaking into markets outside Spain (currently the Group is present in Spain, Chile, Mexico, Colombia, Argentina, Peru, Italy, the United Kingdom, Poland, the USA, and Germany), thereby reducing this type of risk even more. At present, all the efforts being made by Greenergy are focused on further developing the projects it owns in these countries.

### **Credit risk**

Credit risk is the potential loss arising from a breach of contractual obligations by the Group's counterparties, that is, the possibility that financial assets will not be recovered at their carrying amounts within the established timeframe.

Each month a breakdown giving the age of each of the accounts receivable is prepared, which serves as the basis for collection management. The Finance Department requests payment of overdue amounts on a monthly basis.

The percentage of allowances for insolvencies was zero during 2022 and 2021.

**GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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**Exchange rate risk**

The Group performs a large part of its economic activities abroad and outside the European market, specifically, in Chile, Peru, Argentina, Mexico, and Colombia. At December 31, 2022, a large part of Group revenue, realized with respect to third parties, was denominated in currencies other than the euro (mainly the US dollar). Likewise, a large part of the expenses and investments, mainly corresponding to expenses incurred for consumables required in construction activities and investments in development projects, were also denominated in US dollars. Thus, the currency used in the normal course of the Group's corporate activity in LATAM is the local currency or the US dollar.

In spite of this scenario, the impact of this depreciation on the Group's results was always under control, maintaining itself within the established risk limits and allowing for a significant mitigation of the impact.

Likewise, the diversification of the Group in different geographical markets and the high business volume in strong currencies such as the euro or the US dollar represents a mitigating factor which stabilizes the Group's results.

If at December 31, 2022 the euro had been devalued/revalued by 10% with respect to all the other functional currencies, with the remaining variables constant, equity would have been 29,346 thousand euros more or 24,005 thousand euros less, respectively (2021: 14,929 thousand euros more or 12,214 thousand euros less, respectively) due to the effect of the equity contributed by the subsidiaries who operate with a functional currency other than the euro. The breakdown by currency is as follows:

	Thousands of euros			
	12.31.2022		12.31.2021	
	10%	-10%	10%	-10%
US dollars (USD)	(18,432)	22,530	(10,210)	12,479
Chilean peso (CLP)	(525)	643	(71)	87
Other	(5,048)	6,173	(1,933)	2,363
<b>Total</b>	<b>(24,005)</b>	<b>29,346</b>	<b>(12,214)</b>	<b>14,929</b>

If the average exchange rate of the euro during 2022 had been devalued/revalued by 10% with respect to the other functional currencies, with the remaining variables constant, profit before taxes for the period would have been 1,903 thousand euros less or 1,557 thousand euros more, respectively (2021: 788 thousand euros less or 644 thousand euros more, respectively), mainly due to the result of converting the profit or loss statement to euros. The breakdown by currency is as follows:

	Thousands of euros			
	12.31.2022		12.31.2021	
	10%	-10%	10%	-10%
US dollars (USD)	(1,198)	980	(602)	492
Chilean peso (CLP)	165	(135)	115	(94)
Other	(870)	712	(301)	246
<b>Total</b>	<b>(1,903)</b>	<b>1,557</b>	<b>(788)</b>	<b>644</b>

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

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### **Liquidity risk**

Liquidity risk refers to the possibility that the Group may not be able to meet its financial commitments in the short term. As the Group's business is capital intensive and involves long term debt, it is important for the Group to analyze the cash flows generated by the business so that it can fulfill its debt payment obligations, both financial and commercial.

Liquidity risk arises from the financing needs of the Group's activities due to the time lag between requirements and generation of funds.

However, and with a view to guaranteeing liquidity should there be an additional deterioration in the generation of cash by the businesses, the sources for liquidity were expanded, ensuring that even in an environment of low liquidity the Group would receive support from banking entities and investors. Evidence of this was the capital increase carried out in the month of March for an amount of 90,001 thousand euros (Note 13.1) and the issuing of a Green Bond program (Note 17.1).

At December 31, 2022, the Group's liquidity position was sound, including sufficient cash and available credit lines to cover its liquidity requirements comfortably even in the case of a major contraction of markets.

### **Interest rate risk**

The changes in variable interest rates (e.g., EURIBOR) alter the future flows of assets and liabilities referenced to such rates, especially short and long-term financial debt. The objective of the Group's interest rate risk management policy is to achieve a balanced structure of financial debt with a view to reducing the financial cost of debt to the extent possible.

A significant portion of financial debt of the Group (e.g., loans and working capital facilities) accrues interest at fixed rates, and as far as structured financing is concerned, such as the "Project Finance" of the subsidiaries, the financing contracts are referenced at fixed interest rates or, when referenced to variable rates, allow the Special Purpose Vehicle ("SPV") to substitute the variable rates for fixed rates at each payment request.

Not only Spain experienced a sharp increase in inflation during 2022 but also the remaining countries where the Group operates.

This scenario is leading central banks to raise official interest rates as a measure to reduce the high inflation rates.

If during 2022 and 2021 the average borrowings referenced to variable rates had been 10 basis points higher/lower, with the remaining variables constant, profit after tax for the corresponding period would not have experienced significant changes given that most of the Group's borrowings are referenced to a fixed rate. Thus, the Group considers that exposure to interest rate risk is not great.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

*Notes to the consolidated financial statements  
for the year ended December 31, 2022*

### **24.2. Guarantee commitments to third parties**

At 2022 year end, the Group had provided guarantees to third parties in the amount of 160,723 thousand euros (2021: 56,067 thousand euros), which were chiefly arranged for presentation in public renewable energy tenders and auctions.

Given that the aforementioned guarantees were basically granted with a view to ensuring compliance with contractual obligations or investment commitments, the events which could lead to their execution, and thus a cash outflow, would be non-compliance on the part of Greenergy with regard to its obligations related to the ordinary course of its activities, which is considered unlikely. Greenergy considers that any unforeseen liabilities at December 31, 2022 that may arise in connection with the aforementioned guarantees would in any case not be significant.

#### Duna and Huambos wind parks

In 2016 the subsidiaries GR Paino and GR Taruca signed certain supply contracts with the Peruvian State (represented by the Ministry for Energy and Mines; "MINEM" in its Spanish acronym) under the regulations for Renewable Energy Sources ("RES Supply Contracts") in order to inject an annual amount of energy into the electricity system with its wind park projects at Huambos and Duna, with a capacity of 18 MW and 7 wind turbines each, to be paid at the awarded tariff (marginal cost or spot price plus premium) when the commercial operations of these installations commence, committing said entities to constructing and readying said installations for commercial operations, in compliance with the respective work schedules which are a part of the RES Supply Contracts and whose final milestone will be the commercial start up. With said contractual subscription, GR Paino and GR Taruca delivered guarantees to MINEM amounting to 10.8 million euros to cover compliance with the aforementioned work schedules (for purposes of this section, "the Guarantees").

The parties to the RES Supply Contracts agreed upon the following: (i) from the moment the Peruvian supervisory body known as "Organismo Supervisor de la Inversión en Energía y Minería" ("OSINERGMIN") verifies fulfillment of 75% of the amount of the investment, MINEM must return 50% of the Guarantees to the companies; (ii) once the Commercial Start-up has been verified (as defined below), the respective work schedules are understood to have been fulfilled, and MINEM must reimburse the Guarantees; (iii) if the Commercial Start-up has not been verified at December 31, 2020, regardless of the reason, the Supply Contracts are terminated by operation of law and MINEM is entitled to enforce the Guarantees, unless arbitration proceedings have been initiated, in which case enforcement of the Guarantees is prohibited; and (iv) the "Commercial Start-up" is defined as that date on which the Economic Operations Committee ("COES") of the Peruvian National Interconnected Electricity System ("SEIN") issues the so-called "Commercial Operations Certificates."

On December 30, 2020, the executive management of the Peruvian National Interconnected Electric System, as the first instance in said entity, issued the Commercial Operation Certificates for the Huambos and Duna wind energy plants, effective as of December 31, 2020.

This was done, on the one hand, in accordance with the procedures governing the actions of COES (PR-20), which state that wind energy plants are granted permission for commercial operations as soon as they demonstrate their injections, that is, regardless of the wind turbines from which such injections originate.

## GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the consolidated financial statements  
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In December 2020, GR Paino and GR Taruca requested OSINERGMIN to verify the investment they made in order to reduce the guarantees by 50% as a result of having invested more than 75% of the committed investment at said date.

On January 21, 2021, executive management of COES, in response to a letter from OSINERGMIN requesting information on why COES had issued the Commercial Operation Certificates for the Duna and Huambos wind energy plants in spite of the companies only having installed 5 wind turbines which were operational (and not 7), decided to temporarily suspend the Operation Certificates for the aforementioned plants until the companies complied and submitted complementary documentation confirming injections of the remaining 2 wind turbines.

In other words, the executive management of COES did not annul or revoke the Commercial Operation Certificates (which would have legally invalidated said certificates), but only temporarily suspended them until the companies complied with the requirement to present injections of 2 more wind turbines.

In response to these requests, on February 24, 2021 MINEM turned them down, arguing that on January 1, 2021 the RES Supply Contracts had been legally terminated.

In view of this situation, on March 1, 2021 Grenergy initiated the corresponding arbitration proceedings against MINEM in the Lima Chamber of Commerce in order to resolve this legal situation and avoid the incorrect and illegal execution of the guarantees, requesting the Arbitration Court to confirm full validity of the RES Supply Contract and order the return of the guarantees granted in favor of MINEM for compliance purposes. On March 4, 2021, the Peruvian local bank received communication of the waiver with regard to execution of the guarantees by MINEM.

In 2023 the Arbitration Court ruled that the RES Supply Contract was void. With respect to execution of the Guarantees, the Arbitration Court decided to execute 50% of said guarantees. The Group recognized a provision for this item in the amount of 6,160 thousand euros, presented under "Impairment and losses" in the accompanying consolidated statement of profit or loss.

### 24.3. Audit fees for the auditors and related entities

The fees accrued for professional services rendered by Ernst & Young, S.L. during 2022 and 2021 are broken down as follows:

Categories	2022		2021	
	Services rendered by the auditor of accounts and related companies	Services rendered by other auditors of the Group	Services rendered by the auditor of accounts and related companies	Services rendered by other auditors of the Group
Audit services (1)	112	111	101	77
Limited review (2)	38	25	32	13
Other assurance services (3)	26	3	25	-
<b>Total audit and related services</b>	<b>176</b>	<b>139</b>	<b>158</b>	<b>90</b>
Other	-	-	-	-
<b>Total other professional services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total professional services</b>	<b>176</b>	<b>139</b>	<b>158</b>	<b>90</b>

- (1) Audit services: this heading includes services rendered for performance of the statutory audits of the Group's annual financial statements.

## GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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- (2) Limited review: corresponds to work performed for the limited review of the interim consolidated financial statements.
- (3) Other audit-related assurance services: these services mainly correspond to the assurance work related to compliance with financial covenants and the report on agreed-upon procedures for reviewing the Internal Control System for Financial Reporting.

In addition, other audit firms rendered audit services amounting to 16 thousand euros to various Group companies in 2022 (2021: 18 thousand euros).

### 24.4. Information on average payment periods to suppliers

In accordance with the stipulations of the third additional provision ("Disclosure requirements") of Law 15/2010, of July 5, modified by Law 18/2022, of September 28 ("On creation and growth of companies"), the information relating to the average supplier payment period is as follows:

	2022	2021
	Days	Days
Average supplier payment period	56.54	56.01
Ratio of payments made	58	58
Ratio of transactions pending payment	49	51
	Amount	Amount
Total payments made	118,293	161,604
Total pending payments	22,814	64,179

	2022
(Invoicing volume)	
Total invoices payable during the current year	3,831
Number of invoices paid within deadline	3,716
Paid within deadline (%)	97
(Thousands of euros)	
Total invoices payable during the current year	229,993
Total amount of payments within deadline	223,093
Paid within deadline (%)	97

Exclusively for disclosure purposes as required by the aforementioned ICAC Resolution, suppliers include trade payables to the suppliers of goods or services recognized under "Trade and other payables - Suppliers" and "Trade and other payables - Other accounts payable" under current liabilities in the balance sheets of the companies located in Spain. The average payment period is understood to be the time elapsed from the delivery of goods or rendering of services at the expense of the supplier to the material payment of the transaction.

### 25. Events after the reporting date

On February 3, 2023, the Group acquired 60% of the US solar project developer Sofos Harbert Renewable Energy, LLC (Note 9.1).

Apart from this matter, no additional significant events occurred after the reporting period.

# APPENDIX I

## GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Equity investments in Group companies and associates at  
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Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2022			Thousands of euros				
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee
GREENHOUSE SOLAR FIELDS, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	(1)	-	-	2
GREENHOUSE SOLAR ENERGY, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	(1)	-	-	2
GREENHOUSE RENEWABLE ENERGY, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	(1)	-	-	2
GUIA DE ISORA SOLAR 2, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	2	-	2	3	(7)	-	-	(4)
GR SOLAR 2020, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(2)	-	10	11
GR SUN SPAIN, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(3)	-	-	-
GR EQUITY WIND AND SOLAR, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	287	-	-	290
LEVEL FOTOVOLTAICA S.L.	Spain	Production of renewable electric energy (Inactive company)	50%	0%	50%	2	-	2	3	(328)	-	-	(325)
GR BAÑUELA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	968	-	968	3	(1,161)	(5,982)	438	(6,702) (**)
GR TURBON RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	968	-	968	3	(1,153)	(6,009)	666	(6,494) (**)
GR AITANA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	968	-	968	3	(1,110)	(6,063)	691	(6,480) (**)
GR ASPE RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	968	-	968	3	(1,178)	(5,982)	293	(6,864) (**)
VIATRES RENEWABLE ENERGY, S.L.	Spain	Production of renewable electric energy (Inactive company)	40%	0%	40%	1	-	1	3	-	-	-	3
EIDEN RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	-	-	2
CHAMBO RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	-	-	2
MAMBAR RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	-	-	2
EL AGUILA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	-	-	2
EUGABA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	406	-	406	3	(1)	403	(7)	398
TAKE RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	426	-	426	3	(1)	423	(8)	417
NEGUA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	398	-	398	3	(1)	395	(8)	389

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Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2022			Thousands of euros					
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR SISON RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR PORRON RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR BISBITA RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR AVUTARDA RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR COLIMBO RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR MANDARIN RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR DANICO RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR CHARRAN RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR CERCETA RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR CALAMON RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR CORMORAN RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR GARCILLA RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR LAUNICO RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR MALVASIA RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR MARTINETA RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR FAISAN RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GREENERGY OPEX, S.L	Spain	Operation and maintenance of renewable electric energy installations (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GREENERGY EPC EUROPA, S.L.	Spain	Construction of electric energy installations	100%	0%	100%	3 (3)	-	-	-	-	-	2,245	2,245	-
GR POWER COMERCIALIZACION, S.L	Spain	Commercialization of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR LA PARED 2, SL	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-



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Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2022			Thousands of euros					
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR LA PARED 3, SL	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR LA PARED 4, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR LA PARED5, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR LA PARED 6, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR LA PARED 7, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR ARLANZON RENOVABLES, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR ANDALUCIA 1 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR CARIÑEN RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR CANTABRIA 5 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR ASTURIAS 1 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR CANTABRIA 3, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR VALENCIA 3 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR MADRID 2 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR CANTABRIA 4 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR MADRID 1, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR VALENCIA 2, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR VALENCIA 1, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GREENERGY PACIFIC LTDA	Chile	Promotion and construction of electric energy installations	99.9%	0%	100%	43 (2)	-	43	39	4,972	-	(476)	4,535	(*) (**)
GR PEUMO, S.P.A.	Chile	Production of renewable electric energy	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR QUEULE, S.P.A.	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)

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Equity investments in Group companies and associates at  
December 31, 2022

Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2022			Thousands of euros						
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee		
GR MAITEN, S.P.A.	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	-	(*)
GR ALGARROBO S.P.A	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR PACIFIC CHILOE SPA	Chile	Production of renewable electric energy (Inactive company)	-	98%	98%	1 (1)	-	-	-	-	-	-	-	-	(*) (***)
GR PACIFIC OVALLE, SPA	Chile	Production of renewable electric energy (Inactive company)	-	98%	98%	1 (1)	-	-	890	(883)	-	-	-	7	(*) (***)
GR PIMIENTO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR CHAÑAR, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR LÚCUMO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR LLEUQUE, SPA	Chile	Production of renewable electric energy	-	100%	100%	-	-	-	1	42	-	767	810	810	(*) (****)
GR NOTRO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR LENGA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR TEPÚ, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR PACAMA,S PA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR TEMO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR RUIL, SPA	Chile	Production of renewable electric energy	-	100%	100%	-	-	-	1	36	-	450	487	487	(*) (****)
GR POLPAICO PACIFIC, SPA	Chile	Production of renewable electric energy (Inactive company)	-	98%	98%	1 (1)	-	-	-	-	-	-	-	-	(*) (***)
GR Manzano SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	-	(*)
GR Naranjillo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	-	(*)
GR Mañío SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	-	(*)
GR Tara SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	-	(*)
GR Hualo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	-	(*)

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Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2022			Thousands of euros					
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR Corcolén SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Luma SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Fuiñque SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Queñoa SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Tayú SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Petra SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Corontillo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Liun SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Kewiña SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Frangel SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Maqui SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Petrillo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Tepa SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
Grenergy OPEX SpA	Chile	Operation and maintenance of renewable electric energy installations	100%	0%	100%	1	-	1	1	1,129	-	1,275	2,405	(*) (**)
Parque Fotovoltaico Nuevo Quillagua SpA	Chile	Production of renewable electric energy	100%	0%	100%	15,210	-	15,210	20,583	2,053	-	1,161	23,797	(*) (**)
GR CORCOVADO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR YENDEGAIA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR KAWESQAR	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR ALARCE ANDINO SPA	Chile	Production of renewable electric energy	0%	100%	100%	1 (1)	-	-	1	-	-	122	123	(*) (****)
GR ALERCE COSTERO SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)

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Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2022			Thousands of euros					
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR TORRES DEL PAINE SPA	Chile	Production of renewable electric energy	0%	100%	100%	-	-	-	1	3	-	183	187	(*) (****)
GREENERGY PALMAS DE COCOLÁN, SPA	Chile	Holding company	100%	0%	100%	12,356	-	12,356	9,903	(180)	(1,456)	(1,105)	7,162	(*) (**)
GR LA CAMPANA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR VOLCAN ISLUGA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR LAUCA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR PAN DE AZUCAR, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR MORRO MORENO, SPA	Chile	Production of renewable electric energy	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR NEVADO TRES CRUCES, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR LLULLAILLACO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR SALAR HUASCO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR RAPANUI, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR PUYEHUE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR CABO DE HORNOS, SPA	Chile	Production of renewable electric energy	100%	0%	100%	1	-	-	1	-	-	(6)	(5)	(*)
GR CERRO CASTILLO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR PALI AIKE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR RADAL SIETE TAZAS, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR ISLA MAGDALENA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GREENERGY LLANOS CHALLE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR LAGUNA SAN RAFAEL, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR POWER CHILE, SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	1	-	1	1	(191)	-	(648)	(838)	(*) (**)

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Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2022			Thousands of euros					
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
CE CENTINELA SOLAR SPA	Chile	Commercialization of renewable electric energy	0%	100%	100%	-	-	-	22	-	-	141	163	(*) (****)
CE URIBE DE ANTOFAGASTA SOLAR SPA	Chile	Commercialization of renewable electric energy	0%	100%	100%	-	-	-	2	-	-	403	405	(*) (****)
CHAPIQUINA SOLAR SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	1	-	1	1	-	-	3	4	(*)
MAITE SOLAR SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	-	-	-	1	-	-	-	1	(*)
MIGUEL SOLAR SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	-	-	-	1	-	-	-	1	(*)
PARQUE SOLAR TANGUA	Chile	Commercialization of renewable electric energy	100%	0%	100%	913	-	913	-	-	-	-	-	(*)
MANZANO SOLAR SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	20	-	20	-	-	-	-	-	(*)
ECOGREENERGY TRANSMISIÓN SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
PLANTA SOLAR LA PAZ II SPA	Chile	Commercialization of renewable electric energy	0%	100%	100%	(1)	-	-	-	-	-	-	-	(*) (****)
PLANTA SOLAR PEÑAFLORES II SPA	Chile	Commercialization of renewable electric energy	0%	100%	100%	-	-	-	-	-	-	-	-	(*) (****)
PLANTA SOLAR LO MIGUEL II SPA	Chile	Commercialization of renewable electric energy	0%	100%	100%	-	-	-	-	-	-	-	-	(*) (****)
PLANTA SOLAR SANTA TERESITA II SPA	Chile	Commercialization of renewable electric energy	0%	100%	100%	-	-	-	-	-	-	-	-	(*) (****)
PFV EL LORO CHOROY	Chile	Commercialization of renewable electric energy	100%	0%	100%	363	-	363	-	-	-	-	-	(*)
GREENERGY PERU SAC	Peru	Promotion and construction of electric energy installations	99%	0%	99%	1	-	1	1	(1,077)	-	807	(269)	(*)
GR JULIACA, S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR HUAMBOS, S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR APORIC, S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR CORTARRAMA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR GUANACO S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR TARUCA S.A.C.	Peru	Production of renewable electric energy	90%	0%	90%	4,932	(4,079)	853	5,764	(1,858)	-	(2,593)	1,313	(*) (**)

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			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR PAINO S.A.C.	Peru	Production of renewable electric energy	90%	0%	90%	5,011	(4,080)	931	5,866	(2,329)	-	(2,796)	741	(*) (**)
GR PAICHE S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	278	-	-	-	-	-	-	-	(*)
GR LIBLANCA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	278	-	-	-	-	-	-	-	(*)
GR ANDINO S.A.C.	Peru	Production of renewable electric energy	100%	0%	100%	-	-	-	-	-	-	(5)	(5)	(*)
GR CAOBA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR CEIBO S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR CHABARBAMBA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR MITOCONGA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR RENOVABLES MÉXICO	Mexico	Promotion and construction of electric energy installations	98%	0%	98%	3	-	3	2	(996)	-	(6)	(1,000)	(*) (**)
GREENHUB S.L. DE C.V.	Mexico	Production of renewable electric energy	20%	80%	100%	20	-	20	109	(2,429)	-	(66)	(2,386)	(*) (**) (*****)
FAILO 3 SACV	Mexico	Production of renewable electric energy (Inactive company)	-	50%	50%	-	-	-	2	(18)	-	(3)	(19)	(*) (***)
ASTILO 1 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3	-	-	2	(31)	-	(12)	(41)	(*) (***)
CRISON 2 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3	-	-	2	(4)	-	(16)	(18)	(*) (***)
MESO 4 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3	-	-	2	(28)	-	(4)	(30)	(*) (***)
ORSIPO 5 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3	-	-	2	(14)	-	(10)	(22)	(*) (***)
MIRGACA 6 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3	-	-	2	(2)	-	(5)	(5)	(*) (***)
GREENERGY COLOMBIA S.A.S.	Colombia	Promotion and construction of electric energy installations	100%	0%	100%	270	-	270	187	(686)	-	(4,515)	(5,014)	(*) (**)
GR PARQUE BRISA SOLAR 2	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE BRISA SOLAR 3	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE PRADO SOLAR 1	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)

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			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR PARQUE SOLAR SANDALO 2	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
SAN AGUSTIN SOLAR S.A.S	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
SANTAMARTA SOLAR S.A.S	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR SOL DE BAYUNCA SAS	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	-	(66)	-	(1,767)	(1,833)	(*) (**)
CERRITOS SOLAR S.A.S	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	-	-	153	-	153	(*) (**)
CENTRO SOLAR, S.A.S	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
MONTELIBANO SOLAR, S.A.S	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	-	-	-	(5)	(5)	(*)
GREENERGY GESTIÓN E INFRAESTRUCTURA S.A.S.	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOL DE AYAPEL S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE CENTRO SOLAR 2 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE BRISA SOLAR 4 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE GALAPA SOLAR 2 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE CAMPO DE LA CRUZ S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE TUCANES 3 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE NUEVA MONTERIA SOLAR 1 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE NUEVA BARRANQUILLA 2 SOLAR S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SAN JUAN SOLAR 1 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SAN JUAN SOLAR 2 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE BREZO SOLAR 1 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE BREZO SOLAR 2 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)

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			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee		
GR PARQUE GUACAMAYAL SOLAR S.A.S E.S. P	Colombia	Production of renewable electric energy (inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOL DE ZAWADY S.A.S E.S. P	Colombia	Production of renewable electric energy (inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	-	(*)
GR PARQUE SINCE SOLAR S.A.S E.S. P	Colombia	Production of renewable electric energy (inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	-	(*)
GR PARQUE LOS CABALLEROS 2 S.A.S E.S. P	Colombia	Production of renewable electric energy (inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOLAR TUCANES 2 S.A.S E.S. P	Colombia	Production of renewable electric energy (inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	-	(*)
GR PARQUE NUEVA BARRANQUILLA 1 SOLAR S.A.S E.S. P	Colombia	Production of renewable electric energy (inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	-	(*)
GR SOL DE SANTANDER S.A.S E.S.P.	Colombia	Production of renewable electric energy (inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOLAR SOL DEL MAR II S.A.S. E.S.P.	Colombia	Production of renewable electric energy (inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOLAR SANDALO II S.A.S E.S.P.	Colombia	Production of renewable electric energy (inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOLAR LA MEDINA SAS	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	-	-	-	-	304	304	(*) (**)
GR PARQUE SOLAR LOS CABALLEROS SAS	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	-	-	-	-	382	382	(*) (**)
GREENERGY RINNOVABILI ITALIA SRL	Italy	Promotion and construction of electric energy installations	100%	0%	100%	350	-	350	350	(32)	-	(130)	188	188	
GR RINNOVABILI 1 SRL	Italy	Production of renewable electric energy (inactive company)	100%	0%	100%	10	-	10	10	-	-	-	-	10	
GR RINNOVABILI 2 SRL	Italy	Production of renewable electric energy (inactive company)	100%	0%	100%	10	-	10	10	-	-	-	-	10	
GR RINNOVABILI 3, SRL	Italy	Production of renewable electric energy (inactive company)	100%	0%	100%	10	-	10	10	-	-	-	-	10	
GR RINNOVABILI 4 SRL	Italy	Production of renewable electric energy (inactive company)	100%	0%	100%	10	-	10	10	-	-	-	-	10	
GR RINNOVABILI 5 SRL	Italy	Production of renewable electric energy (inactive company)	100%	0%	100%	10	-	10	10	-	-	-	-	10	
GR RINNOVABILI 6 SRL	Italy	Production of renewable electric energy (inactive company)	100%	0%	100%	10	-	10	10	-	-	-	-	10	
GR RINNOVABILI 7 SRL	Italy	Production of renewable electric energy (inactive company)	100%	0%	100%	10	-	10	10	-	-	-	-	10	
GR RINNOVABILI 8 SRL	Italy	Production of renewable electric energy (inactive company)	100%	0%	100%	10	-	10	10	-	-	-	-	10	



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## GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Equity investments in Group companies and associates at  
December 31, 2022

Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2022			Thousands of euros				
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee
GR RINNOVABILI 9 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 10 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GREENERGY RENEWABLES UK LIMITED	UK	Promotion and construction of electric energy installations	100%	0%	100%	-	-	-	-	(42)	-	(153)	(195) (*)
GR RENEWABLES 1 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR RENEWABLES 2 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR RENEWABLES 3 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR RENEWABLES 4 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR RENEWABLES 5 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GREENERGY POLSKA, S.P.Z.O.O	Poland	Promotion and construction of electric energy installations	100%	0%	100%	3	-	3	1	-	-	(156)	(155)
GREENERGY ERNEUERBARE ENERGIEN GMBH	Germany	Promotion and construction of electric energy installations	100%	0%	100%	25	-	25	25	-	-	-	-
GREENERGY RENEWABLES USA LLC	USA	Promotion and construction of electric energy installations	100%	0%	100%	-	-	-	-	-	-	-	- (*)
SOFOS HARBERT RENEWABLE	USA	Promotion and construction of electric energy installations	0%	40%	40%	-	-	-	6,450	(1,275)	-	(1,018)	4,157 (*) (*****)
GREENERGY ATLANTIC, S.A.U.	Argentina	Promotion and construction of electric energy installations	100%	0%	100%	402	-	402	227	(245)	-	(138)	(156) (*)
KOSTEN S.A.	Argentina	Operation and maintenance of renewable electric energy installations	100%	0%	100%	8,159	(5,536)	2,623	5,272	(4,788)	-	1,691	2,175 (*) (**)

(\*) Exchange rate at closing of 12.31.2022 applied, with average rates applied to the 2022 income statement.

(\*\*) Audited financial statements

(\*\*\*) Indirect ownership via GR Equity Wind and Solar

(\*\*\*\*) Indirect ownership via GR Las Palmas de Cocalán

(\*\*\*\*\*) Indirect ownership via GR Renovables México

(\*\*\*\*\*) Indirect ownership via Grenergy Renovables USA

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Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2021			Thousands of euros				
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee
GREENHOUSE SOLAR FIELDS, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	(1)	-	-	2
GREENHOUSE SOLAR ENERGY, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	(1)	-	-	2
GREENHOUSE RENEWABLE ENERGY, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	(1)	-	-	2
GUÍA DE ISORA SOLAR 2, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	2	-	2	3	(7)	-	-	(4)
GR SOLAR 2020, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(2)	-	-	1
GR SUN SPAIN, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(3)	-	-	-
GR EQUITY WIND AND SOLAR, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	287	-	-	290
LEVEL FOTOVOLTAICA S.L.	Spain	Production of renewable electric energy (Inactive company)	50%	0%	50%	1	-	1	2	(328)	-	-	(326)
GR BAÑUELA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	968	-	968	3	(1)	(1,626)	(1,160)	(2,784) (**)
GR TURBON RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	968	-	968	3	(1)	(1,626)	(1,152)	(2,776) (**)
GR AITANA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	968	-	968	3	(2)	(1,626)	(1,109)	(2,734) (**)
GR ASPE RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	968	-	968	3	(1)	(1,626)	(1,177)	(2,801) (**)
VIATRES RENEWABLE ENERGY, S.L.	Spain	Production of renewable electric energy (Inactive company)	40%	0%	40%	1	-	1	3	-	-	-	3
EIDEN RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	-	-	2
CHAMBO RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	-	-	2
MAMBAR RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	-	-	2
EL ÁGUILA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	-	-	2
EUGABA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	-	-	2
TAKE RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	-	-	2
NEGUA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	-	-	2

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Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2021			Thousands of euros					
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR SISON RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR PORRON RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR BISBITA RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR AVUTARDA RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR COLIMBO RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR MANDARÍN RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR DÁNICO RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR CHARRAN RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR CERCETA RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR CALAMÓN RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR CORMORÁN RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR GARCILLA RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR LAUNICO RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR MALVASÍA RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR MARTINETA RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR FAISÁN RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GREENERGY OPEX, S.L	Spain	Operation and maintenance of renewable electric energy installations (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GREENERGY EPC EUROPA, S.L.	Spain	Construction of electric energy installations (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR POWER COMERCIALIZACIÓN, S.L	Spain	Commercialization of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR LA PARED 2, SL	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-

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Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2021			Thousands of euros					
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR LA PARED 3, SL	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR LA PARED 4, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR LA PARED5, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR LA PARED 6, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR LA PARED 7, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GR ARLANZÓN RENOVABLES, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	-
GREENERGY PACIFIC LTDA	Chile	Promotion and construction of electric energy installations	99.9%	0%	100%	43	-	43	37	5,147	-	(425)	4,759	(*) (**)
GR PEUMO, S.P.A.	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR QUEULE, S.P.A.	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR MAITÉN, S.P.A.	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR ALGARROBO S.P.A	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR PACIFIC CHILOÉ SPA	Chile	Production of renewable electric energy (Inactive company)	-	98%	98%	1 (1)	-	-	-	-	-	-	-	(*) (***)
GR PACIFIC OVALLE, SPA	Chile	Production of renewable electric energy (Inactive company)	-	98%	98%	1 (1)	-	-	853	(846)	-	-	7	(*) (***)
GR PIMIENTO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR CHAÑAR, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR LÚCUMO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR LLEUQUE, SPA	Chile	Production of renewable electric energy	-	100%	100%	-	-	-	1	(2)	-	40	39	(*) (****)
GR NOTRO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR LENGUA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR TEPÚ, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)

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Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2021			Thousands of euros					
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR PACAMA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR TEMO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR RUIL, SPA	Chile	Production of renewable electric energy	-	100%	100%	-	-	-	1	(1)	-	33	33	(*) (****)
GR POLPAICO PACIFIC, SPA	Chile	Production of renewable electric energy (Inactive company)	-	98%	98%	1 (1)	-	-	-	-	-	-	-	(*) (***)
GR Manzano SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Naranjillo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Mañio SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Tara SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Hualo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Corcolén SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Luma SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Fuique SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Queñoa SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Tayú SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Petra SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Corontillo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Liun SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Kewiña SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Frangel SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Maqui SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)

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Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2021			Thousands of euros						
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee		
GR Petrillo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	-	(*)
GR Tepa SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	-	(*)
Greenergy OPEX SpA	Chile	Operation and maintenance of renewable electric energy installations	100%	0%	100%	1	-	1	1	259	-	873	1,133	-	(*) (**)
Parque Fotovoltaico Nuevo Quillagua SpA	Chile	Production of renewable electric energy	100%	0%	100%	15,211	-	15,211	19,471	(3,679)	-	3,645	19,437	-	(*) (**)
GR CORCOVADO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR YENDEGAIA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR KAWESQAR	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR ALARCE ANDINO SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR ALERCE COSTERO SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR TORRES DEL PAINE SPA	Chile	Production of renewable electric energy	0%	100%	100%	-	-	-	1	(1)	-	3	3	-	(*) (****)
GR NAHUEL BUTA SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR CONGUILLO SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GREENERGY PALMAS DE COCOLAN, SPA	Chile	Holding company	100%	0%	100%	2,190	-	2,190	2,259	-	(182)	(163)	1,914	-	(*) (**)
GR LA CAMPANA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR VOLCÁN ISLUGA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR LAUCA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR PAN DE AZÚCAR, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR MORRO MORENO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR NEVADO TRES CRUCES, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)
GR LLULLAILLACO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	-	(*)

# APPENDIX I

## GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Equity investments in Group companies and associates at  
December 31, 2021

Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2021			Thousands of euros					
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR SALAR HUASCO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR RAPANUI, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-	(*)
GR PUYEHUE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR CABO DE HORNOS, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-	(*)
GR CERRO CASTILLO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR PALI AIKE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-	(*)
GR RADAL SIETE TAZAS, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR ISLA MAGDALENA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-	(*)
GREENERGY LLANOS CHALLE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	-	-	-	-	-	-	(*)
GR LAGUNA SAN RAFAEL, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-	(*)
GR POWER CHILE, SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	2	-	2	1	(68)	-	(108)	(175)	(*)
CE CENTINELA SOLAR SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	28	-	28	21	-	-	-	21	(*)
CE URIBE DE ANTOFAGASTA SOLAR SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	3	-	3	2	-	-	-	2	(*)
CHAPIQUINA SOLAR SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	2	-	2	1	-	-	-	1	(*)
MAITE SOLAR SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	1,268	-	1,268	1	-	-	-	1	(*)
MIGUEL SOLAR SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	1,319	-	1,319	1	-	-	-	1	(*)
GREENERGY PERÚ SAC	Peru	Promotion and construction of electric energy installations	99%	0%	99%	-	-	-	1	(442)	-	(554)	(995)	(*)
GR JULIACA, S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR HUAMBOS, S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR APORIC, S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)

APPENDIX I

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Equity investments in Group companies and associates at  
December 31, 2021

Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2021			Thousands of euros					
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR BAYONAR, S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR VALE S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR CORTARRAMA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR GUANACO S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR TARUCA S.A.C.	Peru	Production of renewable electric energy	90%	0%	90%	4,933	-	4,933	5,452	(486)	-	(1,220)	3,746	(*) (**)
GR PAINO S.A.C.	Peru	Production of renewable electric energy	90%	0%	90%	5,012	-	5,012	4,782	(472)	-	(1,587)	2,723	(*) (**)
GR PAICHE S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR LIBLANCA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR RENOVABLES MÉXICO	Mexico	Promotion and construction of electric energy installations	98%	0%	98%	3	-	3	2	(490)	-	(348)	(836)	(*) (**)
GREENHUB S.L. DE C.V.	Mexico	Production of renewable electric energy	20%	80%	100%	20	-	20	97	143	-	(2,204)	(1,964)	(*) (*****)
FAILO 3 SACV	Mexico	Production of renewable electric energy (Inactive company)	-	50%	50%	-	-	-	2	(15)	-	(1)	(14)	(*) (***)
ASTILO 1 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3	-	-	2	(26)	-	(2)	(26)	(*) (***)
CRISON 2 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3	-	-	2	(3)	-	(2)	(3)	(*) (***)
MESO 4 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3	-	-	2	(24)	-	(2)	(24)	(*) (***)
ORSIPO 5 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3	-	-	2	(3)	-	(14)	(15)	(*) (***)
MIRGACA 6 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3	-	-	2	(1)	-	(2)	(1)	(*) (***)
GREENERGY COLOMBIA S.A.S.	Colombia	Promotion and construction of electric energy installations	100%	0%	100%	271	-	271	209	(118)	-	(629)	(538)	(*)
GR PARQUE BRISA SOLAR 2	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE BRISA SOLAR 3	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE PRADO SOLAR 1	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)



# APPENDIX I

## GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Equity investments in Group companies and associates at  
December 31, 2021

Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2021			Thousands of euros						
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee		
GR PARQUE SOLAR SÁNDALO 2	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	-	(*)
SAN AGUSTÍN SOLAR S.A.S	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	-	(*)
SANTAMARTA SOLAR S.A.S	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	-	(*)
GR SOL DE BAYUNCA SAS	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	-	-	-	-	-	-	(*)
CERRITOS SOLAR S.A.S	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	-	-	-	-	-	-	(*)
CENTRO SOLAR, S.A.S	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	-	(*)
MONTELÍBANO SOLAR, S.A.S	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	-	(*)
GREENERGY RINNOVABILI ITALIA SRL	Italy	Promotion and construction of electric energy installations	100%	0%	100%	100	-	100	100	(8)	-	(20)	72		
GR RINNOVABILI 1 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10		
GR RINNOVABILI 2 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10		
GR RINNOVABILI 3, SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10		
GR RINNOVABILI 4 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10		
GR RINNOVABILI 5 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10		
GR RINNOVABILI 6 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10		
GR RINNOVABILI 7 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10		
GR RINNOVABILI 8 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10		
GR RINNOVABILI 9 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10		
GR RINNOVABILI 10 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10		
GREENERGY RENEWABLES UK LIMITED	UK	Promotion and construction of electric energy installations	100%	0%	100%	-	-	-	-	(43)	-	-	(43)		(*)
GREENERGY POLSKA S.P.Z.O.O	Poland	Promotion and construction of electric energy installations	100%	0%	100%	-	-	-	-	-	-	-	-		
GREENERGY ATLANTIC, S.A.U.	Argentina	Promotion and construction of electric energy installations	100%	0%	100%	402	-	402	216	(314)	71	234	207		(*)
KOSTEN S.A.	Argentina	Operation and maintenance of renewable electric energy installations	100%	0%	100%	8,159	(5,536)	2,623	4,988	(1,188)	62	(3,374)	488		(*) (**)
									<b>37,446</b>						

(\*) Exchange rate at closing of 12.31.2021 applied, with average rates applied to the 2021 income statement.

(\*\*) Audited financial statements

(\*\*\*) Indirect ownership via GR Equity Wind and Solar

(\*\*\*\*) Indirect ownership via GR Las Palmas de Cocolán

(\*\*\*\*) Indirect ownership via GR Renovables México

All the companies are consolidated under the full consolidation method.

