Opdenergy Holding S.A. and Subsidiaries

Interim Consolidated Financial Statements

June 2022

opdenergy

Opdenergy Holding, S.A. and Subsidiaries

CONSOLIDATED BALANCE SHEETS AT 30 JUNE 2022 AND 31 DECEMBER 2021 (Notes 1, 2 and 3)

ASSETS	Explanatory notes	Thousands of euros 30.06.22	31.12.21 (*)
NON-CURRENT ASSETS			
Intangible assets		**3,586**	**3,545**
Goodwill		2,643	2,643
Concessions, patents and licences		662	686
Other intangible fixed assets		280	216
Property, plant and equipment	**Note 5**	**421,428**	**376,013**
Land and buildings		1,526	1,563
Plant, machinery, tools, furniture and other items of property, plant and equipment		339,561	265,011
Assets under construction and advances		80,341	109,439
Investment property	**Note 6**	**1,218**	**1,218**
Assets for right of use	**Note 7**	**42,012**	**34,626**
Non-current investments in Group companies and associates	**Note 8**	**10,430**	**8,013**
Investment accounted for using the equity method		9,738	7,397
Long term loans to companies	Note 16.2	693	616
Non-current financial investments	**Note 9.1**	**2,551**	**2,215**
Non-current investments in third parties		1,351	905
Long term loans to companies		434	517
Other financial assets		767	793
Derivatives	**Note 9.1**	**18,564**	**4,296**
Trade and other receivables	**Note 9.1**	**-**	**4,415**
Trade receivables for sales and services		-	4,415
Non-current accruals and deferred income		**1,467**	**1,493**
Deferred tax assets	**Note 14.2**	**66,580**	**26,321**
Total non-current assets		**567,836**	**462,155**
CURRENT ASSETS			
Inventories	**Note 11**	**6,217**	**15,621**
Trade and other receivables		**39,487**	**29,875**
Trade receivables for sales and services	Note 9.1	32,286	18,659
Trade receivables from Group companies and associates		106	89
Other receivables		68	86
Current tax assets	Note 14.1	801	728
Other accounts receivable from Tax Authorities	Note 14.1	6,226	10,313
Current investments in Group companies and associates	**Note 16.2**	**13**	**21**
Loans to companies		13	21
Current financial assets	**Note 9.1**	**694**	**615**
Short-term loans to companies		147	130
Other financial assets		547	485
Current prepayments and accrued expenses		**5,461**	**488**
Cash and cash equivalents		**74,067**	**99,575**
Cash		74,067	99,575
Total current assets		**125,939**	**146,195**
TOTAL ASSETS		**693,775**	**608,350**

EQUITY AND LIABILITIES	Explanatory notes	Thousands of euros 30.06.22	31.12.21 (*)
EQUITY			
SHAREHOLDERS' EQUITY	**Note 12**	**77,298**	**60,609**
Registered share capital		2,118	2,118
Reserves and profit/loss from previous years		57,826	76,283
(Profit) or loss for the year attributable to the Parent Company - Profit /(Loss)		17,354	(17,792)
VALUATION ADJUSTMENTS		**(137,569)**	**(35,266)**
Exchange differences		(4,214)	(6,496)
Cash flow hedge reserve		(134,242)	(28,789)
Cash flow hedge reserve from non-controlling investments		887	19
Total equity		**(60,271)**	**25,343**
NON-CURRENT LIABILITIES			
Long-term provisions	**Note 13**	**7,192**	**6,781**
Long-term debts	**Note 9.2**	**408,506**	**399,526**
Debt instruments and other marketable securities		138,276	137,550
Bank borrowings associated with renewable energy plants		229,183	228,571
Lease liability	Note 7	1,257	1,408
Lease liabilities associated with renewable energy plants	Note 7	39,791	31,996
Liabilities with associates		-	1
Derivatives	**Note 10.1**	**192,978**	**43,780**
Deferred tax liabilities	**Note 14.3**	**9,162**	**4,603**
Non-current accruals and deferred income		**3,804**	**3,872**
Total non-current liabilities		**621,642**	**458,562**
CURRENT LIABILITIES			
Short-term provisions	**Notes 13 and 16.3**	**3,800**	**5,203**
Current payables	**Note 9.2**	**21,801**	**23,986**
Debt instruments and other marketable securities		-	-
Bank borrowings		7,000	-
Bank borrowings associated with renewable energy plants		13,418	12,933
Lease liability	Note 7	392	371
Lease liabilities associated with renewable energy plants	Note 7	894	10,648
Other financial liabilities		97	34
Trade and other payables		**76,614**	**71,997**
Suppliers		25,662	20,750
Other payables		8,565	9,021
Current tax liabilities	Note 14.1	3,278	68
Other payables with public authorities	Note 14.1	2,731	2,736
Customer advances	**Note 3**	36,379	39,422
Derivatives	**Note 10.1**	**29,926**	**22,891**
Short-term accruals and deferred income		**265**	**368**
Total current liabilities		**132,404**	**124,445**
TOTAL EQUITY AND LIABILITIES		**693,775**	**608,350**

(*) Included exclusively for comparison purposes (Note 2.6)

The explanatory Notes 1 to 20 form an integral part of the consolidated balance sheet as at 30 June 2022.

Opdenergy Holding, S.A. and Subsidiaries

CONSOLIDATED INCOME STATEMENTS FOR THE SIX MONTH-PERIODS ENDED 30 JUNE 2022 AND 2021 (Notes 1, 2 and 3)

	Explanatory notes	Thousands of Euros	
		30.06.22	30.06.21 (*)
Revenue	**Note 15.1**	35,303	15,001
Changes in inventories of finished goods and work in progress	**Note 15.2**	1,123	6,758
In-house work on non-current assets		4,013	2,634
Supplies	**Note 15.2**	(1,837)	(10,414)
Other operating income		474	432
Employee benefits expenses	**Note 15.3**	(7,418)	2,918
Other operating expenses	**Note 15.4**	(5,611)	(8,743)
Depreciation and amortisation charge	**Notes 5 & 7**	(6,451)	(3,771)
Impairment and gains and losses on disposals of non-current assets		(365)	30
Other income and expenses		(50)	(195)
PROFIT (LOSS) FROM OPERATIONS		**19,179**	**4,648**
Finance income	**Note 15.5**	**280**	**617**
Finance costs	**Note 15.6**	**(8,846)**	**(7,434)**
Other income and expenses	**Note 10.1**	**5,682**	**77**
Exchange differences		**4,112**	**(368)**
Impairment and gains or losses on disposals of financial instruments		**-**	**389**
FINANCIAL PROFIT (LOSS)		**1,229**	**(6,720)**
Share of profits (loss) of companies accounted for using the equity method	**Note 8**	(34)	(81)
PROFIT / (LOSS) BEFORE TAXES		**20,374**	**(2,153)**
Income tax	**Note 14**	(3,020)	(2,530)
PROFIT / (LOSS) FOR THE YEAR		**17,354**	**(4,683)**
Earnings / (Loss) per share attributable to equity holders of the Parent Company			
Basic	**Note 19**	0.16	(0.04)
Diluted	**Note 19**	0.16	(0.04)

(*) Included exclusively for comparison purposes (Note 2.6)

The accompanying Notes 1 to 20 are an integral part of the consolidated income statement for the six-month period ended 30 June 2022.

Opdenergy Holding, S.A. and Subsidiaries

CONSOLIDATED STATEMENTS OF RECOGNISED INCOME AND EXPENSE FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2022 AND 2021 (Notes 1, 2 and 3)

(Thousands of euros)

(A) CONSOLIDATED STATEMENTS OF RECOGNISED INCOME AND EXPENSE FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2022 AND 2021

	Notes	30.06.22	30.06.21 (*)
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR		**17,354**	**(4,683)**
Items that may be reclassified subsequently to profit or loss		**(132,607)**	**1,526**
Exchange differences		2,282	(328)
Cash flow hedge	**Notes 9.1 and 10.1**	(179,091)	2,472
Tax effect		44,202	(618)
Items that will not be reclassified subsequently to profit or loss		**30,305**	**121**
Cash flow hedge	**Notes 9.1 and 10.1**	24,244	161
Tax effect		6,061	(40)
Total comprehensive income for the period		**(84,949)**	**(3,036)**
Total comprenhensive income attributable to the Parent Company		**(84,949)**	**(3,036)**

(*) Included exclusively for comparison purposes (Note 2.6)

The accompanying Notes 1 to 20 are an integral part of the consolidated statement of consolidated statements of recognised income and expensefor the six-month period ended 30 June 2022.

Opdenergy Holding, S.A. and Subsidiaries

STATEMENTS OF CHANGES IN CONSOLIDATED EQUITY FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2022 AND 2021 (Notes 1, 2 and 3)

(Thousands of euros)

(B) STATEMENTS OF CHANGES IN CONSOLIDATED EQUITY FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2022 AND 2021

	Share capital	Reserves and retained earnings	Profit/(Loss) for the year attributable to Parent Company	Exchange differences	Cash flow hedge reserve	TOTAL
BALANCE AT 1 JANUARY 2021 (*)	**2,118**	**77,141**	**479**	**(4,012)**	**2,850**	**78,576**
Total comprehensive income for the period	-	-	(4,683)	(328)	1,975	**(3,036)**
Other changes in Equity						
- Distribution of 2020 profit or loss	-	479	(479)	-	-	**-**
- Other changes	-	1,433	-	(1,433)	-	**-**
BALANCE AT 30 JUNE 2021 (*)	**2,118**	**79,053**	**(4,683)**	**(5,773)**	**4,825**	**75,540**
Total comprehensive income for the period	-	-	(13,109)	(723)	(33,595)	**(47,427)**
Transactions with shareholders and owners						
- Dividends paid (Note 12)	-	(2,800)	-	-	-	**(2,800)**
Other changes in Equity	-	30	-	-	-	**30**
BALANCE AT 31 DECEMBER 2021 (*)	**2,118**	**76,283**	**(17,792)**	**(6,496)**	**(28,770)**	**25,343**
Total comprehensive income for the period	-	-	17,354	2,282	(104,584)	**(84,949)**
Other changes in Equity						
- Dividends paid (Note 12)	-	(700)	-	-	-	**(700)**
- Distribution of 2021 profit or loss	-	(17,792)	17,792	-	-	**-**
- Other changes	-	35	-	-	-	**35**
BALANCE AT 31 MARCH 2022	**2,118**	**57,826**	**17,354**	**(4,214)**	**(133,355)**	**(60,271)**

(*) Included exclusively for comparison purposes (Note 2.6)

Explanatory notes 1 to 20 form an integral part of the consolidated statement of changes in equity for the six-month period ended 30 June 2022 and 2021.

Opdenergy Holding, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE 2022 AND 2021 (Notes 1, 2 and 3)
(Thousands of euros)