## **APPENDIX II**

### **Changes in the consolidation scope**

The main changes to the consolidation scope corresponding to 2022 were as follows:

#### **New inclusions in the consolidation scope during 2022:**

- Acquisition of the following companies: Parque Solar Tangua, SpA; Manzano Solar, SpA; Planta Solar La Paz II, SpA; Planta Solar Peñaflor II, SpA; Planta Solar Lo Miguel II, SpA; Planta Solar Santa Teresita II, SpA; and PFV El Loro Choroy for amounts totaling 913; 20; 1,833; 156; 1,735; 1,711; and 363 thousand euros, respectively.
- Incorporation of the following English companies: GR Renewables 1 Limited; GR Renewables 2 Limited; GR Renewables 3 Limited; GR Renewables 4 Limited; GR Renewables 5 Limited; the following Colombian companies: Grenergy Gestión e Infraestructura S.A.S.; GR Parque Sol de Ayapel S.A.S E.S.P; GR Parque Centro Solar 2 S.A.S E.S.P; GR Parque Brisa Solar 4 S.A.S E.S.P; GR Parque Galapa Solar 2 S.A.S E.S.P; GR Parque Campo de la Cruz S.A.S E.S.P; GR Parque Tucanes 3 S.A.S E.S.P; GR Parque Nueva Montería Solar 1 S.A.S E.S.P; GR Parque Nueva Barranquilla 2 Solar S.A.S E.S.P; GR Parque San Juan Solar 1 S.A.S E.S.P; GR Parque San Juan Solar 2 S.A.S E.S.P; GR Parque Brezo Solar 1 S.A.S E.S.P; GR Parque Brezo Solar 2 S.A.S E.S.P; GR Parque Guacamayal Solar S.A.S E.S.P; GR Parque Sol de Zawady S.A.S E.S.P; GR Parque Since Solar S.A.S E.S.P; GR Parque los Caballeros 2 S.A.S E.S.P; GR Parque Solar Tucanes 2 S.A.S E.S.P; GR Parque Nueva Barranquilla 1 Solar S.A.S E.S.P; GR Sol de Santander S.A.S E.S.P.; GR Parque Solar Sol del Mar II S.A.S. E.S.P.; GR Parque Solar Sándalo II S.A.S E.S.P.; the following Spanish companies: GR Andalucía 1 Renovables, SLU; GR Cariñen Renovables, SLU; GR CANTABRIA 5 Renovables, SLU; GR Asturias 1 Renovables, SLU; GR Cantabria 3, SLU; GR Valencia 3 Renovables, SLU; GR Madrid 2 Renovables, SLU; GR Cantabria 4 Renovables, SLU; GR Madrid 1, SLU; GR Valencia 2; SLU; GR Valencia 1, SLU; the Germany company Grenergy Erneuerbare Energien GMBH; and the North American company GREENERGY Renovables USA LLC.

#### **Exclusions from consolidation scope during 2022:**

- Sale of the interests held by the Parent in the following companies: GR Nahuelbuta, SpA; GR Conguillio, SpA; La Cuesta Solar, SpA; GR Bayovar, SAC; and GR Vale, SAC.

The main changes to the consolidation scope corresponding to 2021 were as follows:

#### **New inclusions in the consolidation scope during 2021:**

- Acquisition of the following companies: CE Centinela Solar, SpA; CE Uribe de Antofagasta Solar, SpA; Chapiquina Solar, SpA; Maite Solar, SpA; and Miguel Solar, SpA for amounts of 28; 3; 1; 1,268; and 1,319 thousand euros, respectively (Note 5).

## **GREENERGY RENEWABLES, S.A. AND SUBSIDIARIES**

### *APPENDIX II*

#### Changes in the consolidation scope

- Incorporation of the following Italian companies: GR Rinnovabili 1 SRL; GR Rinnovabili 2 SRL; GR Rinnovabili 3 SRL; GR Rinnovabili 4 SRL; GR Rinnovabili 5 SRL; GR Rinnovabili 6 SRL; GR Rinnovabili 7 SRL; GR Rinnovabili 8 SRL; GR Rinnovabili 9 SRL; and GR Rinnovabili 10 SRL with share capital of 10 thousand euros each, and the Polish company Botinto, S.P.Z.O.O with share capital of 3 thousand euros.

#### **Exclusions from consolidation scope during 2021:**

- Sale of interest held by the Parent in the following companies: GR Toromiro, SpA; GR Hornopirén, SpA; GR Tolhuaca, SpA; GR Pumalin, SpA; GR Patagonia, SpA; GR Queulat, SpA; GR Lumilla, SpA; GR Villarrica, SpA; GR Lumilla, SpA; GR Archipiélago Juan Fernández, SpA; GR Huanaco, SpA; and GR Piñol, SpA.

## **APPENDIX III**

### **Regulatory framework**

#### **Sector regulation in Europe**

The European Union (EU) is currently focused on the energy transition and has adopted a series of standards established for the purpose of fighting for a more secure, competitive, and sustainable energy system which deals with the challenge of climate change. This new framework has been called the Clean Energy for all Europeans Package and provides a stable legal framework for boosting the necessary investments.

Since 2018 a large part of European legislation in energy matters has been revised, resulting in agreements which will define energy regulation in the EU for the time horizon extending to 2030 and 2050. Thus, an exhaustive regulatory framework has been put in place to advance in the energy transition, reach the objectives established in the Paris Agreement, make the EU a global leader in renewable energies, apply the energy efficiency first principle, and contribute to modernizing the European economy and industry.

The legislative items cover, amongst others, reform of the market for greenhouse gas emissions rights; distribution of national efforts for the reduction of emissions in different sectors; development of renewable energies and energy efficiency measures; adoption of the Integrated National Energy and Climate Plans; regulatory standards in the internal market for electricity or CO<sub>2</sub> emissions standards for vehicle manufacturers.

In the framework of said European Green Pact, on July 9, 2021 Regulation (EU) 2021/1119 of the European Parliament and Council, of June 30, 2021, was published, establishing the framework for achieving climate neutrality and modifying the Regulations (EC) 401/2009 and (EU) 2018/1999 ("European climate legislation"). Amongst other matters, they set a new objective for reducing net emissions by 55% in 2030 with respect to 1990 (as compared to the 40% objective prevailing before) and an objective of climate neutrality in emissions for 2050, binding across the entire European Union.

#### Spain

The renewable energies sector is a regulated sector which saw fundamental changes in recent years, receiving a new regulatory framework in 2013. Within said framework, the new legislative reference is Law 24/2013, of December 26, on the Electricity Sector, which repealed Law 54/1997 of November 27, on the Electricity Sector.

The new Sector Law 24/2013, published on December 26, 2013, ratified the provisions of Royal Decree-Law 9/2013, eliminating the so-called special regime and proposing a new remuneration regime for facilities that generate power from renewable sources, cogeneration, and waste. The new remuneration regime (known as specific remuneration, to be applied to the new installations exceptionally) is additional to the revenue obtained from the sale of energy in the market and is composed of a term per unit of installed capacity to cover, where applicable, the investment costs which cannot be recovered in the market, and a term for the operation to cover, where applicable, the difference between the operating costs and the market price.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

### *APPENDIX III*

#### Regulatory framework

This new specific remuneration is calculated based on a standard installation over the length of its useful regulatory life in the context of the activity performed by an efficient and well-managed company, as per the following:

- standard revenues from the sale of energy valued at the market price;
- standard operating costs; and
- the standard value of the original investment.

This remuneration regime is underpinned by a "reasonable return" on investment which is defined as the yield on the 10-year sovereign bond plus a spread (which has initially been set at 300 basis points).

The new regime establishes regulatory periods of six years and sub-periods of three years. Every three years there is scope for changing the remuneration parameters related to market price forecasts, factoring in any deviations that may have arisen during the sub-period.

Every six years the standard parameters for installations can be modified, except for the amount of initial investment and the regulatory useful lives, which remain unchanged throughout the life of the installations. Likewise, every six years the interest rate for remuneration can be changed, but only with respect to future remuneration.

The value of the standard investment for the new installations is determined via a competitive procedure.

This new remuneration is applicable from July 2013, the date on which Royal Decree Law 9/2013 entered into force.

On June 6, 2014, Royal Decree Law 413/2014 was published, regulating the production of electric energy from renewable energy sources, cogeneration, and waste. Subsequently, on June 16, 2014, Order IET/1045/2014, of the Ministry for Industry, Energy, and Tourism, was published, approving the remuneration parameters of standard facilities applicable to certain installations that produce electricity from renewable sources, cogeneration, and waste. In accordance with this new regulation, in addition to the revenue obtained from the sale of energy valued at market prices, the installations will receive specific remuneration during their regulatory life composed of a term per unit of installed capacity to cover, where applicable, the investment costs of each standard facility which cannot be recovered by the sale of energy in the market, known as investment remuneration, and a term for the operation to cover, where applicable, the difference between operating costs and revenue from participating in the market for production of a standard facility, known as operational remuneration.

It is worth highlighting that at December 31, 2022 the Group does not own any assets in Spain which could be classified as a renewable energy plant or installation whose remuneration is determined by the aforementioned regulatory framework.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

### *APPENDIX III*

#### Regulatory framework

On November 23, 2019, Royal Decree Law 17/2019, of November 22, was published, by virtue of which urgent measures were adopted for the necessary adaptation of remuneration parameters which affect the electricity system and further providing a response to the process of terminating activities at thermal power plants. The main aspects covered in this Royal Decree Law are as follows:

- It establishes the reasonable return for renewable energy, cogeneration, and waste, and the financial remuneration rate for production in territories outside the Iberian Peninsula for the 2020-2025 period. The rate is updated to 7.09% vs 7.398% or 7.503%, depending on the type of installations.
- It establishes that before February 29, 2020 the Government will establish the remaining remuneration parameters which will be applicable from 2020 to 2025, which previously requires the definition of the related reasonable return.
- It incorporates a mechanism which the installations that had already been granted prime remuneration when Royal Decree Law 9/2013 became effective can avail themselves of: the option for the owners to maintain a reasonable return of 7.398% for their installations until 2031. This measure will not be applicable when there is a right to receive indemnities as a consequence of a firm court sentence or definitive arbitration ruling, or if judicial or arbitration proceedings are ongoing, unless the irrevocable renunciation of said compensation, continuation or re-initiation of said proceedings is officially accredited. In addition, the installations can renounce the remuneration framework which is regulated by this Royal Decree Law and avail themselves of the ordinary framework, subject to a review every six years.

On January 21, 2020, the Council of Ministers approved the agreement comprising the Declaration regarding the Climate and Environmental Emergency in Spain, which commits the Executive to the following during the first 100 days:

- Introduce a law in parliament which guarantees that zero net emissions be achieved at the latest by 2050, implementing a 100% renewable electricity system, private and commercial vehicles with 0 grammes of CO<sub>2</sub> emissions per kilometer, an agricultural system neutral in equivalent CO<sub>2</sub> emissions, as well as a tax, budget, and financial system compatible with the necessary decarbonization of the economy and society.
- Define the path to decarbonization in the long term for our country, ensuring the objective of climate neutrality at the latest by the year 2050.
- Present the second National Plan for Adaptation to Climate Change.
- Boost the transformation of our industrial model and services sector via collective agreements for a Fair Transition together with accompanying measures.

On February 28, 2020, Order TED/171/2020, of February 24, 2020, was published for application to the regulatory period from January 31, 2020 to December 31, 2025, updating the remuneration parameters of standard facilities applicable to certain installations that produce electricity from renewable sources, cogeneration, and waste.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

### *APPENDIX III*

#### Regulatory framework

On March 6, 2020, the CNMC Resolutions of February 26, 2020 were published by virtue of which the remuneration for companies distributing and transporting electric energy was provisionally established for the year 2020. Approval of a remuneration resolution for the year 2020 is expected should the aforementioned remuneration resolution not be approved and made effective. In this case, the remuneration approved by Order IET/980/2016, of June 10, should continue to be applied to the first settlements payable in 2020 for distributors and Order IET/981/2016, of June 15, which established remuneration for 2016, the last remuneration scheme which has been approved and which has been applied in recent years, should continue to be applied to transporters.

On March 26, 2020, Order TED/287/2020, of March 23, was published, establishing the contribution obligations for the National Fund for Energy Efficiency in 2020.

In the framework of the "Long-term Strategy for a Modern, Competitive, and Climate Neutral Spanish Economy in 2050," by virtue of the Resolution of March 25, 2021, jointly issued by the General Directorate of Energy and Mining Policy and the Spanish Office for Climate Change, the Agreement of the Council of Ministers of March 16, 2021 was published, adopting the final version of the Integrated National Energy and Climate Plan (PNIEC in its Spanish acronym) 2021-2030, delivered to the European Commission.

On June 24, 2020, Royal Decree-Law 23/2020 was published by virtue of which measures were approved with respect to energy issues and other areas for reactivation of the economy. This law contains a battery of measures to boost, in an orderly and rapid manner, the energetic transition to a fully renewable electricity system, as well as favoring economic reactivation in line with the European Green Deal. The regulation, amongst other matters, eliminates barriers for the massive deployment of renewable resources, defines new business models and foments energy efficiency, establishes milestones and temporary deadlines to avoid speculative movements in the utilization of network access permits, creates a new auction system which offers stability to the investor and allows all consumers to benefit from the savings associated with the integration of renewable energies in the system, while also making it possible to inject the surplus from prior years with a view to ensuring liquidity in the system and mitigating the imbalances which have been provoked by the COVID-19 crisis.

On September 22, 2020, the Government approved the National Plan for Adaptation to Climate Change.

On November 3, 2020, Royal Decree 960/2020, regulating the economic regime for installations generating electricity from renewable energy sources, was published. It was approved in application of RDL 23/2020 as the alternative remuneration framework for the specific remuneration framework. It establishes the scope of auctions for renewable energy installations, the remuneration scheme to be received, as well as the necessary requirements and guarantees.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

### *APPENDIX III*

#### Regulatory framework

In connection with this Royal Decree, Order TED/1161/2020, of December 4, was approved, regulating the first auction mechanism for granting the economic regime applicable to renewable energies and establishing the corresponding schedule for the 2020-2025 period. The announcement of the first auction for granting the economic regime for renewable energies, in accordance with the provisions of this Order and the specific details contained therein, is included in the Resolution of December 10, 2020 of the Secretariat of Energy. This first auction was held on January 26, 2021 for 3,000 MW of renewable energy, with two minimum reserves of at least 1,000 MW from wind energy and 1,000 MW from solar energy. On January 28, 2021, the BOE published the Resolution of January 26, 2021 issued by the General Directorate for Energy and Mining Policy, thus resolving the first auction held for granting the economic regime for renewable energies in accordance with the provisions of Order TED/1161/2020, of December 4.

Royal Decree 1183/2020, of December 29, on access and connection of transport networks and electric energy distribution networks, was published on December 30, 2020. The purpose of this Royal Decree is to establish the principles and criteria with respect to the application for, the processing, and the granting of access and connection permits for the transport and electric energy distribution networks which will be applicable for producers, consumers, owners of storage installations, and owners and managers of the transport and distribution networks. This Royal Decree has seen certain modifications via Royal Decree 29/2021, approved on December 21, 2021. In February 2021 the Strategy for Energy Storage was approved, establishing the objective to reach 20 GW in 2030 and 30 GW in 2050, thereby allowing for the deployment of renewable energies so that they may be key in guaranteeing security in supplies and facilitating lower energy prices.

On May 6, 2021, the CNMC Resolution was published approving the operating rules applicable to the daily and intra-day electricity markets for their adaptation to maximum European clearing price limits.

On May 21, 2021, the new Climate Change and Energy Transition Law ("PLCCTE" in its Spanish acronym) became effective. Thus, the regulatory and institutional framework was established in order to facilitate the progressive adaptation of the national reality to the demands which regulate climate-related actions and which will also facilitate and focus the decarbonization of the Spanish economy by 2050, a decarbonization process which must be socially just.

Given the current situation with high energy prices, the Government approved Royal Decree 17/2021 and Royal Decree 23/202, thereby establishing compensatory measures to help mitigate the impact.

On December 16, 2021, the CNMC Resolution was published establishing the electricity transmission and distribution grid access tolls, applicable from January 1, 2022.



## GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

### APPENDIX III

#### Regulatory framework

It is worth highlighting the following laws which became effective during 2022: (i) Royal Decree-Law 6/2022, of March 29, adopting urgent measures in the framework of the National Response Plan for the economic and social consequences of the war in Ukraine, which amongst other matters includes energy measures, such as reducing taxes for electricity bills and supporting competitiveness in electro-intensive industries, with an 80% reduction in tolls until the end of the year, direct aid to gas-intensive companies in sectors such as those of paper and cardboard or glass and ceramics, as well as acceleration of renewable energy projects; (ii) Royal Decree-Law 10/2022, of May 13, which establishes a temporary production cost adjustment mechanism to reduce the price of electricity in the wholesale market, consisting of an adjustment to the production cost of marginal fossil fuel technologies, equal for all of them. Said adjustment is established as the difference between a reference gas price and the effective spot market price for natural gas each day in order to achieve a reduction in the marginal market price by the amount of the adjustment in those cases where this margin is set by the technologies affected by this mechanism, recovering all their costs without altering their merit order when they receive the amount of the adjustment together with the new reduced marginal price. This law also includes measures to modify the method for calculating the PVPC tariff (or Voluntary Price for Small Consumers) and the method for calculating the specific remuneration scheme for renewable energies, cogeneration, and waste (RECORE in its Spanish acronym), with a view to encouraging the exposure of RECORE energy to the forward markets; (iii) Royal Decree-Law 14/2022, of August 1, on measures for energy saving, energy efficiency, and reduction of energy dependence on natural gas, which amends Royal Decree 413/14 and the definition of type 3 hybridizations to incorporate storage facilities, thus clarifying the obligation related to the metering equipment necessary to determine the energy generated and allowing for appropriate remuneration of the applicable economic regimes, as well as the consequences of non-compliance; iv) Royal Decree-Law 17/2022, of September 20, which adopts urgent measures in the field of energy; v) Royal Decree-Law 18/2022, of October 18, approving measures to reinforce protection for energy consumers and contribute to the reduction of natural gas consumption in application of "Plan + seguridad para tu energía (+SE)," which, amongst other measures, modifies access and connection regulations and allows for extension of the gas cap mechanism until 12/31/23; and vi) Royal Decree-Law 20/2022, of 27 December, on measures in response to the economic and social consequences of the war in Ukraine, which establishes an abbreviated procedure for the administrative processing of renewable installations, extends the abolition of the 7% tax throughout 2023, and eliminates the exemption of bilateral contracts from application of the gas cap mechanism.

#### Italy

Italy represents one of the most mature renewable energy markets in the world.

However, it is still far from reaching the European objectives in terms of energy and sustainability and, as also indicated in the PNIEC (National Energy and Environment Plan published by the Ministry for Economic Development), Italy needs to aggregate some 30 GW of photovoltaic energy to its fuel mix, in addition to the current 20 GW available in the country (about 9% of its composition in terms of the source).

The sale of energy is performed via the spot market or via PPAs.

The developments in Italy involve clear and transparent electricity regulation, which allows for the market to develop against the speculation of the past.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

### *APPENDIX III*

#### Regulatory framework

The applicable regulation is established in the document known as TICA (Testo integrato delle connessioni attive), in accordance with "deliberazione ARG/elt 99/08" (and all modifications and integrations thereof).

The need to make an advance payment for the connection and to start the application process for authorization within a maximum period of time provides assurance to the market that existing projects are transparent and viable.

From the environmental point of view, the regulation is well articulated, considering that as Italy is a fairly diversified territory, each of the 20 regions can apply for its own regional regulations, in custodianship of its own landscape and environment, applying different restrictions by region.

At any rate, the processes involved are standard and basically relate to art. 27bis of the DLgs 152/2006 which enacts the PAUR (Provvedimento autorizzatorio unico regionale), which in turn includes the VIA (Valutazione Impatto Ambientale) process in a single process plus the "Autorizzazione Única" - in accordance with art. 12 of the DLgs 387/2003.

### United Kingdom

The regulatory framework for the electricity market in the United Kingdom has evolved over time with a view to satisfying the needs of its consumers, more recently focusing its attention on decarbonization. At the inception of the market for renewable energies, subsidies were available for the generation of electricity but as the market has continued developing, said support has been reduced progressively.

#### *Regulatory authorities*

The main regulatory authorities for the electricity sector in the United Kingdom are the following:

- The Department for Business, Energy and Industrial Strategy ("BEIS"), which is responsible for legislation, policy and regulations in business, industrial strategy, science, innovation, energy and climate change, and seeks to develop the energy industry and provide fair prices for consumers;
- The Gas and Electricity Markets Authority ("**GEMA**"), which is the governing body of OFGEM (as defined below) and is in charge of protecting consumers by strengthening competition, innovation, more ecological emissions, and lower prices for consumers;
- The Office of Gas and Electricity Markets ("**OFGEM**"), which is a non-ministerial government department and the main governing body for the energy market in the United Kingdom, in charge of granting and enforcing licenses (see below).

#### *General view of the permits, licenses, and authorizations*

- Licenses for generation, transmission, distribution, and supply: these licenses are necessary for each individual activity (subject to exemptions) by virtue of article 6 of the Electricity Act of 1989, including the generation activities. Normally, a photovoltaic project (provided its declared net capacity is less than 100 MW) is exempt from the obligation to obtain a generation license.
- Planning permit or development consent order: The construction of a photovoltaic plant and any associated infrastructure will require a planning permit or development consent order (for larger projects) in England and Wales. The authorization procedures for obtaining a planning permit or development consent order will vary based on the location of the project (i.e., in England or Wales) and the installed generation capacity. In order to obtain the planning permit, an *Environmental Impact Assessment* ("**EIA**") may have to be performed depending on how much the projects may have a significant effect on the environment.

### *Electricity market and sources of income*

- Power Purchase Agreement (PPA): the energy of a photovoltaic project is usually sold via a PPA with an authorized supplier. Some projects do not dispatch to the British grid but sell the energy to a host or neighbor via a private cable. The PPAs tend to be long-term agreements which permit the financing of the project. However, as the market has been developing, more projects are opting for short-term PPAs.
- Smart Export Guarantee: The new solar photovoltaic solar energy projects can avail themselves of a Smart Export Guarantee ("**SEG**"). The purpose of the SEG regime is to support the generation of small quantities (up to 5 MW) with low carbon emissions via the SEG payments from authorized suppliers (agreed upon with the corresponding supplier). It must be taken into account that the *Feed-in Tariffs* ("**FiT**") and the *Renewables Obligation Certificates* ("**ROC**") are no longer available for new solar projects.
- Contract for Difference ("**CfD**"): Support for solar energy prices may be in the form of a CfD granted by the government between a generator and a *Low Carbon Contracts Company* (a private limited company which is owned by the Secretary of State for the BEIS department, which is the counterparty in the CfD). Photovoltaic solar assets with a capacity exceeding 5 MW compete with other established technologies in an auction and the generators who win receive CfDs. A generator sells its electricity in the market but receives a complementary amount (above the market price for electricity) corresponding to a "strike price" previously agreed upon within the framework of the CfD for the electricity produced over a 15-year period (or, if the market price for electricity is higher than the exercise price, the generator will pay the difference between the strike price and the market price to the Low Carbon Contract Company).
- Renewable Energy Guarantee of Origin ("**REGO**"): The REGOs are certificates which demonstrate that the electricity was produced based on renewable sources. The REGO system is designed to offer the consumers transparency when determining what portion of their electricity comes from renewable sources. The OFGEM issues a REGO certificate to the generators of renewable electricity for each mega watt hour of renewable production. The REGOs are usually sold to the energy supplier who makes use of the energy generated by the project with a minimum value attributed to them, though a market is in development for said certificates.

### Poland

#### *Electricity mix Poland*

At present Poland has a total population of 38 million inhabitants and generates 174 TWh of electricity. Growth expectations amount to 262 TWh by 2050.

Given its historical dependence, the Polish electricity mix is mainly dominated by coal and natural gas. Both account for 80% of total generation.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

### *APPENDIX III*

#### Regulatory framework

The delivery of the European Funds for the National Recovery Plan (KPO) is expected to boost and facilitate the development of renewable energy sources with a total amount of approximately 100 billion euros. However, in October 2022 the European Commission blocked the release of these funds since Poland had failed to meet objectives previously agreed upon, including reform of the justice system and liberalization of the so-called "10h rule" for onshore wind energy development. The Polish government has committed itself to fulfilling these objectives as soon as possible.

In addition, the rising costs of CO<sub>2</sub> emissions (under the EU ETS scheme), the post-COVID economic situation, and the invasion of Ukraine have led to a sharp increase in electricity prices, with more pronounced growth starting mid-2021. Thus, in October 2022 the government introduced price caps for coal and electricity that have not only generated effects at the merchant level but also with respect to PPAs (virtual PPA vs. physical PPA). There is a lot of uncertainty with respect to this matter since the rules to be applied for making the necessary adjustments to contracts are not clear, which greatly affects offtakers.

In recent months there has been talk about the possible introduction of new laws that would allow for cable pooling (connecting two or more energy sources with the same infrastructure), direct wire contracts (to become independent from the grid which has become saturated in recent years), and commercial connection procedures in which operators propose the scope of work on their infrastructure along with the price, delivering more connection volumes if both parties agree.

Poland offers the CfD scheme after the annual auctions, the stable 15-year duration scheme for operation, supplemented by the PPA/CPPA market which is experiencing very dynamic growth.

#### *Legislative framework*

The most important laws regulating the RES environment in Poland are as follows:

- Law on renewable energy sources of February 20, 2015 / Ustawa o odnawialnych źródłach energii z dnia 20 lutego 2015
  - Definition of renewable sources
  - Guarantee of origin instrument
  - Auction mechanism (CfD).
- Energy law of April 10, 1997 / Prawo energetyczne z dnia 10 kwietnia 1997
  - Regulation of energy policy in Poland
  - National grid system (definition of transportation operators, distribution operators)
  - Energy sales concessions, registries, tariffs.

## GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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#### Regulatory framework

- Law on information related to the environment and its protection, public participation in environmental information and environmental impact studies of October 3, 2008 / Ustawa o udostępnianiu informacji o środowisko i jego ochronie, udziale społeczeństwa w ochronie środowiska oraz ocenach oddziaływania na środowisko z dnia 3 października 2008.
  - Definition of the investments which may have a significant environmental impact
  - The rules and procedures for the administrative processing of environmental matters based on the type of project together with the scope of environmental monitoring.
- Law on construction of July 7, 1994 / Ustawa prawo budowlane z dnia 7 lipca 1994
  - Administrative procedure for construction permits
  - Construction work process, participants, and operating permits.
- Law on land-use planning of March 27, 2003 / Ustawa o planowaniu i zagospodarowaniu przestrzennym z dnia 27 marca 2003 / Regulation of urban development process based on category of investments

A number of important changes were recently proposed in legislative matters, of which the following are noteworthy:

1. Changes to the "Special Purpose Act on Energy Transmission" - this amendment seeks to broaden the definition of construction work, including 110kV and 220kV distribution networks to decongest the grid.
2. The "network package," a proposal made by the Ministry of Climate and Environment which will regulate and involve changes to the Energy Act with respect to the following:
  - a. Cable pooling - the shared use of energy infrastructure amongst installations which avail themselves of various RES technologies
  - b. Changes in the capacity threshold to which the preferential connection tariff is applied
  - c. Changes in the amount of the grid application advance (the aim is to discourage developers with less economic strength from applying for the grid)
  - d. Regulation that will allow for release of the volumes blocked by projects which are not viable.

## Germany

### *Electricity mix Germany*

Renewable energy generation during 2022 in Germany rose by 9% as compared to 2021, reaching a total of 256 Terawatt-hours as per the provisional data provided by the German Federal Environment Agency's Working Group on Renewable Energy Statistics (AGEE-Stat). This figure corresponds to 46% of electricity demand in Germany, below the objectives set by the German Renewable Energy Sources Act (EEG) for 2022, which include a target for generating renewable energies in the amount of 269 Terawatt-hours.

Photovoltaic generation experienced a considerable increase of 23% up to 62 Terawatt-hours due to very favorable weather conditions and the increase in installed photovoltaic solar capacity. Data published by the German Federal Network Agency ("Bundesnetzagentur") indicate that 7,181 Megawatts of photovoltaic power were installed in Germany during 2022, of which approximately 2,677 Megawatts correspond to ground-mounted installations.

### *Legislative framework*

On January 1, 2023, the so-called "EEG-Osterpaket" ("Easter package" of the Renewable Energy Source Act or "EEG") came into force, which includes a series of measures to accelerate the implementation of renewable energies in the German electricity sector and thus reduce dependence on natural gas imports from Russia as well as progress in the decarbonization of Germany's energy sector. The legislative package includes a series of measures designed to increase renewable energy generation via the use of wind, photovoltaic, and hydroelectric technologies up to a level of 80% by 2030. The law grants renewable energy projects the status of public interest projects, thereby simplifying the administrative process required for new solar photovoltaic projects. It eliminates the electricity surcharge ("EEG Umlage") in the electricity tariff. In addition, the legislative package also includes both a considerable increase in the objectives set for 2030 and 2035 with respect to installed photovoltaic and wind power capacity as well as the volumes to be assigned under the regular auctions for photovoltaic and wind power capacity. The EEG 2023 includes an objective for installed solar photovoltaic capacity which increases the current level of approximately 66 GW up to 215 GW in 2030. The objectives for annual solar photovoltaic installations gradually increase from 9 GW in 2023 to 22 GW per year in 2026, to be kept constant subsequently until 2030. Finally, the EEG 2023 eases restrictions on available areas for ground-mounted photovoltaic installations by, for example, increasing the width of available areas adjacent to highways and railway lines from 200 to 500 meters.

On January 23, 2023, the German Federal Network Agency ("Bundesnetzagentur") raised the maximum price for eligible bids to 73.7 euros/MWh within the framework of the auctions for ground-mounted photovoltaic systems to be held over the course of 2023. The maximum bid size for ground-mounted photovoltaic systems was increased from 20 MW to 100 MW.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

### *APPENDIX III*

#### Regulatory framework

The Russian invasion of Ukraine and interruption of natural gas supplies from Russia led the European Council to adopt Regulation (EU) 2022/1854 on October 6, 2022, obliging Member States to carry out emergency interventions that address high energy prices and increase security for the European Union's energy supply. Germany implemented the measures provided for in said Regulation within its own national legal framework by passing the law known as "Gesetz zur Einführung einer Strompreisbremse- StromPBG" (Electricity Price Cap Regulation) on December 24, 2022. This law establishes a maximum electricity price of 40 euro cents per kilowatt hour to be applied to 80% of domestic client consumption. The measures allow for the surplus revenue arising from application of the cap on market revenue for electricity generators to be passed on to the final customers in the electricity market. Said cap is defined for solar photovoltaic installations not covered by the Renewable Energy Source Act (EEG) as 100 euros per megawatt hour generated plus a supplement of 30 euros per megawatt hour, i.e., a total maximum revenue cap of 130 euros per megawatt hour for this type of installation. Further, 90% of revenue obtained which exceeds the revenue cap will be passed on to the final customers. The "StromPBG" law and resulting market revenue cap will apply from December 1, 2022 until June 30, 2023. The law provides for the possibility of extending the application period until April 30, 2024.

On January 4, 2023, the law known as "Gesetz zur sofortigen Verbesserung der Rahmenbedingungen für die erneuerbaren Energien im Städtebaurecht" came into force. This law introduces a number of amendments to clauses in the German Building Code ("Baugesetzbuch"), allowing for solar photovoltaic installations on non-developable rural land within an area of 200 meters adjacent to highways and double-track railway lines without requiring an urban rezoning process. These measures potentially shorten the administrative processing period required to obtain a construction permit for solar photovoltaic installations in said areas.

### **Sector regulation in Latin America**

#### Chile

Until now the Group has operated in Chile via photovoltaic installations operated under the regime for small power producers ("SPP"). The SPPs comprise all those means of generation with excess capacity less than or equal to 9 MW, connected via medium voltage networks in the distribution systems. These types of projects make up the short term Greenergy project portfolio in Chile.



## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

### *APPENDIX III*

#### Regulatory framework

The main difference in the commercialization of energy between a PMG/D and other producers consists in sales made at a stabilized price. The price stabilization mechanism is determined via modification of the law for electric services of 2007, settled on a monthly basis by the National Electricity Coordinator ("CEN" in its Spanish acronym) as the difference between the marginal price and the short-term nodal price ("PNCP" in its Spanish acronym). This price (PNCP) is in turn set by the National Energy Commission ("CNE" in its Spanish acronym) every six months. It is based on the projected marginal costs for the following 48 months, thaw projections, and prices for tendered contracts prevailing at each node. Estimated marginal costs, given that it is an average of the marginal cost performance over the coming four years and 24 hours a day, in addition to representing the most important component of the PNCP, this price does not change significantly, remaining stable in comparison with spot market prices (the instantaneous hourly marginal cost). Subsequent to application of the new price stabilization scheme established in Supreme Decree 88 (DS 88), the CNE will annually define a new calculation of the stabilized price in January and August, with the same mechanism in place for the CEN to settle differences (for plants declared under construction subsequent to April 8, 2022).

In addition, all companies which generate electricity can sign contracts with clients at freely agreed-upon prices (unregulated clients) or at the stabilized price established by the CNE as explained above, which is either compensated by the generators who are party to regulated supply contracts or, if the marginal cost is greater than the stabilized price, by the PNCP. Another way for commercializing energy generated is via a regulated process for supply tenders involving distributor companies. The distributor companies in turn sell their energy to final regulated clients or to unregulated clients who do not wish to freely agree upon supply contracts with producer companies.

The producing companies must notify the CDEC six months in advance with respect to the option of selling energy they will choose (at the nodal price or stabilized price). In order to change the option, advance notice of 12 months must be provided, with the minimum term for each option corresponding to four years.

The amendments approved by the Ministry of Energy in October 2020 (DS88), corresponding to the regulations for small-scale means of generation, establish a transitional regime for projects already under the current remuneration scheme, as well as those in advanced stages of development. Projects already under operation may continue to receive the current stable price for a period of up to 14 years counting from the entry into force of the newer regulations, which is also applicable to projects in their final stages of development. To be eligible, the projects must be granted connection permission, or present the environmental paperwork within a period of 7 months. They must also have obtained the construction declaration within 18 months counting from the new regulations becoming effective. Should the above conditions not be met, new projects will continue at the stabilized price, though based on a different calculation method linked to the time slots during which each project sells its energy.

In contrast, on May 29, 2020 the CNE determined the extent of the exclusive payment established in the Law on Short Distribution (Law no. 21.194) which comprises the activities relating to electric energy transportation via distribution networks, the purchase and sale of energy and power to regulated end users, the use of distribution network installations which allow for the injection, retirement or management of electric energy, the rendering of services at legally fixed prices and the services which are provided utilizing the infrastructure or resources essential for the rendering of the aforementioned services, whose shared utilization with other services is absolutely necessary or efficient.

## GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

### APPENDIX III

#### Regulatory framework

#### Peru

The electricity sector in Peru is regulated by the Electricity Concession Law, in accordance with Decree Law No. 25844, Supreme Decree No. 009-93-EM and its modifications and extensions. In accordance with this law, the electric energy sector in Peru is divided into three principal segments: generation, transmission, and distribution. Since October 2000, the Peruvian electricity system has been comprised of the National Interconnected Electricity System ("SEIN" in its Spanish acronym) as well as other connecting systems. The Group supplies renewable electric energy in the segment which belongs to SEIN based on Law No. 28832 of 2006, which ensures the efficient generation of electric energy, introducing important changes in the regulation of the sector.

In accordance with the Electricity Concession Law, the operation of energy generation installations and transmission systems is subject to the regulations of the National Committee for Economic Operations - ("COES-SEIN") so as to coordinate operations at a minimum cost, ensuring the secure supply of electricity, as well as the best use of energy resources.

The COES-SEIN regulates electric energy prices and transmission prices between energy producers, as well as the consideration for owners of the transmission systems.

To foster installation of renewable energy, the Peruvian government has on several occasions held public tenders in which it offered long-term contracts (20 years) with energy prices set at a fixed rate.

During August 2019, the Peruvian government published a new regulation acknowledging firm capacity for wind power projects, that is, the maximum power generated by a generation unit with a high level of security. This is a relevant step forward, considering that generation projects must deliver fixed amounts of energy once a supply contract has been signed. Peru's government is working to publish a regulation which also makes it possible to recognize firm capacity for solar energy.

#### Colombia

Colombia liberated its electricity sector in 1995 with its Public Service Law and Electricity Law (both during 1994). Regulation of this market was implemented by the Energy and Gas Regulation Commission. It enacted the basic rules and launched this new approach in July, 1995. The sector separates its activities into the following segments: generation, transmission, distribution, and sales.

Energy purchase-sale transactions between generators and sellers takes place on the wholesale market as defined under article 11 of Law 143 of 1994, in the following terms: *"it is the market of large wholesalers of electric energy, in which generators and sellers buy and sell energy and power on the national inter-connected system."*

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

### *APPENDIX III*

#### Regulatory framework

Considering the system's huge proportion of hydraulic generation, as well as the existence of different climatological phenomena in the country which seriously affect the availability of hydraulic resources, the "reliability charge" was created by virtue of which plants will receive additional income for their firm power, which is that which will likely be distributed during a drought year, with the system guaranteeing there will be installed capacity to satisfy demand in the country in such moments. Renewable plants are entitled to receive this additional income for all or part of their annual energy output.

To boost the presence of renewable energy in the country, the Colombian government has held renewable energy tenders. Long-term contracts to be signed with sellers at fixed prices are offered at these tenders (indexed to the price index). To boost sellers' interest, the government has approved the obligation that at least 10% of energy supplied to regulated users originate from unconventional renewable energy sources.

On June 10, 2020, articles 11, 12, 13, and 14 of Law 1715, of 2014, were enacted by Decree 289, of 2020, modifying and expanding Decree number 1625, of 2016, the Single Regulatory Framework for Tax Matters, while certain articles of Decree number 1073, the Single Regulatory Framework for the Administrative Sector of Mining and Energy, were repealed, establishing the incentives for generation of electric energy with unconventional sources, assigning competence to the UPME to issue certifications of tax benefits, and defining the steps to be taken for deduction of income tax, accelerated amortization/depreciation of assets, and exemption from tariffs on the FNCER projects.

On October 23, 2020, via Resolution no. 40311 of 2020, the Ministry of Mining and Energy established the guidelines for public policy regarding allocation of transportation capacity to generators in the National Interconnected Electricity System, as well as for loss of access, while further regulating certain additional matters such as guarantees which must be presented for the connections, behavioral norms, and a transition regime.

#### Argentina

Argentina's energy sector has undergone three differentiated stages which have impacted its current system. Until 1992, the scheme was based on a centralized market under heavy government control. That year, Law 24,065 went into effect, establishing the bases for creating the following: ENTRE (the National Electricity Regulatory Board), the MEM administration (Wholesale Electricity Market), setting prices on the spot wholesaler market, determining tariffs for regulated businesses, as well as evaluating assets to be privatized.

In 2002, subsequent to the country's financial crisis, the Emergency Law was approved, freezing tariffs (among other measures). This led to a situation in which incentive to invest was strongly dissuaded, with nearly all new generation and transportation projects taken over by the government. However, generation activity continues to be dominated by private-sector participants and is still liberal.

## **GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES**

### *APPENDIX III*

#### Regulatory framework

Against a backdrop of energy demand arising due to low private investment, as well as the intention to take advantage of the country's natural resources while also reducing dependence on energy from abroad, new regulations were established declaring electricity production from renewable energy projects of national interest. Specifically, Law 27,191 was approved in 2015, imposing the obligation for significant users to consume 8% of their energy from the above sources in 2017, and up to 20% in 2025. In addition, within the framework of these regulations (the most representative being Law 27,191), renewable energy public tenders are promoted under the auspices of the RenovAr plan.

In these tender processes, projects obtain a PPA for 20 years of energy sales. CAMMESA, the counterparty, is the non-profit entity which oversees the Argentine market though the contracts are backed by a specific fund created by the Ministry of Energy and Mining, and claims can be reported to the World Bank as a last recourse. Apart from the government-backed agreement, RenovAr also offers tax breaks to attract private investment.

#### Mexico

On March 4, 2020 the CRE published the "Agreement by virtue of which the Regulatory Energy Commission issues the criteria for calculating the total number of Clean Energy Certificates available to cover the total amount of Clean Energy Obligations for each of the first two years in which said Obligations are effective, while establishing the Implicit Price Calculation Methodology for the Clean Energy Certificates to which the twenty second transitory provision of the Law on Energy Transition refers."

On May 1, 2020, the National Center for Energy Control (CENACE in its Spanish acronym) published the "Agreement to guarantee the Efficiency, Quality, Reliability, Continuity, and Security of the National Electricity System, with a view to acknowledging the epidemic due to the illness caused by the SARS - CoV2 virus (COVID-19)."

On May 15, 2020, the Secretariat of Energy (SENER in its Spanish acronym) published the "Agreement establishing the Policy for Reliability, Security, Continuity, and Quality in the National Electricity System."

On March 9, 2021, the Official Daily of the Federation published a reform to the Electric Industry Law ("LIE" in its Spanish acronym) with a view to modifying certain matters which govern the electricity sector and the wholesale electricity markets. Further, on September 30, 2021, a constitutional reform initiative was presented relating to the energy sector. The reform consists in some modifications to the general concepts which govern the Mexican energy sector, included in articles 25, 27, and 28 of the Mexican Constitution, together with a series of transitory articles.

# **GREENERGY RENOVABLES, S.A. and Subsidiaries**

## **Consolidated management report for 2022**

### **1. Main activities of the Group**

#### 1.1 Nature of the Group's operations and its main activities

Greenergy is a Spanish company which produces energy based on renewable sources, specialized in the development, construction, and operation of photovoltaic and wind energy projects, the promotion and commercialization of photovoltaic projects, and the commercialization of energy.

Since its incorporation in 2007, the Group has seen rapid growth and changes in the planning, design, development, construction, and financial structuring of projects. It is present in Europe as well as in Latam since the year 2012. Currently, Greenergy has offices in Spain, Italy, the United Kingdom, Poland, Germany, Chile, Peru, Colombia, Argentina, and Mexico. Greenergy's overall pipeline, which includes photovoltaic solar energy installations and wind parks in different stages of development, exceeds 11.7 GW, while its storage pipeline boasts 7.7 GWh.

Its business model encompasses all project phases, from development through construction and financial structuring to plant operation and maintenance. In addition, Greenergy generates income from recurring sales to third parties of non-strategic parks, combined with recurring income from its own parks in operation as well as income from O&M and AM services for plants sold to third parties.

Greenergy performs its activities in each of the phases comprising the value chain of a renewable energy project, prioritizing greenfield projects, that is, those renewable energy projects starting from nothing or those already underway which require a complete modification, as compared to brownfield projects, which require certain occasional modifications, expansions or repowering.

The source of this income is technologically diversified, encompassing project developments in wind and photovoltaic energy as well as the development of storage systems, so that it can operate at highly competitive prices as compared to conventional energy sources. This backdrop is further favored by an emerging market for PPAs (bilateral energy purchase-sale agreements) as well as the end of the fossil fuel era as determined on a political level with a view to closing down nuclear power plants and coal plants within 10 years.

The Parent has been listed on the continuous market since December 16, 2019, with capitalization at 2022 year end totaling 849 million euros.

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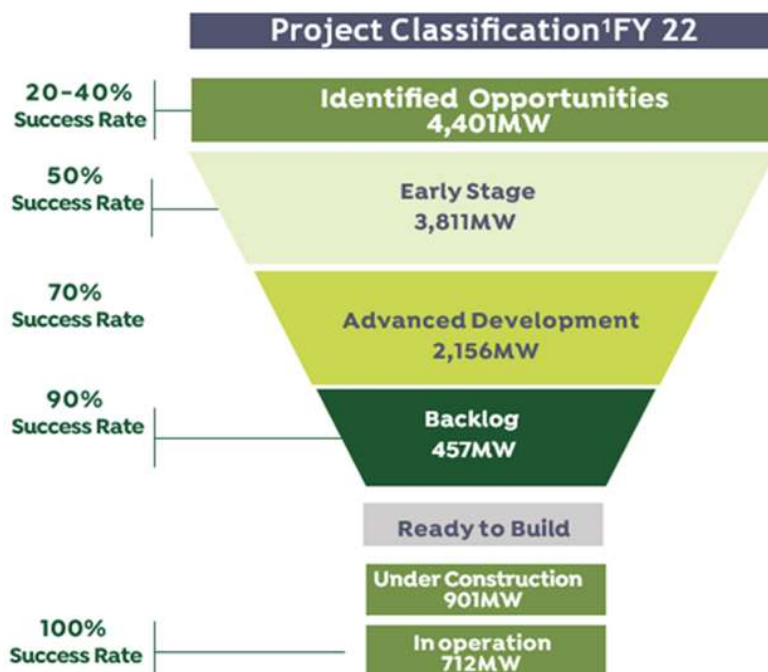
### 1.2 Pipeline phases

According to degree of maturity, the Group classifies its projects into the following phases:

- Identified Opportunity: projects which are technically and financially feasible based on the following circumstances: (i) there is land potential; (ii) access to the electricity grid is considered operationally viable; and/or (iii) it is potentially interesting for sale to third parties.
- Early stage: based on an identified opportunity, the project is approved internally in order to commence the investment phase, presenting the pertinent applications so as to access the electricity network and initiate negotiations for the required land.
- Advanced development: projects in advanced technical and financial stages, since: (i) the land is assured, or there is at least more than a 50% probability of it being obtained; (ii) the appropriate requests to connect to the electricity grid have been filed, with a 90% or higher likelihood of being accepted; and (iii) environmental permits have been requested.
- Backlog: projects in the final phase prior to construction, in which: (i) land and access to the electricity grid are assured; (ii) the likelihood of obtaining environmental permits is over 90%; and (iii) there are PPAs or framework agreements with energy buyers or banks which are ready to be signed, or there is a bankable price stabilization scheme.
- Under construction: EPC projects in which the engineering, construction, and procurement order has been given to commence construction under the corresponding EPC contract.
- In operation: projects for which the acceptance certificate has been signed by the entity that will be the owner of the project in question, and for which responsibility over the asset has been transferred from the entity performing the EPC construction tasks to the Group's operations team.

The corresponding administrative authorizations may be obtained during any stage of the pipeline, including during the construction phase.

At December 31, 2022 the Group had more than 11.7 GW in different stages of solar and wind energy development, as well as 7.7 GW in pipeline storage projects.



### 1.3 Operating divisions

The Greenergy Group classifies its different business activities under the following operational divisions:

- **Development and Construction:** this division's activities involve the search for feasible projects, in both financial as well as technical terms, the necessary work for reaching all the milestones for initiating construction, and preparatory work on the land for the construction and starting up of each project.
- **Energy:** this division deals with revenue obtained from the sale of energy in each of the markets in which Greenergy has or will have its own operational projects as Independent Power Producer ("IPP").
- **Services:** this division includes the services rendered for projects once the start-up date has been reached (Commercial Operation Date - "COD") and which are therefore in the operational phase. It also encompasses asset management and O&M activities provided for internal IPP projects as well as those for third parties.

## 2. 2022 Business Performance

According to Bloomberg New Energy Finance ("BNEF"), 268GW of solar energy installations were installed globally during 2022. Installing this capacity during the year involves a 36% year on year increase in investments, up to 308 trillion euros.

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Though global cost inflation has been putting pressure on costs in the renewable energy industry, increasing the cost of key components for its installations, the cost of other sources of energy, such as gas or petroleum, experienced even more severe inflation, which strengthened the relative competitiveness of renewable energies and evidenced the need for reducing dependency on certain non-renewable energy commodities.

BNEF expects new installed capacity of 317 GW in 2023 for solar energy at a global level, as compared to the 266 GW of installed capacity estimated for 2022.

As far as storage installations are concerned, this activity continues to grow exponentially with an estimated 48 GW installed in 2022 and 405 GW expected by 2030.

In the long term BNEF expects exponential growth in the renewable energy sector until it reaches 85% of energy supplied in 2050.

The main headings for the consolidated statement of profit or loss and the consolidated statement of financial position are explained below:

- The income reflected in the consolidated statement of profit or loss for FY 2022 represents the best results achieved by the Group to date. EBITDA totaling 50,154 thousand euros and net results amounting to 10,309 thousand euros evidence the efforts made during recent years in the process of developing and executing portfolio projects in Latin America, especially in Chile and Spain. All these efforts have translated into significant positive results for the Group, setting the foundation for continuing with the pipeline in LATAM and Europe as foreseen.
- Total revenue and EBITDA amounted to 293,007 thousand and 50,154 thousand euros, respectively. Until 2019 all the projects developed and constructed by the Group were sold to third parties. In 2020 the Group started constructing parks in order to hold them in its portfolio and operate them, starting to obtain income from the sale of energy in 2021. In coming years revenue and EBITDA from this division will progressively increase to the extent that the Group connects the projects in the different pipeline stages. The breakdown of income and EBITDA by operational division is as follows:

	Thousands of euros	
	12.31.2022	12.31.2021
<b>Income</b>		
Development and Construction	232,613	197,475
Energy	57,779	19,904
Services	2,615	2,775
<b>Total income (*)</b>	<b>293,007</b>	<b>220,154</b>

(\*) Alternative performance measure (APM) See Appendix I.

	Thousands of euros	
	12.31.2022	12.31.2021
<b>EBITDA</b>		
Development and Construction	22,127	33,135
Energy	36,064	13,267
Services	471	354
Corporate	(8,508)	(5,319)
<b>Total</b>	<b>50,154</b>	<b>41,437</b>

(\*) Alternative performance measure (APM) See Appendix I.



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Development and Construction: the increase in income corresponds to a greater number of parks under construction in 2022 as compared to 2021. Nevertheless, EBITDA decreased as a consequence of fewer parks being sold to third parties.

Energy: income from the sale of energy increased as a consequence of (i) the solar parks of Quillagua (Chile), Duna y Huambos (Peru), Kosten (Argentina), San Miguel de Allende (Mexico), and Escuderos (Spain) having been operational for a longer period (all of them initiated operations in 2021) and (ii) the parks in Chile and Colombia having been progressively connected over the course of 2022.

Services: though income from third parties decreased, EBITDA improved with respect to 2021.

Corporate: corresponds to general expenses. The main EBITDA variations were due to an increase in the Group's activity and size.

- Amortization/depreciation expenses, amounting to 14,178 thousand euros, experienced an increase of 7,053 thousand euros with respect to the previous year, mainly as a consequence of depreciating the parks which became operational in 2022 as well as those which became operational halfway through the previous year and which in 2022 were depreciated over the entire year.
- In 2022 an expense of 6,160 thousand euros was recognized, corresponding to the execution of guarantees for the Duna and Huambos project (Peru) due to delays in starting up commercial operations.
- Finance cost amounted to a negative balance of 22,508 thousand euros. This item encompasses four large figures:
  - Interest on debt associated with the projects: 14,067 thousand euros of expenses.
  - Interest on corporate debt and guarantees: 5,565 thousand euros of expenses.
  - Exchange gains: 1,191 thousand euros, mainly corresponding to provisions as a consequence of the US dollar recovering against the euro during 2021.
  - Change in the fair value of financial instruments amounting to -4,400 thousand euros, as a consequence of measuring the ineffectiveness of the hedging derivatives for energy sales prices.
- In terms of after tax profits, the Group achieved a figure of 10,309 thousand euros.

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- With regard to the consolidated statement of financial position, the performance reflected at 2022 year end with respect to 2021 showed changes which confirmed continuity in the Group's growth, with the most important balances being strengthened. The following are especially positive aspects worth highlighting:
  - The 50% increase in PP&E, reaching 582,149 thousand euros as a consequence of parks being constructed which the Group intends to operate, with the corresponding impact on income from the sale of energy.
  - The increase of 86,107 thousand euros in equity, which reached 244,815 thousand euros, mainly a consequence of the capital increase amounting to 90,000 thousand euros, representing great capacity for financing future developments.
  - Positive working capital, amounting to 18,509 thousand euros, which permits the Group to meet its short-term payment obligations comfortably and continue performing its activities while ensuring its stability and a decrease in its long-term financial debt.
  - An improvement to the financial debt ratio, which decreased from 2.81 in 2021 to 2.62 in 2022 due to the strengthening of the Group's cash position after the capital increase. The breakdown of net debt is as follows:

Net debt	12/31/2022	12/31/2021
Non-current bank borrowings (*)	117,573	48,986
Current bank borrowings (*)	42,863	36,196
Other non-current financial liabilities	-	-
Other current financial liabilities	130	156
Current financial investments - other financial assets	(9,744)	(6,422)
Cash and cash equivalents (*)	(61,142)	(52,222)
<b>Net recourse corporate debt</b>	<b>89,680</b>	<b>26,694</b>
Recourse project finance (*)	16,352	35,239
Recourse project treasury (*)	(3,652)	(2,673)
<b>Net recourse project finance</b>	<b>12,700</b>	<b>32,566</b>
Unsecured project finance (*)	269,086	191,441
Unsecured project treasury (*)	(40,876)	(13,773)
<b>Net unsecured project finance</b>	<b>228,210</b>	<b>177,668</b>
<b>Total net debt</b>	<b>330,590</b>	<b>236,928</b>

(\*) Alternative performance measure (APM) See Appendix I.

### 3. Privileged information and other relevant information for FY 2022

- Towards the end of March 2022, the Group published the sustainability report corresponding to 2021. The most noteworthy items in said report are the milestones for the year in terms of sustainability, corporate governance, and social matters, including calculation of the main non-financial KPIs for said period.
- On March 15, 2022, the rating agency Axesor Rating (now called "Ethifinance") increased the rating for Greenergy Renovables, S.A. from "BB+" to "BBB-," while maintaining the stable trend.

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- On March 22, 2022, Greenergy announced the placement of a green commercial paper program on the Alternative Fixed Income Market ("MARF") with an outstanding maximum balance of 100,000,000 euros. The program utilizes a financing framework aligned with the 2021 Green Bond Principles of the International Capital Markets Association (ICMA).

Further, the program was set up with a view to diversifying the Company's financing sources and allowing for more options regarding how to fulfill the strategic growth plan in coming years. The Company's green financing framework was subjected to a Second Party Opinion (SPO) issued by the rating agency Sustainalytics. The report considers the positive impact on the environment of the funds used and evaluates the credibility of the green financing framework used by Greenergy, as well as its alignment with international standards.

- The Parent held its ordinary general shareholders meeting on May 11, 2022. All the items included in the agenda were approved by a majority in said meeting. The main points approved included the following:
  - Approval of the annual consolidated financial statements
  - Approval of the proposed application of profits for 2021
  - Approval of the Board of Directors' social management during the year ended December 31, 2021
  - Renewal of the auditor of accounts for the Company and its consolidated Group, covering both 2022 and 2023.
- On June 28, 2022, Greenergy Renovables announced its second capital increase, consequently obtaining a total of 90 million euros. Subsequent to the capital increase the Company's free float amounted to 43.3%.

- On September 16, 2022, GREENERGY placed its second green commercial paper program ("Green Commercial Paper Program GREENERGY RENOVABLES 2022") on the Alternative Fixed Income Market ("MARF") with a maximum outstanding balance of 150,000,000 euros.

The program uses a financing framework aligned with the Green Loan Principles 2022 of the Loan Market Association (LMA) and with the Green Bond Principles 2022 of the International Capital Markets Association (ICMA).

- On November 24, 2022, Greenergy presented a share repurchase program. The objective of said program is to remunerate the Group's key personnel via share option plans.

The maximum number of shares to be acquired ("MNSA") under the Repurchase Program amounts to 400,000 treasury shares, representing approximately 1.3% of the Parent's share capital at the date of this report. In addition, the maximum net investment for the Repurchase Program totals 16,000,000 euros ("Maximum Investment").

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### **4. Strategy and objectives for upcoming years**

From the commencement of its activities, the Group has fundamentally based its business model on the development, financing, and construction of solar and wind energy projects. Until 2019 all projects developed and constructed by the Group in Spain and Latam were sold to third parties, permitting Greenergy to use the funds obtained thereby to boost the inclusion of new projects in its pipeline and contribute the necessary capital to finance many of these projects so as to be able to construct and operate the portfolio of projects that have reached the ready-to-build phase.

Thus, the Company's strategy changed from a build-to-sell approach focused entirely on asset rotation to a mixed model in which the Group maintains ownership of a large part of the projects (build-to-own) while also maintaining some rotation of projects (build-to-sell), thereby allowing it to generate cash to be used mainly for the equity of projects it intends to keep in its portfolio.

The projects held in its portfolio generate recurring revenue from the sale of energy, sold under bilateral contracts with buyers of proven solvency, using bankable price stabilization schemes, directly to the market or a combination of these.

As a result of this activity, the Company has been able to connect and maintain 712 MW in its own portfolio up to the date of presentation of this report, thus becoming an IPP and beginning to generate income from the sale of energy.

The Group also performed O&M and asset management services in the majority of the projects transferred to third parties, which generated additional recurring revenue from the moment the first plants were started up in Spain.

In order to complement the activity of generating solar and wind energy, the Group has initiated the process of developing storage equipment, a business based on storing energy from the photovoltaic and wind energy business models in order to engage in market arbitration and obtain income from capacity as well as seek the most efficient way to provide energy when there are no renewable resources. Thus, the Group currently boasts 1,668 MW of pipeline projects in development, equivalent to a capacity of 7,699 MWh.

The Group's objectives for 2022 are as follows: (i) develop photovoltaic solar and wind energy activity as well as storage activity; (ii) construct and manage a portfolio as IPP which by the end of the period will approximately reach 1.4 GW of aggregate installed capacity in projects, both photovoltaic solar and wind energy, in the different regional platforms where it operates (Europe, Latam, and USA).

In addition, as will be defined below in the section on ESG objectives, the Company has a clear road map until 2023, which includes actions for implementing improvements in the area of corporate governance, environment, and social impact. A series of objectives have been considered for 2022, which will be disclosed in the quarterly presentations of results, and which form a part of the objective included in the variable remuneration for executive Board members and executives.

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### 5. Corporate governance

The governance of Greenergy is conducted in accordance with the established principles of efficacy and transparency as per the main recommendations and standards prevailing at an international level.

#### **Board of Directors**

Below is a description of Greenergy's Board of Directors at the date of preparation of these consolidated financial statements, indicating the positions filled by each member:

Name/corporate name	Position	Type of director	Date of first appointment	End of appointment
Mr. David Ruiz de Andrés	Chairman / CEO	Executive	5/19/2015	11/15/2023
Mr. Antonio Jiménez Alarcón	Board member	Proprietary	11/15/2019	11/15/2023
Mr. Florentino Vivancos Gasset	Board member	Proprietary	5/19/2015	11/15/2023
Ms. Ana Peralta Moreno	Board member	Independent	6/27/2016	11/15/2023
Mr. Nicolás Bergareche Mendoza	Board member	Independent	6/27/2016	11/15/2023
Ms. María del Rocío Hortigüela Esturillo	Board member	Independent	11/15/2019	11/15/2023
Ms. María Merry del Val Mariátegui	Board member	Proprietary	6/29/2021	6/29/2025
Ms. Teresa Quirós Álvarez	Board member	Independent	6/29/2021	6/29/2025

The Board of Directors has the following committees:

- Audit and Control Committee
- Appointments, Remuneration, and Sustainability Committee

These committees have been attributed legal functions as well as those established in the Code for Good Corporate Governance approved by the CNMV.

#### **Senior executives**

##### *Steering Committee*

The senior executives of the Group (understood as those who report directly to the Board of Directors and/or the CEO) at the date of preparation of these consolidated financial statements follow:

Name	Position
Mr. David Ruiz de Andrés	Chief Executive Officer (CEO)
Mr. Daniel Lozano Herrera	Strategy and Capital Markets Director
Ms. Mercedes Español Soriano	M&A Director
Ms. Emi Takehara	Financial Director
Mr. Álvaro Ruiz Ruiz	Director of Legal Area
Mr. Francisco Quintero Berganza	Generation and Equity Director

##### *Internal Audit*

The internal audit function is performed by Ms. Carlota Seoane, who reports to the Audit Committee.

### **Average workforce**

The average number of employees during 2022, broken down by professional categories, was the following:

<b>Category</b>	<b>2022</b>
Directors and Senior Management	13
Managers	10
Department heads	32
Technical staff	150
Laborers	98
<b>Total</b>	<b>303</b>

### **Regulatory environment**

In Appendix III. The regulatory framework for consolidated financial statements includes a description of the sector regulations and functioning of the electricity systems in the markets in which Greenergy operates.

## **6. Risk management policy**

### **Organizational model**

Greenergy created the Internal Audit function in 2022 with a view to improving and protecting the value of the organization, providing assurance, advice and analysis based on risks, and ensuring independent and objective assurance, internal control, and consultation services that support the organization in effectively fulfilling its responsibilities.

In its Policy for Management, Risk Control and Internal Audit, the Group describes the basic principles and general framework for the control and management of the different types of risks which affect the Group in the different countries in which it operates, so that the risks are identified, quantified, and managed at all times. The macroeconomic, regulatory, and business risk factors are identified in said Policy. The Audit Committee is responsible for supervising the efficacy of the Group's internal control and risk management systems, periodically reporting to the Board of Directors on their performance. Risk control and management is carried out at the corporate level with three levels of defense involving executives as well as the compliance and internal audit functions. The latter is independent of the businesses and assesses the risk status, reporting periodically to the Board of Directors thereon.

Greenergy makes use of a risk map which identifies the main business management risks, a process in which the different corporate businesses and functions participate. Once identified, said risks are assessed in terms of probability and impact, and appropriate action plans are defined for each of them. The risk map, with its corresponding action plans, is periodically updated and presented to the Board of Directors after the Audit Committee has performed a review and determined the prioritization of the risks based on their impact on the Group's strategic objectives.

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The main ESG risks considered include, amongst others, the risk of climate change and its effects on the business, environmental risks related to the impact of projects on biodiversity, and social risks arising from the relationship with the local community. Mitigation plans for each of the ESG risks identified are also included.

### **Risk factors**

In general, a risk is considered to be any internal or external contingency which, if it materializes, could prevent the Group from achieving its objectives and carrying out its strategy and business plans successfully, adversely affecting the results and financial position of the Group companies.

The risk factors to which the Group is generally exposed are broken down as follows:

- External risks:
  - Macroeconomic risks arising from the current economic situation and its impact on the market for renewable energies
  - Regulatory and political risk
  - Market competition risk:
    - Competitors;
    - Other sources of energy;
    - Excess demand for panels.
  - Market risk
  - Price increases for raw materials
  - Risks arising from the volatility in solar and wind energy resources due to meteorological conditions during certain periods
  - Meteorological risk, natural disasters, and vandalism or terrorist actions
  - Foreign currency risk
  - Interest-rate risk
  - Risk of restricted evacuation due to congestion of the transport node
  - Risk of climate change
  - Reputational risk in the sector (impact on biodiversity)

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- Internal risks:
  - Downward negotiation of service contracts or termination thereof
  - Dependence on a limited number of suppliers and subcontractors
  - Lack of obtaining, or losing, permits, licenses, and authorizations
  - Risk linked to the obtaining and maintenance of rights to use land and rights-of-way
  - Risk linked to the creation of temporary groupings of companies for the construction of common infrastructures
  - Necessary repairs of project components and a possible insufficiency of the contracted insurance coverage
  - Technological, operating, and/or dismantling or re-machining risk in renewable projects
  - Credit risk
  - Liquidity risk
  - Risk from the status of collateral guarantees and execution thereof
  - Reputational risk (environmental impact)
  - Reputational risk (credibility in capital markets)
  - Corporate governance risks
  - Risk of termination of energy sales contracts (PPA)
  - Risk of contractual breaches by suppliers
  - Risk of retaining and capturing talent
  - Risk of corruption
  - IT risk
  - Risk related to local community
  - Tax risks.



## **7. Environmental disclosures**

During the development phase of the renewable energy projects, either solar or wind, the Group carries out Environmental Impact Assessments systematically. These assessments include a description of all project activities susceptible of having an impact during the life of the project, from civil engineering work up to dismantling activities, and a complete study on alternatives for the installations and their evacuation lines is also performed. It further includes an environmental inventory which discloses the characteristics relating to air, soil, hydrology, vegetation, fauna, protected items, the countryside, heritage items, and socio-economic factors. The main objective is to identify, quantify, and measure all the possible impacts on the natural and socio-economic environment as well as the activities which give rise to them throughout the life of the project, and also to define the preventive, corrective, and compensatory measures with regard to said impacts.

Once the environmental permits have been obtained from the competent authority in the form of an Environmental Impact Statement and the initial construction phase of the projects has started, the Environmental Monitoring Programs are initiated and continued until the dismantling phase of the projects. These programs constitute the system which guarantees compliance with the protective measures defined and with respect to those incidents which may arise, allowing for detection of deviations from foreseen impacts and detection of new unexpected impacts, as well as recalibrating the proposed measures or adopting new ones. These programs also permit Management to monitor compliance with the Environmental Impact Statement efficiently and systematically as well as other deviations which are difficult to foresee and may arise over the course of the construction work and functioning of the project.

The Group contracts specialized professional services for each project in order to perform the Environmental Impact Assessments and execute the Environmental Monitoring Programs together with the periodic associated reporting, adding transparency and rigor to the process. Likewise, environmental management plans are established which comprise all the possible specific plans developed in a complementary manner, such as in the case of landscape restoration and integration plans or specific plans for monitoring fauna.

The Group's projects are generally affected by the environmental impact of land occupation. Thus, the land selection phase plays a fundamental role and the Group searches for and locates land using a system for analyzing current environmental values with a view to minimizing environmental impact.

## **8. ESG analysis**

### **Compliance with the ESG Action Plan 2022**

In February 2022 the Group published its ESG Action Plan 2022, including the objectives for the first phase of the ESG Roadmap 2023, affirming its commitment to informing the public on its progress every quarter.

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In accordance with this commitment, the Group has presented the objectives reached in each of its quarterly presentations of results. A summary of the main milestones achieved in 2022 is provided below.

In reflection of the Group's commitment to equality issues, a pay gap analysis was carried out at company level during the first quarter, concluding that there were no gender-related pay differences and obtaining a positive result of 0.27% for the pay gap in 2022. Additionally, at the end of the first quarter the Group prepared and published the 2021 Sustainability Report based on the main sustainability reporting standards, the Global Reporting Initiative (GRI) in its revised version. Thus, we acted in advance of the regulatory processes.

In the second quarter, the Group developed an energy efficiency and emissions reduction plan establishing an ambitious program for replacing Greenergy's fossil fuel vehicles with hybrid/electric vehicles, using energy-efficient lighting fixtures, and obtaining certification for electricity supply from renewable sources, amongst others. Finally, 3 internal sustainability training sessions were organized for both management and key personnel to promote ESG awareness at a transversal level in the firm.

In the third quarter, a control system was defined with respect to implementation of the policies established within the Group's internal regulatory framework, designating a control manager to carry out each policy. The Company has also revised and expanded its internal ESG reporting procedure on a periodic basis, including ESG metrics that depend on financial and material criteria in accordance with the commitments established in the Sustainability Policy. Further, in parallel with the previous objectives, the employee training plan was improved during this quarter with a view to supporting professional development, improving team capabilities, and strengthening commitment to the employees.

Finally, with a view to managing ESG risks in our supply chain, in the last quarter of the year the purchasing procedure was updated by incorporating a series of ESG clauses relating to protection of human rights, conflict minerals, and zero tolerance for corruption and bribery, amongst others, while an agreement was also signed with the Achilles supplier platform for certification of suppliers and management of supplier risk based on ESG, commercial, and compliance criteria. In addition, a series of impact assessments with respect to human rights were carried out at the project level based on preliminary training for key personnel, followed by interviews with Greenergy personnel and questionnaires submitted later for obtaining a diagnosis of the situation and subsequently identifying and evaluating risks and/or abuses relating to human rights. Furthermore, in terms of environmental matters, a biodiversity program will be implemented over the coming months dedicated to restoration and conservation of natural resources, while a water use program has also been designed in which the water footprint was measured based on the ISO 14046 standard, using the results obtained to identify improvements for efficient water use and management.

Having successfully fulfilled the last objectives programmed for the fourth quarter, the Group has managed to achieve 100% of its ESG Action Plan 2022.



Table: Progress of the ESG Action Plan 2022

**Greater coverage of ESG ratings and sustainability indicators**

Greenergy was acknowledged as TOP ESG RATED amongst more than 15,000 companies evaluated by Sustainalytics at an industrial and regional level. These two distinctions are awarded to the companies which lead in their industry and region with the best ESG performance and lowest ESG risk. In its assessment, Sustainalytics qualifies the management as "strong" in all assessed areas: corporate governance, human capital, community relations, corporate ethics, product governance, health and safety, use of the soil and biodiversity. Likewise, Greenergy has reduced its ESG risk with respect to 2021 from 13.55 to 10.22, reaching the 5th position amongst 712 companies in the utilities sector and 4th position amongst 99 companies which represent the "Renewable Power Production" sub-sector.



Table: Distinctions awarded to Greenergy for its leadership in management of ESG risks.



Table: Comparison of Greenergy's results provided by Sustainalytics in 2022.

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Greenergy was assessed for the second time by CDP in 2022, an international non-profit organization providing the most acknowledged climate change indicator at a global level. Thus, the Company was acknowledged to have designed amongst the most ambitious roadmaps for its climate strategy, placing it in the Leadership category with a score of A-, two levels above the B- obtained in the previous year. It is worth highlighting that the CDP methodology is aligned with the recommendations of TCFD and covers the integration of climate change in areas of governance, management of risk, opportunities, and business strategy, in addition to considering the emissions calculations, the objectives for reduction, and the engagement achieved in the value chain.



Table: CDP rating obtained by Greenergy in comparison with its peers.

The infographic shows how Greenergy has improved its positioning considerably as compared to the previous year, reflecting the work carried out in 2022 in ESG matters.

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In 2022 Greenergy expanded its coverage in other ratings, amongst which ISS ESG and Refinitiv ESG are noteworthy. Firstly, ISS ESG ranked Greenergy in first position within the renewable electricity sector, with a score of A1 and emphasizing its "very high level of transparency." As for the Refinitiv ESG index, Greenergy obtained a score of 81/100, ranking 2nd out of a total of 79 companies in the renewable energy sector submitted to the index.

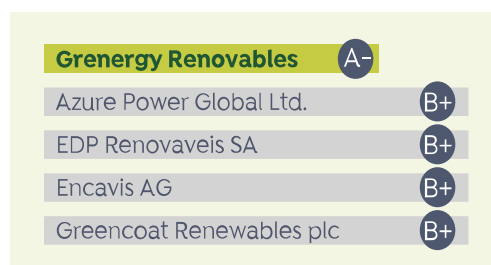


Table: ISS ESG rating obtained by Greenergy in 2022 in comparison with its peers.

## 9. Investment in research and development

The Group did not capitalize any amounts during 2022 related to research and development.

However, the Strategy Department created the New Technologies Division, which will focus on implementing the emerging energy storage technologies in the Group's value chain, taking charge of the design in terms of both engineering and economics as well as the development of such plants in the different markets where the Group operates. Further, in order to make these projects competitive as soon as possible, the Group has also organized its own team which is working with consultancy firms to analyze access to public funds aimed at transforming the energy matrix to renewable energies.

## 10. Treasury shares

The treasury share portfolio at the closing of FY 2022 is comprised of the following:

	Balance at 12.31.2022	Balance at 12.31.2021
<b>Number of shares in treasury share portfolio</b>	<b>611,148</b>	<b>580,588</b>
<b>Total treasury share portfolio</b>	<b>19,728</b>	<b>17,577</b>
Liquidity Accounts	540	485
Fixed Own Portfolio Account	19,188	17,092

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During FY 2022, the movements in the treasury share portfolio of the Parent were as follows:

	Treasury shares		
	Number of shares	Nominal value	Average acquisition price
<b>Balance at 12.31.2021</b>	<b>580,588</b>	<b>17,577</b>	<b>30.27</b>
Acquisitions	939,492	30,242	32.19
Disposals	(908,932)	(28,091)	30.91
<b>Balance at 12.31.2022</b>	<b>611,148</b>	<b>19,728</b>	<b>32.28</b>

The purpose of holding the treasury shares is to maintain them available for sale in the market as well as for the incentive plan approved for directors, executives, employees, and key collaborators of the Group (Note 13.5).

At December 31, 2022, treasury shares represent 2% of all the Parent's shares.

## 11. Average supplier payment period

In compliance with Law 31/2014 of December 3, modifying the third additional provision, "Disclosure requirements," of Law 15/2010 of July 5, the Group reports that the average payment period for the Parent, Greenergy Renovables, S.A., to its suppliers was 58 days.

## 12. Annual Corporate Governance Report

The Annual Corporate Governance Report for 2022 is attached as an appendix to this Management Report and forms an integral part thereof, as required by article 538 of the Spanish Corporate Enterprises Act.

## 13. Annual Report on Remuneration for Directors

The Annual Report on Remuneration for Directors, which forms a part of this management report as required by article 538 of the Spanish Corporate Enterprises Act, is presented in a separate document that can be accessed at the website of the Spanish National Securities Market Commission (CNMV in its Spanish acronym).

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### **14. Non-financial statement**

The statement of non-financial information, referred to in article 262 of the Spanish Corporate Enterprises Act and article 49 of the Commercial Code, is presented in a separate report known as the non-financial statement. The consolidated non-financial statement for Greenergy Renovables, S.A. and its subsidiaries corresponding to FY 2022 expressly states that the information contained therein forms a part of this Consolidated Management Report. Said document will be subject to verification by an independent verification service provider and is subject to the same criteria for approval, filing, and publication as this Consolidated Management Report.

### **15. Events after the reporting period**

On February 3, 2023, the Group acquired 60% of the US solar project developer Sofos Harbert Renewable Energy, LLC (Note 9.1).

Apart from this matter, no additional significant events occurred after the reporting period.

### **16. Final considerations**

We would like to take this opportunity to thank our clients for their confidence in us, as well as our suppliers and strategic partners for their constant support; our investors for having believed in Greenergy since its shares were listed, and especially to our Group's collaborators and employees, since without their efforts and dedication, we would find it difficult to achieve the established targets or the results obtained.

## GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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### **Appendix I: Glossary of alternative performance measures (APM)**

This consolidated management report includes financial figures considered alternative performance measures (APMs), in conformity with the directives published by the *European Securities and Markets Authority* (ESMA) in October, 2015.

APMs are presented to provide a better assessment of the Group's financial performance, cash flows, and financial position, to the extent that Greenergy uses them when making financial, operational, or strategic decisions for the Group. However, these APMs are not audited, nor is it necessary to disclose or present them under IFRS-EU. Therefore, they must not be considered individually but rather as complementary information to the audited financial data or the financial information subject to limited reviews prepared in accordance with IFRS-EU standards. Further, these measures may differ in both definition as well as in their calculation as compared to similar measures used by other companies, and are thus not necessarily comparable.

The following is an explanatory glossary of APMs utilized, including their calculation methods and definitions or relevance, as well as their reconciliation with items recorded in Greenergy's 2022 and 2021 consolidated financial statements.

<b>ALTERNATIVE PERFORMANCE MEASURE (APM)</b>	<b>CALCULATION METHOD</b>	<b>DEFINITION/RELEVANCE</b>
<b>Income</b>	“Revenue” + “Work performed by the entity and capitalized.”	Indicates the total volume of income obtained from the Group's operating activities, regardless of whether it was obtained from projects constructed for third parties or own projects.
<b>EBITDA</b>	“Operating profit” - “Impairment and losses” - “Amortization and depreciation of assets.”	Indicates profitability to evaluate the operational capacity to generate cash flows from the Group's different activities.
<b>Net debt</b>	“Non-current borrowings” — “Non-current derivatives” + “Current borrowings” — “Current derivatives” - “Current financial investments” — “Other financial assets” - “Cash and cash equivalents.”	A measure of profitability used by Management which permits assessment of the level of net debt for the assets.
<b>Non-current bank borrowings</b>	“Non-current: Bonds and other marketable debt securities” + “Non-current bank borrowings” + “Non-current lease liabilities” - “Non-current project bank borrowings.”	The amount of financial debt not associated with a project which the Group must settle within a period exceeding one year. The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of debt.
<b>Current bank borrowings</b>	“Current liabilities: Bonds and other marketable debt securities” + “Current bank borrowings” + “Current lease liabilities” - Current project bank borrowings.	The amount of financial debt not associated with a project which the Group must settle within a year. The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of debt.
<b>Cash and cash equivalents</b>	“Cash and cash equivalents” — Project cash balance	The balance corresponding to the treasury of the Parent and the remaining subsidiaries which are not SPVs. The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of its treasury.



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ALTERNATIVE PERFORMANCE MEASURE (APM)	CALCULATION METHOD	DEFINITION/RELEVANCE
<b>Recourse project debt</b>	Non-current recourse project finance bank borrowings + Current recourse project finance bank borrowings.	Indicator of project debt secured by the Parent The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of debt.
<b>Recourse project treasury</b>	"Cash and cash equivalents" — Cash in hand and equivalents — Unsecured project treasury	The amount held in the treasury of SPVs which owe the Parent secured debt. The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of its treasury.
<b>Unsecured project debt</b>	Non-current unsecured project finance bank borrowings+ Current unsecured project finance bank borrowings	Indicator of project debt not secured by the Parent The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of debt.
<b>Unsecured project treasury</b>	"Cash and cash equivalents" - Cash in hand and equivalents and unsecured project treasury	The amount held in the treasury by SPVs who owe debt unsecured by the Parent. The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of its treasury.
<b>Working capital</b>	Current assets — Current liabilities	Indicator of the Group's capacity to continue with the normal performance of its activities in the short term
<b>Debt ratio</b>	(Non-current liabilities + Current liabilities) / Equity	Indicator of the Group's solvency

The following is a reconciliation of the APMs used (in euros):

### Income

RECONCILIATION OF INCOME	12/31/2022	12/31/2021
"Revenue"	110,584	82,506
+ "Work performed by the entity and capitalized"	182,423	137,648
<b>Total income</b>	<b>293,007</b>	<b>220,154</b>

### EBITDA

RECONCILIATION OF EBITDA	12/31/2022	12/31/2021
"Operating profit"	29,816	32,386
- "Impairment and losses"	(6,160)	(1,926)
- "Depreciation and amortization"	(14,178)	(7,125)
<b>Total EBITDA</b>	<b>50,154</b>	<b>41,437</b>

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**Net debt**

RECONCILIATION OF NET DEBT	12/31/2022	12/31/2021
"Non-current borrowings"	384,119	259,502
- "Non-current derivatives"	20,586	15,323
+ "Current borrowings"	118,612	74,165
- "Current derivatives"	36,141	6,326
- "Current financial investments" — "Other financial assets"	9,744	6,422
- "Cash and cash equivalents"	105,670	68,668
<b>Total Net Debt</b>	<b>330,590</b>	<b>236,928</b>

**Non-current financial debt**

RECONCILIATION OF NON-CURRENT FINANCIAL DEBT	12/31/2022	12/31/2021
"Non-current: Bonds and other marketable debt securities"	83,231	31,223
+ "Non-current bank borrowings"	254,229	201,905
+ "Non-current lease liabilities"	26,073	11,051
- "Non-current project finance bank borrowings"	(245,961)	(195,193)
<b>Total non-current financial debt</b>	<b>117,572</b>	<b>48,986</b>

**Current financial debt**

RECONCILIATION OF CURRENT FINANCIAL DEBT	12/31/2022	12/31/2021
"Bonds and other marketable debt securities"	34,529	32,146
+ "Current bank borrowings"	46,307	34,148
+ "Current lease liabilities"	1,505	1,389
- "Current project finance bank borrowings"	(39,477)	(31,487)
<b>Total current financial debt</b>	<b>42,864</b>	<b>36,196</b>

**Cash and cash equivalents**

RECONCILIATION OF CASH AND CASH EQUIVALENTS	12/31/2022	12/31/2021
"Cash and cash equivalents"	105,670	68,668
- "Project treasury"	(44,528)	(16,446)
<b>Total cash and cash equivalents</b>	<b>61,142</b>	<b>52,222</b>

**Recourse project debt**

RECONCILIATION OF RECOURSE PROJECT DEBT	12/31/2022	12/31/2021
Non-current recourse project finance bank borrowings	-	18,960
+ Current recourse project finance bank borrowings	16,352	16,279
<b>Total recourse project debt</b>	<b>16,352</b>	<b>35,239</b>

**Unsecured project debt**

RECONCILIATION OF UNSECURED PROJECT DEBT	12/31/2022	12/31/2021
Non-current unsecured project finance bank borrowings	245,961	176,233
+ Current unsecured project finance bank borrowings	23,125	15,208
<b>Total unsecured project debt</b>	<b>269,086</b>	<b>191,441</b>

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### Recourse project treasury

RECONCILIATION OF RECOURSE PROJECT TREASURY	12/31/2022	12/31/2021
“Cash and cash equivalents”	105,670	68,668
- Cash in hand and equivalents	(61,142)	(52,222)
- Unsecured project treasury	(40,876)	(13,773)
<b>Total recourse project treasury</b>	<b>3,652</b>	<b>2,673</b>

### Unsecured project treasury

RECONCILIATION OF UNSECURED PROJECT TREASURY	12/31/2022	12/31/2021
“Cash and cash equivalents”	105,670	68,668
- Cash in hand and equivalents	(61,142)	(52,222)
- Recourse project treasury	(3,652)	(2,673)
<b>Total unsecured project treasury</b>	<b>40,876</b>	<b>13,773</b>

### Working capital

RECONCILIATION OF WORKING CAPITAL	12/31/2022	12/31/2021
“Current assets”	205,139	176,358
- Current financial investments, Derivatives	(1,501)	-
- Current liabilities	(221,270)	(159,724)
+ Current borrowings, Derivatives	36,141	6,326
<b>Total working capital</b>	<b>18,509</b>	<b>22,960</b>

### Debt ratio

RECONCILIATION OF DEBT RATIO	12/31/2022	12/31/2021
Non-current liabilities	420,896	286,376
+ Current liabilities	221,270	159,724
/ Equity	244,815	158,708
<b>Total debt ratio</b>	<b>2.62</b>	<b>2.81</b>

**AUTHORIZATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED DECEMBER 31, 2022**

The consolidated financial statements and consolidated management report for FY 2022 were authorized for issue by the Board of Directors of the Parent, GREENERGY RENOVABLES, S.A., in its meeting on February 24, 2023, for the purpose of submission for verification by the auditors and subsequent approval by the shareholders in general meeting.