	Explanatory notes	Six-month period ended 30.06.22	Six-month period ended 30.06.21 (*)
CASH FLOWS FROM OPERATING ACTIVITIES (I)		**20,044**	**(45,713)**
Profit(loss) for the year before tax		**20,374**	**(2,153)**
Adjustments to profit (loss):		**8,653**	**6,307**
- Amortisation of property, plant and equipment	**Notes 5 & 7**	6,451	3,771
- Valuation corrections for impairtment		(1)	607
- Changes in provisions	**Notes 13 and 16.3**	(992)	(4,852)
- Finance income		(280)	(617)
- Finance cost		8,846	7,434
- Other income and expenses	**Note 10.1**	(5,724)	77
- Exchange differences		4,332	194
- In-house work on non-current assets		(4,013)	-
- Gains / (losses) for the loss of control of consolidated interests		-	(389)
- Impairment and gains and losses on disposals of non-current assets		-	-
- Share of profits / (loss) of companies accounted for using the equity method	**Note 8**	34	81
Changes in working capital		**(465)**	**(41,580)**
- Inventories		(686)	(7,662)
- Trade and other receivables		(1,039)	(9,087)
- Other current and non-current assets		(4,955)	(1,424)
- Trade and other payables		6,255	(23,627)
- Other current and non-current liabilities		(40)	220
Other cash flows from operating activities		**(8,518)**	**(8,287)**
- Interest paid		(8,764)	(7,730)
- Interest received		280	483
- Income tax		(34)	(1,040)
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**(40,352)**	**(80,243)**
Payments due to investment		**(40,360)**	**(83,050)**
- Group companies, net from cash in consolidated companies		(2,252)	(37,608)
- Intangible assets		(37,534)	(46)
- Property, plant and equipment	**Note 5**	(159)	(44,583)
- Other financial assets, net		(415)	(813)
Proceeds from disposal		**8**	**2,807**
- Group companies and associates		8	74
- Other financial assets, net	**Note 9**	-	2,733
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**(915)**	**117,297**
Proceeds and payments relating to financial liability instruments		**(215)**	**117,297**
- Issuance:			
Bank borrowings	**Note 9.2**	1,048	53,535
Debt instruments and other marketable securities	**Note 9.2**	7,365	137,550
- Repayment and amortisation of:			
Bank borrowings	**Note 9.2**	(8,193)	(7,566)
Debt instruments and other marketable securities	**Note 9.2**	(435)	(66,222)
Dividends and returns on other equity instruments paid		**(700)**	**-**
- Dividends	**Note 12.2**	(700)	-
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)	**Note 10.1**	**(4,284)**	**(159)**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		**(25,507)**	**(8,818)**
Cash and cash equivalents at the beginning of the year from continuing operations		99,575	49,074
Cash and cash equivalents at the end of the year from continuing operations		74,067	40,256

(*) Included exclusively for comparison purposes (Note 2.6)

The Notes 1 to 20 form an integral part of the
consolidated cash flow statements for the six-month period ended 30 June 2022 and 2021.

Translation of summarised interim consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable

Opdenergy Holding, S.A. and Subsidiaries

Notes to the interim condensed consolidated financial statements for the six month-period ended 30 June 2022

1. Corporate purpose and activity

Opdenergy Holding, S.A. ("the Parent") was incorporated on 20 January 2005 under the name Otras Producciones de Energía, S.L. (OPDE, S.L.). On 3 July 2009, the Company changed its name to OPDE Investment España, S.L.

On that date, the Parent Company made a contribution of a branch activity (consisting of the development, marketing, installation, sale and maintenance of photovoltaic solar plants) through a capital increase in the investee company Otras Producciones de Energía Fotovoltaica, S.L. Accordingly, OPDE Investment España, S.L. (the former name of the Parent Company) became a holding company for various Group companies and associates. This contribution qualifies for taxation under the special regime for mergers, spin-offs, asset contributions and share exchanges established in Navarre Income Tax Law 24/1996. This process is described in detail in the consolidated financial statements for the year ended 31 December 2009.

As a result of the aforementioned contribution of the business line to Otras Producciones de Energía Fotovoltaica, S.L., The Parent Company's corporate purpose, which coincides with its activity, consists mainly of:

- The subscription, acquisition, transfer, management, administration, holding and use of transferable securities representing an ownership interest in the equity of entities resident or not resident in Spain, and of fixed- or variable-income financial assets in general, any securities representing either the transfer to third parties of own capital or ownership interests in the equity of other entities, as well as interests representing the capital or equity of collective investment undertakings; in all cases admitted or not admitted to trading on organised markets and without performing the activities inherent to collective investment undertakings.

- The sale of energy to electricity companies.

In addition, the Group's main activities are the development, construction, operation and maintenance, production of electricity as well as the sale of photovoltaic power plants.

Until 2 January 2020, the Parent of the Group had its registered office and address for tax purposes at Polígono Industrial Santos Justo y Pastor, s/n, 31510 Fustiñana (Navarre). On that date, the General Meeting of Shareholders of the Parent Company resolved to transfer its registered office and tax domicile to calle Cardenal Marcelo Spínola 42, 5ª, 28016, Madrid.

In addition, on 17 March 2021, the Company's General Shareholders' Meeting approved the change of the Company's corporate name to Opdenergy Holding, S.A., as of that date.

At 30 June 2022 Opdenergy Holding, S.A. is the head of a group (hereinafter "the OPDEnergy Group" or "the Group"). Annexes I.A and I.B to the consolidated financial statements for the year 2021 list the Group companies included in the consolidation and the related information at that date, before the corresponding homogenisations made, where applicable, to their individual financial statements and the adjustments for conversion to International Financial Reporting Standards as adopted by the European Union (EU-IFRS).

Changes in the scope of consolidation and segment reporting are set out in Note 3.

In 2021, the Group changed its asset turnover strategy and, as of that year, intends to retain ownership of a large part of the renewable energy parks it develops and builds, so that the assets it puts into operation will not be systematically earmarked for sale.

As at 30 June 2022, the main renewable energy farms held by the Group in an operating status or construction phase (in progress), all of which are recorded under "Property, plant and equipment" in the consolidated balance sheet, are detailed below (Note 5):

Country	Number of farms	MW of installed capacity
Under operation:		
Spain (*)	6	261
Chile	5	171
Italy (**)	1	7
Mexico (***)	2	144
Under construction:		
Spain	20	902
United States of America	1	100

(*) Not including the 5 Spanish wind farms under the specific remuneration scheme as their generation capacity is considered residual.
(**) The park in Italy consists of 7 separate plants which are considered as one plant for management purposes.
(***) 20% stake in these wind farms (Note 8).

In addition, the Group maintains under "Property, plant and equipment - Property, plant and equipment in the course of construction" in the consolidated balance sheet developments of various renewable energy farms in Spain, the United States and Chile, mainly with an estimated aggregate capacity of 783 MW (Note 5).

Finally, the Group recognises under "Inventories" in the consolidated balance sheet those developments for which it has a sales plan or has entered into sale and purchase contracts (notes 3 and 11).