Ms. Lucía García Clavería is authorized to sign all pages comprising the consolidated financial statements and consolidated management report for FY 2022.

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Mr. David Ruiz de Andrés  
(Chief Executive Officer)

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Mr. Antonio Jiménez Alarcón  
(Board Member)

---

Mr. Florentino Vivancos Gasset  
(Board Member)

---

Ms. Ana Peralta Moreno  
(Board Member)

---

Mr. Nicolás Bergareche Mendoza  
(Board Member)

---

Ms. María del Rocío Hortigüela Esturillo  
(Board Member)

---

Ms. María Merry del Val Mariátegui  
(Board Member)

---

Ms. Teresa Quirós Álvarez  
(Board Member)



THE SKY IS THE LIMIT

Addressing the Challenges

SUSTAINABILITY REPORT

2022

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# Key figures for 2021



**ESG**  
**TOP RATED**  
**2023**

**Sustainalytics**  
Distinction of  
**industry leaders**



**MSCI AAA**  
**CDP A-**

**MSCI Score**  
(industry leader) and  
**Climate Change CDP**

**100%**

executives receiving  
**variable compensation**  
linked to ESG goals

**27.4%**<sup>(1)</sup>

Increase in number of  
employees, a  
double-digit growth **for**  
**the third year in a row**

**50%**

of the members of  
the Board are  
**women**

One of the  
**45**

Spanish companies listed  
in the **IBEX Gender**  
**Equality Index**



**15,431 h**

of **training** in H&S for  
employees and  
contractors

**2,575**

**local attendees**  
at meetings

**1,019**

**local workers** out of a  
total of 2,709  
employees involved in  
our projects

**20%**

of local workers are  
**women**

**0**

**severe accidents**  
among employees

**€235k**

**donations and**  
**investments**  
in the community



**€25M**

**First green**  
**commercial risk paper**  
**programme in Spain**

**€150M**

**Second green bond**  
**programme**

**245,225** tCO<sub>2</sub>e

**avoided emissions**

**55%**

**Scope 1 & 2**  
**emission reduction**  
**target for 2030**

**0**

**Projects in protected**  
**areas** as per local or  
international regulations

Notes: (1) on an EFTP (equivalent full-time persons) basis

# An interview with the CEO

## Sustainability, a strong commitment that has turned into one of the main pillars of the company

Throughout 2022 Grenergy has made progress in achieving important milestones that were marked in its 2020-23 ESG roadmap. If in 2021 sustainability became a cross-cutting priority of this listed company's entire business, in 2022 it permeated even further throughout the organisation, by consolidating processes, developing new tools and methodologies, and reaching even further heights in all areas to design a strategy that integrates sustainability into business decisions.

David Ruiz de Andrés, Grenergy's CEO and Chairman, will be guiding us through this Sustainability Report. With him, we are following a path that has been quite intense, and which has proved that a young, dynamic company is capable of growing and generating profits by acting responsibly, by embracing the environmental and social values required by today's society.

### 1.- What is your take on the company's sustainability strategy in 2022?

Our sustainability strategy, in social and environmental terms, and not forgetting good corporate governance, has always been a priority for Grenergy. However, it was in 2020 when we defined a roadmap to be followed throughout the 2020-2023 period. This past year saw the consolidation of this

plan, and its overall results could not be more positive.

Throughout these three years, we have taken giant leaps to turn sustainability into a major cross-cutting priority of our business. This approach may now be clearly identified in all its areas: in corporate governance; in the diversity and inclusion strategy that explains our company's attraction of talent; in our responsible management and the creation of new codes of conduct for employees and suppliers; in our long-term relationship with communities, and in the way we encourage social and biodiversity protection as key elements of our commitment.

And this is far from being a personal opinion. This is what the external auditors who independently evaluate our processes are saying. This is what sustainability ratings are showing, thus reaffirming our leadership position thanks to a sustainable financing strategy that makes us stronger while consolidating our position when we move out of traditional markets and liaise with investors to look for their support.

### 2. In your opinion, what are the key factors behind these advances?

The key is to have a clear medium-term strategy, identified annual objectives, and hybrid governance between managers who

implement the plans, and directors who evaluate and analyze such compliance. If ESG goals are actually part of the company's objective, and this has an impact, for example, on the variable compensation of the entire organization, the whole organization will be walking in the right direction.

### 3.- What role do sustainable governance and the compliance system that Grenergy is promoting play in this context?

The Board of Directors is committed to a transparent, effective corporate governance system based on gender and skill diversity among its members and guided by the principles of non-discrimination and absence of conflicts of interest. This is why, for example, the Board has an equal number of men and women and brings diversity of experience and training.

2022 has seen the implementation of two major novelties to reinforce this message. The Code of Ethics for employees and managers has been reviewed and updated to align it even more closely with Grenergy's culture and values. This code has also been reviewed and updated for suppliers.

As regards the compliance system, it has been strengthened by the creation of a multidisciplinary Compliance Executive Committee that provides support to its







manager when performing his functions, and the frequency of this Committee's reporting obligation to the Audit Committee has been increased even further.

**4.- Another area where major changes have been implemented is the defense of Human Rights. Could you tell us what steps have been taken in this area?**

At Grenergy we have taken the commitment to respect and promote human rights to avoid being complicit in any form of abuse thereof or in the violation of human rights among its stakeholders and society in general.

Our Human Rights Policy, as approved by the Board of Directors, is reflected in our procurement policy, in our Codes of Conduct for employees and suppliers and in our local community liaison procedure. We conduct risk analyses in the countries where we operate to identify any potential environmental or social impacts and to avoid or, to the maximum extent possible, mitigate negative impacts and boost positive ones.

**5.- Grenergy is aware that most of the impacts generated by its activities, including environmental and social impacts, take place in its supply chain. What measures are being implemented in this respect?**

Grenergy has taken the commitment to bring ethical, social, and environmental aspects to the management of its supply chain.

In 2022 we signed an agreement with Achilles for the sustainable management of our supply chain. This partnership enables us

to approve our suppliers and to adapt our management to ESG, financial and compliance risks, thus promoting sustainability standards in our supply chain.

**6.- Let's talk about sustainable funding now. What would you highlight about this matter?**

In 2022 we continued consolidating our position as a benchmark company in green financing. Axesora, a credit rating firm, has revised upwards Grenergy's credit rating to investment grade, raising it from 'BB+' to 'BBB'.

Sustainable funding is now part of our DNA. We opened the way in 2019 with the first issue of green bonds in the history of MARF and stuck to the same path in 2020 and 2021, with a green loan and the first green promissory notes programme on the Spanish market, respectively.

In 2022, once again, we were pioneers in green financing with a new issuance of green bonds with Bankinter and the signing of the first line of green commercial risks on the Spanish market, together with Caixa-Bank.

**7- What has been the impact of Grenergy's conduct on the different ratings and benchmarks that measure its performance?**

This commitment has led us to consolidate Grenergy's leadership position in a growing number of ESG ratings that measure its performance in environmental, social and corporate governance terms.

In 2022 the company improved the results of the evaluations conducted by Sustainalytics,

MSCI ESG and CDP, three of the most prestigious agencies in the world, and strengthened its position as ESG leader ahead of its competitors.

And, last but not least, I would like to mention some of the new assessments conducted last year by other rating agencies. Thus, Grenergy was evaluated for the first time in June by ISS ESG and received a grading of A-, with a “very high” level of transparency, which resulted in Grenergy being certified as a Prime Company. In addition, the score obtained by Grenergy in the ESG evaluation conducted by Refinitiv highlights an “excellent performance and a high level of transparency in its public reporting of material ESG data”, which positions our company as the second renewable energy company in the world-wide ranking.

**8.- This strength in terms of sustainable financing obviously relies on the company's proper economic performance. How was 2022 in terms of growth and turnover for the company?**

This year, we are presenting this sustainability report on the same date as our financial report, which is a couple of months earlier than in previous years.

As it may be observed, sales and EBITDA figures maintained their exponential growth, and this trend is definitely here to stay. This year, sales of energy produced by our own parks will practically increase two-fold, and our portfolios for sale will also improve. This is bound to create a positive impact not only on our results, but also on indebtedness ratios, which will undoubtedly strengthen our balance sheet.

The company has gained the confidence of capital markets, on which we have managed to raise 90 million euros through the accelerated capital increase we launched in June last year. We had already capitalised over 1 billion euros, and I can say this is only the beginning.

**9.- What are Grenergy's growth plans for 2023?**

2023 will be a year of strong investments, mainly focused on the projects we are building and connecting in Chile and Spain. Simultaneously, we are considering the option of capitalising part of this value by the sale of minority interests allowing us to add funds to these parks' equity. The funds we could raise will help us boost the company's organic growth, with a priority focus on expanding our business in Europe and the USA, as well as investing in storage projects.

**10.- The war in Ukraine has highlighted the importance of renewable sources of energy and the need not to rely on Russia's fossil fuels. The European Union has decided to make a firm commitment to promoting renewable energies. What is Grenergy's project for Europe?**

Europe is now one of Grenergy's main markets. As a matter of fact, the weight of the company's portfolio in Europe will increase two-fold, from the current 25% to 45% in 2025. We have been operating for years in Spain, Italy, the UK or Poland, and have recently opened our Berlin office, in Germany, one of the countries where we expect to grow by taking advantage of the

government's plans to promote renewable energies.

For instance, the German government, placed under very strong pressure on account of its dependence on Russian gas, has launched a plan to reduce its gas consumption and boost renewables sources of energy. Its objective is for these energies to account for 80% of Germany's electricity production by 2030.

Our plans in this country involve the development of solar plants in 2023, with a minimum pipeline under development of 3 GW by 2025. This country's strategy will be diversified both through public auctions and private PPA.

**11.- Storage has become another one of Grenergy's main ventures. How do you plan to develop this business?**

Storage will be strictly necessary to provide renewable energy during hours in which no resources are available for generation, and therefore to reduce dependence on conventional sources of energy.

For the first time, Grenergy has made publicly available the objective we aim to reach in terms of storage by 2025, namely 1 GW in operation and construction. Reaching this objective will require starting storage lines on the photovoltaic plants we are already operating, storing any surplus energy during peak production hours, and injecting this surplus to the network during hours when little or no resources are available. Batteries allow production hours to increase by 75%, from 2,000 hours per year to 3,500 hours per year (four additional hours per day).





**12.- The positive social impact made on the local communities where our plants are built plays a major role in Greenergy's sustainability strategy. Could you explain what Greenergy has done for the Aymara community in Quillagua, Chile?**

Quillagua is, without a shadow of a doubt, the best example of the positive social impact we can make in the local communities where our renewable energy projects are built, bringing together the values of the actions we carry out.

Greenergy has built a 100 MW solar plant in Quillagua, Chile, in the Atacama Desert, which is one of the driest locations in the world. This area has always suffered from lack of infrastructures, which traditionally prevented the Aymara community that lives there from having electricity supply 24 hours a day.

We were previously aware of this situation and, during the meetings we held with representatives from this community, we discussed the actions we could implement to improve their living conditions.

We realised that providing the members of this community with electricity supply 24 hours a day would not only improve their quality of life but would also have a positive impact on their economy, their security, and their employment opportunities, while also promoting tourism in this area.

So, we made the decision to build a small 35 KW solar plant near the village which would provide electricity 24 hours a day, in collaboration with local authorities, to more than 100 homes, including public street lighting. This is

how we managed to put clean energy at the service of social development.

**13- Integration of women in Greenergy's projects is another key element that is being promoted by the company. Could you explain to us how and where this integration is being achieved?**

The integration of women in all the installation, operation, and maintenance processes that our projects involve is a major part of our sustainability policy. The business of building both wind and photovoltaic parks has traditionally been a mostly male-dominated industry. We have strongly committed ourselves to changing this situation, by giving women the opportunity to enter this sector as labor force, under exactly the same conditions as men.

In recent years we have made substantial headway towards this objective. In fact, 20% of the workers we hire at local level at plant construction stage are women.

We have achieved this progress thanks to the partnership agreements we are signing with local communities, NGOs and other agencies that promote, among other things, participation of women in working life.

An example of this is the partnership agreement we have signed with the Institute for Women's Affairs of Castilla-La Mancha to hire women in the construction of our solar plants in Escuderos and Belinchón. Or in Colombia, where women started working at the park in Tucanes after we signed a partnership agreement with Bayunca's Community Action Board.

**14.- Protection of biodiversity is another major strand of this strategy. In this context, the company has done interesting work at the solar plant in Escuderos, in the Spanish province of Cuenca. What did this work involve?**

Greenergy's objective is to achieve positive net impact in terms of biodiversity in the locations where we build our renewable energy projects. At our 200 MW solar park in Escuderos, we have engaged in several actions aimed at protecting biodiversity.

Our initiatives involved collaborating with local experts to preserve the birdlife in this area. We installed nest boxes to encourage the presence of owls, and also reestablished an old dovecote to better serve the birds of prey in the area, mainly Montagu's harriers. In addition, we have protected the habitats of these species through agreements with local farmers to sow organic seeds and establish bands of natural vegetation stretches.

**15.- Before ending this overview of Greenergy's sustainability report, we would like you to tell us about Greenergy's objectives for 2023.**

We will continue to work hard to implement all the actions highlighted in our sustainability roadmap for 2023 and will design the new roadmap for the next 2024-2027 period.

Greenergy is undoubtedly bound to continue growing and, while we follow this path, we want employees, suppliers and local communities to go hand in hand with us. THE SKY IS THE LIMIT!

# 1

## SUSTAINABLE GROWTH STRATEGY

- Context
- Business model
- Major 2022 milestones
- Materiality
- Relationships with stakeholders
- Sustainability strategy
- Sustainable finance
- ESG ratings






# 1.1 Context

*We capture value in a favourable environment to promote renewable energies.*

The main factors that marked 2022 and will continue marking the coming year are defined by the economic and social effects of the first global pandemic of the 21st century, the war at Europe's doorstep, with

global efforts to prevent it from reaching a larger scale, and disruptions in the supply chain.

Within this economic and political context, the promotion of environmental, social, and corporate governance (ESG) sustainability should be highlighted, with the following main actions:

-  Promotion of regulations related to **sustainability**, at global and European level.
-  Orientation of capital flows towards activities with **strong ESG criteria**.
-  **ENERGY TRANSITION** to renewable sources, without leaving anyone behind.
-  **Reduction** in **CO<sub>2</sub>** emissions at all the stages of business activity, with special stress on the most polluting industries.
-  Setting of **Net Zero** objectives

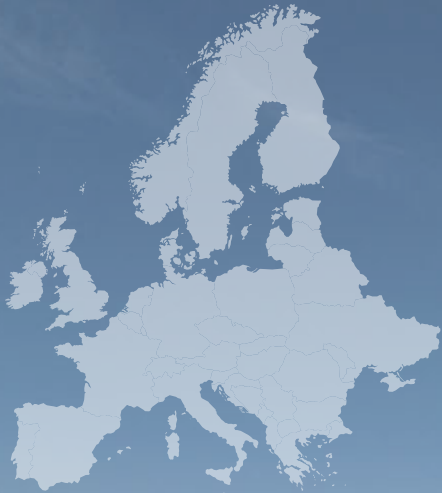


## Energy environment

### European Green Deal

The global energy sector is undergoing a profound process of transformation, where renewable energies are key to accelerating the energy transition and thus achieving the climate neutrality goals that organizations, countries and regions are currently setting. The Green Deal (2020) seeks to ensure that Europe is climate-neutral by 2050. With this objective, it will mobilise at least 1 trillion euros in sustainable investment over the next 10 years.

To reach this objective, the European Union published the REPowerEU<sup>1</sup> plan 2022. The main objectives of this plan are:



- To achieve, at least, a **55%** reduction in greenhouse effect gases (GHG) by 2030, with respect to 1990 levels.
- To ensure that renewable energy accounts for more than **45%** in the energy mix.
- To reach the target of **740 GW** of photovoltaic energy by 2030.
- To accelerate the rollout of renewable energy sources, from **36%** in 2020 to **69%** in 2030.

### Inflation Reduction Act

**The United States**, in its measures to compensate inflation and deficit reduction, is also seeking to reduce its emissions by half by 2030. In August 2022 it was approved the Inflation Reduction Act (IRA) to accelerate the energy transition and boost clean energy.

The act represents the largest investment ever made in the USA to address climate change, as it aims at:



- **RAISING \$739 billion**
- **AUTHORISING \$ 369 billion** in spending associated with energy security and climate change.

The government's solar PV technology rollout target aims for an increase from the current 67 GW to 1000 GW by 2035<sup>2</sup>.

<sup>1</sup> REPowerEU: Joint European action for more affordable, secure and sustainable energy (europa.eu)

<sup>2</sup> [https://www.democrats.senate.gov/imo/media/doc/inflation\\_reduction\\_act\\_one\\_page\\_summary.pdf](https://www.democrats.senate.gov/imo/media/doc/inflation_reduction_act_one_page_summary.pdf)

# 1.2 Business model

An **integrated business model** that boosts the company's overall performance

*We have a sustainable business that fully contributes to the progress of energy transition.*

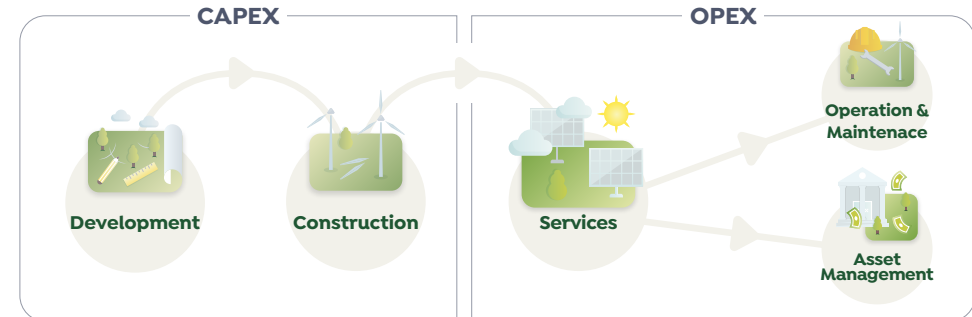
Grenergy is an independent power producer (IPP) that integrates the development, construction, operation and maintenance of large-scale renewable energy plants, to achieve, as a result of this integration, maximum control over processes and cut investment costs and operational expenses. Our activities are focused on the search for viable projects,

both financially and technically, construction management and project commissioning. Likewise, Grenergy carries out asset management, operation, and maintenance tasks, both for its own projects, acting as IPP, and for third-party projects.

In addition, the company has set up its own teams dedicated to structured finance, M&A operations and the negotiation of Power Purchase Agreements<sup>3</sup> (PPA).

## Integrated IPP Player

Grenergy has the expertise to build and operate large-scale renewable plants



## Supported by our global teams:



Energy Sales  
PPA Origination



Structured  
Finance



M&A  
Asset Rotations

A business model that promotes creation of value for everyone:

- By accelerating the growth of renewable activities.
- By diversifying our geographic presence.
- By embracing new technologies.
- By meeting the expectations of our stakeholders.

<sup>2</sup> Power Purchase Agreement: contracts or agreements for the long-term sale and purchase of energy entered into between a renewables developer and a consumer.

## Accelerating the growth of renewable activities

Greenergy has already reached about 1.6 GW of projects in operation or under construction, with a pipeline of 11.7 GW of solar and wind projects at different stages of development in 11 countries. In 2022, the company continued investing in an additional pipeline of storage projects that will reach 7.7GW.

### Solar and Wind Pipeline



### Storage Pipeline



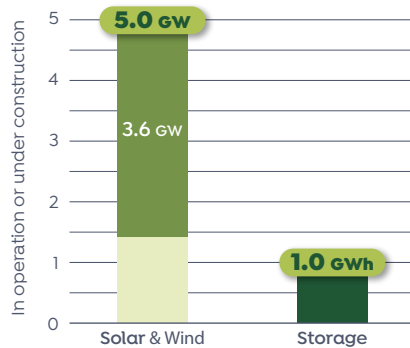
In terms of installed capacity, Greenergy's target for 2025 is to reach **5GW of solar PV energy** and **1 GWh of storage** in operation or under construction

The strategic growth keys for the next three years are as follows:

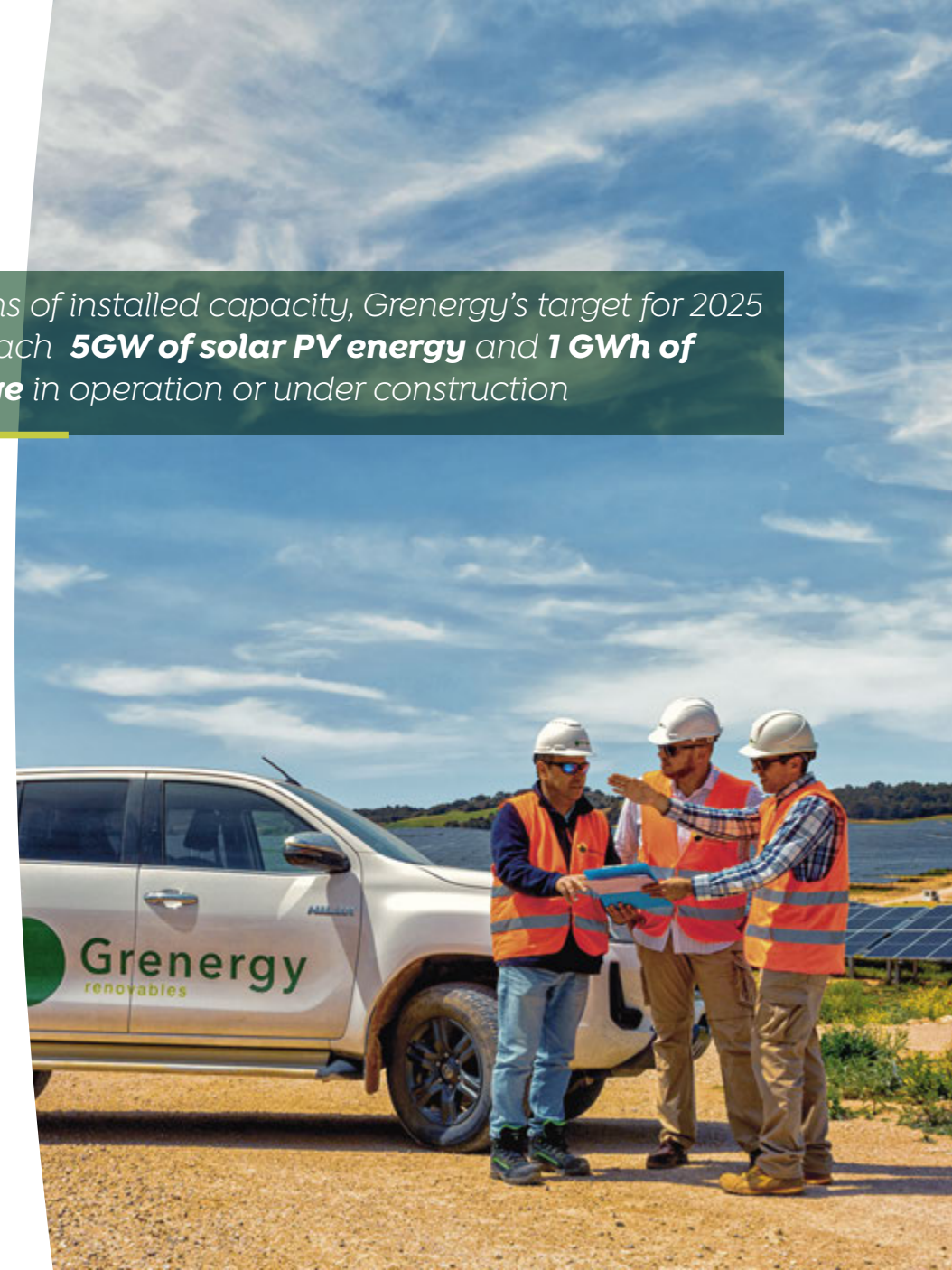
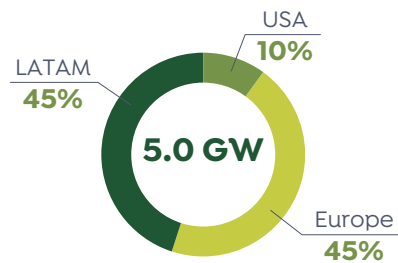
- To strengthen growth in the USA and on key European markets.
- To integrate the sale of minority interests into the asset rotation strategy to improve financial leveraging.
- To lead the implementation of energy storage projects

All the above makes it possible to set ambitious goals for 2025:

### Growth objectives for 2025



### Solar and wind targets by geographic regions for 2025





## Diversifying our geographic presence

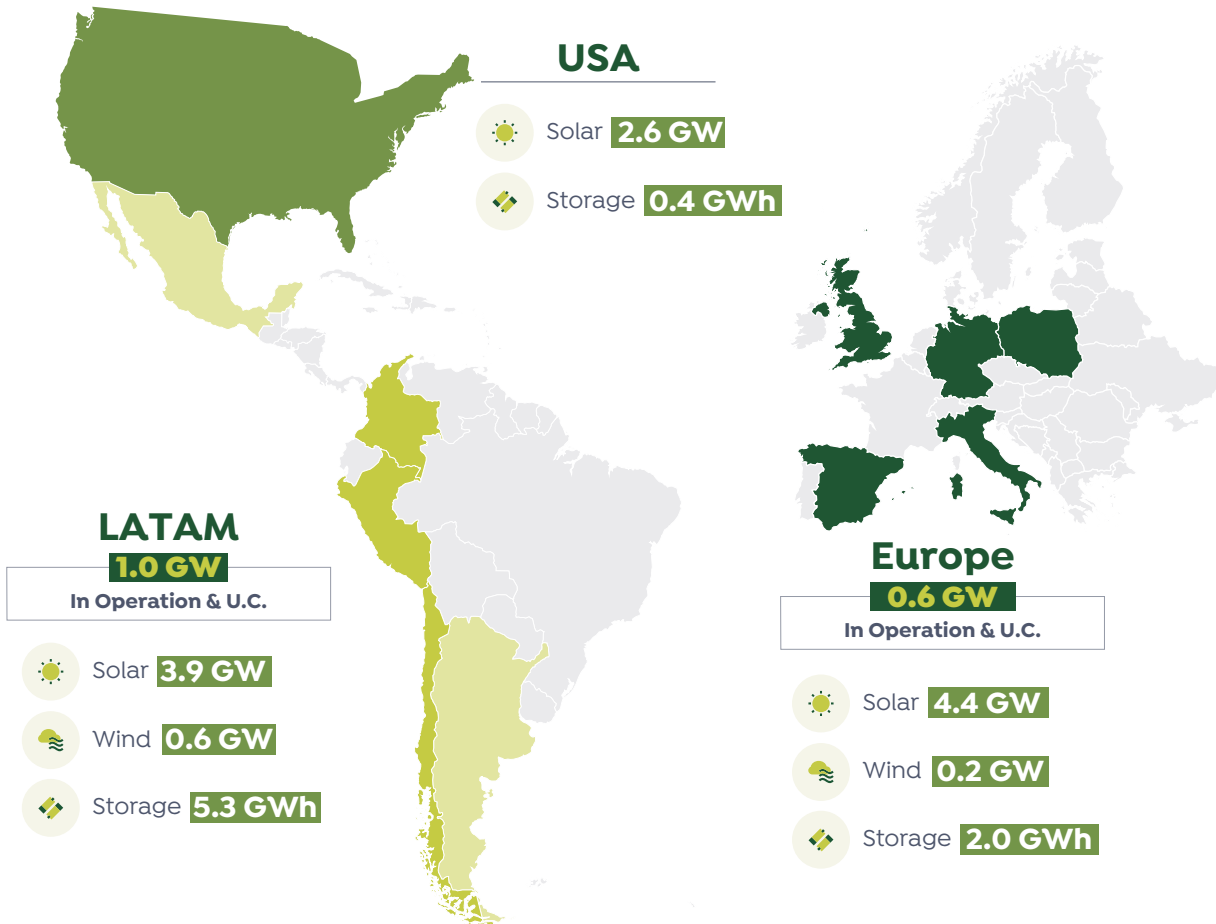
Since it was incorporated in 2007, the company has experienced exponential growth. In 2013, Grenergy moved its growth strategy to Latin America and became a leading company in Chile, and then continued its expansion to other countries in the region such as Colombia and Peru,

among others. In recent years, Grenergy has implemented a geographical diversification strategy on three platforms, Latam, Europe and the United States.

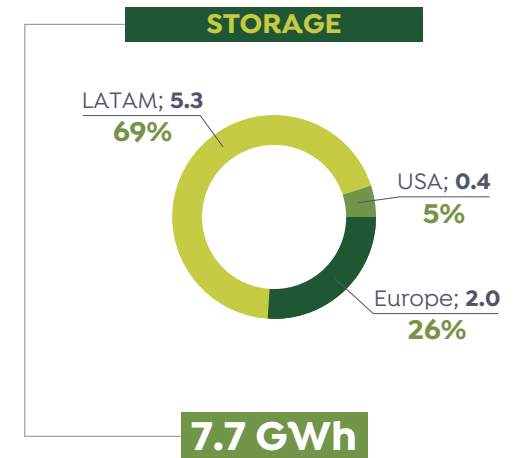
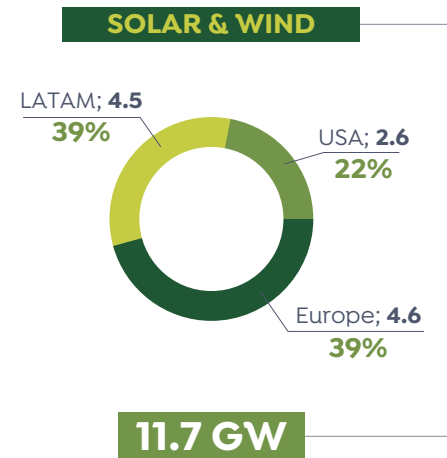
The company is already operating on the most strategic markets in Europe such as Italy, the United Kingdom, Poland and, since June 2022,

Germany as well. In 2022, Grenergy purchased a 40% share in the US solar developer Sofos Harbert, with headquarters in Birmingham (Alabama), and in early 2023 completed the transaction to own 100% of this company. Thus, the company has fully entered the world's largest and most booming renewable energy

market, the United States, which foresees an increase in the rollout of photovoltaic solar energy from the current 61 GW to 1,000 GW by 2035. Thus, the company now operates in 11 countries, keeps its headquarters in Madrid and coordinates Latin American operations from its Santiago de Chile office.



*Grenergy keeps implementing its **geographic diversification strategy** on three platforms: Europe, Latin America and the United States*



## Embracing new technologies

The company sees positioning in storage technology as a major trend and a key factor in the evolution of the business in the coming years and has brought specialised senior talent to its team to boost its development. Grenergy already has a pipeline of about 7.7 GWh of battery projects in Latam, Europe and the United States and has announced its target for the first time, namely reaching 1GWh of storage projects in operation or under construction by 2025.

Positioning in **storage technology** as a key business growth driver for the coming years

## Meeting the expectations of our stakeholders

### Stakeholders



# 1.3 Major 2022 milestones



## Growth:

Presentation of growth targets for 2025:

**5GW**

of solar energy under construction or in operation, and

**1GWh**

of storage.



## Diversification:

**Geographic:** Currently operating in 11 countries. Greenergy entered the German market in 2022 with a growth target (3GW) and purchased 100% of Sofos Harbert in the USA.

**Technological:** Solar and wind power and strengthening of the storage business unit.



## Talent:

Our team grows at a

**27,4%**

rate<sup>4</sup>.



## Impact:

Due diligence exercise in the field of human rights at project level in Chile, Colombia and Spain.



## Responsible management:

New Codes of Ethics for employees and suppliers.

Independent assessment of our suppliers' ESG risk.



## Leadership:

Leadership position in ESG ratings:



Recognition of Greenergy as ESG INDUSTRY TOP PERFORMER 2023.

**10.2**  
Low Risk



Maximum score (AAA) obtained in MSCI ESG.

Leadership position in new ESG assessments: ISS ESG and Refinitiv.



Significant increase in the CDP rating (A-).

## Environmental management and climate change:

Identification of climate change risks and opportunities.

Measurement of the water footprint.

Preservation and restoration of biodiversity.

<sup>4</sup> Comparative of the increase in employees for fiscal year 2022 vs. 2021.

# 1.4 Materiality

*The materiality analysis combines the internal of the different business units with the external view of stakeholders, in accordance with the GRI 1 Standard: Foundation.*

In 2020, Grenergy conducted a materiality analysis to identify the most relevant aspects for the company and its stakeholders. The analysis concerned two aspects:

- **External:** the analysis involved the verification of non-financial reporting standards (4), competitors (10), actors in the investment community (9), opinion leaders (10), analysis of the press and of country risk and sector risk factors. 43 relevant aspects for the industry were identified, involving four dimensions: social, environmental, economic and good governance.
- **Internal:** The aspects referred to above were internally prioritised by means of surveys in which 28 members of the Board of Directors, Management Committee, Business Units and second reporting line took part.

Due to Grenergy's activity and its materiality analysis, the following contents are not considered material and therefore are not reported: food waste and Complaint systems, complaints received and resolution in consumers. The latter is due to the fact that

since we have a very limited number of consumers, we deal with them on a personal basis. In these one-to-one meetings, all the conditions of service supply are discussed in order to guarantee a relationship of trust during the more than 20 years that the contract may last.

**21 material topics** were identified, as the weighted average of internal and external relevance, which were seen as being of critical importance given their potential impact:

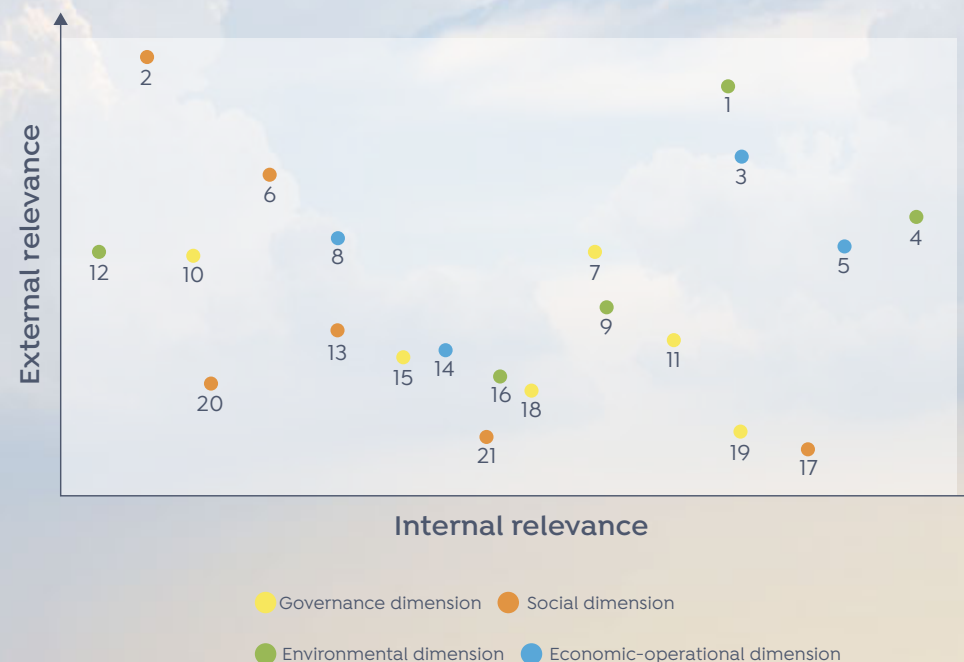
**Governance:** Transparency, non-financial risk management systems, integration of ESG aspects into strategy and decision-making, financial and operational risk management systems, relations with public administrations and Compliance.

**Social:** Local wealth creation: employment, suppliers, economic development, land use; dialogue processes with local communities; diversity and equality policies and commitments; Health and Safety of employees; Human capital development and supply chain control.

**Environmental:** Climate change, energy transition and regulatory changes, protection of biodiversity, circular economy and waste management, environmental safety.

**Economic and operating:** Financial strength, profits, growth; integration of renewable energies into the electricity system; green financing; business context, renewable energies.

- 1 Climate change
- 2 Local wealth creation: employment, suppliers, economic development, land use
- 3 Financial soundness, profit, growth
- 4 Energy transition and regulatory changes
- 5 Integration of renewable energy into the electricity system
- 6 Processes for dialogue with local communities
- 7 Transparency
- 8 Green financing
- 9 Protection of biodiversity
- 10 Non-financial risk management systems
- 11 Integrating ESG aspects into strategy and decision-making
- 12 Circular economy and waste management
- 13 Policies and commitments on diversity, equality, etc.
- 14 Business context/renewable energy
- 15 Financial and operational risk management systems
- 16 Environmental security
- 17 Employee health and safety
- 18 Relations with public authorities
- 19 Compliance (anti-corruption, money laundering, etc. rules)
- 20 Development of human capital
- 21 Control over the supply chain





# 1.5 Dialogue with stakeholders

*Understanding the expectations of our stakeholders makes it possible for us to make solid environmental, social and economic commitments within the framework of responsible governance.*

Greenergy seeks to maintain a relationship of trust based on the creation of shared value with all its stakeholders. Our Sustainability

Policy includes this commitment, on the understanding that this requires fluid and transparent communication. Thus, continuous dialogue is part of our day-to-day tasks, on the basis of all the interactions with our stakeholders. To this end, we have set up different channels and communication tools that provide coverage to our main stakeholders.

<b>Shareholders and investment community</b>	Regular meetings, conferences, roadshows and presentations of corporate results. In addition, the voting procedures at General Meetings of Shareholders are posted on the website.
<b>Clients</b>	Quarterly feedback meetings, visits to facilities.
<b>Employees</b>	Website, internal channels and applications, launch of Greenergy Net (discussions, internal presentations of the different areas). ▶
<b>Suppliers</b>	Meetings, training sessions, questionnaires, environmental engagement (CDP) and visits to facilities. ▶
<b>Local communities and vulnerable groups</b>	Meetings with associations, leaders and local communities, opening of communication channels: web forms, e-mails, telephone numbers and/or suggestion boxes ▶
<b>Public administrations and regulatory bodies</b>	Participation in sectoral associations, meetings, events and visits.
<b>Influence groups (analysts, media, NGOs, etc.)</b>	Presentations, meetings, informational videos and interviews with local and national groups.

Maintaining a fluid relationship with our stakeholders helps us identify actual or potential impacts and the strengthening of these links is, in turn, a risk management and mitigation tool. In addition to the aforementioned channels, Greenergy reinforces its commitment to stakeholders and to safeguarding two-way communication by setting up a whistleblowing channel through which stakeholders can send their complaints, concerns, requests or questions safely.

Greenergy holds quarterly feedback meetings with its clients, which makes it easier for them to notify their complaints, claims or concerns. In addition, access control measures and verification of compliance with basic health and safety measures (PPE, instructions and action measures in the event of unforeseen events, etc.) are implemented when they visit our facilities. Greenergy has had no events of non-compliance with regulations regarding the health and safety impacts of its products/services.

## Investment community

Our goal is to continuously strengthen the relationship with our investors, by seeking opportunities for dialogue for a better understanding of the corporate strategy, the challenges faced and the progress of operational

objectives. We detail financial, operational and ESG information on a quarterly basis at the presentations of the company's results and explain the same at the different investor events in which we participate.

*In 2022, the company implemented **an audiovisual communication strategy on social networks***

Grenergy's executives have used different media to explain the company's strategy in interviews, as well as in discussions and sector

panels. Likewise, our corporate website displays all our communications to investors and media.

*Our number of followers on social networks went up by 28% and our community is now made up of more than **100,000 followers***

Throughout 2022, the company implemented an audiovisual communication strategy on social networks, and published 13 corporate videos, focusing on stories of the social and environmental impact made by our projects in Colombia, Argentina, Peru and Spain. These actions have contributed to increasing

Grenergy's notoriety on social networks, which led to a 28% increase in the number of followers with respect to the previous year. At the end of 2022, Grenergy had a community of more than 100,000 followers with an average of 2,255 new users connecting to our networks every month.

*In 2022, we added on average **2,255 new members** every month*

### Activity with Investors



### Activity on social networks



### Media activity



### Follow-up by analysts

2021 coverages: JB Capital, Caixabank BPI, RBC, Oddo, Fidentis, Alantra, Barclays, Berenberg, Kempen and Renta 4

### Ratings

Axesor BBB- (upgrade to investment grade in March 2022)

Coverage of indicators and ESG Ratings: Sustainalytics, MSCI, S&P Global, CDP, ISS, Refinitiv

### Organisers of the events we attended in 2022



## Sectoral associations

Grenergy is an active member of different sectoral associations in the countries in which it operates, and contributed € 70,986 in membership fees, participation in forums and training activities in 2022.

SPAIN	Association of the solar photovoltaic sector in Spain (UNEF)
	Spanish battery and energy storage association (AEPICAL)
	Spanish hydrogen association (EAH <sub>2</sub> )
ITALY	Association of Italian electricity sector companies (Electricita Futura)
PERU	Peruvian renewable energy society (SPR)
CHILE	Chilean renewable energy and storage association (ACERA)
	Chilean solar energy association (ACESOL)
	Association of commercialisation companies (ACEN)
	Chilean hydrogen association (H <sub>2</sub> Chile)
COLOMBIA	Colombian renewable energy association (SER Colombia)

# 1.6 Sustainability strategy

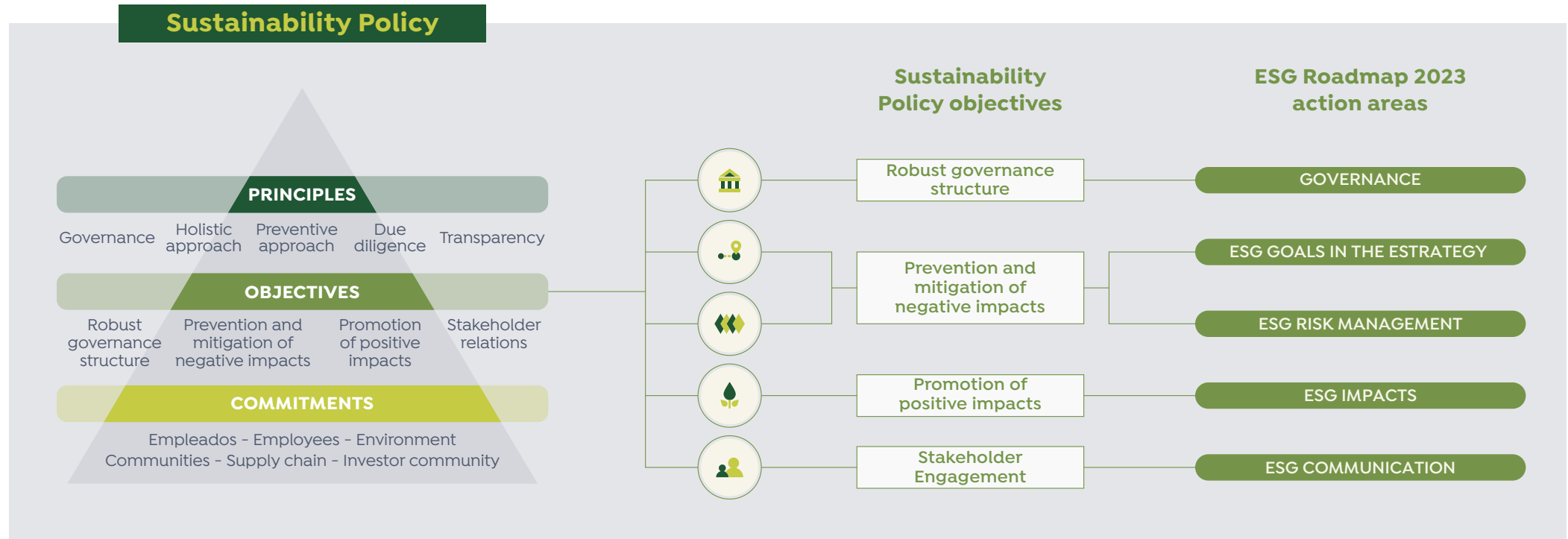
*Our sustainability strategy is based on a materiality analysis and an in-depth diagnosis review.*

Materiality analysis is integrated into the early stages of a broader, in-depth ESG diagnostic process, conducted throughout 2020 with the aim of developing a three-year ESG roadmap, the 2023 ESG Roadmap.

The diagnostic methodology began with an external analysis of the environment and the trends to identify the areas, problems and ESG aspects relevant to our sector, as well as their maturity. Subsequently, an internal analysis of the company was carried out in which the ESG structure and the positioning of Grenergy in respect of each area and

aspect were examined, with this information being confirmed through interviews with key personnel. Both the diagnosis conducted and the 2023 ESG Roadmap obtained on the basis thereof are grouped around five structural areas throughout the company: the corporate governance structure, the alignment of ESG goals with the company's

strategy, the management of ESG risks and their impacts, as well as communication in terms of sustainability. These are vehicular aspects that, on a cross-organisational basis, facilitate the anticipation, diligence, follow-up, control, and monitoring of Grenergy's strategies, objectives and risks in non-financial matters.





Grenergy's Sustainability Policy, as approved by the Board of Directors and revised in 2021, is aligned with the 2023 ESG ROADMAP, so that the action plans defined for each of the strategic areas that make it up correspond to the four founding objectives of the Policy and strengthen the company's performance in connection with its commitments. In order to carry out adequate regular control over the implementation of the principles set forth in the Sustainability Policy, the Board relies on the Audit and Control Committee and the Appointments,

Remuneration and Sustainability Committee, which have been assigned the sustainability functions described in the Board of Directors' Regulations, as made available to the public. To achieve the objectives of the Sustainability Policy, the company has embraced five basic principles of action that cut across the management of its activities: governance, holistic approach, preventive approach, due diligence, and transparency. The Sustainability Policy is applicable to all companies in the Group, including investee companies in which

*True to its commitment to transparency, Grenergy provides its stakeholders with updated information on the progress of its **ESG action plan** in all its presentations of quarterly results.*

Grenergy has effective control, as well as to other types of entities. Likewise, the Policy is applicable in all the jurisdictions in which Grenergy carries out its operations, of any nature, in any geographical area and at any stage of the corporate value chain.

The company publicly presents its annual ESG action plans, as drawn from its three-year ESG Roadmap 2021-23 sustainability strategy, and reports on the progress of the goals on a quarterly basis.

Achieved objectives of the 2021 and 2022 ESG Action Plans.

	2021	2022
	CREATION OF THE SUSTAINABILITY COMMITTEE ✓	SYSTEM FOR MONITORING CORPORATE POLICY IMPLEMENTATION ✓
	HARASSMENT GLOBAL POLICY ✓	ESG KPIs SUPERVISION PROCEDURE ✓
	PROCUREMENT POLICY ✓	
	HUMAN RIGHTS POLICY ✓	
	SUSTAINABILITY REPORT 2020 PUBLISHED ✓	2021 SUSTAINABILITY REPORT, IN ANTICIPATION OF REGULATORY REQUIREMENTS ✓
	SDG CONTRIBUTION DISCLOSED ESG RATING OBTAINED ✓	
	ACHIEVING AN ESG RATING ✓	
	ESG RISKS RE-EVALUATED ✓	INTEGRATION OF ESG ASPECTS INTO THE PROCUREMENT PROCEDURE ✓
	MITIGATION MEASURES AND PLANS RE-ASSESSED ✓	IMPROVEMENT OF THE EMPLOYEE TRAINING PLAN ✓
	GENDER EQUALITY ROADMAP ✓	IMPACT ASSESSMENTS REGARDING HUMAN RIGHTS AT PROJECT LEVEL ✓
	SOCIAL ACTION PLAN ✓	DEFINITION OF A WATER USE PROGRAMME ✓
	CARBON FOOTPRINT AND REDUCTION TARGETS DISCLOSED ✓	DESIGN OF A BIODIVERSITY PROGRAMME ✓
	SUSTAINABILITY TRAINING ✓	DEFINITION OF AN ENERGY EFFICIENCY PLAN ✓
	PROCEDURES FOR INTERNAL ESG REPORTING ✓	COMPLETE PAY GAP ANALYSIS ✓
	GLOBAL COMPACT SIGNED ✓	TRAINING IN SUSTAINABILITY FOR SENIOR MANAGERS AND KEY POSITIONS ✓
	ESG COMMUNICATIONS PLAN ✓	

After moving to stage 3 of its sustainability strategy, the 2023 ESG Action Plan was submitted to the Managers and approved by the Board of Directors in late 2022.

## GOALS OF THE 2023 ESG ACTION PLANS



It should be noted that during the first two years of the 21-23 ESG Roadmap, the quarterly objectives set for both years have been achieved. In the absence of achieving the objectives planned for 2023, Grenergy is working on updating the ESG Roadmap for the 2024-2026 period, with the aim of:

- Complying with all existing and future requirements and regulations in ESG matters.
- Improving its positioning by becoming being at the forefront of the industry in the field of ESG.
- Meeting the expectations of stakeholders.

## 1.7 Sustainable finance

*Demand for sustainable finance is soaring in both equity and bond markets.*

Greenergy reinforces its commitment to the creation of sustainable value by green financing. In 2022, the credit rating firm Axesor revised Greenergy's credit rating upwards from 'BB+' to 'BBB-', an improved rating after an assessment of the competitive positioning and history of the company, its business model and project portfolio, an analysis of its growth plans, its investment plan and the "positive" status of its financial structure.

The company was already the main actor in the first issuance of MARF Green Bonds in 2019, through a green financing framework with verification by Vigeo Eiris regarding its alignment with the Green Bond Principles. In 2020 Greenergy was granted a green loan in line with the Green Loan Principles. In 2021, it issued the first green promissory note program on the Spanish market, worth 100 million euros.

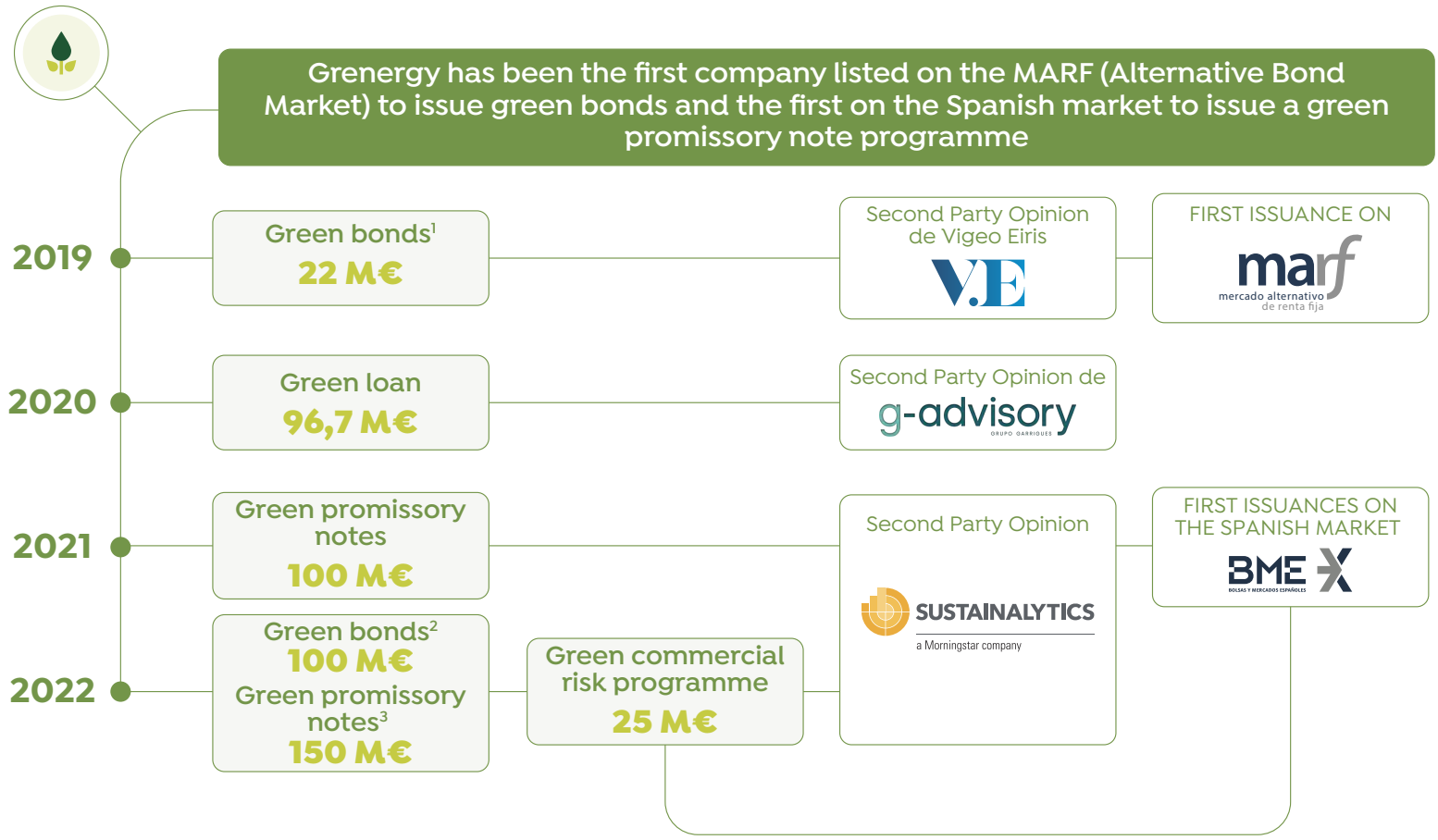
*In 2022, the credit rating firm Axesor revised **the rating of Greenergy upwards**, to investment grade*



In 2022, the company carried out a new green bond issue with Bankinter and signed the first green commercial risks programme on the Spanish market, together with Caixa-bank, acting as a pioneer in sustainable financing for the third time. In addition, it

negotiated 414 million euros in structured financing during the year. In addition, a **90 million accelerated placement** was successfully completed in March 2022 to drive the growth plan in Europe and develop storage capacity.


During the year, the company completed a new issuance of **green bonds** and signed the first green commercial risks programme on the Spanish market



Greenergy has successfully secured its capital needs with an ABB in 1H22.

**ABB (Accelerated bookbuild).** Key figures:

- Size of the deal: 90M€
- Admission to trading 4th July 22
- Strong demand for the new shares, with about **three times the initial demand.**
- Transaction executed by the following banks:






BERENBERG  
PARTNERSHIP SINCE 1590

<sup>1</sup> Green bond issuance in 2019 – <sup>2</sup> Green bond programme in 2022 – <sup>3</sup> Green promissory note programme



Grenergy is recognised as **ESG INDUSTRY TOP PERFORMER 2023** among more than 15,000 companies

## 1.8 ESG Ratings

Grenergy has consolidated its leadership position in a growing number of ESG ratings that measure its environmental, social and governance performance.

As a result of growing investor interest, Grenergy continued expanding the coverage of ESG rating agencies and sustainability indicators. In addition, in 2022 the company improved the score of assessments made by Sustainalytics, MSCI ESG and CDP, three of the most prestigious agencies in the world. Grenergy has been recognized as **TOP ESG RATED** among more than 15,000 companies evaluated by Sustainalytics at industry and regional level.

These are two distinctions awarded to the leading companies in their industry and region with the best ESG performance and lowest ESG risk. In its evaluation, Sustainalytics highlighted Grenergy's sound management in all the areas evaluated: corporate governance, human capital, liaison with the community, business ethics, product governance, health and safety, land use and biodiversity.



## Improved positionings in 2022

The company has brought down its ESG risk compared to 2021 from 13.55 to 10.22, thus reaching position 5 among the 712 companies included in the utilities sector and position 4 among the 99 companies representing the Renewable Power Production subsector.

With this score, the company remains in the low-risk area, very close to the limit of negligible risk limit of sustaining a material finan-

cial impact derived from ESG factors due to its low exposure and proper management of material aspects of ESG.

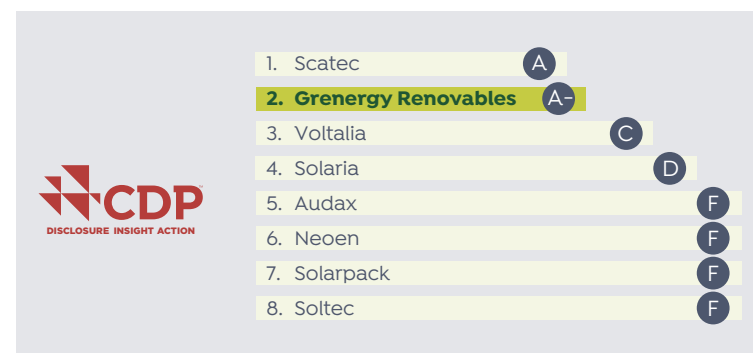
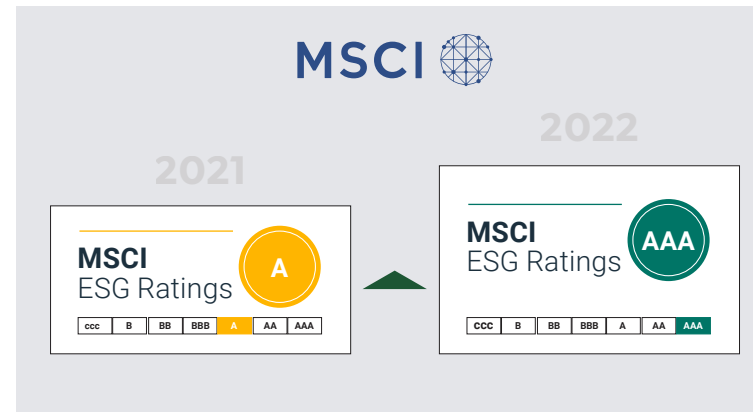
In 2022, Greenergy also improved the score of the MSCI ESG assessment that has given the company the highest AAA score, with an overall industry-adjusted score of 9.8/10. According to MSCI's report, the company is the industry leader at local and global level

in terms of corporate governance structures and capitalization of renewable energy opportunities.

In 2022, the CDP climate index recognised Greenergy's increased level of ambition in terms of climate strategy by positioning the company in the Leadership category, with an A- rating, two scales higher than that received in the previous year, namely B-

## New assessments by ESG rating agencies

June 2022, Greenergy was assessed by ISS ESG for the first time and received an A-score with a "very high" level of transparency, which resulted in its recognition as a Prime company. This score continues to strengthen Greenergy's position as an ESG leader by exceeding the score of all its peers as of the date of publication of the ISS report.



Greenergy's score on Refinitiv's ESG assessment highlights "excellent performance and high level of transparency in its public reporting of material ESG data".



# 2

## RESPONSIBLE LEADERSHIP



- Governance
- Compliance
- Risk management
- Tax transparency
- Responsible supply chain management
- Commitment to Human Rights

# 2.1 Governance

Greenergy's Board of Directors is committed to building a transparent and effective corporate governance system to generate long-term value and protect the interests of all stakeholders.

## Ensuring a composition of governance bodies to meet the company's challenges

### Board of Directors

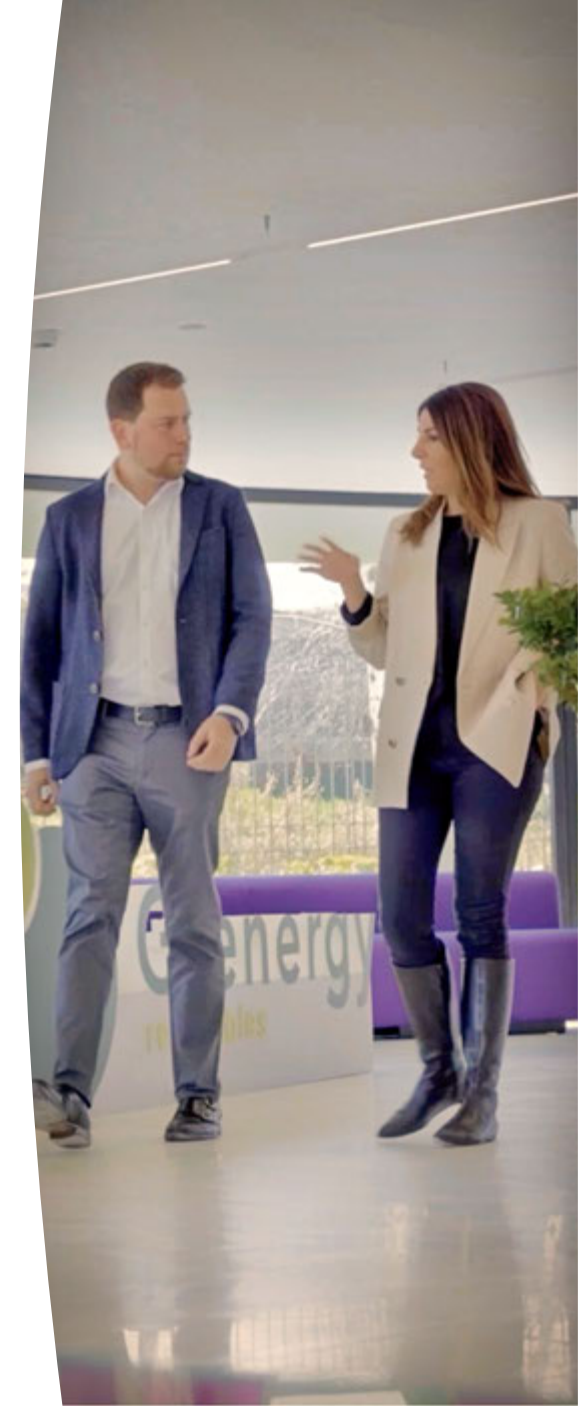
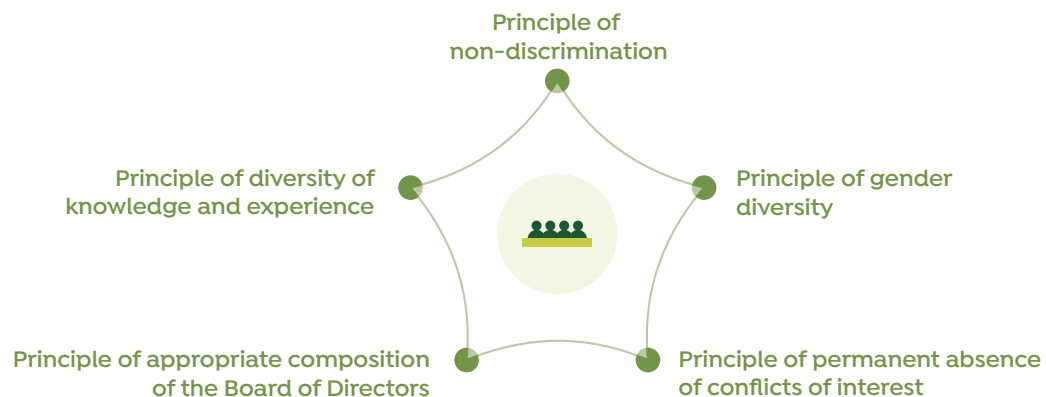
The internal rules of procedure and operation of the Board of Directors are set out in the Board of Directors' Regulations and the selection criteria for the appointment or re-election of its members are defined in the

Board Composition Policy. This policy looks after the best interests of the company and seeks to provide the Board with effectiveness and professionalism to ensure that proposals for the appointment of directors

comply with the recommendations of the CNMV's Code of Good Governance and Greenergy's needs, based on well-founded decisions that can be reviewed by the shareholders and the different stakeholders.

*The Board's Composition Policy **seeks gender and competence diversity among its members, under the principles of non-discrimination and no conflict of interest.***

### The principles of Board composition:





# BOARD OF DIRECTORS



**David Ruiz de Andrés**

Chairman and  
Chief Executive Officer



**Ana Peralta**

Lead Independent Director



**Rocío Hortigüela Esturillo**

Independent director  
Chairwoman of the ARSC



**Teresa Quirós Álvarez**

Independent director  
Chairwoman of the ACC



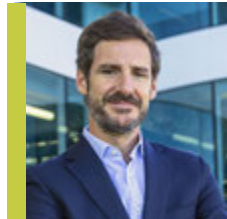
**Florentino Vivancos Gasset**

Proprietary Director



**María Merry del Val Mariátegui**

Proprietary Director



**Nicolás Bergareche Mendoza**

Independent Director



**Antonio Jiménez Alarcón**

Proprietary Director



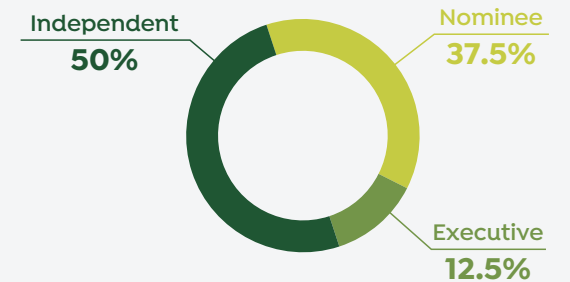
Audit and Control Committee (ACC) Appointments, Remuneration and Sustainability Committee (ARSC)

Expert in finance Expert in industry Risk management expert Sustainability expert

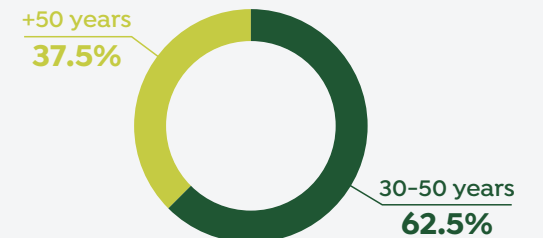
## Distribution by gender



## Distribution by category



## Distribution by age range



Board members are elected individually on the basis of their suitability and matching skills. There is a limit of three memberships on other boards, which is not exceeded by any of the directors. In 2021, Grenergy bolstered its Board of Directors

and complemented it with the addition of two new profiles that bring extensive experience in industry, finance, risk management and sustainability, increasing the total number of directors and achieving gender equity.

*Grenergy's Board of Directors has an equal number of men and women, and **incorporates a diversity of experience and backgrounds***

**Diversity:** The Board of Directors is 50% female, and both committees are chaired by independent female directors.

**Conflict of interest:** Grenergy has 75% of independent Board Members in ACC and ARSC to lead those cases of potential conflict of interest.

**Transparency:** Grenergy publishes transparent information on all remuneration received annually by directors in the remuneration report, available on its website. In 2022, the average total remuneration of non-executive directors, including cash remuneration, gross profit from shares, savings schemes and other items, was 50,700€. Finally, the average remuneration of the executive director is 181,370 €.

**Training:** in 2022 Board members received specific training in corporate taxation and geopolitical issues.

**Performance evaluation:** The Board of Directors carries out internal and external performance evaluations, following best practices of good corporate governance. In 2022, the Board conducted an internal evaluation, having carried out an external evaluation in the previous year with the assistance of a consultant.



In 2022, following a favourable report from the Appointments Committee, the Board agreed to appoint Ms. Lucía García Clavería as the new non-director secretary of the Company's Board of Directors and, consequently, of the Audit Committee and the Appointments, Remuneration and Sustainability Committee. The chair of the Audit Committee has been transferred from Ms. Ana Peralta to Ms. Teresa Quirós effective as of 1 September 2022.



**Lucía García Clavería**

non-director secretary  
of the Company's Board  
of Directors

Grenergy makes its Remuneration Policy publicly available, which is designed to regulate compensation ratios, promote profitability, sustainability and performance, and attract and retain directors with the desired profile, without compromising independent criteria.

*Grenergy has 75% of **independent Board Members in ACC and ARSC** to lead those cases of potential conflict of interest*



### Management Committee

This is the internal body with the highest authority and its mission is to propel Grenergy's activity, develop its business strategy sustainably, lead the human team and ensure compliance with financial and operational goals. Recently in 2021, Grenergy reinforced its team by incorporating two new members to the Management Committee, Emi Takehara, through internal promotion to Chief Financial Officer (Master in Management - EDHEC Business School, Master in Finance and Investments - EBS) and the addition of Francisco Quintero as Head of Generation and Equity (Civil Engineer and MBA - IE Business School).

## MANAGEMENT COMMITTEE



**David Ruiz de Andrés**  
CEO

Chief executive in charge of Grenergy's management and administration



**Daniel Lozano Herrera**  
Strategy and Capital Market  
Manager

Responsible for capital market transactions, external communications, sustainability and new BESS technologies



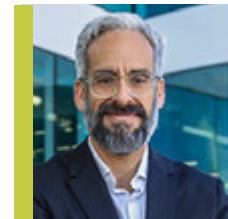
**Emi Takehara**  
CFO

Responsible for corporate and structured finance, audits, taxation and risks



**Mercedes Español Soriano**  
M&A Manager

Responsible for project sale, merger and due diligence processes



**Francisco Luis Quintero Berganza**  
Generation and Equity  
Manager

Responsible for global management of renewable generation assets



**Álvaro Ruiz Ruiz**  
Manager of the Legal  
Area

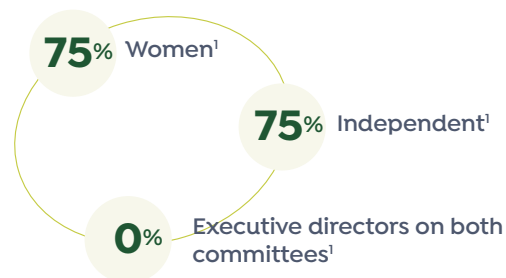
Responsible for corporate and contractual legal aspects

## Backed by governing bodies focused on sustainable management



The **Audit and Control Committee** is primarily responsible for overseeing the effectiveness of the company's internal control, internal audit, risk management systems and auditor independence, as well as overseeing the process of preparing and reporting financial and non-financial information.

The **Appointments, Remuneration and Sustainability Committee** is mainly responsible for the selection, appointment, re-election and removal of directors, assessing their skills, knowledge and experience; the report on proposals for the appointment and removal of senior management; the proposal, report to the Board of Directors and implementation of the remuneration policy for directors and management; supervising compliance with the company's corporate governance rules and internal codes of Ethics; assessing and periodically reviewing the corporate governance system and the company's environmental and social policy; ensuring that the company's practices in environmental and social matters are in line with the strategy and policy established by the Board of Directors.



*Both committees have a **majority of women**, an **independent majority** and **no executive directors***

Both committees, and specifically the Appointments, Remuneration and Sustainability Committee in its role supervising ESG aspects, benefit from the knowledge, experience and extensive relationship that its directors have with various stakeholders to identify and manage sustainability-related impacts. In particular, we should highlight the professional experience in ESG consultancy and the professional relationships with relevant companies in the electricity sector and financial institutions.

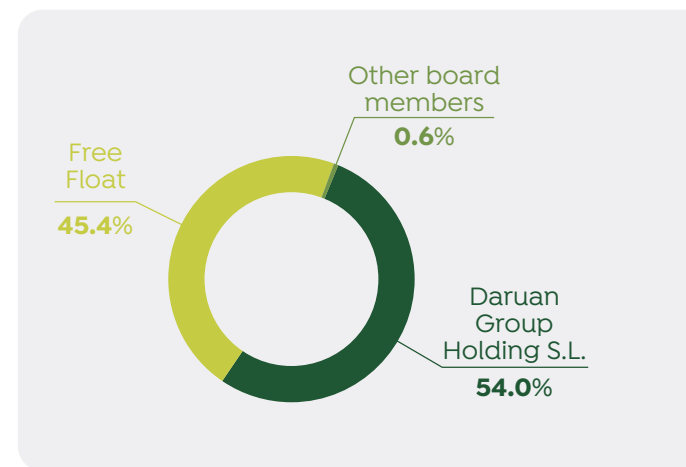
**Sustainability Committee:** responsible for overseeing the founding goals of Grenergy's Sustainability Policy. The members appointed are the Director of Strategy and Capital Markets as Chair, the Director of Sustainability as Secretary, the Director of Generation and Equity and the Legal Director, both as members. This composition enables greater integration of ESG aspects into our corporate strategy.

Its main functions include ensuring the implementation of the ESG roadmap defined by the company and the annual action plans resulting therefrom, reporting to the Appointments, Remuneration and Sustainability Committee on its progress at least once a quarter. At least once a year, the Sustainability Committee shall report to the Audit and Compliance Committee on sustainability information.

## Maintaining an effective, updated body of internal regulations

The Board of Directors is responsible for approving the company's policies and over the past year has approved a number of key documents such as Grenergy's new employee and supplier Codes of Ethics and the regulatory framework that defines the system for monitoring the implementation of corporate policies. The Compliance Manual was drawn up in 2022 and approved at the outset of 2023.

## CAPITAL STRUCTURE



<sup>1</sup>The data reported refer to the Audit and Control Committee (ACC) and the Appointments, Remuneration and Sustainability Committee (ARSC)

# 2.2 Compliance

The aim of the **Code of Ethics** is to set out the principles and values that should inspire and govern our team's activities, relationships and behaviour

*Grenergy's culture of ethics and compliance is fostered from the company's highest levels.*

Grenergy conducts its business with a firm commitment to making a positive impact on society. Part of this positive impact is achieved through respect for the law and the principles of corporate responsibility and, therefore, Grenergy shows zero tolerance for any kind of corruption, breaches of the principles of fair competition and non-compliance with laws and regulations. Furthermore, the company acts immediately when these occur.

During the 2022 financial year, the criminal risk prevention model was reviewed in order to update and adapt it to the company's growth. The assistance of an independent expert has helped to identify and assess the Group's criminal risks. As a result of this exercise, different areas of improvement have been identified in Grenergy's Crime Prevention System, which has led to an update of its Compliance model.

The new Compliance model ensures a uniform, comprehensive approach to compliance throughout the Group. The Compliance department has worked on

harmonising all Compliance processes, guidelines and policies by drawing up a single policy called the Compliance Manual, and 100% of the governing bodies' members have been informed of the organisation's anti-corruption policies and procedures. The Manual, which applies to all of Grenergy, lays down the procedures and controls necessary for correctly implementing the Codes of Ethics. It also sets out the roles and responsibilities of the different governing bodies, the Board of Directors, the Audit Committee, the Executive Compliance Committee, senior management and the directors and managers of the different areas.

As part of this review and improvement process, the company's Code of Ethics has also been revised and updated to ensure that it is more closely aligned with Grenergy's culture and values and that it is a truly inspirational document and a true guide to action for Grenergy's employees and managers. The Code of Ethics has been approved by the Board of Directors, conveyed to all employees through internal communication channels, and is available to the public on our website.

<b>VALUES AND PRINCIPLES</b>	Legal compliance	Your dignity
	Respect for people	Privacy
		Personal rights
		Intolerance of discrimination or harassment
	We generate trust	Transparent
We promise what we can deliver and we deliver what we promise		
We learn from you		
We protect our company	Your reputation and your values	
	Culture of ownership	
We lead by example	Tone from the top	
<b>HOW WE OPERATE</b>	With people	We protect fundamental rights
		We protect health
		We protect against harassment
		Respecting the rights of workers
		Anti-corruption measures
		Gifts and hospitality
		Sponsorship donations and others
		Political neutrality
		Only legal payments
		We do not use third parties for illegal purposes
	In the markets	Relationships with illicit Public Authorities
		Fair competition
		We manage conflicts of interest
		We prevent money laundering
		We report accurate, correct financial information
		We do not use private information
		We protect individual's data
		We deliver on our products and services
		We are a sustainable supply chain
		We protect the environment
We protect human rights		
We report non-compliance		
we apply the consequences of non-compliance	Penalties	
	Remedial measures	
	Early termination of contracts	

Grenergy's Code of Ethics for suppliers has also been revised and updated, facilitating its understanding, as well as the process of acceptance of it by our supply chain, thus encouraging suppliers to respect our values of integrity and compliance. In the process of finalising any contractual relationship with the supplier,

and prior to the start of providing services or delivering products, the person responsible for the purchase shall ensure that the supplier has signed, and therefore accepted, Grenergy's Supplier Code of Ethics as proof of acceptance of and adherence thereto. For any deviation or exception to this requirement, a request

must be submitted to the Compliance Department for evaluation and its subsequent resolution. The Compliance Department has been reinforced, establishing a multidisciplinary Executive Compliance Committee that supports the Compliance Officer in discharging his or her duties. In addition, frequent

and regular reporting is guaranteed to the Audit Committee, which is responsible for supervising the effective implementation of the programme, ensuring that the relevant Compliance issues are discussed at every scheduled Committee meeting. This Committee has been in operation since January 2023.

**THE PILLARS ON WHICH OUR COMPLIANCE SYSTEM IS BASED ARE AS FOLLOWS:**



**Prevention:**

Effective preventive measures such as risk management, policies and procedures, training and communication systematically prevent misconduct.



**Detection:**

Effective Compliance work requires comprehensive clarification: whistleblowing channels as well as fair and professional investigations.



**Response:**

Explicit consequences and clear reactions support the prevention of misconduct, e.g. punishment of violations and implementing remedial measures.



### Whistleblower Channel

The whistleblower channel set up on the website is aimed at employees, suppliers and other stakeholders who have noticed suspicious behaviour or actions, possible infringements or breaches that go against our codes of Ethics and internal regulations, including the Human Rights Policy and the Protocol for Preventing and Combating Sexual Harassment. Grenergy safeguards the confidentiality of the whistleblower and guarantees the freedom from retaliation for reports made in good faith.

*The whistleblower channel is open to stakeholders and safeguards the confidentiality of the whistleblower*

Separately, mechanisms for receiving and managing complaints are maintained at project level in the corresponding section of the website, which together with communication channels (telephone, email, mailboxes) made available to the local community and other stakeholders offer an alternative channel for expressing concerns, infringements, requests for information or

suggestions. Grenergy keeps a record of how these communications are managed and keeps them active until they are remedied and resolved.

Furthermore, the Compliance Officer is the organisation's mechanism for seeking advice and raising Compliance concerns. To extend and ensure this culture of compliance in 2022, Compliance training was provided in Colombia, with 27 participants. In addition, lectures on Ethical Blindness were held as part of ESG training, which covered 172 employees from Europe and Latin America. By the first quarter of 2023, Compliance training is planned to be carried out in all countries and for all Group employees.

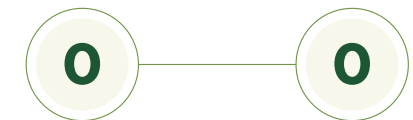
In accordance with the Code of Ethics, corruption of any kind is not tolerated at Grenergy. Grenergy has established procedures and controls to prevent corrupt practices, such as bribery, facilitating payments, collusion, as well as the offer or receipt of gifts, or other advantages as an inducement to do something dishonest, illegal or a breach of trust. As this update and improvement work is ongoing, no operations have yet been assessed for corruption-related risks in 2022.

In addition, in collaboration with Achilles, a service provider specialising in supply chain risk assessment, Grenergy has initiated a supplier assessment that includes risks such as money laundering and terrorist financing.

No cases of corruption have occurred in Grenergy during the 2022 financial year and therefore no disciplinary measures have been taken in this regard. In addition, no contracts with business partners have been terminated due to corruption-related offences. There have also been no public legal cases related to corruption, nor have there been any significant instances of non-compliance with the law resulting in fines or non-monetary sanctions.

### Antitrust

Antitrust violations represent a huge risk for the company and its employees. They involve fines, damages, exclusion from public tenders and reputational damage. Therefore, no breach of antitrust law is tolerated at Grenergy. There are no legal actions pending or finalised at Grenergy during the reporting period with respect to unfair competition and infringements of applicable antitrust and monopoly legislation.



Corruption and/or bribery incidents

unfair competition or anticompetitive practices registrations

## 2.3 Risk management

*The ESG risks identified by the company have been approved by the Board of Directors and included in the **overall risk management system***

*Risk management allows the early identification of internal and external factors that may have an impact on the company and that the company must manage in order to improve and protect its value.*

In 2022, Grenergy created the Internal Audit department with the goal of improving and protecting the value of the organisation, providing assurance, advice and risk-based analysis in order to provide an independent and objective assurance, internal control and consultation service to support the organisation in effectively fulfilling its responsibilities.