The most relevant information regarding the regulation of the main countries where the Group operates is disclosed in the consolidated financial statements for 2021, and there have been no significant changes in regulation that were not disclosed therein.

2. Basis of presentation of the summarised consolidated interim financial statements

2.1 Basis of preparation and comparative information

These summarised interim consolidated financial statements have been prepared by the Directors of the Parent Company at a meeting of its Board of Directors held on 28 September 2022. On the other hand, the consolidated financial statements for the fiscal year 2021 were prepared by the Directors of the Parent Company and approved on 5 July 2022.

These summarised interim consolidated financial statements for the six-month period ended 30 June 2022 have been prepared in accordance with International Accounting Standard 34 ("IAS 34") Interim Financial Reporting as adopted by the European Union. Pursuant to IAS 34, the only purpose of interim financial reporting is to update the contents of the latest consolidated financial statements approved by the Group, placing emphasis on any new activity, event or circumstance occurred over the first half of the fiscal year 2022, but not repeating the information previously reported on the 2021 consolidated financial statements. In view of the foregoing, for a proper understanding of the information included in these summarised interim consolidated financial statements, they should be read in conjunction with the Group's consolidated financial statements for 2021, which have been authorised for issue on 1 December 2022.

In order to present the various items comprising the summarised interim consolidated financial statements on a uniform basis, the valuation principles and standards applied by the parent company have been applied to all the companies included in the scope of consolidation.

The accounting policies and methods used in the preparation of these summarised consolidated interim financial statements are the same as those applied in the consolidated financial statements for the fiscal year 2021.

2.2 Adoption to International Financial Reporting Standards

The accounting policies and criteria used in the preparation of these summarised consolidated interim financial statements are consistent with those applied in the consolidated financial statements for the fiscal year 2021, except for the following:

New IFRS and IFRS Interpretations Committee (IFRIC) interpretations

During the first half of 2022, the following standards issued by the IASB and the IFRS Interpretations Committee and adopted by the European Union for application in Europe became effective and have therefore been taken into account in the preparation of these summarised consolidated interim financial statements:

Approved for use in the European Union		**Mandatory application for accounting periods beginning on or after:**
Amendments to IFRS 3 - Reference to the Conceptual Framework	IFRS 3 is updated to align the definitions of assets and liabilities in a business combination with those contained in the conceptual framework	1 January 2022
Amendment to IAS 16 - Revenue Before Intended Use	The amendment prohibits deducting from the cost of an item of property, plant and equipment any revenue from the sale of items produced while the entity is preparing the asset for its intended use	1 January 2022
Amendment to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract	The modification explains that the direct cost of fulfilling a contract comprises the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to the performance of the contract	1 January 2022
Improvements to IFRS Cycle 2018-2020	Minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.	1 January 2022

The entry into force of these standards has had no significant impact on the Group.

New IFRSs, IFRIC and amendments to IFRS not effective 30 June 2022

At the date of preparation of these summarised consolidated interim financial statements, the following standards and interpretations had been published by the IASB but had not yet come into force, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union.

Approved for use in the European Union		**Mandatory application for accounting periods beginning on or after:**
Amendment to IAS 1 – Breakdown of accounting policies	Amendments that enable entities to properly identify material accounting policy information that should be disclosed in the financial statements	1 January 2023
Amendment to IAS 8 – Definition of an Accounting Estimate	Modifications and clarifications on what should be understood as a change in an accounting estimate	1 January 2023
IFRS 17 Insurance contracts and amendments thereto	It covers the principles of recognition, measurement, presentation and breakdown of insurance contracts. This will replace IFRS 4	1 January 2023
Amendment to IAS 1 - Classification of Liabilities as Current or Non-current	Clarifications on the presentation of liabilities as current or non-current	1 January 2023
Amendment to IAS 12 - Deferred Taxation of Assets and Liabilities Arising from Single Transactions	Clarifications on how entities should account for deferred tax arising on transactions such as leases and decommissioning obligations	1 January 2023
Amendment to IFRS 17 Insurance Contracts - Initial Application of IFRS 17 and IFRS 9. Comparative information	Amendments to IFRS 17 transition requirements for insurers applying IFRS 17 and IFRS 9 for the first time at the same time	1 January 2023

For the standards coming into force in 2023 and subsequent years, the Group is carrying out a first preliminary assessment of the impacts that the future application of these standards could have on the financial statements once they come into force. At the date of preparation of these summarised interim consolidated financial statements, no significant impacts are expected to arise therefrom.

2.3 Responsibility for the information and use of estimates

The consolidated profit(loss) and equity are sensitive to the accounting standards and principles, measurement bases and estimates applied by the Parent Company Directors when preparing the summarised consolidated interim financial statements. The main accounting policies and principles and measurement bases are indicated in Note 3 to the consolidated financial statements for 2021.

The information contained in these summarised interim consolidated financial statements is the responsibility of the Directors of the Group's Parent company.

In preparing the summarised interim consolidated financial statements, estimates have been made by the Parent Company's Directors in order to measure certain assets, liabilities, income, expenses and commitments shown in them.

The estimates as at 30 June 2022 relate mainly to the following:

- The income tax expense, which, in accordance with IAS 34, is recognised in interim periods, is estimated on the basis of the prevailing tax rate of the Group companies, and considering the Tax Group headed by Opdenergy Holdings, S.A. (Note 14).
- The useful life of the property, plant and equipment and intangible assets (see Note 5).
- The assessment of possible impairment losses on certain assets (see Notes 5, 6, 7, 8 and 11).
- The net realisable value of inventories (see Note 11).
- The fair value of certain financial instruments (see Notes 9 and 10). Specifically, in relation to the valuation of the derivative financial instruments held to hedge the risk of fluctuations in electricity prices, the Group obtains valuations by independent experts based on long-term electricity price curves, the valuation methodology being described in Note 3.8 of the consolidated financial statements for 2021.
- The recoverability of deferred tax assets (see Note 14).
- The calculation of provisions (see Note 13).
- The estimated revenue from turnkey contracts associated with the supply, assembly, development, construction and commissioning of renewable energy plants, as well as the sale of electricity and the expenses associated with this activity accrued in the first half of fiscal year 2022 (see Notes 4 and 15.1).