The company describes in its Risk Management, Control and Internal Audit Policy the basic principles and general framework of action for control and management of the different types of risks affecting the Group in the various countries where it operates, so that risks are identified, quantified and managed at all times. Macroeconomic, regulatory and business risk factors are identified in this Policy. The Audit Committee is responsible for supervising the effectiveness of the Company's internal control and

risk management systems and for reporting periodically to the Board of Directors on their performance. At corporate level, risk control and management is carried out with three levels of defense involving executives, compliance functions and internal audit. The latter is independent of the business, evaluates the risk situation and reports periodically to the Board of Directors on these risks.

Grenergy has a risk map that identifies the main business management risks and the different businesses and corporate functions involved in identifying these risks. Once identified, they are assessed in terms of probability and impact, and appropriate action plans are defined for each of them. The risk map is periodically updated and presented to the Board of Directors, following review by the Audit Committee.

The main ESG risks considered include climate change risk and its effects on the business, environmental risks related to the impact of projects on biodiversity and social risks arising from the relationship with local communities. The financial year incorporates mitigation plans for each of the ESG risks identified.





## 2.4 Tax transparency

*We are committed to acting with full compliance with the law and with transparency in the management of our tax affairs.*

Aware of its responsibility, Greenergy's Tax Policy prioritises compliance with applicable tax regulations, focusing on transparency and paying taxes responsibly and efficiently. The company reconciles responsible compliance with its tax obligations with a commitment to creating value for its shareholders through efficient management of tax costs and benefits. Furthermore, under this policy, Greenergy is committed to maintaining a cooperative relationship with the tax authorities and stresses the importance of preventing conduct that could generate significant tax risks.

Profits, taxes and subsidies by country (in thousands of euros):

	Revenue	EBT	Corporate income tax accrued	Corporate income tax paid	Subsidies
Chile	164,791	1,912	2,666	(3,204)	-
Spain	64,297	20,323	(6,717)	(2,642)	-
Peru	15,339	(7,846)	3,267	(2,577)	-
Argentina	8,163	(211)	2,922	-	-
Colombia	36,566	(6,325)	877	-	-
Mexico	2,875	(107)	(14)	-	-
Italy	502	(130)	-	-	-
UK	318	(153)	-	-	-
Poland	156	(155)	-	-	-
<b>Total (miles de euros)</b>	<b>293,007</b>	<b>7,308</b>	<b>3,001</b>	<b>(8,422)</b>	<b>-</b>

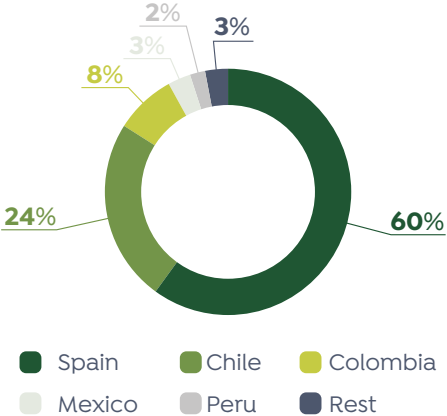
	2021 (€k)	2022 (€k)
<b>ECONOMIC VALUE GENERATED AND DISTRIBUTED</b>		
Revenue	220,837	293,007
<b>ECONOMIC VALUE GENERATED</b>	<b>220,837</b>	<b>293,306</b>
Operating costs		
Depreciation and impairment costs	-9,038	-20,338
<b>ECONOMIC VALUE DISTRIBUTED</b>	<b>43,543</b>	<b>45,779</b>
Personnel expenses	-9,597	-14,772
Providers of capital		
Public administrators	-2,118	3,001
<b>ECONOMIC VALUE RETAINED (Not Income)</b>	<b>16,012</b>	<b>10,309</b>

# 2.5 Responsible management of the supply chain

Grenergy multiplies impact through its supply chain, where it generates opportunities for people and companies through responsible management.

At the end of 2022, Grenergy's supply chain consisted of more than 500 suppliers who have been assigned more than 179 million euros. Our key suppliers account for 85% of our turnover and mainly supply us with panels, structure, inverters, electrical material, mechanical assembly services, electrical assembly, civil works, transport, SCADA and security.

Volume of procurement per country



Grenergy is committed to incorporating **ethical, social and environmental considerations** into its procurement decisions

At Grenergy, the sustainable supply chain management strategy is implemented jointly by the Procurement, Compliance and Sustainability divisions. The main standards and policies in this respect are:

- Code of Ethics for Suppliers
- Procurement Policy
- Procurement Procedure
- Sustainability Policy
- Human Rights Policy

In 2021, Grenergy approved the Procurement Policy whereby it undertook to include ethical, social and environmental aspects in its decisions to purchase and/or contract goods and services. In line with this commitment, in 2022 it developed **the procurement procedure, which is supported by a supplier risk assessment process**. In addition, both the general and supplier

Codes of Ethics were revised in 2022. The latter applies to all procurement and contracting activities for equipment, materials, works and services. Grenergy's Procurement Policy includes the control, mitigation and reduction, as far as possible, of risks associated with the quality and sustainability of materials and equipment purchased, and the commissioning of works and services. In this policy, the company identifies the ethical, environmental and social issues that directly contribute to promoting compliance with the commitments set out in its Sustainability Policy and which support the decision-making process for the procurement or contracting of goods or services. The company's commitments to zero tolerance and the express prohibition of forced labour situations should be highlighted, introducing measures, tools and procedures aimed at preventing human rights violations in the environment of suppliers during their operations in the service of





### Risk management in the supply chain

Greenergy is making progress in its commitment to proactively manage the social and environmental impacts, risks and opportunities arising from its supply chain. In 2022, it has signed an agreement with Achilles to certify and manage supplier risks based on ESG, commercial and compliance criteria. This solution will boost sustainability standards within the company's supply chain.



The issues evaluated for each of the ESG measures and the resulting rating are as follows:

### Governance

- Good governance and transparency
- Human rights
- Organisational ethics and integrity
- Leadership
- CSR/sustainability structure in the organisation

### Social aspects and community

- Equality, Diversity and Work-Life Balance
- Training and promotion of employability
- Health and well-being at work
- Community impact
- Quality
- Dialogue with workers' representatives

### Environmental aspects

- Environmental management
- Climate change
- Circular economy and waste management
- Sustainable use of resources
- Biodiversity

ESG Rating	Evaluation
A+	96-100
A	75-95
B	50-74
C	25-49
D	0-24

*At this stage of Achilles' deployment, 37% of our strategic suppliers are already registered on the platform, of which more than 55% have an ESG score of more than 60 points (B High)*

Grenergy's management is based on four points:

- 1 Minimum standards:** 100% of our suppliers are required to carry out their activity applying ethical standards equivalent to our own, which ensure compliance with current legislation, fundamental human and labour rights, and environmental protection.
- 2 Identification of key suppliers:** based on the importance for the business (volume of the commercial relationship and criticality of the product and/or service), the country risk factors and the risk associated with the product and the service provided.
- 3 Performance evaluation:** our suppliers are invited to register free of charge in Achilles and monitor the ESG evaluation of key suppliers.
- 4 Audits:** Grenergy is part of the Achilles community, which allows us to check whether the appropriate protocols are being followed by carrying out audits, either independently or jointly with other companies in the sector.

Our main suppliers of panels, structures and inverters are ISO14001 certified.

In general, suppliers joining the platform that already have an ESG rating have as a strength the existence of a code of ethics or sustainability policies, while the audit of their supply chain is one of the worst evaluated points. The best evaluated aspect is the social dimension.

### Health and safety of subcontractors

Grenergy is convinced of the importance of passing on its culture and commitment to health and safety throughout the supply chain. The construction of our projects involves the subcontracting of work and therefore the entry of workers from external sites. At this point, Grenergy ensures at all times, from the development phase, through construction, operation and maintenance, a safe working environment with a preventive approach. For this purpose, Grenergy:

- Carries out risk assessment prior to starting its projects, giving rise to a Health and Safety Plan.
- Ensures that subcontractors' employees are provided with appropriate personal protective equipment.
- Trains external workers so that they are aware of the precautions to be taken when carrying out their activity, checking that this training is put into practice through preventive vigilance.
- Maintains good communication to ensure that subcontractors have a good understanding of the risks and safety measures in the workplace.
- Has an incident tracking system in place to report and record any incidents or injuries in the workplace. This allows safety issues to be identified and addressed on an ongoing basis.

*We created jobs for more than **2,700 external collaborators** involved in the construction and operation of our projects in 2022, 22% more than in 2021*

In Spain, before work begins on a plant, a Health and Safety Plan (HSP) is drawn up by a Senior Occupational Risk Prevention Technician, which covers all the risks and preventive measures to be applied throughout the works. The plan is provided to all subcontractors before they start work, who sign a document of adherence to the HSP stating that they have studied it, understood it and agree to adhere to it.

Any new and unforeseen activities not covered by the HSP are included in an Annex to the Plan, which must be reviewed and approved in the same way. A self-protection plan is also drawn up before the works are completed, which will be used when the plants and the substation are completely finished and in the operation and maintenance stage.

In Chile, Grenergy has an Internal Regulation regarding Order, Hygiene and Safety that applies to subcontractors that enter the plants under construction, and which regu-

lates the working methods and conditions, hygiene and safety of the work carried out by subcontractors on behalf of Grenergy. All works are supervised by a preventionist on behalf of Grenergy and another on behalf of each subcontractor, and monthly management reports are drawn up in relation to risk analysis, training and accident records.

In 2022, Grenergy employed nearly 2,700 workers directly involved in the construction and operation of our projects globally, an increase of 22% compared to the previous year. The workers of these subcontractors received more than 15,400 hours of health and safety training provided by both their companies and Grenergy.

In 2022, Grenergy began construction of several plants in Spain and Latin America, and 21 accidents were recorded among the subcontracted personnel of our projects in construction and operation, all of which were minor. No fatal accidents, serious accidents or occupational illnesses were recorded.

SUBCONTRACTORS' SECURITY AND HEALTH INDEXES	Men	Women
Total Recordable Incident Rate* (TRIR)	3.6	0.2
Severity Rate**	0.06	0.005
Absenteeism Rate	0.00053	

(\*) \*Recordable incident frequency X 20,000. - (\*\*) Days lost x 1,000.

### Environment

Grenergy is engaged with its suppliers on environmental issues, as the impact of companies on the environment is not restricted to their direct activity. As a result, Grenergy seeks to involve its value chain in the transition to a sustainable economy. In 2021, Grenergy obtained a B score in the CDP Supplier Engagement Rating. This reflects the strategy and actions undertaken by the company aimed at reducing pollutant gas emissions and managing climate risks throughout its supply chain, which has been reinforced in 2022 by signing the collaboration agreement with Achilles.



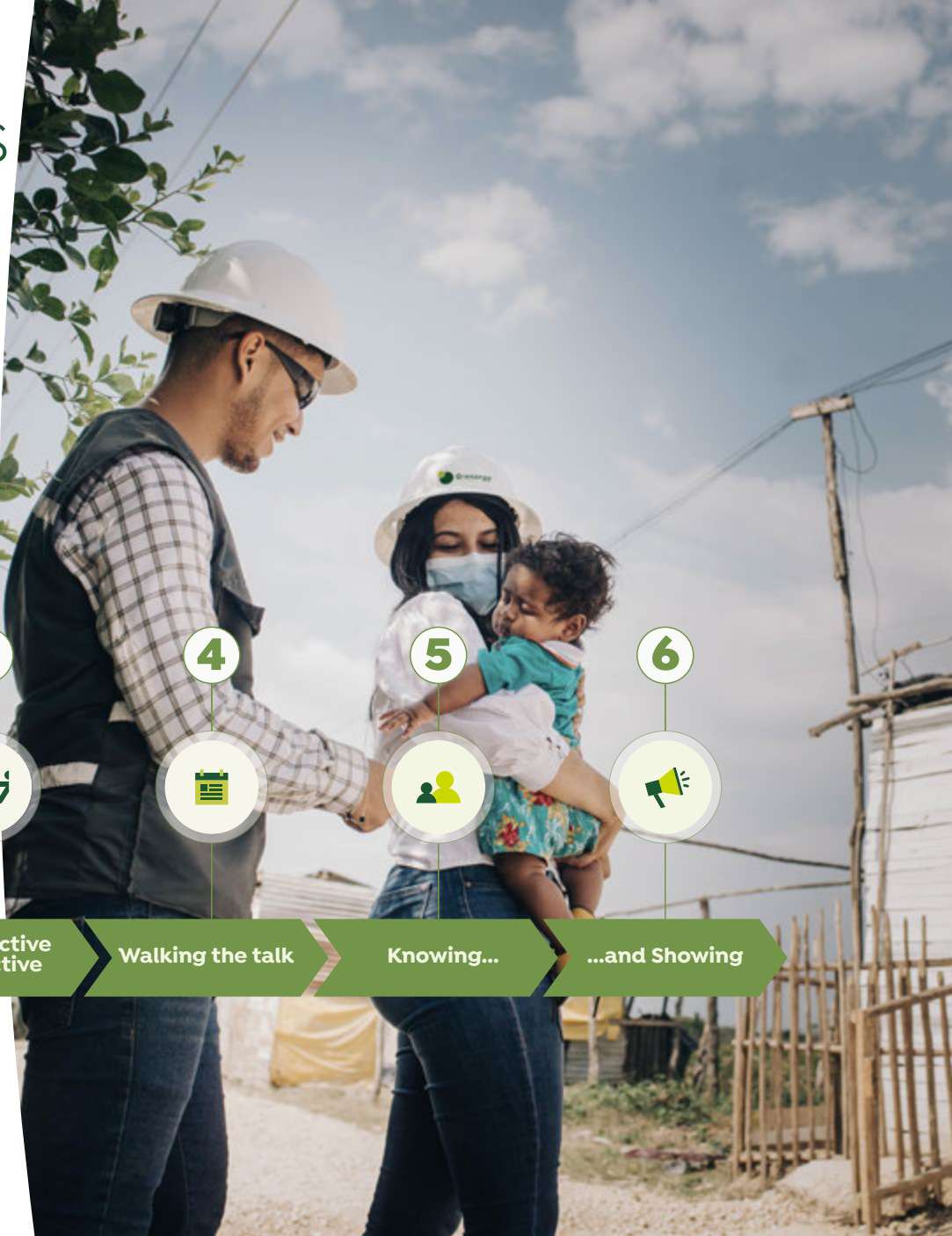
# 2.6 Commitment to human rights

Greenergy is committed to **respecting and promoting human rights** and to not being complicit in any form of abuse or violation among its stakeholders and society at large

Greenergy bases its activities on developing sustainable and efficient economic activities with high service quality, generating shared value and respecting human rights.

Greenergy's Code of Ethics, which must be complied with by all company employees, includes respect for internationally recognised human rights, with special emphasis on vulnerable groups. This commitment is reflected in our internal policies and procedures, applying these values to our supply chain through our Procurement Policy. All of this is in accordance, according to our Human Rights Policy, with the Guiding Principles on Business and Human Rights, as well as the International Bill of Human Rights and subsequent developments. These include: the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and its eight fundamental conventions, the United Nations Convention on the Rights of the Child and the European Convention on Human Rights.

Greenergy's approach to human rights comprises 6 steps:





## Setting the tone

The Human Rights Policy, approved by the Board, is the framework that Greenergy's employees and collaborators must adhere to.

The scope of this Policy covers both the workplace and the local community, including the rejection of forced labour, the prohibition of child labour, the elimination of workplace discrimination, the defence of freedom of association, the promotion of occupational health and safety and zero tolerance towards any form of harassment or inhumane treatment, as well as fair working conditions. Our commitment to the defence of human rights also includes local communities, paying special attention to the most vulnerable, including respect for the right to access to food, water and sanitation, energy, education, health and housing, to enjoy a clean and healthy environment, as well as the right to freedom of opinion and expression and freedom of thought and religion.

In 2021, Greenergy also formalised its adherence to the United Nations Global Compact.



## Setting it into the company's DNA

<b>Board of Directors</b>	Approval of the ESG Action Plan, which includes human rights objectives and projects.
<b>Audit and Control Committee Appointments, Remunerations and Sustainability Committee</b>	Monitoring the ESG Action Plan, and therefore human rights performance, through regular reporting by the Sustainability Committee.
<b>Sustainability Committee</b>	Definition and monitoring of the ESG Action Plan, which includes actions in the field of human rights. It brings together the directors of the Strategy and Capital Markets, Sustainability, Generation and Equity, and Legal departments.
<b>Corporate management</b>	Collaboration with local teams to implement due diligence exercise in major operations.

Moreover, our regulatory framework enables the inclusion of human rights in our decision-making processes.



3



### From reactive to proactive

The Guiding Principles lay out the roadmap for the establishment of a five-stage due diligence process:



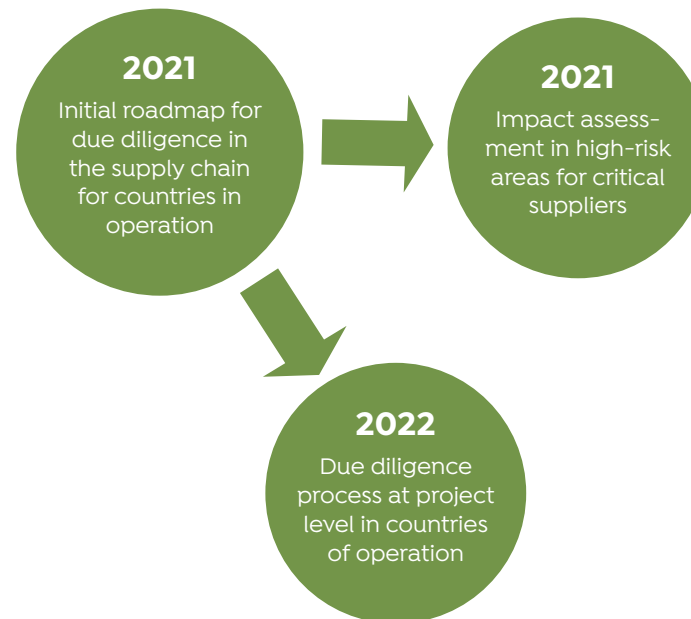
### Policy

A Human Rights Policy was approved by the Board in 2021. This policy is followed by the Procurement Policy, the Codes of Ethics for employees and suppliers and the procedure for dialogue with the community.



### Impact assessments

Risk analyses are carried out in the countries of operation to assess the potential and actual impacts of our activity and to incorporate human rights management criteria into our operations and business relationships.





**Human Rights Impact Assessment in all countries of operation (Initial roadmap)**

In 2021, in collaboration with independent experts, we worked on an initial roadmap to implement a due diligence process in line with our sector, presence and risk suppliers. A human rights impact evaluation was carried out considering all countries of operation, own operations and value chain, with the participation of stakeholder representatives.

Simultaneously, in collaboration with independent experts, an impact evaluation was carried out in high-risk areas for critical suppliers. Aspects of traditional land rights, forced labour, child labour, discrimination, freedom of association and human trafficking, among others, were covered.



The most relevant risks in this financial year were:

- Indigenous peoples
- Communities
- Security and high-risk context
- Environment and health
- Human rights and environmental defenders
- Labour rights - Ore mining

**Project-level due diligence process**

Evaluation of the potential impact of our operations on human rights, at project level, in the countries of operation and in their supply chain. Evaluation carried out with the participation of independent experts.

A sample of Grenergy's operations has been identified according to the different countries and project stages, construction, operation and maintenance in order to obtain a broad vision in accordance with the realities of the different regions (Europe and Latin America).

The evaluation, carried out at the end of 2022, was conducted on two levels:

**Internal:** where different rounds of interviews have been held with corporate and local managers of the areas that have the greatest relationship and impact with the communities, such as Construction, Operation and Maintenance, Environmental and Social Management.

**External:** with the participation of 20 subcontractors that represent the greatest risk, both in terms of their activity (safety and high voltage) and the volume of people that provide support to Grenergy.

Employees of the subcontractors participated in training activities and in survey processes with independent experts.

The results and the proposed action plan will be presented at the beginning of 2023.

In addition, prior to any operation, impact assessments are carried out on all our projects to identify all possible environmental and socio-economic impacts, avoid and mitigate any negative impacts and enhance positive ones.



### Process integration

Based on the results obtained, our regulations and processes are reviewed and adapted to prevent, mitigate and/or remedy potential human rights impacts.



### Assessment and reporting

Monitoring and reporting processes are in place to prevent and avoid adverse consequences on the human rights of our stakeholders. In the event that serious violations are detected, we will report them in a timely manner.



### Complaints and remedy mechanisms

There is an Enquiries and Complaints Channel so that any person or entity can send us their concerns or complaints regarding human rights, among other issues. This channel means that, in addition to resolving the query, appropriate measures can be taken to reduce risks through our policies, processes, etc.

0

human rights complaints of non-compliance

Grenergy has set up a **whistleblower channel** on its website that **guarantees confidentiality**, aimed at facilitating reporting breaches of the principles described in its Human Rights Policy

4



### Walking the talk

Grenergy has started the process of integrating the results of the impact assessments, involving different functions within the company.

In 2021, internal working sessions were held with a specialised supplier to analyse the main challenges in the area of human rights with our Chinese suppliers. These are considered high risk, critical suppliers in light of international reports that point to possible forced labour situations in the solar sector. As a result of these sessions, specific clauses are being included in contracts and procurement agreements, also requesting letters of commitment against forced labour from the suppliers.

5



### Knowing

In addition to the due diligence process, different channels of dialogue are held open depending on the nature of stakeholders, as described in section 1.5. Grenergy is also part of the Achilles energy community, which allows us to be aware of the risks associated with our value chain in advance. As far as communities are concerned, the different communication channels offered help us to identify in advance any risk factors or negative impacts.

6



### Showing

In addition to regular web-based communications, our quarterly financial, operational and ESG reporting, which is incorporated into the company's quarterly results presentations, includes human rights aspects.

Furthermore, and in accordance with our Sustainability Policy and Local Community Relations Procedure, Grenergy seeks to establish a fluid dialogue with the local community from the early stages of projects through formal and informal meetings, training sessions and making various communication channels available to the community.

# 3

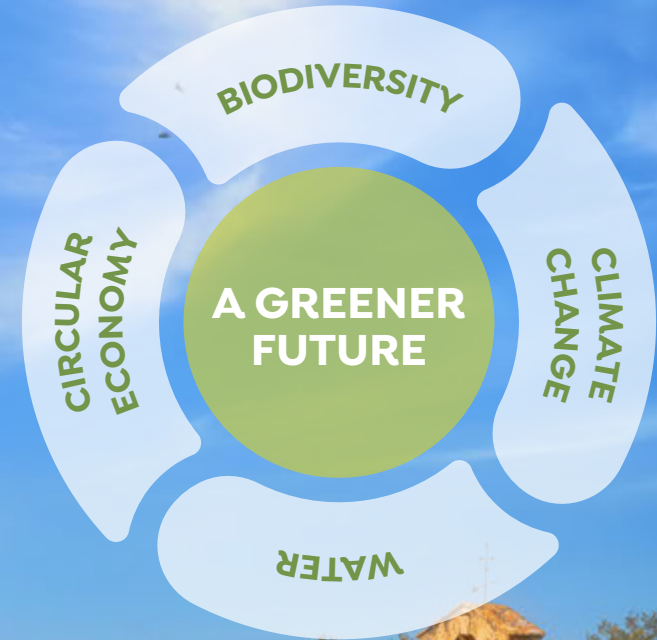
## BUILDING A GREENER FUTURE

- Biodiversity
- Climate change
- Water management
- Circular economy

Eccosystem care and recovery and sustainable soil management have the potential to reduce annual net greenhouse gas emissions by more than 7 Gt by 2030. The decisions we make today, when we choose how we want to grow, project by project, will shape our future.

At **Greenergy** we believe that our work contributes to solving the major problems of our time, and to **building a greener future**

Our environmental targets are aligned with the United Nations Sustainable Development Goals, to which we mainly contribute through SDG 7, Affordable and Clean Energy, SDG 13, Climate Action and SDG 15, Life on Land.



# 3.1 Biodiversity

*Greenergy's Sustainability policy shows the company's clear commitment to preserve the environment of the projects we carry out.*

This commitment is embodied in the evaluation of the risks or potential environmental impacts of each operation throughout their life cycle. These assessments, in turn, result in actions that neutralise, minimise or, ultimately, compensate for the impacts or risks detected.

### Mitigation hierarchy

Land use is one of the underlying causes of biodiversity loss due to its impact on ecosystems and the species that comprise them. Renewable energies need soil for their installation, and Greenergy therefore takes into account the potential impacts that this land use can make in the habitat and its species. The management process implemented involves adequately detecting the potential adverse effects, impacts and risks of each action, followed by planning based on a clear hierarchy: avoiding, minimising, restoring and, ultimately, offsetting.

The preventive approach of this hierarchy is reflected by avoiding negative impacts on the basis of an adequate selection of project locations, where little or no impacts have been observed. As a starting point, this selection aims to avoid areas defined as World Heritage and protected areas of Categories I-IV of the International Union for Conservation of Nature (IUCN).

Greenergy's impact mitigation hierarchy





### Identifying impacts

Environmental impact assessments consider all stages of every project's life cycle, with the most relevant being the construction, operation and maintenance stages. At each of the stages and substages, the potential impacts on the atmosphere, soil, water, vegetation, habitats, fauna, historical-archaeological heritage, landscape and

socioeconomic aspects of the area are identified and quantified.

This work, which involves assessing and identifying prevention and mitigation measures, as well as monitoring actions and their outcomes, accounts for an investment of € 894,110.

Thanks to this management, none of our projects are located in protected areas.



**0 Fines**  
for environmental  
infringements



**0 Delays**  
in projects resulting  
from ecological  
impacts



**0 Red flags**  
in  
environmental  
field



**0 Projects**  
in protected areas as  
per local or international  
regulations

Once the potential impacts at each of the stages of the project have been identified, the necessary measures to counteract them are analyzed. These measures are categorized according to the aforementioned hierarchy: avoid, mitigate, restore and offset, which means that compensation measures are only used once the impracticability of implementing other types of measures has been analyzed.

The next step is to monitor the measures and the outcomes obtained by each of them, thus guaranteeing the objectives set. Throughout 2022, 6,618 hours of monitoring were performed and none of our projects received any environmental fines or suffered any delays due to risks or unidentified measures.

The provisions allocated to probable or actual liabilities, ongoing litigation, indemnities or outstanding obligations of an undetermined amount, of an environmental nature and not covered by any of the insurance policies taken out, are made at the very moment in which the liability or obligation determining such compensation is contracted.

**6.618**  
hours

of environmental  
monitoring

**8.867**  
hours

of environmental  
training

### Protected species

The company evaluates the presence of protected species in all its projects according to the IUCN (International Union for Conservation of Nature) Red List of Threatened Species or to national and regional conservation catalogues. No critically endangered IUCN species have been identified in any of the company's projects.

In 2022, 7 bird collisions were recorded in wind farms, which affected birds of non-threatened species of least concern, according to IUCN criteria.

### Habitat restoration

Grenergy implements a hierarchical approach in the mitigation of environmental impacts, with prevention and minimization of impacts being a priority. If it is not possible to avoid an impact, the company focuses on restoring and compensating for that impact. In 2022, Grenergy performed several actions aimed at reforesting next year an area of approximately 255 hectares and other habitat improvement activities. The company works with external experts to implement, track and monitor restoration measures.

Some of **the main habitat restoration measures carried out in 2022 include:**

- Rescue and relocation of fauna at the solar plant in Gran Teno, Chile.
- Compensation plan in the Tucanes solar park, Colombia. The programme for monitoring and follow-up of vascular epiphytes that was launched last year went ahead.
- Promotion of biodiversity in Escuderos.

### Number of species – as per national/ regional catalogues and the UICN list

Type of category	Number
Number of species on national/regional conservation lists living in the project area	33
Number of IUCN species in critical risk (CR)	0
Number of endangered IUCN species (EN)	4
Number of vulnerable IUCN species (VU)	41
Number of nearly threatened IUCN species (NT)	26
Number of least concern IUCN species (LC)	139

During 2022, biodiversity actions managed to rescue 830 vascular epiphytes from 8 different species.

## Rescue and relocation of fauna at the solar plant in Gran Teno, Chile (200 MW)

Prior to commencement of construction, with the aim of avoiding and minimising impacts on biodiversity, multiple measures were implemented in collaboration with a local environmental consultant. In this respect, the rescue and relocation of fauna actions carried out in October 2022 should be highlighted. The program concerned reptiles and amphibians, in addition to monitoring the relocated animals. To this end, we worked with a team of 25 people, including expert biologists and assistants. Additionally, we collaborated with people from the local community for implementation of habitat enrichment measures.

Habitat enrichment was achieved by placing dry-stone walls and mounds of vegetation for target species belonging to the Liolaemidae family and rock clusters for species from the Colubridae family. The arrangements for the reforestation of 255 ha were also carried out at this plant in accordance with the approved Forest Management Plan.



## Promotion of biodiversity at Grenergy's plants

In Altarejos (Cuenca), where our 200 MW Escuderos solar plant is located, different bird conservation initiatives have been launched in coordination with local experts, including the protection of favourable habitats through agreements with local farmers to sow organic seed and install strips of natural vegetation. In addition, nest boxes have been installed to encourage the presence of owls, and an old dovecote was restored and repopulated to better serve the birds of prey in the area.

## Positive Net Impact on Biodiversity

Biodiversity is key to the proper functioning of ecosystems and the services they provide, such as water regulation, carbon dioxide sequestration, nutrient cycling and erosion protection. A diverse ecosystem is more stable and resilient to unfavorable events.

*At Grenergy we are committed to the long-term goal of achieving a **net positive impact on biodiversity** and Sustainable Development Goal 15 is now at the heart of our sustainability strategy*

In order to achieve our goal of making a net positive impact through our operations, Grenergy has partnered with environmental organisations to identify and promote voluntary ecosystem restoration and biodiversity enhancement projects. These projects involving "nature-based solutions" use nature's capacity to address major environmental challenges.

Regarding the ecological restoration of degraded wetlands to improve their condition, encourage the conservation of habitats and enhance CO2 capture, alliances have been established and large-scale ecological restoration projects have been identified and implemented, such as the recovery of wetlands in Cuenca and forest improvement in Ayora, Valencia, where our Escuderos, Belinchón and Ayora solar plants are located.



## 3.2 Climate change

*Grenergy's business model contributes to climate change mitigation by replacing fossil fuels with renewable energies.*

Climate change is a phenomenon that takes place globally and leads to an increase in the average temperature of the Earth, the melting of glaciers, the rise in sea level and the intensification of extreme weather events such as droughts, floods, heat waves and tropical cyclones. **These are some of the main consequences of climate change:**

- It affects human health: Climate change can affect human health through vector-borne diseases (such as mosquitoes), and other health problems related to heat and humidity.
- It affects food production: climate change can affect agricultural productivity through intensified droughts, floods and heat waves.
- It affects ecosystems: Climate change can have an impact on biodiversity, as some species are not able to adapt to new climatic conditions and may become extinct. It can also affect marine ecosystems, such as coral reefs.

However, the construction and operation of plants is not exempt from discharging CO<sub>2</sub> emissions in the current energy system. Therefore, Grenergy has designed a plan to reduce and calculate its own emissions following international standards.

For example, climate variability can affect energy production in renewable energy projects, which might have an impact on the company's revenue. In addition, climate

change can affect the availability of natural resources, such as water, that are necessary for the construction and operation of the company's projects. Meanwhile, the ambition displayed by a number of countries in the last 2-3 years in the face of climate change represents an opportunity for our business, as this ambition requires installing renewable energies. Therefore, Grenergy is alert to these risks and opportunities to manage them effectively.

*Grenergy has identified climate change risks and opportunities in its business activity to **protect its long-term sustainability***

Climate change risks			
Description of risk	Nature	Financial impact	Mitigation strategy
Severe extreme weather phenomena, such as flooding, that could cause material damage to project technological equipment.  HIGH ●●● Long term	Acute	Decreased revenue from energy sales due to reduction in generation resulting from damage to technological equipment (downtime).  Increased operational and maintenance costs.	Flood risk studies and design and implementation of drainage systems.  Risk transfer by taking out insurance for protection against extreme weather events.
Climate variations and extreme high temperatures that could affect inverter operation.  HIGH ●●● Long term	Chronic	Increased costs due to negative impacts on the personnel employed.  Reduced asset value in case of damage to equipment.	Changes in procurement policy and selection of inverters specifically adapted to withstand extreme temperatures.
Opportunities from climate change			
Description of the opportunity	Nature	Financial impact	Opportunity management
Increasing demand for renewable energy, incentivised by European (European Taxonomy) and national regulations.  Short-/medium-/long-term opportunity.	Products and Services	Increased revenue.  Very high impact.	Strategy growth plan, with an installed power target of 5GW in 2025.
Access to sources of financing for installing storage technology.  Short-/medium-/long-term opportunity.	Source of energy	Increased revenue from the sale of energy in the absence of sun.  Very high impact.	Creation of a storage division with senior talent and development of a pipeline of 11.7 GW of projects at different stages of deployment in 11 countries.

## Climate change risks and opportunities

### Governance

The Board of Directors is responsible for establishing the Group's control, risk management and internal audit policy, while identifying the main risks faced by the company, including those arising from climate change. To this end, the Board relies on the support of the Audit Committee, which is responsible for supervising the effectiveness of internal control and risk management systems and for regularly reporting to the Board of Directors on its operation. Greenergy has entrusted the managers of the Operation and Maintenance business unit with the responsibility of assessing and managing climate change risks.

### Strategy

Greenergy is aware that climate change can affect the company in several ways. On the one hand, there are physical risks that may affect the technological equipment of its renewable energy projects. On the other hand, the ambition in responding to climate change challenges requires installing renewable energies, which represents a business opportunity for Greenergy.



### Risk management

Greenergy has integrated climate change impacts into its risk assessment and management system and has implemented monitoring mechanisms to mitigate the same. The different businesses and corporate areas of the company take part in the task of identifying the relevant risks, and risk maps are prepared for assessment thereof. Once identified, quantified, and classified, and appropriate action plans are designed for each of them. The risk map is updated and periodically submitted to the Board of Directors, following review thereof by the Audit Committee. Thus, Greenergy effectively manages the risks associated with climate change.

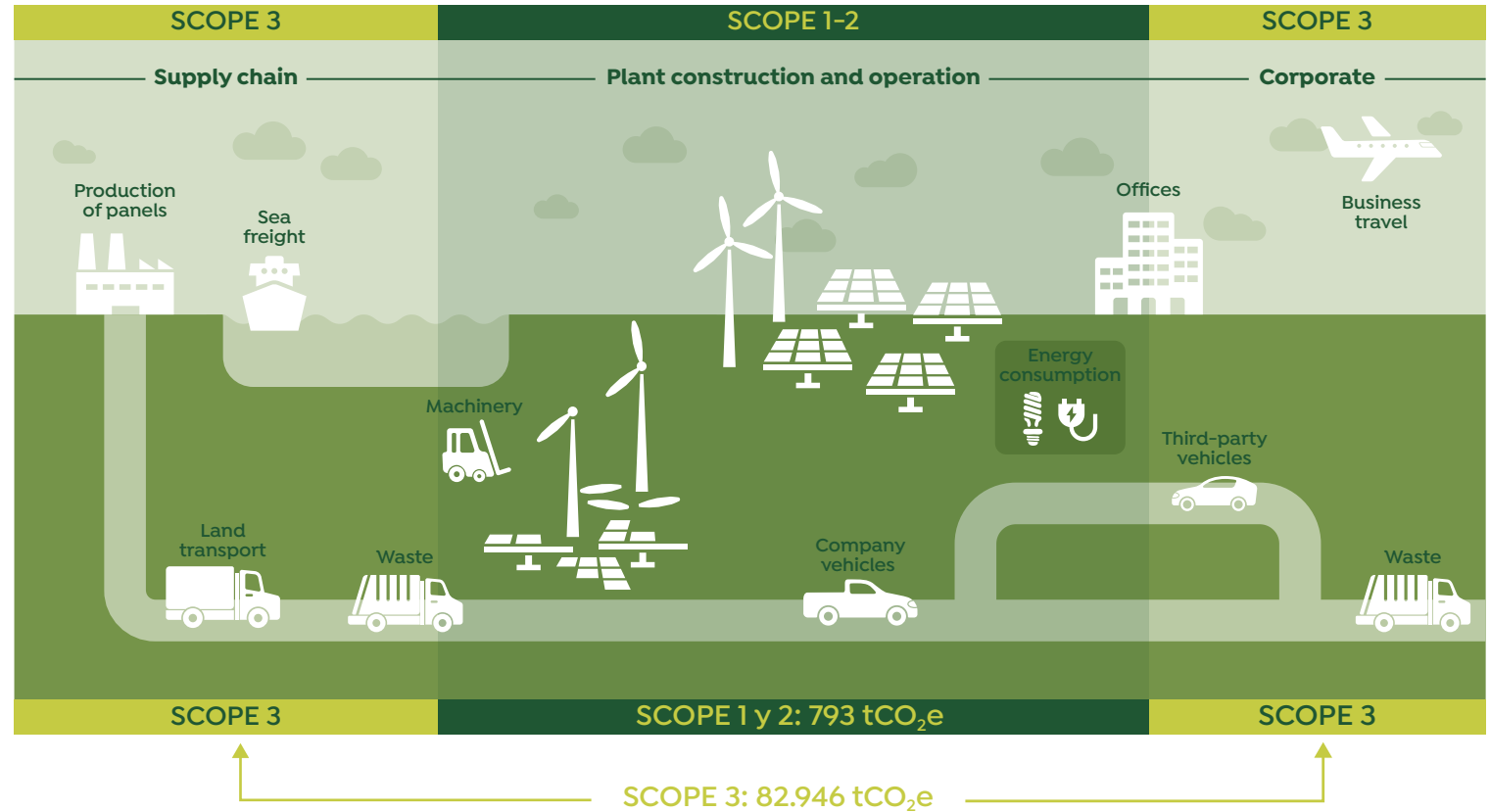
### Metrics and objectives

Greenergy calculates its scope 1, 2 and 3 GHG emissions according to the GHG Protocol standard and has obtained third-party verification on this calculation, according to ISO 14064 for greenhouse gases. In addition, it has set emission reduction targets. For each identified risk, including climate change risk, Greenergy assesses risk, using impact and probability scales and prepares risk maps to effectively identify and manage the risks faced by the company.

### The carbon footprint of our activity

The ISO 14064:1-2018 standard has been used to calculate our greenhouse gas (GHG) emissions. This is an international standard that adds credibility and veracity to any organization's GHG emissions reports. In addition, our carbon footprint calculations **have been verified** by KPMG and meet the criteria of ISO 14064.

The period analysed runs from January 1 to December 31, 2022, and the GHG inventory limits follow the financial control approach. Calculations are presented in tonnes of CO<sub>2</sub> equivalent and include all greenhouse gases relevant to the company: CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O. The sources of the emission factors are the latest data published by official bodies such as DEFRA GHG Conversion Factors 2022 and official sources of national energy mix.



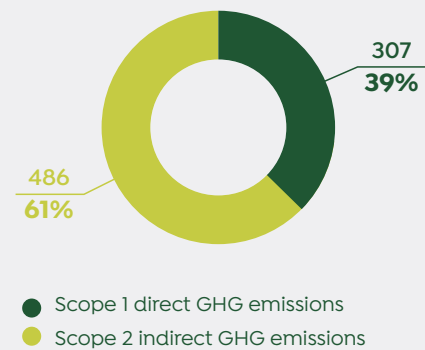


### Our GHG emissions

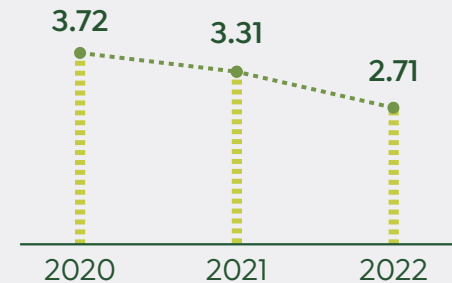
In 2022, our activity generated direct emissions of 307 tCO<sub>2</sub>e, which accounts for a 75% reduction in our scope 1 emissions compared to 2021. As for indirect emissions of scope 2 by energy acquisition, they reach a value of 486 tCO<sub>2</sub>e.

*Just like in the previous year, **Greenergy has reduced the intensity of its scope 1 and 2 emissions**, which reached a value of 2.71 tCO<sub>2</sub>eq/M€ in 2022*

Scope 1 and 2 emissions (tCO<sub>2</sub>e)



Emissions intensity tCO<sub>2</sub>eq/sales (M€)



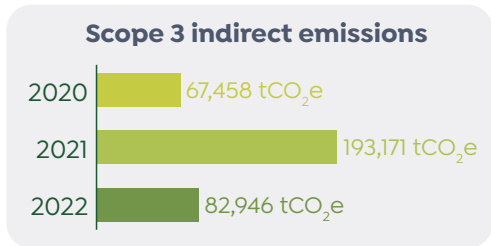
The intensity of scope 1 and 2 emissions per economic unit decreases from the previous year from 3.31 to 2.71. The figure broken down by scope is 1.05 tCO<sub>2</sub>e/M€ for direct GHG emissions and 1.66 tCO<sub>2</sub>eq/M€ for scope 2.

### Our carbon footprint reduction targets

Grenergy is making headway in its strategy to fight climate change and has set targets to reduce the intensity of its scope 1 and 2 emissions (t CO<sub>2</sub>/GWh) by 55% by 2030, as well as to reach net zero emissions by 2050. Grenergy is committed to reducing greenhouse gas emissions as part of its climate strategy. It has set scope 1 and 2 emission reduction targets in absolute terms with respect to 2021, when carbon footprint calculations as per the ISO 14064 standard were verified by a third party. These targets are aligned with SBTi criteria and aim to achieve a 55% reduction by 2030. In order to achieve its emission reduction targets, the company has started to implement energy efficiency measures. These measures are of variable nature, such as moving electricity supply to renewable

*Grenergy is making headway in its strategy to **fight climate change** and has set absolute emission reduction targets to **reduce its scope 1 and 2 emissions by 55%** by 2030 (baseline: 2021)*

energy sources, replacing the fleet of company vehicles with hybrid or electric models, and energy efficiency measures. All these measures evidence Grenergy's commitment to sustainability and environmental responsibility, as well as its determination in the fight against climate change.



Indirect scope 3 emissions in 2022 reached a value of 82,946 tCO<sub>2</sub>e with respect to 2021 (193,171 tCO<sub>2</sub>e). This is a clear example of the company's progression in engagement with the value chain, which has led to improving the transparency of our suppliers in respect of the carbon footprint and the transfer of increasingly solid information.

*Grenergy seeks to involve its value chain in **the transition to a sustainable economy***

*In 2022, thanks to the power generation that our projects involve, Grenergy has managed to **avoid the emission of 245,398 tCO<sub>2</sub>eq** into the atmosphere.*

### Other emissions

There were no refrigerant gas leaks during 2022. Below is a table with the company's scope 1 emissions, divided by type of greenhouse gas:

Category	Tm CH <sub>4</sub>	Tm CO <sub>2</sub>	Tm N <sub>2</sub> O
Other emissions*	0.07	307.12	4.04

### The emissions we avoid

Grenergy has contributed to reducing the amount of greenhouse gases emitted into the atmosphere thanks to our renewable energy generation activity, thus offering a direct solution to the global challenge of climate change. In 2022, thanks to the generation of electricity from our wind farms and solar plants amounting to 744,431 MWh, we managed to avoid the emission of 245,398 tCO<sub>2</sub>eq. This amount is equal to the annual energy consumption emissions of 35,230 households (\*\*).



\* Other emissions refer to direct emissions from other refrigerant gases. \*\*The avoided emissions were calculated on the basis of the production by country and the emission factors of the national electricity mix, as published by official sources and for equivalence of energy consumption in households (IDAE 2022).

Grenergy has prepared and approved an **energy efficiency and emission reduction plan** which contemplates different types of measures, with specific targets and time horizons for their implementation

### Energy consumption and energy efficiency plan

100% of renewable energy consumption comes from purchased certified renewable electricity with a guarantee of origin. Electricity sold amounts to 744,431 MWh.

No fuels from renewable sources are used. Total energy consumption is distributed as follows:

Litres of diesel oil used by machinery and stationery combustion equipment	7,971
Litres of petrol used by machinery and stationery combustion equipment	680.5
Litres of diesel oil used by vehicles	105,976
Energy consumption at construction sites (KWh)	1,578,570
Energy consumption at offices (KWh)	230,597

To summarise, Grenergy is a company engaged in the business of developing, building, operating and maintaining exclusively renewable energy projects, thus contributing to the mitigation of climate change. In addition, the company has approved a Human Rights Policy and incorporates ethical

criteria into its agreements with suppliers. In addition, it is progressively implementing a due diligence process in respect of minimum social safeguards. By acting this way, Grenergy demonstrates its commitment to sustainability and social and environmental responsibility in all its activities.

### MEASURES OF THE ENERGY EFFICIENCY PLAN



**Transition plan for company cars** that run on petrol or diesel oil to hybrid/electric cars.



**Training in eco-driving** for employees who are frequent drivers.



**Awareness** regarding the efficient use of energy at the office.



**Improved planning** during construction stage at project level.



Prioritisation of **electrification** and implementation of **low-emission solutions**, such as biofuel generators or hydrogen generators at construction stage.



**Replacement of lighting fixtures** that need to be changed with low-consumption, efficient-technology LED lights at the company's offices.



General supply of **renewable energy with certified guarantee of origin**.

## 3.3 Water management

*Water resources are a valuable and limited scarce commodity that Grenergy uses responsibly.*

The construction of our renewable energy projects and the subsequent operations and maintenance tasks require the use of water for a number of activities, such as the control of suspended particles and road stabilisation works, the washing of solar panels, general cleaning and hygiene and consumption by employees. Although these activities require using water, the company does not make discharges and installs chemical toilets managed by specialized companies to avoid any type of spillage. This is how Grenergy ensures that it manages water in a way that protects the environment.

### Sustainable use of resources

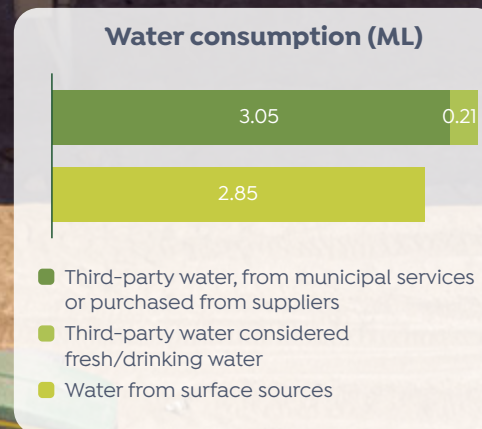
The company, aware of the risks associated with water scarcity, seeks to minimize the environmental impact of its use. The main actions carried out for a more sustainable use of water include: the extraction of surface water is carried out under strict authorization by, and under the control of, the competent authority in charge of its administration. As far as possible, low-impact sources, such as desalinated water produced in neighbouring areas, are sought and no water is stored. As a measure to reduce industrial water consumption, dry panel washing and the use of dust suppressors were incorporated into several projects in 2022.

*100% of the industrial water used in the operation of our **solar plant in Quillagua**, located in the Atacama Desert (Chile), comes from a **desalination plant located in this region***

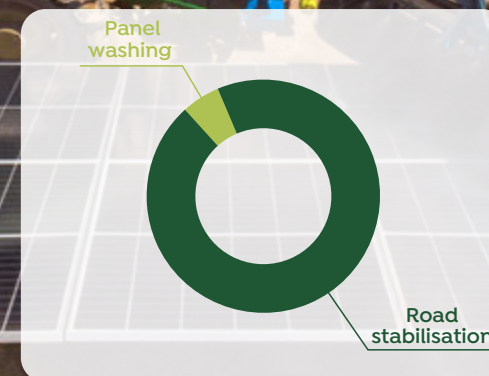
Throughout 2022, the analysis of our water consumption was expanded and improved, through the study of our water footprint as per the ISO 14046 standard. These outcomes have allowed us to identify the most relevant points that require our action.

Water consumption in 2022 amounted to 5.90 ML at global scale, and the proportion of water consumed in areas under water stress amounts to 4.02 ML, according to WRI's Aqueduct. In these areas, 48% of the water consumed comes from surface waters subject to pre-established limits and control by the competent authority responsible for its administration, while the remaining 52% is water purchased from third parties.

In connection with the responsible use of water, it should be highlighted that the amount of surface water consumed in these water stress areas was well below the pre-established limits, without ever reaching 30% of the amount of water authorized.



Globally, the percentage of third-party water considered fresh or drinking water is 7%.



At global scale, 94% of industrial water was used in road stabilization, with the remaining 6% being used in panel washing.

## 3.4 Circular economy

*Circular economy is an economic and management approach that seeks to maximize the use of resources while minimising waste generation. It is based on the principle that all materials must be reused or recycled to the maximum extent possible to extend their useful life and reduce the need to extract new natural resources.*

Circular economy is important for a number of reasons:

- **Reduced dependence on natural resources:** by reusing and recycling materials, the need to extract new natural resources is reduced, which may contribute to the preservation of ecosystems and biodiversity.
- **Energy savings:** The reuse of a product or the recycling process usually requires less energy than the production of materials from natural resources. Therefore, circular economy may contribute to the reduction of greenhouse gas emissions and to energy savings.
- **Waste reduction:** circular economy seeks to minimise waste generation and maximise waste value, which may contribute to reducing the amount of waste sent to landfill.

In our commitment to circular economy, Grenergy monitors water consumption and waste generation in all its plants under construction or in operation, as well as in its offices. This allows the company to detect unusual variations that may indicate inefficiencies in the use of resources. GHG emissions resulting from waste management activities are deemed to be included in Scope 3 when calculating the carbon footprint.

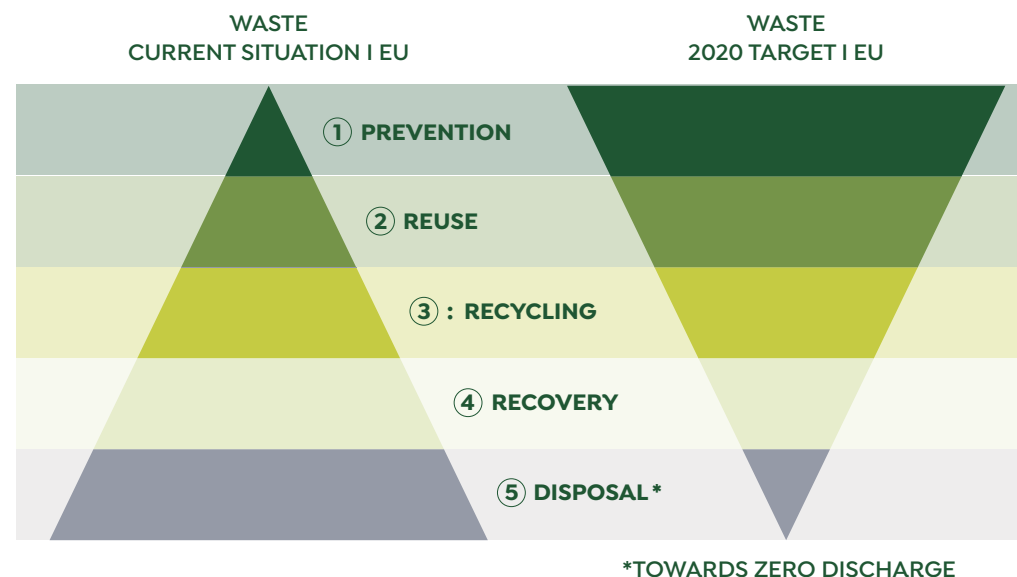
Our goal is to minimise water consumption and its environmental impact, while maximising the reuse and recycling of waste. In this respect, we seek synergies with the local community to promote circular economy and the analysis of our water consumption was expanded and improved in 2022, thanks to the study of our water footprint as per the ISO 14046 standard.

*Grenergy, as is the case with other management systems mentioned, implements a hierarchy of measures in connection with resource and waste management*

### Waste recycling

The hierarchy of waste management measures is reflected in the attempt to reuse a high amount of waste by donating the same to local communities. Waste that cannot be

donated because it has no direct value is mostly sent to recycling plants. Ultimately, the rest of the waste is sent to energy recovery facilities or landfilled.



In 2022, given the increase in its plant construction activity, the company increased the amount of total waste to 1,544 t. Waste has been classified as hazardous, non-hazardous and forest waste. Solar panels are the main hazardous waste generated by Grenergy's activity. Following the hierarchy of measures, the

first action that is performed is the search for actors from the local community or for educational institutions that could reuse our panels. Should the conditions of the panels used prevent them from being reused, they are sent to recycling plants where between 85% and 100% of the materials are recycled.



Non-hazardous waste is generated during plant construction stage and mainly consists of packages, cardboard and wood. This waste is sent to recycling plants as it is easily recycled. The recycling rate depends on the country in which the waste is generated.

*Grenergy recycles part of the waste it generates. Also, a second life is given to waste donated to the local community and to donated forest waste, with **12.1% non-hazardous waste being donated***

This practice is one of the many examples that evidence the company's commitment to environmental responsibility.



#### **Construction of the solar plan in Tucanes, Colombia**

In 2022 Grenergy strengthened local entrepreneurship through a strategic alliance with the local recycling association Ecology and Life of Bayunca (ECOVIB), with which joint efforts were made to enable the solid waste generated on site to be reused, thus ensuring the comprehensive management and proper use thereof.

In addition, Grenergy donated 100% of the timber material coming from forest waste to artisans in the project's local community, for carving and manual elaboration of handicrafts, thus improving their livelihood.

The alliance with the **local recycling association ECOVIB** allowed the latter to double its staff and triple its revenue.

# 4

## Creating shared value



Growing with our employees

Building links with our communities

# 4.1 Growing with our employees

Our team drives Grenergy's commitment to sustainability. Their determination and trust ensure we meet our goals and set the benchmark for competitive, clean energy.

## A growing talent

Our team continues to grow in line with the expansion and development of business activities delivering on the strategic plan and the ESG Roadmap 2021-2023.

*Grenergy's workforce maintains its double-digit growth, with a year-on-year variation of 27.4% versus 2021*



EFTP Personnel (Equivalent full-time personnel).

Grenergy's evolution, both from the point of view of the organisation and the people who make it up, is based on sustainable development and respect. We value the potential of each person regardless of their origin, characteristics, attributes and preferences. We always act with people's needs in consideration, taking care of each team member, day by day, to move steadily towards the goals set by the organisation, leaving no one behind. For this reason, the health and well-being of our employees is our priority.

\*The personnel included in the calculation of the total number of employees per year (EFTPs) is the personnel with an employment contract, permanent or temporary, signed with GREENERGY in Spain. In this sense, the figures of the CEO, directors, self-employed and interns have not been considered as computable workforce in this calculation.



Grenergy, through its Sustainability Policy and ESG Roadmap, reaffirms its commitment to guaranteeing equal opportunities, promoting the participation of women in all stages of the business model and stakeholder representation, encouraging labour flexibility, fostering professional development and promoting a culture of health and safety. In this way, the social actions and goals integrated by Grenergy continue to be aligned with the United Nations Sustainable Development Goals, highlighting the social contribution in goals 5 (Gender equality) and 8 (Decent work and economic growth).

A good place to work fosters close communication and collaboration based on respect, credibility and integrity, while at the same time promotes fairness and diversity based on impartiality, encouraging a sense of belonging and pride in belonging. Grenergy is an organisation with a culture of trust, capable of attracting and retaining talent, as accredited by the Great Place to Work certification, which recognises Grenergy as one of the best employers in the world for the third consecutive year. This is an acknowledgement in the field of people management and business strategy at national and international level, which assesses different aspects based on blind employee surveys.

At the end of 2022, the majority of employees (93%) have permanent contracts, while the rest of the workforce (7%) is made up of employees with temporary contracts. This type of contract stems from the need to include technical profiles and field personnel in construction work, adapting to the progress of the different projects.

There are no part-time contracts or other contracts for non-guaranteed hours. Working time is distributed on a full-time basis according to the regulations in force in each country, distributed over 5 days a week. Furthermore, all Grenergy employees work under this working framework, as the organisation does not have any employees with shift work distribution.

*93% of our employees have a permanent contract. 89% of women and 95% of men are hired on permanent contracts.*

### Aspects assessed in Great Place to Work certification



**Great Place To Work®**  
**Certified**  
ESPAÑA

### Employees- Geographic distribution

	Europe					Latin America					Total
	Spain	Italy	UK	Poland	Germany	Chile	Colombia	Peru	Argentina	Mexico	
Women	36	2	0	3	0	25	10	4	0	1	81
Men	77	5	3	3	2	90	19	6	3	0	208
Total	113	7	3	6	2	115	29	10	3	1	289
% of local hires	92%	96%	57%	90%	100%	79%	93%	100%	67%	100%	87%

### Employees – type of contract

	Europe					Latin America					Total
	Spain	Italy	UK	Poland	Germany	Chile	Colombia	Peru	Argentina	Mexico	
% permanent contract	98	100	100	95	100	94	71	96	100	100	93
% of women	32	31	4	55	0	20	30	44	0	92	27
% of men	68	69	96	45	100	80	70	56	100	8	73
% temporary contract	2	0	0	0	0	6	29	4	0	0	7
% of women	0	0	0	0	0	50	50	0	0	0	43
% of men	100	0	0	0	0	50	50	100	0	0	57

### Employees by category

	Senior Management	Area Managers	Middle managers	Technical staff	On-site/field personnel
Permanent contract	5	10	30	141	83
Temporary contract	0	0	0	6	14
Men	3	9	22	90	85
Women	2	1	8	57	12

### Average compensation (€) by category and gender

Gender	Category	Average (€) 2022
Men	Senior management	93,333.32
	Area managers	78,376.15
	Middle managers	54,451.58
	Technical staff	31,708.59
	On-site/field personnel	19,138.28
Women	Senior management	84,999.96
	Area managers	65,000.04
	Middle managers	51,018.97
	Technical staff	29,328.60
	On-site/field personnel	16,987.65

### Average compensation (€) by gender

Gender	Average (€) 2022
Men	31,839.14
Women	31,220.14

### Average remuneration (€) by age range

Age	Average (€) 2022
Under 30	21,855.33
Between 30 and 50	35,754.00
Over 50	30,915.77



## Attracting and retaining talent

**Grenergy offers a diversity of talent**, combining a team of senior professionals with proven experience in the sector with a **younger workforce with opportunities to take part in international projects**

No. of employees by type of contract and age				Distribution by age	
Age	Permanent	Temporary	Total		
Under 30	67	9	76	< 30 (76)	26%
Between 30 & 50	180	9	189	30 a 50 (189)	65%
Over 50	23	1	24	> 50 (24)	9%
	270	19	289		

We attract young talent through long-term collaboration with the public business entity ICEX. Grenergy offers candidates presented by ICEX and selected a roadmap, supervised by a mentor, which allows them to gain experience in the renewable energy sector and in business development, as well as the opportunity to take part in international projects.

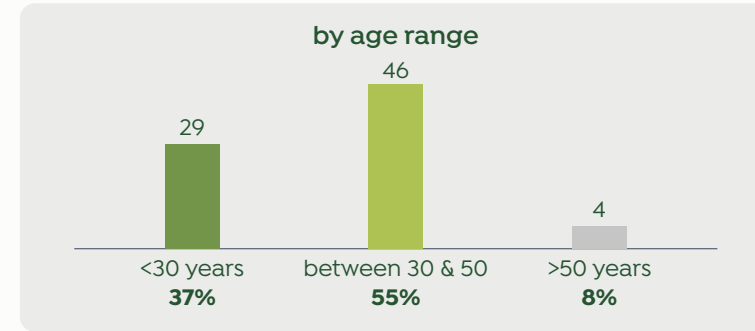
In addition, young talent is promoted through programmes such as the Grenergy Talent Programme, a project in collaboration with the Fundación Universidad Empresa (FUE),

which seeks to recruit young recent graduates for a scholarship programme. After a selection process where the candidates went through different phases that included group dynamics, language tests and individual interviews, a total of 18 people joined us in different departments. All of them are studying, alongside their scholarship programme, a Master's Degree in Decision Making and Innovation, reinforcing their management, communication and leadership skills while acquiring professional experience in different fields of the organisation.

## Distribution of new contracts



**79**  
new contracts  
in 2022



## by gender

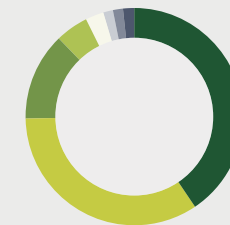


**37%**  
women



**63%**  
men

## by country



- Spain (40.7%)
- Chile (34.2%)
- Colombia (13%)
- Poland (4.89%)
- Italy (2.72%)
- UK (1.63%)
- Peru (1.63%)
- Germany (1.23%)
- Mexico (0)
- Argentina (0)

At Grenergy we are aware of the talent we have and we are committed to their professional development and loyalty.

Employees receive accident cover, including disability and major invalidity commitments undertaken in the different collective bargaining agreements that are applicable, including accident policies, as well as travel assistance for work-related reasons, covering any health care they may require during their journeys.

All employees in Spain are covered by collective bargaining agreements, which represents 39% of the total workforce. Grenergy is governed by the Framework Collective Bargaining Agreement for Industry, Services and Metallurgical Sectors in the Community of Madrid and Cuenca, respectively.

The company operates a culture based on transparency and accessibility between the different levels, with the aim of facilitating and encouraging open communication among everyone, enabling the flow of information and queries from workers on an equal basis. There is currently no formal trade union representation, so agreements with workers are carried out in accordance with current legislation and under a cultural framework of open communication between employee and employer.



Average length of service

**2,18 years**

#### Dismissals by age, gender and professional category

Gender	Women	3.82
	Men	5.19
Age	under 30	2.21
	between 30 and 50	5.74
	Over 50	1.06
Professional category	Senior Management	0
	Area managers	0.37
	Middle managers	0.61
	Technical staff	5.65
	On-site/field personnel	2.37





## Equality, Diversity and Inclusion

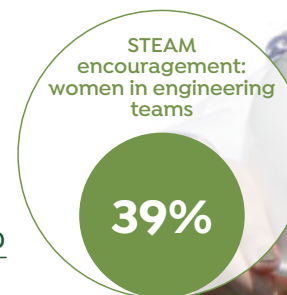
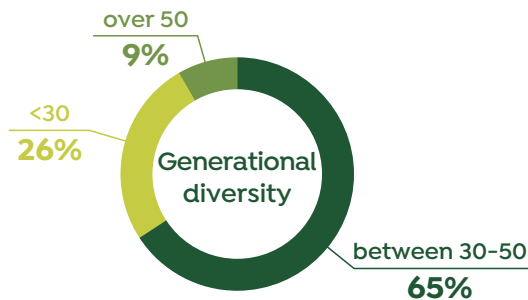
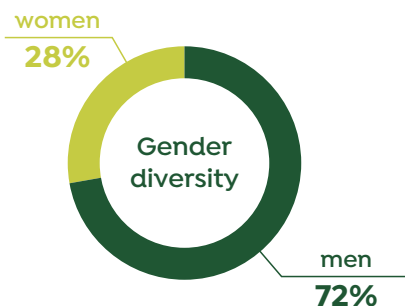
Employees- Geographic distribution											
	Europe					Latin America					Total
	Spain	Italy	UK	Poland	Germany	Chile	Colombia	Peru	Argentina	Mexico	
Women	36	2	0	3	0	25	10	4	0	1	81
Men	77	5	3	3	2	90	19	6	3	0	208
Total	113	7	3	6	2	115	29	10	3	1	289
% of local hires	92%	96%	57%	90%	100%	79%	93%	100%	67%	100%	87%

At Greenergy, we believe in the added value and benefits of **diversity, inclusion and equality**. These factors are both a priority management commitment and a competitive advantage

Greenergy is committed in its Code of Ethics to ensuring a working environment of equality, respect, safety and non-discrimination on the grounds of race, sex, ideology, belief or any other type of personal or social condition, specifically supervising conduct that could lead to any type of personal harassment. No cases of discrimination were identified during the period. The numbers reflect our commitment:

Operating in  
**10**  
countries \*

**87%**  
local  
employment



\*Sofos Harbert as a subsidiary of the Group in the U.S. will not be consolidated until 2023.



### Distribution of staff by professional category, age and gender



### Employees by Geographic distribution and category

	Spain	Italy	UK	Poland	Germany	Chile	Colombia	Peru	Argentina	Mexico
Diversity of management positions	12	0	0	0	0	3	0	0	0	0
Employment diversity	101	7	3	6	2	112	29	10	3	1
Employment distribution by nationality	38.97	2.44	1.14	1.91	0.69	39.92	9.93	3.59	1.04	0.37

■ Diversity of management positions
 ■ Employment diversity
 ■ Employment distribution by nationality

Since the ESG Roadmap, launched in 2021, Grenergy has drawn up an Equality Roadmap that aims to promote equal opportunities in women's professional development, from the selection and recruitment stages, promote the reduction of salary differences between both genders for positions of the same responsibility, launch initiatives for work-life balance and work flexibility, as well as other measures that contribute to guaranteeing a respectful working environment.

New hires for the period amounted to 79 people, of which 63% were men and 37% women.

In line with the Roadmap submitted, at Grenergy we have worked to draw up our first Equality Plan, carrying

out a diagnosis of Grenergy Spain's workforce, with two main goals in view:

- Identify the existence of gender imbalances in the workforce distribution.
- Act as a basis for the drawing up the Equality Plan as a strategy for optimising Human Resources as regards our commitment to equality.

Thanks to this process, with positive results, we have drawn up our first Equality Plan, which will be communicated to the organisation in 2023.

*In 2022, **Grenergy** was recognised along with 45 Spanish listed companies to join **BME's IBEX Gender Equality Index**, an index that is only accessible to companies with a significant female presence in senior management and on the Board of Directors*

As part of our commitment to the society where we operate, we promote the social and labour inclusion of people with disabilities in our workforce. In addition, Grenergy, in collaboration with the Adecco Foundation, is committed to supporting diversity through activities, such as the meeting with Desirée Vila, which improve the visibility of vulnerable people, raise awareness of the organisation's environment and reduce barriers, inequalities and discriminatory attitudes to accessing the labour market. Both initiatives help us to comply with the LGD Law.

At Grenergy we have publicly stated our commitment to the principles of diversity, inclusion and equality. To protect the people in our team, the company has a Policy to Prevent and Combat Workplace and Sexual Harassment, and a wide range of sub-policies for each of the countries where it operates. Also, as a measure of the company's strong commitment to the fight against situations of harassment at work and sexual harassment, Grenergy has established a complaints channel on its website to guarantee employee confidentiality and security and has set up a disciplinary committee.





## Training and Development

*Greenergy provides specific training tailored to the needs of each employee and is creating leadership and development training programmes to improve the technical and soft skills of managers and employees*

Greenergy has structured an improved employee training plan for 2022, based on four transversal aspects, with the aim of enhancing professional knowledge, promoting Greenergy's culture and the commitment and deve-

lopment of its employees. As a result, a model adaptable to the necessary skills identified for achieving business goals and strategies is promoted, aligning Human Resources policies, people's needs and strategic goals.

### Greenergy Soft Skills

Management skills linked to efficiency and improvement of the organization, such as leadership, communication, diversity and inclusion.

### Greenergy Technical Skills

Basic and complementary knowledge for optimal performance of functions (professional social networks, cybersecurity, internal communication and collaboration areas).

### Greenergy Net

Diffusion of internal knowledge through talks given by key members of personnel.

### Greenergy Growth

Ad hoc training in response to the needs identified.

By laying the basis for a structured, in-depth and adapted training strategy, Greenergy optimises the performance of our team's technical and management functions, diversifying its resources and knowledge and maximising employees' motivation to grow and improve their profiles. Accordingly, we have provided our technicians with an average of **19.3 hours** training/employee, middle management with **11.5 hours**/employee, area managers with **19.5 hours**/employee

and members of senior management and board members with **23.4 hours**/employee. From a quantitative perspective, the improvement in managing the team's professional growth is shown in the increase in time dedicated to training, which amounted to 4,162 hours. **The average of training hours per employee is 12.46 hours.** Training hours distributed by gender are **12.19 hours**/man and **12.94 hours**/woman.

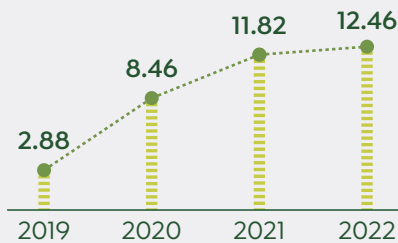
*In 2022, we strengthened the team's training in various areas such as finance, technology, sectoral, risk, compliance, health and safety, sustainability and equality, among others*



**12.94** Training hours women

**205.4€** Investment in training/employee

Training hours/employee



Distribution of training received by professional category



## Compensation

Employee remuneration is defined on the basis of results and following an ongoing annual performance evaluation process that aligns Greenergy's strategic goals with the objectives of each department. This way, there is a significant link between the variable remuneration of managers, middle management and key positions and the ESG integrated into the organisation's corporate strategy.

The performance evaluation procedure addresses each review decision objectively, providing fair compensation from the perspective of the employee's level of responsibility and contribution to Greenergy's goals.

It is a circular process that starts each year with a review and appraisal of contribution to the objectives established at the beginning of the previous year and, subsequently, the goals to be achieved in the coming year are prepared and established between manager and employee, together with notification of the incentives received. To evaluate these specific, measurable, achievable objectives aligned with the corporate strategy, the employee carries out a self-assessment which, together with an assessment of the progress of the business objectives aligned with those of the department or line of business and an identification of areas for improvement, contributes to obtaining

**Greenergy promotes the values of transparency and honesty through one-to-one conversations and feedback processes**

an efficient and fair balance of the corresponding annual progress. In addition, the company offers its executives stock options, thus ensuring alignment of key employees' interests with strategic growth goals.

For this reporting period, the average executive remuneration, including variable components, amounts to €89,166.64. 100 % of the employees, excluding site/ground staff, have received performance appraisals, i.e. 85 % of the female and 59 % of male staff.

### Pay gap analysis

In line with the goals set for the year 2022, a remuneration analysis of Greenergy's workforce has been carried out at the Spanish

level, in all its business units, categories and positions. After a detailed study and taking into consideration objective variables such as level of training, experience, responsibilities, among others, we may conclude that in Greenergy Spain there are no gender-related differences in remuneration, obtaining such a positive result as a 0.27% salary gap in 2021. The ultimate purpose of this methodology is based on eliminating any trace of gender pay inequality in any of Greenergy Spain's activities, while at the same time seeking pay equity in all businesses where it operates.

In analysing pay differentials between employees, the ratio of basic salary for men to women at Group level in 2022 was 1.94.





4 accidents among our employees



0 occupational illnesses



0 fatal accidents



2,205 hours of employee Health and Safety training



Absenteeism rate 0.00022



## Health, Safety and Welfare

*Grenergy is committed, through its Sustainability Policy, to **promoting a culture of health and safety** at work through the use of preventive tools*

For its activities in Spain, Grenergy has an external occupational risk prevention service that assesses the environmental conditions and the possible risks that workers may face during the course of their activities. This assessment includes preventive and corrective measures if necessary. In addition, an analysis of work stations is carried out, establishing in each case any possible preventive measures, following the Preventive Action Plan and the Emergency Measures Plan. In Chile, Grenergy has an Internal Regulation of Order, Hygiene and Safety that guarantees a safe working environment and promotes a culture of risk prevention. In field operations, Grenergy draws up detailed health and safety plans and has person-

nel specialised in occupational risk prevention. This staff, often in-house and drawn from the local community, is knowledgeable regarding local and national legal requirements.

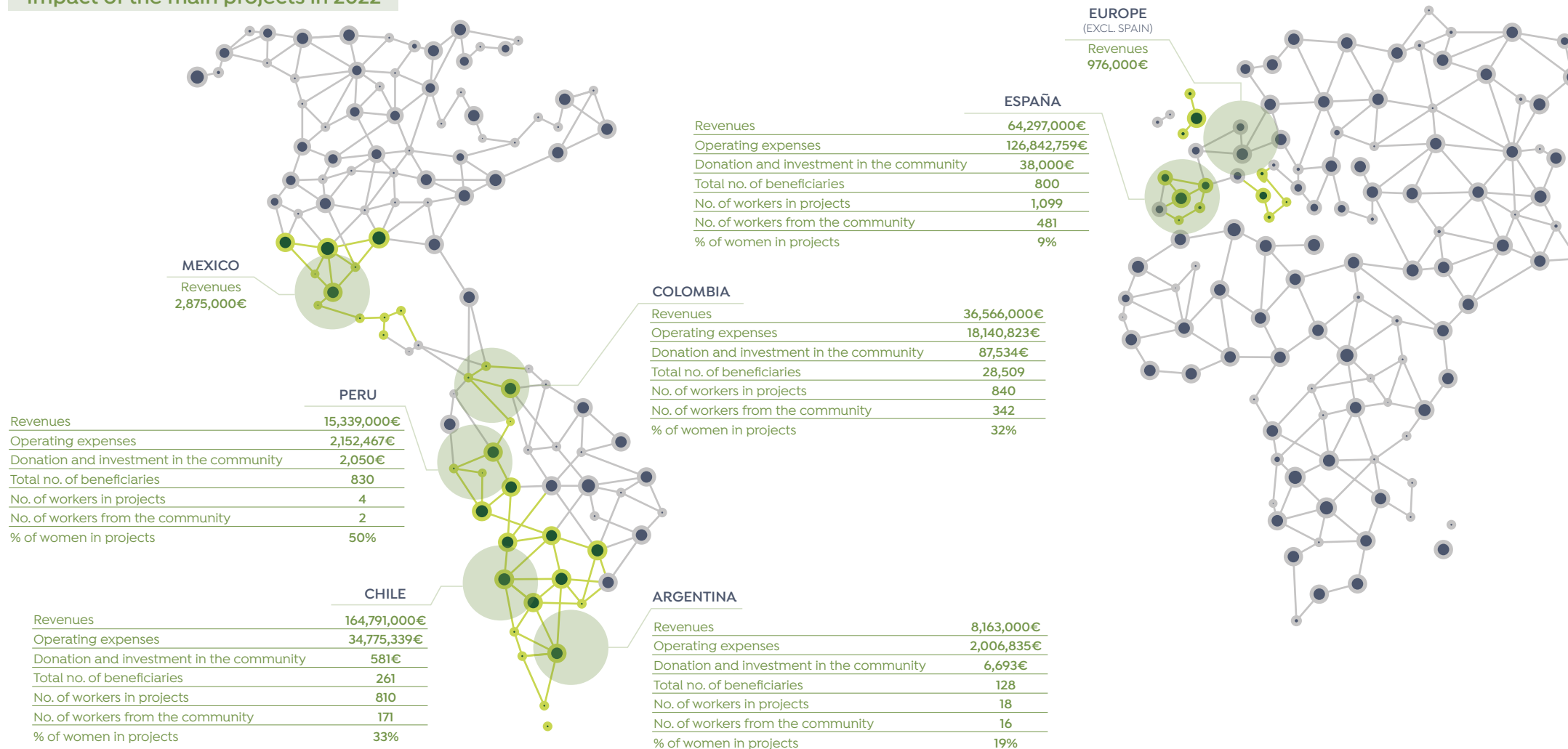
We believe that awareness and sensitivity play an important role in laying the foundations for healthier lifestyles. A total of 3,078 hours of training were delivered in 2022.

As part of this commitment to a culture of health, safety and well-being at work, Grenergy managed to ensure that, during the 2022 financial year, which was marked by the increase in the number of plants under construction, the few accidents that occurred were minor and that no occupational illnesses were reported.

# 4.2 Building links with our communities

We are aware of the footprint we leave in the communities where we operate and work to generate a positive social impact.

## Impact of the main projects in 2022



*We are aware of the footprint we leave in the communities where we operate and work to generate a positive social impact.*

### **Local impact**

We focus on building transparent, solid relationships, where the link between projects and local communities will remain over time, thus facilitating mutual growth.

Our aim is that communities can find in us an ally with whom to develop and generate new opportunities.

We identify the potential environmental and social impacts of our activities and work to avoid and/or mitigate the negative ones and enhance the positive ones.

In addition, aware of the impact of Ukraine's invasion, Grenergy has collaborated with Médecins Sans Frontières and the NGO PAH (Poland) with a contribution of 100,000 euros.

### **Fluid communication**

For Grenergy it is essential to build a trustworthy relationship with the local community in each of our projects, ensuring that communication is fluid, two-way and constructive. We therefore ensure that we open opportunities for the different stakeholders to engage with the projects in a direct, transparent way, communicating their concerns and/or suggestions, which are managed in accordance with the procedures in place for this reason.

In line with our Sustainability Policy and Local Community Relations Procedure, we seek to establish a bilateral dialogue with communities from very early stages through formal and informal meetings, training sessions, consultations, and providing the community with different means of communication. We

*Grenergy's goal is that its projects, in addition to contributing to energy transition, promote local development by generating employment and supporting social initiatives that meet the specific needs of the different communities in its area of influence*

distribute the telephone numbers and email addresses of the people who are committed to addressing the queries and concerns of our neighbours, and we provide mechanisms to ensure anonymity if so desired, such as physical and/or virtual mailboxes, through our website. In this way, we ensure that all communications are dealt with through a feedback mechanism that also allows us to evaluate the effectiveness of our actions and make the necessary adjustments.

Our aim is to establish two-way, win-win communication throughout all stages of the project: development, construction, operation and maintenance, and decommissioning.

*In 2022, 300 meetings were held with local communities, involving more than 2,500 people, which more than triples the number of attendees versus 2021*



300 meetings with the local community



+2,500 attendees

*In 2022, we generated jobs for more than 2,700 workers involved in the construction and maintenance of our projects*

### Local development

In our constant pursuit of fostering the development of local communities, we encourage, promote and prioritise, wherever possible, local hiring, both of staff and suppliers. We also engage with communities to jointly carry out strategic social investment initiatives.

These actions are in line with our Local Community Engagement Procedure which outlines how Greenergy interacts with the people and communities surrounding our projects.

Through this procedure, and through a process of considering needs and opportunities in the region, Greenergy implements action plans and supports local impact

initiatives that meet the criteria of alignment with the Sustainable Development Goals identified as a priority or which respond to a basic need detected in the area. To implement and develop initiatives to support the local community, we apply a transparent and orderly mechanism that requires prior approval of budgets and proposed initiatives and monitoring of funds to ensure their correct use, which in turn leads to an improvement in the community's quality of life.

We promote community activities that leave capacities in place in the communities, thus fostering local development.

- We strive to understand the cultural diversity and customs of the communities in our project areas to achieve a respectful approach to implementing these initiatives.
- We provide training and workshops on topics of interest to the community that may catalyse potential trades, promote and facilitate access to renewable energy education. We are committed to a participatory and collaborative process for these initiatives.

We create positive local impact with €116,542 in donations and investments in the local community of an additional €18,300 in in-kind donations.

In addition, through environmental impact statements or similar procedures, we identify possible critical points that

could jeopardise, in the future, the successful development or operation of the project. During 2022, no fines have been received relating to social non-compliance. Nor have any project delays been encountered due to impacts on the local communities.



**0 fines for social violations**



**0 Delays in projects due to community impacts**



**1 Red flags raised in the social sphere in project assessment procedures**





## Basic principles and strategic lines of the social action plan

The creation of positive local impact is guided by the principles and strategic lines of Grenergy's Social Action Plan, following a needs assessment exercise. Grenergy's Social Action Plan, following a needs assessment exercise.

### BASIC PRINCIPLES

PROACTIVE COMMUNICATION

MEDIUM AND LONG-TERM VALUE CREATION

STRENGTHENING TIES

STRATEGIC ALLIANCES

ETHICS AND TRANSPARENCY

RESPECT

LINKAGE TO PRIORITY SDGS

IMPACT MONITORING

### STRATEGIC LINES

The strategic lines delimit the area of definition of the plans and social initiatives and are complemented by the analysis of the needs of the environment of each project and local community, in a context of consideration of the strategic importance of each project.



#### GENDER EQUALITY

Promoting equal opportunities for men and women.



#### AFFORDABLE AND CLEAN ENERGY

Facilitating access to clean energy and improving energy efficiency.



#### ECONOMIC GROWTH AND FULL EMPLOYMENT

Promoting economic growth and full employment under fair conditions.



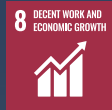
#### CLIMATE ACTION

Improving education, raising awareness and human capacity with respect to climate change mitigation and adaptation.



## SUCCESS STORY

### Local electrification project in Quillagua, Chile



This is the best example of how Grenergy, besides promoting the development of clean and renewable energy, seeks to generate a positive social impact on local communities.

Our Quillagua solar plant (100MW), where 20% of the plant's workers come from the local community, is located in the Atacama Desert, next to the driest inhabited region in the world and where there are no low and medium voltage infrastructures. The community's electricity came from the use of generators and burning fossil fuels. Grenergy has built a small 350KVA solar plant near the village of Quillagua to supply the entire population, more than 100 homes.