Although these estimates were made on the basis of the best information available at the end of the first half of 2022, certain 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, according to IAS 8.

No significant changes were made to the estimates used at 2021 year-end during the six-month period ended on 30 June 2022.

At the date of preparation of these summarised interim consolidated financial statements, the military invasion of Ukraine by the Russian army continues. In this context, even taking into account the complexity and geopolitical risk of this situation, the Directors continue to monitor the situation and no significant negative impacts have arisen for the Group to date.

At 30 June 2022, the Group's equity is negative for an amount of EUR 60,271 thousand, mainly due to the impact of changes in the value of derivative financial instruments hedging the risk of fluctuations in electricity prices

(Note 10.1). However, the Group's net profit or loss at 30 June 2022 is positive in the amount of EUR 17,354 thousand, mainly as a result of having reached a production volume of energy generated in operation that allows it to obtain positive operating results, as well as the financial effect of options on energy prices granted to third parties (see Note 10.1).

Although the PPAs contracted by the Group guarantee stable cash flows, the valuation of this type of derivative, based on the estimate of future energy price curves made by an independent expert, has a significant negative impact on its valuation at the end of the six-month period ended 30 June 2022, as it only includes the estimate of future settlements with the counterparty signing the derivative, at a theoretical hourly pool market price (Note 11.1).

In the last months of FY2021 and in the first half of FY2022, electricity price volatility has been exceptionally high, with significant increases in electricity prices mainly due to gas price increases, as well as recent political and military events arising from the invasion of Ukraine. While approximately 30% of the Group's energy production not covered by derivatives is exposed to this volatility and has benefited from such high energy prices, the remaining 70% covered by PPAs, while ensuring stable and guaranteed cash flows, do not benefit from this price escalation. In any case, in the opinion of the Directors, a period of high prices may quickly give rise to a scenario of much lower prices, given the growing generation of energy from photovoltaic plants on the world market and the consequent increase in the presence of such plants in the renewable energy mix.

From a liquidity risk standpoint (see Note 10.3), in addition to the stability of the cash flows generated by the plants in operation, the Group has undrawn credit lines and the capacity to increase debt issues in unregulated markets that allow it to operate normally and obtain the liquidity necessary for its projects. To all this available financing must be added the forthcoming execution of the contract for the sale of 20 companies, signed in August 2021 (see Note 3.1.c of the consolidated financial statements for 2021), for which the Group received an advance of 39.4 million euro in 2021 and will obtain a significant return in 2022 and 2023. This liquidity situation not only allows the Group to be fully operational, but also ensures its ability to recover as soon as global market circumstances allow.

Lastly, from the point of view of credit risk and the valuation of assets and liabilities on the balance sheet, there have not been and are not expected to be any cancellations of projects included in the portfolio, nor any increase in risks due to the impact of impairment on the financial position of customers, generally with high quality credit performance and no historical default. Similarly, with regard to the recoverability of non-current assets (mainly property, plant and equipment and deferred tax assets), the Directors have drawn up a business plan agreed with the credit institutions with which financing has been obtained for the construction of the various wind farms (Note 9.2) for the coming years, which foresees increases in activity and, consequently, no need to reduce the carrying amount of these assets and the continuity of the Group's operations as normal.

In addition, the Parent Company Opdenergy Holding, S.A. maintains a positive individual equity of EUR 76,172 thousand at 30 June 2022, due to the fact that this company does not hold any derivative financial instruments contracted. Annex 1 to these Consolidated Financial Statements contains details of the Parent Company's Financial Statements at 30 June 2022. Accordingly, the Directors of the Group have prepared these summarised interim consolidated financial statements on a going concern basis because, in their opinion, the Group's ability to recover its assets and to meet its financial and other obligations, in the amounts and for the terms at which they are recognised in the balance sheet at 30 June 2022, is reasonably assured by the expected development of the business as detailed in its Business Plan and having matched the terms of the financing to the expected development of the Group.

2.4 Grouping of items

Certain items in the consolidated balance sheet, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows are grouped together to facilitate their understanding; However, to the extent material, the information is disclosed in the relevant notes to the summarised interim consolidated financial statements.

2.5 Functional and presentation currency

The items of each Group company included in the Group's summarised interim consolidated financial statements are measured and reported using the currency of the primary economic environment in which the parent company operates.

Although the Group has operations in the United States, Mexico and Chile, the Group's summarised interim consolidated financial statements are presented in euros, which is the parent company's functional and presentation currency. Given the magnitude of the figures, the amounts are expressed in thousands of euros, unless indicated otherwise.

2.6 Comparative information

The information contained in these summarised consolidated interim financial statements for the six months ended 30 June 2022 is presented solely and exclusively for comparative purposes with the information relating to the six months ended 30 June 2021.

2.7 Seasonal nature of the Group's transactions

Given the activities in which the Group's companies are engaged, and the fact that it maintains renewable energy plants in both the northern and southern hemispheres, the Group's transactions do not have a significant cyclical or seasonal character. Therefore, no specific disclosure is included in these notes to the summarised consolidated financial statements for the six-month period ended on 30 June 2022.

2.8 Relative importance

Pursuant to IAS 34, when determining which details to disclose in relation to the various items of the financial statements or other issues, the Group has considered the relative importance of the summarised consolidated financial statements for the six-month period.

2.9 Correction of accounting errors

In preparing the summarised interim consolidated financial statements for the six-month period ended 30 June 2022, no errors have been detected that would have resulted in the restatement of amounts included in the 2021 consolidated financial statements.

2.10 Summarised consolidated statements of cash flows

The following terms, with the meanings specified below, are used in the summarised consolidated cash flow statement, which was prepared using the indirect method:

1. Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.

2. Operating activities: typical activities of the consolidated Group companies and other activities that cannot be classified as investing or financing activities.

3. Investing activities: the acquisition, disposal or other disposition of long-term assets and other investments not included in cash and cash equivalents to the extent that they have a direct impact on cash flows.