In August 2022, this installation has made it possible for the Aymara community to have a 24-hour electricity supply for the first time, in collaboration with the local authority, including public lighting.

The project is part of a public-private partnership between the Regional Government of Antofagasta, the Energy Ministry and the Municipality of María Elena, on the one hand, and Grenergy, on the other.

Having electricity 24 hours a day, in addition to improving the community's quality of life, has a positive impact on its economy, safety and job opportunities. In addition, in joint management with the community, we promote training in safety and home electrical installation, as well as developing initiatives to promote tourism in the area.

Actualidad Económica, a reference magazine of the Spanish business press, acknowledged this Grenergy initiative as one of the most innovative in the CSR and Volunteering category.

*For the first time, the town has 24-hour electricity supply*



Park capacity:  
**103 MW**



Avoided CO<sub>2</sub> emissions:  
**113,155 TCO<sub>2</sub>e**



Aymará community's  
plant capacity:  
**350Kw**



Direct beneficiaries:  
**100 residential  
units**



## SUCCESS STORY

### Extending our practices to consultants and contractors, Participatory monitoring Víctor Jara, Chile



The Víctor Jara photovoltaic park (200MW) received environmental approval in 2022 for its construction in the commune of Pozo Almonte, in the Tarapacá Region. It is expected to generate around 100 jobs during its construction phase.

In line with our principles of promoting open communication, the community (Asociación Indígena Aymara Campesina de la Pampa del Tamarugal) was contacted beforehand by the community managers, who presented the project comprehensively and proposed participatory monitoring of the project's activities during the construction phase, in accordance with the guidelines of the International Finance Corporation (IFC). In addition, other areas of collaboration have been identified, such as the analysis of transhumance to make way for livestock, the communication of required jobs and profiles that can be filled by the local community, or the donation of disposable material.

Statements from participants show the commitment of Grenergy in enabling participation and communication with local communities: "Thank you for bringing the project to us, it shows how transparent you are", "The presentation was clear and progress was made, thank you. Let's keep moving forward together".

This process of local community involvement and participation is a clear example of Grenergy's day-to-day approach to community relations at all our plants. Dialogue is the basis of coexistence that guarantees the proper development of the project throughout its life cycle, which can last 25 or 30 years.



Park capacity:  
**200 MW**



Community Engagement:  
**Aymará (18 people)**

#### Day 1: Dialogue, Participation and Planning

November 9, 2022

Team presentation

Methodology presentation

Project presentation

Presentation to the  
community regarding  
their worldview and  
relationship with the  
territory

#### Day 2: Conclusions, Commitments, Participation

December 8, 2022

Thematic workshop on the  
basis of the issues raised

Conclusions of the  
indigenous community  
and Grenergy  
Renovables

Closing minutes and  
agreements for next  
meeting

#### Day 3: Conclusions and Commitments

1Q23

Response on the  
conclusions and how it  
will address the issues  
worked on

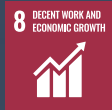
Adjustments and approval  
of the Community's  
commitment

Delivery of commitment  
document and Ceremony  
closure ceremony

*Consultation and involvement of the local Aymara community started at a very early stage of the project, which has identified the necessary issues to be covered before the park's deployment and construction*

## SUCCESS STORY

### Promoting local employment and integration of women Belinchón, Spain



The Belinchón solar park, whose construction began in 2022, is located in Cuenca, one of the most depopulated provinces in Spain and where Grenergy already has another park in operation: Escuderos, one of Spain's largest solar parks.

Grenergy has worked closely with women's centres near these plants and has signed a Collaboration Agreement with the Women's Institute of Castilla la Mancha to promote the integration of women and equal opportunities.

As such, both in civil works and electrical and mechanical assembly work, we work with a specialised consultancy firm in the region that promotes job offers and identifies and provides profiles in nearby areas, with special emphasis on the integration of women. Additionally, we collaborate with the Red Cross organisation, which in Escuderos gave courses on Health and Safety in order to speed up the incorporation of local talent safely.

We also support the Cuenca women's football team and have been the main sponsor of the third Red Cross charity race for children, which aims to help children from the most vulnerable families.

*In these projects, in addition to involving the different nearby communities from very early stages, Grenergy promotes the development of both areas by promoting local employment and the integration of women*

#### WORKERS IN ESCUDEROS



*Grenergy was recognised by the magazine "Actualidad Económica" as one of the 100 best ideas of the year in the Sustainability category for promoting the hiring of female workers and making agreements in this regard in renewable energy parks in unpopulated areas*

## SUCCESS STORY

### Supporting the development of local communities, Colombia



In Colombia, during 2022, several solar farms began operating and construction began on a new one, which are part of a set of 72 MW distribution projects. In these projects, the participation of different population groups has been promoted and the participation of women has been encouraged in land preparation, pre-assembly, bolting and assembly of solar panels, with 120 women from the communities in the vicinity of the projects being involved.

Also, the projects prioritise the hiring of local labour, contributing to generating employment in local areas, which meant the hiring of 692 workers by 2022, of which 382 are inhabitants of the area around the solar plants.

As part of the social management processes, Grenergy organises participatory workshops with the communities where its Solar Parks are located to identify social investment projects where the company can contribute to the initiatives proposed by the communities. In line with this, the company analyses the proposals in accordance with the priority SDGs, and once they are aligned, economic, material and/or human resources are identified to address them. This is the model in which Grenergy Colombia has been working with seven communities where nearly 40,000 inhabitants live.

*Grenergy seeks to achieve a positive social impact in all its renewable energy projects*



[▶ Watch video 1](#)

[▶ Watch video 2](#)

[▶ Watch video 3](#)

## Supporting the development of local communities, Colombia

Taking into account the above and based on the social initiatives prioritised among the communities where the seven Solar Parks and Grenergy Colombia are located, a number of actions were carried out during 2022, such as:

- Delivery of 800 school kits in all parks in Colombia and a sports kit.
- Coordination with contractors and project consultants to manage resources and achieve a greater positive impact on the communities.



SEVICO&SOLAR



- The waste generated during the construction phase of the solar parks was recovered and handed over to waste managers for reuse, which contributes positively to municipalities' circular economy and to the economic strengthening of local businesses. Additionally, with the resources generated by waste optimisation, social investments were expanded.

- Raising awareness of local communities on climate change, renewable energies, solid waste management, among others, through talks and activities that explain the role of renewable energies in the decarbonisation of the global economy or the circular economy such as waste collection. Approximately 1,000 people participated in these talks, including children and adults.

- As part of the training processes in solid waste management, two waste containers were delivered to the communities of San Felipe and Las Ceibas, for the proper disposal of waste.

- Improvement of the headquarters of the Junta de Acción Comunal de Bayunca, a place that is used by the population for training processes and informative meetings.

- The enclosure of a children's canteen was strengthened, benefiting 400 children.

- As part of the labour strengthening processes, a plastic grinder was delivered, which has benefited different enterprises in the community and contributes to the proper management and disposal of plastic.

- Rehabilitation of two schools in the communities of El Caucho and San Felipe, in which Grenergy employees and the inhabitants of these communities participated voluntarily, adding significantly to the positive impact of this social initiative.

- Improvement of access roads in the communities where the solar plants are located.

- Strengthening of public lighting, through the installation of 20 photovoltaic luminaires.

- Contribution to the traditional meeting spaces of the communities, supporting them with materials and supplies for their development.

In summary, **Grenergy's way of relating to its communities is based on:**



Definition of guidelines at corporate level



Constant search for positive contribution



Grenergy's direct relationship with its stakeholders



Direct attention to the queries and concerns of our stakeholders



Extending our practices to consultants and contractors

# 5

## GENERATING POSITIVE IMPACT



- SDG 5
- SDG 7
- SDG 8
- SDG 13
- SDG 15

*It is increasingly evident that the corporate success is linked to sustainable development, and in the manner in which it is integrated into a company's strategy and operating model.*

The Sustainable Development Goals offer a comprehensive approach to achieving a world where poverty is eradicated, social justice is achieved, and the planet is preserved for future generations. It is an ambitious program to 2030 where companies have the opportunity to collaborate in reaching the goals, both for the sake of humanity and for the sake of corporate success and durability.

Greenergy, after a deep reflection and prioritisation process, has incorporated into its strategy the contribution to the SDGs where our action can be most significant. Thus, SDGs 5, 7, 8, 13 and 15 have been identified as a priority, and courses of action have been defined to actively contribute to their fulfilment.

## Greenergy supports SDGs

# SUSTAINABLE DEVELOPMENT GOALS



## SDGs that inspire Greenergy's strategy and Sustainability policy











# 5.1 SDG 5



## Greenergy's contribution to SDG 5

Achieve gender equality and empower all women and girls

Stepping up action on gender equality would enable progress towards sustainable development by 2030, leaving no one behind. At Greenergy we work for this respect and equality, both within our company and hand in hand with our subcontractors and local institutions.

2030 Agenda Goal	Greenergy's contribution in 2022	Metrics
<p>5.1 End all forms of discrimination against all women and girls everywhere.</p> <p>5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p>	<ul style="list-style-type: none"> <li>• 50% female participation in the Board</li> <li>• Greenergy is listed in BME's Gender Equality Index, the first index of this type on the Spanish market.</li> <li>• Progress on the equality roadmap.</li> <li>• Promotion of women's participation in the construction, operation and maintenance of parks, in collaboration with local institutions.</li> </ul>	<div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="text-align: center; width: 30%;">  <p><b>50% of the members of the Board of Directors are women</b></p> </div> <div style="text-align: center; width: 30%;">  <p><b>39% women in senior management positions</b></p> </div> <div style="text-align: center; width: 30%;">  <p><b>39% women in Engineering positions (STEAM)</b></p> </div> <div style="text-align: center; width: 30%;">  <p><b>Signature of an Agreement with Castilla La Mancha's Institute for Women's Affairs</b></p> </div> <div style="text-align: center; width: 30%;">  <p><b>Listing on the IBEX Gender Equality Index</b></p> </div> <div style="text-align: center; width: 30%;">  <p><b>4 women's centres collaborate in the Escuderos project and 7 in the Belinchón project</b></p> </div> </div>






# 5.2 SDG 7



## Greenergy's contribution to SDG 7

Ensure access to affordable, reliable, sustainable and modern energy

Providing access to energy is an objective linked to both our business model and our Sustainability Policy. In addition, the SDG details that it must be affordable, safe, sustainable and modern; all attributes of the renewable energy we offer

2030 Agenda Goal	Greenergy's contribution in 2022	Metrics
7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.	<ul style="list-style-type: none"> <li>Entry into operation of the Quilhagua solar plant, specifically built so that the local community, which had never had access to the grid, can have electricity supply 24 hours a day.</li> </ul>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p><b>€134,858 invested in and donated to the local community</b></p> </div> <div style="text-align: center;">  <p><b>Our plants are reliable and have their own staff to guarantee their operation 365 days/year</b></p> </div> </div>
7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.	<ul style="list-style-type: none"> <li>Greenergy's business activity as a producer of exclusively renewable energy provides a direct response to the global challenge of climate change.</li> <li>Thanks to our presence in 11 countries, our impact can reach the global market.</li> <li>Update of operational targets to 5 GW of installed capacity by 2025.</li> </ul>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p><b>1.6 GW of renewable energy projects under construction and in operation</b></p> </div> <div style="text-align: center;">  <p><b>2025 target: 5GW of solar PV and 1 GWh of storage, in operation or under construction</b></p> </div> </div>
7.3 By 2030, double the global rate of improvement in energy efficiency.	<ul style="list-style-type: none"> <li>Issuance of the second green bond programme<sup>7</sup> on BME' Bond Market.</li> <li>Operation aligned with the Green Bond Principles. In addition, it benefits from a 'Second Party Opinion' (SPO) from the rating agency ESG Sustainalytics.</li> </ul>	 <p><b>€52.5 million to comply with the strategic plan and accelerate pipeline generation</b></p>

<sup>7</sup> Greenergy raises 52,5 million with a new green bond programme on the Alternative Bond Market (MARF) (europapress.es)







# 5.3 SDG 13



## Grenergy's contribution to SDG13

Take urgent action to combat climate change and its impacts

Climate change affects all countries in all continents. Greenhouse gas emissions caused by human activities have made this threat even more acute. Grenergy is committed to promoting clean energy and to reducing emissions associated with its own activity.

2030 Agenda Goal	Grenergy's contribution in 2022	Metrics
<p>13.2 Integrate climate change measures into national policies, strategies and planning.</p>	<ul style="list-style-type: none"> <li>The activities described in goal 7 have a positive impact on this target.</li> <li>In 2022, the emission into the atmosphere of 245.398 tCO<sub>2</sub> was avoided thanks to the generation of renewable electricity from our wind farms and solar plants in our portfolio, an amount equal to the annual energy consumption of 35,230 homes.</li> <li>Preliminary identification of climate change risks and opportunities.</li> </ul>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p><b>Carbon footprint measured and verified according to ISO 14064</b></p> </div> <div style="text-align: center;">  <p><b>Target to cut emissions by 55% by 2030 (Scope 1 and 2)</b></p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;">  <p><b>245,398 tCO<sub>2</sub> of avoided emissions into the atmosphere thanks to our service</b></p> </div> <div style="text-align: center;">  <p><b>Emission intensity/sales: 2.71 tCO<sub>2</sub>eq/M€</b></p> </div> </div>
<p>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>	<ul style="list-style-type: none"> <li>Grenergy has designed the Kosten Scholarship to encourage university studies related to renewable energies, by funding students' cost of studies and meal and accommodation expenses until they obtain their degree. Thus, in 2022 the company continued to fund a student from the local community of its wind project in Argentina (Kosten).</li> <li>Awareness actions in Colombia.</li> </ul>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p><b>1 scholarship for a renewable energy degree</b></p> </div> <div style="text-align: center;">  <p><b>1,000 persons, including children and adults, involved in awareness activities</b></p> </div> </div>











# 5.4 SDG 8



## Grenergy's contribution to SDG 8

Promote inclusive and sustainable economic growth, employment and decent work for all

This SDG seeks to achieve sustained, inclusive and sustainable economic growth that benefits all people equally and does not harm the environment. Grenergy is aware of its role as a driver of economic growth and an engine of employment, both direct and indirect.

2030 Agenda Goal	Grenergy's contribution in 2022	Metrics
8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	<ul style="list-style-type: none"> <li>In 2022 Grenergy held the Great Place to Work certification that uses <b>Trust Index</b>® surveys for its evaluation.</li> </ul>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><b>GPTW</b> Great Place to Work certification</p> </div> <div style="text-align: center;">  <p><b>€9,6M</b> in payroll and benefits to employees</p> </div> <div style="text-align: center;">  <p><b>2,200 workers in construction, operation and maintenance of our projects</b></p> </div> </div>
8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	<ul style="list-style-type: none"> <li>Our Sustainability Policy puts employees at the centre of the strategy and is committed to guaranteeing equal opportunities, increasing the participation of women, promoting labour flexibility, encouraging professional development and favouring a safety and health culture.</li> <li>This commitment is put into practice through our professional risk prevention procedures and processes.</li> </ul>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><b>13,354 hours of training in health and safety for subcontractors' employees</b></p> </div> <div style="text-align: center;">  <p><b>4 accidents involving employees, none serious</b></p> </div> <div style="text-align: center;">  <p><b>Subcontractors' accident rate: TRIR: 3,8 Severity rate: 0.07 Absenteeism rate: 0.00053</b></p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 20px;"> <div style="text-align: center;">  <p><b>0 work-related sick leaves</b></p> </div> <div style="text-align: center;">  <p><b>0 fatal accidents</b></p> </div> <div style="text-align: center;">  <p><b>0 serious accidents</b></p> </div> </div>
8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.	<ul style="list-style-type: none"> <li>Grenergy is committed to supporting the local community of Quillagua (Chile) to promote local tourism and protect cultural heritage by financing a tourist-archaeological circuit.</li> <li>Assistance was provided to the local community in finding funding to improve museum facilities.</li> </ul>	<div style="text-align: center;">  <p><b>Maintenance and periodic updating of the website (<a href="http://www.turismoquillagua.cl">www.turismoquillagua.cl</a>) and social networks (Facebook) was performed</b></p> </div>












# 5.5 SDG 15



## Greenergy's contribution to SDG 15

Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

Greenergy protects, restores and promotes the sustainable use of inland ecosystems in all its projects. The company takes into account the conservation of biodiversity when devising, planning and subsequently developing all of its actions, thus directly contributing to achieving this goal.

2030 Agenda Goal	Greenergy's contribution in 2022	Metrics
<p>15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements</p>	<ul style="list-style-type: none"> <li>• We conduct comprehensive environmental impact assessments prior to defining and designing any project.</li> <li>• None of our projects are located in protected areas according to local or international regulations.</li> <li>• Greenergy has identified, together with WWF Spain, large-scale ecological restoration projects with the aim of conserving and promoting biodiversity, as well as contributing to mitigation and adaptation to climate change, while enhancing CO2 capture.</li> <li>• Voluntary employees took part in ecosystem restoration and flora and fauna protection processes.</li> </ul>	<div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="text-align: center; margin: 10px;">  <p><b>8,867 hours of environmental training</b></p> </div> <div style="text-align: center; margin: 10px;">  <p><b>6,618 hours of environmental monitoring</b></p> </div> <div style="text-align: center; margin: 10px;">  <p><b>0 fines for environmental infringements</b></p> </div> <div style="text-align: center; margin: 10px;">  <p><b>0 delays in projects due to ecological impacts</b></p> </div> <div style="text-align: center; margin: 10px;">  <p><b>Environmental investment: € 894,110</b></p> </div> </div>
<p>15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.</p>	<ul style="list-style-type: none"> <li>• Greenergy takes an anticipation and mitigation approach with the aim of avoiding, minimising, restoring and compensating. In 2022 the company implemented several habitat improvement and restoration actions. These actions have often involved the voluntary participation of employees.</li> </ul>	<div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="text-align: center; margin: 10px;">  <p><b>255 ha reforested</b></p> </div> <div style="text-align: center; margin: 10px;">  <p><b>41 vulnerable (VU) species identified in our projects</b></p> </div> <div style="text-align: center; margin: 10px;">  <p><b>Installation of nest boxes for owls</b></p> </div> <div style="text-align: center; margin: 10px;">  <p><b>4 endangered (EN) species identified in our projects</b></p> </div> <div style="text-align: center; margin: 10px;">  <p><b>Enhancement of the habitat of the Liolaemidae family</b></p> </div> <div style="text-align: center; margin: 10px;">  <p><b>0 species in critical risk (CR) identified in our projects</b></p> </div> </div>



# 6 SCHEDULES

- About this Report
- Key Indicators Table
- Non-financial statement content table, as per Act 11/2018 and GRI indicators
- Principles of the UN Global Compact
- Verification Report

# 6.1 About this Report

This Sustainability Report contains information on the evolution, the results and the situation of Grenergy's sustainability performance in 2022, as well as its management approach and the challenges it faces. The objective of this Report is to provide, in a clear and rigorous manner, the relevant information on the company concerning the most significant positive and negative impacts made on its different stakeholders. The report builds on the challenges described in last year's sustainability report and focuses on the progress made during 2022. The content has been drawn up to comprise the Non-Financial Information Statement for 2022. Furthermore, this Report describes the company's annual progress in implementing the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption, as well as Grenergy's contribution to the achievement of Sustainable Development Goals (SDGs) at local level. The information provided in this document is supplemented with the content of the remaining reports of the company, namely the consolidated Annual Accounts and Management Report and the Annual Corporate Governance Report. The company addresses the main sustainability issues that concern its internal and external stakeholders. The report complies with the principles of comparability, materiality, relevance and reliability:

## **COMPARABILITY**

The Sustainability Report is published on a yearly basis and has been drawn up in accordance with the Principles of report preparation contained in GRI 1: Foundation 2021 of the Global Reporting Initiative (GRI). The principles – such as comparability, integrity and balance – described in this standard have been followed. This report has been prepared in accordance with GRI Standards.

## **MATERIALITY AND RELEVANCE**

The 2021 Materiality Analysis, as conducted by Grenergy under the principles set forth by GRI 1: Foundation 2021, has allowed the company to identify the economic, environmental and social issues with the greatest impact on the development of the company's activity. As a result of this study, Grenergy considers that the information provided in this report is relevant for the company and its different stakeholders. The Materiality Analysis section describes the development process and the methodology implemented to identify the contents of the document.

## **RELIABILITY**

This Report has undergone a verification process by an independent third party, the conclusion of which is expressed in the review report included therein. Grenergy is working on the formalization of an Internal Control System for Non-Financial Information (SCIINF) with which to advance in the principles of reliability, completeness, accuracy, consistency, traceability and internal control of non-financial information, with the aim of tending in the future to a reasonable security level review of its relevant indicators.

## **SCOPE**

The company describes all its activities by providing a view based on the geographical areas in which it operates. The scope of the report includes all the companies in the group in all their significant aspects, as required by Act 11/2018, of December 28, on non-financial information and diversity. Throughout the report, the scope of each of the indicators shown is specified. Likewise, data from previous years is provided for a better understanding of the evolution of the company's performance. The criterion applied for the consolidation of environmental information is based on the financial control scheme.

## 6.2 Key Indicators Table

### GOVERNANCE

Size of the Board of Directors (number)	8
Proportion of independent members on Board of Directors (%)	50%
Women on the Board of Directors (%)	50%
Women on the Audit and Control Committee (%)	75%
Women on the Appointments and Remuneration Committee (%)	75%

### EMPLOYEES

Employees (number)		2022
Gender	Women	81
	Men	208
Age	Under 30	76
	Between 30 and 50	189
	Over 50	24
Type of contract	Permanent	270
	Temporary	19
Professional category	Senior management	5
	Area managers	10
	Middle managers	30
	Technical staff	147
	On-site/field personnel	97
<b>Total</b>		<b>289</b>



## EMPLOYEES

Quality employment		2022
Percentage of women in senior management		40%
Percentage of women in the engineering team		39%
New hires (number)	Total	79
	Women	29
	Men	50
New hires by age range (number)	Under 30	29
	Between 30 and 50	46
	Over 50	4
New hires by region (number)	Europe	40
	Latam	39
Employees with performance assessment by gender (%)	Women	85%
	Men	59%
Dismissals by gender (number)	Total	3.82
	Women	5.19
	Men	9.01
Dismissals by age range (number)	Under 30	2.21
	Between 30 and 50	5.74
	Más de 50	1.06
Dismissals by professional category (number)	Senior management	0
	Area managers	0.37
	Middle managers	0.61
	Technical staff	5.65
	On-site/field personnel	2.37

## EMPLOYEES

Employee health and safety		2022
Accidents (number)		4*
Frequency rate, TRIR (x 200.000)		1.2
Severity rate (x 1.000)		0.03
Hours of training in POH		2,205
Occupational diseases (number)		0
Fatal accidents (number)		0
Training		2022
Training hours		4,162
Training hours/employee		12.46
Training hours/woman		12.94
Investment in training/employee (€)		205.4
Compensation		2022
Average salary (€)	Women	31,220
	Men	31,839
Wage gap (%)		1.94

(\*) The 4 accidents correspond to men and, therefore, the frequency and severity rate in women is 0.

## ENVIRONMENT

Water consumption	2022
Water consumption (MLitres)	5.9
Third-party water from municipal services or suppliers (ML) <i>Third-party water considered fresh/drinking water (ML)</i> <i>(Total dissolved solids ≤ 1000 mg/l)</i>	3,05 0.21
Water extracted from surface sources <i>Surface water considered fresh/drinking water</i> <i>(Total dissolved solids ≤ 1000 mg/l)</i>	2.85 0
water extracted from underground sources	0

Waste generated	2022
Hazardous waste (tonnes)	889
Total waste (tonnes)	1,544
Rate of recycled waste (%)	0.46
Rate of waste donated to the community (total) (%)	5
Rate of (non-hazardous) waste donated to the community (%)	12.1

Energy consumption	2022
Diesel oil - vehicles (litres)	105,976
Diesel oil - stationary combustion equipment (litres)	7,971
Petrol - stationary combustion equipment (litres)	680.5
Energy consumed at construction sites (KWh)	1,578,570
Energy consumption at offices (KWh)	230.597

## ENVIRONMENT

Greenhouse gas emissions	2022
Scope 1 (tCO <sub>2</sub> e)	307
Scope 2 (tCO <sub>2</sub> e)	486
Scope 1 and 2 emission intensity (tCO <sub>2</sub> e/million euros)	2.71
Scope 3 (tCO <sub>2</sub> e)	82,946
Electricity (MWh)	744,430
Emissions avoided by own projects in operation (tCO <sub>2</sub> e)	245,398

Biodiversity	2022
Projects in areas protected under local or international regulations (number)	0
IUCN species in critical risk (CR) (number)	0
IUCN endangered species (EN) (number)	4
IUCN vulnerable species (VU) (number)	41
IUCN nearly threatened species (NT) (number)	26
IUCN least concern species (LC) (number)	139
Number of species on national/regional conservation lists living in the project area	33

Environmental management	2022
Environmental investment (M€)	894,110
Hours of environmental monitoring	6,618
Hours of environmental training	8,867
Fines for environmental infringements (number)	0
Delays in projects resulting from ecological impacts (number)	0
Red flags raised in the environmental field in project assessment procedures (number)	0

## COMMUNITY

	2022
Community meetings (number)	300
Attendees (number)	2,575
Donations to and investments in the local community (€)	134,858
Fines for social infringements (number)	0
Delays in projects resulting from impacts on the community (number)	0
Red flags raised in the social field in project assessment procedures (number)	1
Human rights violations reported (number)	0

## SUPPLY CHAIN

	2022
Workers in our projects (number)	2,794
Accidents of subcontracted company workers (number)	21
Frequency rate, TRIR (x 200,000)	3.8
Severity rate (x 1,000)	0.07
Fatal accidents (number)	0
Serious accidents (number)	0
Hours of health and safety training for subcontractors (number)	13,354

## INVESTOR COMMUNITY

	2022
Total revenue (€ M)	293
EBITDA (€ M)	50
CAPEX (€ M)	190
EBITDA margin (%)	45
Net debt/EBITDA	6,77

## 6.3 Non-financial statement content table, as per Act 11/2018 and GRI indicators

SPANISH ACT 11/2018	RELATED GRI STANDARD	CHAPTERS	PAGES
<b>GENERAL INFORMATION</b>			
<b>BUSINESS MODEL</b>			
Summarised description of the group's business model	GRI 2-6	1.2. Business model	10
Geographical presence	GRI 2-1 GRI 2-6	1.2. Business model	12
Objectives and strategies of the organisation	GRI 2-6	1.2. Business model	11, 13
Main factors and trends that may affect its future evolution	GRI 2-6	1.1. Context	8, 9
<b>MATERIALITY</b>			
Materiality	GRI 1	1.4. Materiality	15
<b>GENERAL</b>			
Reporting framework	GRI 1	6.1. About this report	90

SPANISH ACT 11/2018	RELATED GRI STANDARD	CHAPTERS	PAGES
<b>GENERAL INFORMATION</b>			
<b>MANAGEMENT APPROACH</b>			
Description of the policies implemented	GRI 2-23	1. Sustainable growth strategy 2. Responsible leadership 3. Building a greener future 4. Creating shared value	27-42, 62
The outcomes of these policies	GRI 2-24 GRI 3-3	1. Sustainable growth strategy 2. Responsible leadership 3. Building a greener future 4. Creating shared value 5. Generating a positive impact	27-42, 62
The main risks associated with these matters are linked to the group's activities.	GRI 2-16	1.6. Sustainability strategy 2.3. Risk management	35
<b>ENVIRONMENTAL ISSUES</b>			
<b>ENVIRONMENTAL MANAGEMENT</b>			
Actual and foreseeable effects of the company's activities on the environment and, where applicable, health and safety	GRI 3-3	3. Building a greener future	46-58
Environmental assessment or certification procedures	GRI 3-3	3.1 Biodiversity	48-51
Resources allocated to the prevention of environmental risks	GRI 3-3	3.1 Biodiversity	49
Application of the precautionary principle	GRI 3-3	3.1 Biodiversity	48, 49
Amount of provisions and guarantees for environmental risks	GRI 3-3	3.1 Biodiversity	49, 50

SPANISH ACT 11/2018	RELATED GRI STANDARD	CHAPTERS	PAGES
<b>ENVIRONMENTAL ISSUES</b>			
<b>POLLUTION</b>			
Measures to prevent, reduce or redress carbon emissions that seriously affect the environment (including also noise and light pollution)	GRI 305-5	3.2 Climate change	54-56
<b>CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT</b>			
Measures for prevention, recycling, reuse, and other forms of waste recovery and disposal	GRI 306-2	3.4 Circular economy	59, 60
Actions to combat food waste	GRI 306-2	Non-material	-
<b>SUSTAINABLE USE OF RESOURCES</b>			
Water consumption and water supply according to local constraints	GRI 303-5 (2018 version)	3.3 Water management	58
Consumption of raw materials	GRI 303-1	3. Building a greener future	46
Direct and indirect energy consumption	GRI 302-1	3.2 Climate change	57
Measures taken to improve energy efficiency	GRI 302-4	3.2 Climate change	57, 85
Use of renewable energies	GRI 302-1	3.2 Climate change	56

SPANISH ACT 11/2018	RELATED GRI STANDARD	CHAPTERS	PAGES
<b>ENVIRONMENTAL ISSUES</b>			
<b>CLIMATE CHANGE</b>			
Significant elements of greenhouse gas emissions generated as a result of the company's activities	GRI 305-1 GRI 305-2 GRI 305-3	3.2. Climate change	55, 56
Measures taken to adapt to the consequences of climate change	GRI 201-2	3.2. Climate change	52
Reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and the means implemented for that purpose.	GRI 305-4 GRI 305-5	3.2. Climate change	52
<b>PROTECTION OF BIODIVERSITY</b>			
Measures taken to preserve or restore biodiversity	GRI 304-3	3.1. Biodiversity	48-51
Impacts caused by activities or operations in protected areas	GRI 304-1	3.1. Biodiversity	49

SPANISH ACT 11/2018	RELATED GRI STANDARD	CHAPTERS	PAGES
<b>SOCIAL AND PERSONNEL-RELATED ISSUES</b>			
<b>EMPLOYMENT</b>			
Total number and distribution of employees by gender, age and occupational category	GRI 2-7 GRI 405-1	4.1. Growing with our employees	62, 64
Total number and distribution of employment contract modalities	GRI 2-7 GRI 405-1	4.1. Growing with our employees	64
Annual average of permanent, temporary and part-time contracts by sex, age and professional category	GRI 2-7 GRI 405-1	4.1. Growing with our employees	64
Number of dismissals by gender, age and professional category	GRI 401-1	4.1. Growing with our employees	66
Pay gap	GRI 405-2	4.1. Growing with our employees	71
Average compensation of board members (including variable remuneration, allowances, indemnities, contributions to long-term savings pension schemes and any other payments) by sex.	GRI 405-2	2.1. Governance	29
Average compensation of managers (including variable remuneration, allowances, indemnities, contributions to long-term savings pension schemes and any other payments) by sex.	GRI 405-2	4.1. Growing with our employees	71
Employees with disabilities	GRI 405-1	4.1. Growing with our employees	70
<b>ORGANISATION OF WORK</b>			
Organisation of working time	GRI 3-3	4.1. Growing with our employees	62
Number of hours of absenteeism	GRI 403-9	4.1. Growing with our employees	72
Measures aimed at facilitating conciliation of work and family life and promoting the co-responsible exercise conciliation rights by both parents	GRI 401-2	4.1. Growing with our employees	68



SPANISH ACT 11/2018	RELATED GRI STANDARD	CHAPTERS	PAGES
<b>SOCIAL AND PERSONNEL-RELATED ISSUES</b>			
<b>HEALTH AND SAFETY</b>			
Health and safety conditions at work	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-7	4.1. Growing with our employees	39, 72
Number of occupational accidents by gender	GRI 403-9	4.1. Growing with our employees 6.2 Key Indicators Table	38, 92
Frequency rate by gender	GRI 403-9	4.1. Growing with our employees	38, 92
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<b>SOCIAL RELATIONSHIPS</b>			
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SPANISH ACT 11/2018	RELATED GRI STANDARD	CHAPTERS	PAGES
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Measures taken to promote equal treatment and opportunities for women and men	GRI 3-3	4.1. Growing with our employees	68, 69
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Integration of persons with disabilities	GRI 3-3	4.1. Growing with our employees	68, 69
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SPANISH ACT 11/2018	RELATED GRI STANDARD	CHAPTERS	PAGES
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<b>HUMAN RIGHTS</b>			
Implementation of human rights due diligence procedures, prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and remedy potential abuses committed	GRI 2-25 GRI 412-1	2.6. Commitment to human rights	41-45
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<b>INFORMATION RELATING TO THE FIGHT AGAINST CORRUPTION AND BRIBERY</b>			
<b>INFORMATION RELATING TO THE FIGHT AGAINST CORRUPTION AND BRIBERY</b>			
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SPANISH ACT 11/2018	RELATED GRI STANDARD	CHAPTERS	PAGES
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<b>SUBCONTRACTORS AND SUPPLIERS</b>			
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SPANISH ACT 11/2018	RELATED GRI STANDARD	CHAPTERS	PAGES
<b>INFORMATION ON THE COMPANY</b>			
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# 6.4 The Principles of the Global Compact

GLOBAL COMPACT TABLE OF CONTENTS		
Global Compact Principles	Most significant GRI indicators	Related SDGs
<b>HUMAN RIGHTS</b>		
1. Support and respect the protection of universally proclaimed human rights	410-1, 412-1, 412-2, 413-1, 413-2	           
2. Not be complicit in the violation of human rights	414-2	
<b>LABOUR</b>		
3. Uphold the freedom of association and the effective recognition of the right to collective bargaining	2-30, 407-1, 402-1	       
4. Support the elimination of all forms of forced or compulsory labour	409-1	
5. Support the effective abolition of child labour	408-1	
6. Support the elimination of discrimination in respect of employment and occupation	2-7, 202-1, 401-1, 401-3, 404-1, 404-3, 405-2, 406-1	

## GLOBAL COMPACT TABLE OF CONTENTS

Global Compact Principles	Most significant GRI indicators	Related SDGs
<b>ENVIRONMENT</b>		
7. Support a precautionary approach to environmental challenges.	201-2, 301-1, 302-1, 303-1, 305-1 a, 305-3, 305-7	         
8. Undertake initiatives to promote greater environmental responsibility.	301-1, 2-27, 308-2	
9. Encourage the development and diffusion of environmentally friendly technologies.	302-4, 302-5, 305-5	
<b>ANTI-CORRUPTION</b>		
10. Work against corruption in all its forms, including extortion and bribery.	2-23, 2-26, 205-2, 205-3, 415-1	   



KPMG Asesores, S.L.  
P.º de la Castellana, 259 C  
28046 Madrid

## **Independent Assurance Report on the Consolidated Non-Financial Information Statement of Greenergy Renovables, S.A. and subsidiaries for 2022**

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

To the Shareholders of Greenergy Renovables, S.A.:

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the (accompanying) Consolidated Non-Financial Information Statement (hereinafter NFIS) of Greenergy Renovables, S.A. (hereinafter the Parent) and subsidiaries for the year ended 31 December 2022, which is presented as a separate report but forms part of the accompanying consolidated Directors' Report of the Group for 2022.

The consolidated (NFIS/Directors' Report) includes additional information to that required by prevailing mercantile legislation concerning non-financial information, which has not been the subject of our assurance work. In this respect, our work was limited exclusively to providing assurance on the information contained in the "Non-financial statement content table, as per Act 11/2018" table of the accompanying consolidated NFIS.

### **Directors' Responsibility**

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The Directors of the Parent are responsible for the content and authorisation for issue of the NFIS included in the Group's consolidated Directors' Report. The NFIS has been prepared in accordance with prevailing mercantile legislation and selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) based on each subject area in the "Non-financial statement content table, as per Act 11/2018 and GRI indicators" table of the aforementioned consolidated (NFIS/ Directors' Report).

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Directors of the Parent are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.

### **Our Independence and Quality Control**

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We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental





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

principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

## **Our Responsibility**

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Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed, which refers exclusively to 2022.

We conducted our review engagement in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of management, as well as of the different units and areas of the Parent that participated in the preparation of the NFIS, reviewing the processes for compiling and validating the information presented in the NFIS and applying certain analytical procedures and sample review tests, which are described below:

- Meetings with the Parent's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 20XX based on the materiality analysis performed by the Parent and described in the "Materiality" section, considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2022.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2022.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2022 and whether it has been adequately compiled based on data provided by the information sources.
- Procurement of a representation letter from the Directors and management.



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

## **Conclusion**

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Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of Grenergy Renovables, S.A. and subsidiaries for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and selected GRI Standards based on each subject area in the Non-financial statement content table, as per Act 11/2018 and GRI indicators table of the aforementioned consolidated NFIS.

## **Use and Distribution**

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This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

*(Signed on original in Spanish)*

Marta Contreras Hernández

24 February 2023

**Agreed-Upon Procedures Report on the “Information regarding  
the System of Internal Control Over Financial Reporting (ICFR)”  
for the year 2022**

**GREENERGY RENOVABLES, S.A.**

## AGREED-UPON PROCEDURES REPORT ON THE "INFORMATION RELATED TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)"

To the Board of Directors of GREENERGY RENOVABLES, S.A.

### Purpose of this agreed-upon procedures report

Our agreed-upon procedures report on design and effectiveness of the Internal Control over Financial Reporting (ICFR) system (the "Subject Matter") of *GREENERGY RENOVABLES, S.A.* (the "Engaging Party") as of December 31, 2022 was prepared exclusively within the framework of the requirements stipulated in article 540 of the Consolidated text of the Corporate Enterprises Act and CNMV Circulars on ICFR description in Annual Corporate Governance Reports.

We assume no liability to parties other than the addressees of this report who may have access to it without our prior consent in writing.]

### Responsibilities of the Engaging Party

GREENERGY RENOVABLES, S.A. has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

GREENERGY RENOVABLES, S.A. is responsible for the Subject Matter on which the agreed-upon procedures are performed.

The intended users of the report are responsible for ensuring that the procedures performed serve the desired purpose.

### Responsibilities of the auditor

We have conducted the agreed-upon procedures engagement in accordance with generally accepted professional standards applicable to agreed-upon procedures engagements in Spain, which are based on the international standard ISRS 4400R. In reviewing a report on agreed-upon procedures, the reader reaches his/her own conclusions based on objective findings described therein and obtained through the application of specific procedures established by you for the purpose mentioned above. Thus, we assume no professional liability whatsoever regarding the adequacy of the procedures performed.

This agreed-upon procedures engagement is not an audit, a review or an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion on the information contained in *Section F of the Annual Corporate Governance Report* taken as a whole. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

### *Our ethical requirements and quality control*

We complied with the ethical requirements in the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA). We are not required to be independent for the purpose of this engagement. We are independent of the Company and thus as auditors we meet the independence requirements established by Spain's Auditing Act (Ley de Auditoría de Cuentas) that are applicable in the contest of our audit of the financial statements.

Our Firm applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Procedures and findings**

The procedures performed have been the following:

1. Read and understand the information prepared by the Entity in relation to the ICFR - which is provided in the Annual Corporate Governance Report disclosure information included in the Directors' Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the model established by CNMV Circular nº 5/2013 dated June 12, 2013 and subsequent amendments, the most recent one being CNMV Circular 3/2021 of September 28, 2021 (hereinafter, the CNMV Circulars).
2. Make enquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) Obtain an understanding of the process followed in its preparation; (ii) Obtain information which will allow us to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) Obtain information on whether the control procedures described are implemented by the Entity.
3. Review the explanatory documentation supporting the information described in point 1 above, which should basically include that which is provided directly to those responsible for preparing the ICFR descriptive information. In this respect, the aforementioned documentation includes related reports prepared by senior management and other internal and external experts providing support to the Audit and Compliance Committee.
4. Compare the information described in point 1 above with our knowledge of Entity's ICFR obtained as a result of performing the external audit procedures within the framework of the audit of the financial statements.

5. Read the minutes of the meetings held by the Board of Directors and Audit Committee in order to assess the consistency between the ICFR issues addressed therein and the information provided in point 1 above.
6. Obtain the representation letter related to the work performed, duly signed by the personnel in charge of preparing the information discussed in point 1 above.

The application of the abovementioned procedures revealed no relevant issues.

ERNST & YOUNG, S.L.

(Signed in the original version in Spanish)

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David Ruiz-Roso Moyano

February 27, 2023