4. Financing activities: activities that result in changes in the size and composition of equity and liabilities that are not operating activities, to the extent that they have a direct impact on cash flows.

3. Changes in the Group structure

The consolidation principles used in the preparation of these summarised interim consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2021.

Annex I to the consolidated financial statements for the year ended 31 December 2021 provides relevant information on the Group companies that were consolidated at that date.

During the first six months of 2022, the only change in the Group's scope of consolidation relates to the incorporation of the company Cuadruple Belinchón, S.L. (Note 8) over which the Group maintains significant influence at 30 June 2022 and the acquisition of a company in Italy, La Francesca 25, S.R.L.

Agreement for the sale of Spanish companies in 2022/2023

As explained in the consolidated financial statements for the year ended 31 December 2021, on 6 August 2021, Otras Producciones de Energía Fotovoltaica, S.L.U., which holds 100% of the shares of 20 companies, reached an agreement to sell 100% of these companies by means of a sale and purchase agreement. At 30 June 2022, each company is developing a project consisting of the final construction of a photovoltaic power plant and grid interconnection facilities shared with third parties other than themselves, which at 30 June 2022 are recognised under "Inventories" in the consolidated balance sheet in the amount of EUR 6,028 thousand (Note 11). As of 30 June 2022, two companies have already been transferred to the acquiring company, derecognising the inventories of products in progress, including the assets by right of use (see Note 11). Inventories and Note 7 Leases).

The initial consideration established in the sale and purchase agreement will depend on the MW finally developed in each project. As established in the sale and purchase agreement, at 30 June 2022, the Group has received an advance payment of EUR 40,153 thousand of which 3,874 thousand euros have been recorded as part of the income of the companies already disposed of, in respect of the development costs to be incurred in the coming months, which has been recognised under "Trade and other payables - Customer advances" in the consolidated balance sheet.

As of 30 June 2022, this sale and purchase agreement is conditional upon the fulfilment of a series of financial and production conditions, among others, as well as the obtaining of various authorisations from the different public administrations that are expected to be obtained during the second half of 2022 or 2023 for each of the companies, at which time the contract will be considered executed and the loss of control will be considered effective for accounting purposes. For this reason, the assets and liabilities associated with these companies have been fully consolidated at 30 June 2022 and the effects of the sale will be recognised once the contract is deemed to have been executed.

Purchase of companies in Italy in 2022

On 22 June 2022, Opdenergy Italia, S.R.L. entered into a purchase and sale agreement for the acquisition of 100% of the share capital of the Italian company La Francesca 35, S.R.L.

The Opdenergy Group has recorded this transaction effective 22 December 2022 (the time of the takeover considered by the Directors).

Under IFRS 3 "Business Combinations" addendum of 2018, a simplified concentration test has been performed in order to evaluate if whether the set of activities or assets acquired constitute a business.

Given that the fair value of the gross assets acquired is mainly concentrated in a single identifiable asset that cannot be used separately from the asset acquired, it is an assets acquisition. Accordingly, an asset is recognised for the renewable energy farm developments acquired, the costs incurred in the acquisition are capitalised and no deferred tax or contingent liability is recognised as a result of this transaction.

The main figures of the transaction are as follows:

	Thousands of Euros
Total transaction Price	1,320
Net assets acquired	(97)
Excess price to be allocated	1,223

The fair values recognized for the assets acquired and the liabilities assumed on the acquisition date are summarized below:

	Thousands of Euros
Identifiable net assets acquired	Fair value
Cash and cash equivalents	1
Trade receivables	10
Intangible assets	2
Property, plant and equipment	1,299
Advance to suppliers	8
Trade payables	-
Provisions	-
Total	1,320

The aforementioned developments have been recorded under "Non-current assets" at the transaction date.

4. Segment reporting

Note 5 of the notes to the Group's consolidated financial statements for the year ended 31 December 2021 details the criteria used by the Group to define its operating segments, and there have been no changes to the segmentation criteria.

At 30 June 2022, no discontinued operations, defined as the separation from the Group (either through a sale, spin-off, liquidation or similar operation) of an operating line of business or geographical area, had taken place.

Similarly, the Senior Management does not have any intention to perform any such operation in the near future. Segment information for the Group's businesses at 30 June 2022 and 30 June 2021, based on the criteria defined above, is presented below:

Six-month period ended 30 June 2022

	Thousands of Euros				
	EPC & Development	Energy Sales and Services	Corporate	Consolidation adjustments	**TOTAL**
Operating income:	20,432	49,522	1,066	(35,718)	**35,303**
- From third parties	12,128	22,825	350	-	35,303
- From group companies	8,304	26,698	716	(35,718)	-
(-) Direct cost	(6,147)	(21,026)	1,091	29,380	3,299
Gross Margin	**14,285**	**28,497**	**2,157**	**(6,337)**	**38,602**
(-) G&As	(3,075)	(8,628)	(5,937)	5,085	(12,555)
Provisioned liquidity event bonus	-	-	260	-	260
Expenses IPO	-	-	-	-	-
Adjusted EBITDA	**11,209**	**19,868**	**(3,519)**	**(1,252)**	**26,307**
(-/+) Depreciations & others	(377)	(7,662)	(282)	1,454	(6,867)
Adjusted EBIT	**10,832**	**12,207**	**(3,802)**	**202**	**19,440**

	Thousands of Euros
	TOTAL
Profit or loss from operations	19,179
MIP Bonus	10
Retention Bonus (Second tranche)	250
Depreciation and amortisation charge	6,451
Impairment and gains and losses on disposals of non-current assets	365
Other profit(loss)	50
Total adjusted EBITDA	**26,307**

Six-month period ended 30 June 2021

	Thousands of Euros				
	EPC & Development	Energy Sales and Services	Corporate	Consolidation adjustments	**TOTAL**
Operating income:	21,737	30,778	368	(37,883)	**15,001**
- From third parties	-	15,001	-	-	15,001
- From group companies	21,737	15,777	368	(37,883)	-
(-) Direct cost	(20,911)	(11,847)	(197)	31,933	(1,022)
Gross Margin	**826**	**18,931**	**171**	**(5,950)**	**13,979**
(-) G&As	(2,358)	(6,808)	789	2,984	(5,393)
Provisioned liquidity event bonus	-	-	(7,612)	-	(7,612)
Expenses IPO	-	-	2,016	-	2,016
Adjusted EBITDA	**(1,532)**	**12,123**	**(4,636)**	**(2,965)**	**2,990**
(-/+) Depreciations & others	(118)	(5,839)	(142)	2,162	(3,936)
Adjusted EBIT	**(1,650)**	**6,284**	**(4,779)**	**(803)**	**(946)**

	Thousands of Euros
	TOTAL
Profit or loss from operations	4,648
Provisioned liquidity event bonus	(7,612)
Expenses IPO	2,016
Depreciation and amortisation charge	3,771
Impairment and gains and losses on disposals of non-current assets	-
Other profit(loss)	166
Total adjusted EBITDA	**2,989**

In accordance with paragraph 23 of IFRS 8, the Group does not disclose interest expense, share of profit or loss of associates and income tax expense as this information is not routinely provided to the Senior Management and the Board of Directors.

Geographic breakdown

The geographical distribution for the reporting periods ended 30 June 2022 and 30 June 2021 is as follows:

Revenue	Thousands of Euros	
	30/06/2022	30/06/2021
Spain	28,914	10,890
Mexico	20	298
Italy	2,007	1,927
Chile	4,362	1,737
United States of America	-	149
	35,303	**15,001**

Fixed assets	Thousands of Euros 30.06.2022	31.12.2021
Spain	233,800	216,489
Mexico	156	143
Chile	149,425	131,188
Italy	21,185	19,488
United Kingdom	2,274	1,987
USA	14,106	6,718
POLAND	482	-
	421,428	**376,013**

Information on main customers

The breakdown of sales to external customers that were invoiced during the reporting periods ended 30 June 2022 and 30 June 2021 for amounts equal to or greater than 10% of revenue is as follows:

30/06/2022

	Thousands of Euros
Nexus Energía, S.A. (*)	46,596
Total	**46,596**

(*) The amount invoiced is higher than "Revenue" in the consolidated income statement due to the fact that this heading is reduced by the settlements of energy price derivatives.

30/06/2021

	Thousands of Euros
Nexus Energía, S.A. (*)	15,077
Total	**15,077**

(*) The amount invoiced is higher than "Revenue" in the consolidated income statement due to the fact that this heading is reduced by the settlements of energy price derivatives.

5. Property, plant and equipment

The movement in this item in the consolidated balance sheet during the first six months of 2022 and 2021 and the most significant information affecting this item is detailed below:

Six-month period ended 30 June 2022

	Thousands of Euros					
	Balance at 1/01/22	Additions / (Provisions)	Business combination	Transfers	Translation differences	Balance at 30/06/22
Cost:						
Land and buildings	2,213	24			-	2,237
Plant, machinery, tools, furniture and other items of property, plant and equipment	278,988	-		72,990	7,200	359,178
Property, plant and equipment in the course of construction	109,439	41,523	1,299	(72,990)	1,070	80,341
Total cost	**390,640**	**41,547**	**1,299**	**-**	**8,270**	**441,756**
Accumulated depreciation:						
Buildings	(650)	(61)			-	(711)
Plant, machinery, tools, furniture and other items of property, plant and equipment	(13,977)	(5,610)			(30)	(19,617)
Total accumulated depreciation	**(14,627)**	**(5,672)**	**1,299**	**-**	**(30)**	**(20,328)**
Total, net	**376,013**	**35,875**	**1,299**	**-**	**8,240**	**421,428**

At 30 June 2022 the Group recognises under "Plant, machinery, tools, furniture and fixtures and other fixed assets" the renewable energy plants (11 photovoltaic farms in Spain, 7 photovoltaic farms in Italy, 4 photovoltaic farms in Chile and 1 wind farm in Chile) that are connected to the grid and producing energy and which the Group has decided to maintain for operation.

The Group also maintains under "Assets under construction" 20 photovoltaic farms in Spain which is under construction at 30 June 2022, as well as farm developments, mainly in Spain, the United States and the United Kingdom, which the Group expects to complete their development and construction for subsequent operation.

The main additions for the six-month period ended 30 June 2022 relate mainly to energy park developments that the Group is undertaking and plans to construct.

The Group recognises provisions for the decommissioning of wind farms where an obligation exists. The estimated present value of these costs is recognised as an increase in the value of the asset with a credit to "Provisions" (Note 13).

The geographical distribution and carrying amount of the renewable energy plants classified as "Plant, machinery, tools, furniture and other fixed assets" and "Assets under construction" is as follows (in thousands of euros):

	30/06/2022		31/12/2021	
	Renewable energy farms	Developments and Other items of property, plant and equipment	Renewable energy farms	Developments and Other items of property, plant and equipment
Spain	182,008	51,792	185,265	31,224
Mexico	-	156	-	143
Chile	144,666	4,759	127,814	3,374
Italy	12,551	8,634	13,131	6,357
United Kingdom	-	2,274	-	1,987
USA	-	14,106	-	6,718
Poland	-	482	-	-
Total	**339,225**	**82,203**	**326,210**	**49,803**

Fiscal year ended 31 December 2021

	Thousands of Euros						
	Balance at 1/01/21	Transfers to 01/01/2021	Business combination	Additions / (Provisions)	Transfers	Translation differences	Balance at 31/12/21
Cost:							
Land and buildings	1,982	-	-	231	-	-	2,213
Plant, machinery, tools, furniture and other items of property, plant and equipment	22,001	75,362	116,090	-	62,455	3,080	278,988
Property, plant and equipment in the course of construction	-	97,018	-	72,077	(62,455)	2,799	109,439
Total cost	**23,983**	**172,380**	**116,090**	**72,308**	**-**	**5,879**	**390,640**
Accumulated depreciation:							
Buildings	(527)	-	-	(123)	-	-	(650)
Plant, machinery, tools, furniture and other items of property, plant and equipment	(5,938)	-	-	(8,039)	-	-	(13,977)
Total accumulated depreciation	**(6,465)**	**-**	**-**	**(8,162)**	**-**	**-**	**(14,627)**
Total, net	**17,518**	**172,380**	**116,090**	**64,146**	**-**	**5,879**	**376,013**

The carrying amount of property, plant and equipment located outside Spain at 30 June 2022 is EUR 187,629 thousand (31 December 2021: EUR 159,524 thousand).

The detail of the fully depreciated items of property, plant and equipment still in use is as follows (in thousands of euros):

	30/06/2022	31/12/2021
Plant, machinery and other items of property, plant and equipment	1,217	1,217

In the reporting period ended 30 June 2022, the Group capitalised finance costs of EUR 864 thousand attributable to the financing associated with the renewable energy plants that took more than twelve months to bring into operation (see Note 9.2) as an increase in the value of fixed assets.

During the six-month period ended 30 June 2022, the Group has also capitalised personnel expenses and work carried out by third parties not associated with construction, mainly amounting to EUR 4,013 thousand, respectively, and which relate to the development of the photovoltaic power plant projects.

At 30 June 2022, the Group has fixed asset purchase commitments amounting to EUR 67,745 thousand relating to photovoltaic projects to be built in Spain, the United States and the United Kingdom.

At 30 June 2022, the Group's Directors estimate that, given the increase in energy prices in the first half of 2022, and taking into account the estimates made and described in Note 3.6 to the consolidated financial statements for 2021, there are no indications that impairment of fixed assets will be necessary at that date.

The Group has taken out several insurance policies to cover the risks to which its property, plant and equipment are subject. It is considered that these policies sufficiently cover such risks.

6. Investment property

At 30 June 2022 and 31 December 2021, the Group has recognised EUR 1,218 thousand under "Investment property" in the consolidated balance sheet in relation to land acquired for the construction of renewable energy plants previously developed, built and sold by the Group in recent years. The Group Senior Management's estimate of the fair value of the land amounts to EUR 1,588 thousand as at 30 June 2022 (2021: (EUR 1,656 thousand). These plots of land are leased to the owners of the PV facilities.

Income from these investments, amounting to EUR 45 thousand, has been recognised under "Other operating income" in the consolidated income statement for the first half of 2022.

At 30 June 2022 and 31 December 2021 there were no restrictions on making new investment property investments, on the collection of rental income therefrom or in connection with the proceeds to be obtained from a potential disposal thereof.

7. Leases

The movement in this item in the consolidated balance sheet during the first six months of 2022 and during 2021 is detailed below:

Six-month period ended 30 June 2022

	Thousands of Euros					
	Balance at 01/01/22	Business combination	Additions	Derecognitions	Translation differences	Balance at 30/06/22
Cost:						
Land	47,334	-	8,277	(10,703)	45	44,954
Plant	408	-	-	-	-	408
Buildings and others	518	-	-	-	-	519
Total cost	**48,260**	**-**	**8,277**	**(10,703)**	**45**	**45,880**
Accumulated depreciation:						
Land	(2,915)	-	(619)	569	(78)	(3,042)
Plant	(63)	-	(17)	-	-	(80)
Buildings and others	(598)	-	(148)	-	-	(746)
Total accumulated depreciation	**(3,576)**	**-**	**(784)**	**569**	**(78)**	**(3,869)**
Total right-of-use assets	**44,684**	**-**	**7,494**	**(10,134)**	**(32)**	**42,012**

Fiscal year ended 31 December 2021

	Thousands of Euros					
	Balance at 01/01/21	Business combination	Additions	Derecognitions	Translation differences	Balance at 31/12/21
Cost:						
Land	9,068	12,136	26,121	-	10	47,334
Plant	1,081	-	-		-	408
Buildings and others	2,081	-	-	(1,563)	-	518
Total cost	**12,230**	**12,136**	**26,121**	**(1,563)**	**10**	**48,260**
Accumulated depreciation:						
Land	(1,061)	-	(1,129)	-	(309)	(2,915)
Plant	(782)	-	45	674	-	(63)
Buildings and others	(817)	-	(86)	307	(2)	(598)
Total accumulated depreciation	**(2,660)**	**-**	**(1,586)**	**981**	**(311)**	**(3,576)**
Total right-of-use assets	**9,570**	**12,136**	**24,534**	**(1,256)**	**(301)**	**44,684**

The main contracts held by the Group as lessee relate to plots of land on which renewable energy plants, offices and vehicles are located. The main features and assumptions used by the Group in accounting for these rights of use are as follows:

- The average lease term of the Group's main contracts is as follows:

Buildings	5.30
Vehicles	3.86
Plots for renewable energy plants	32.14

- Discount rates depend on the country and the type of asset, as shown below:

	Spain	Chile	Italy	Mexico
Buildings	6.33%	10.30%	1.72%	7.80%
Vehicles	2.10%	-	-	-
Plots for renewable energy plants	1.44%-4.90%	7.33%-9.75%	4.37%	-

As at 30 June 2022, the Group only has one lease with variable payments, which has a term of 35 years and whose rent is linked to the energy production of the wind farm located on the leased land. The rent is calculated as 2% of the Group's revenue from the sale of energy from the plant, with future payments estimated as follows:

	Thousands of Euros					
	2022	2023	2024	2025	2026 and subsequent years	Total
Future variable payments	141	127	86	94	4,841	5,289

The main additions in the first half of FY 2022 and FY 2021 relate to the rental of land due to the Group's increased need for land to expand its business.

The Group has not recognised impairments on rights of use in the first six months of fiscal year 2022 and in fiscal year 2021.

The Group included as "Inventories" the amortisation of right-of-use assets and the accrued expense of finance lease liabilities incurred in the development and construction of certain plants which are still under construction, in their initial design, development and construction phases and which, based on IFRS 16, will be put up for sale by the Group once they are commissioned in the amount of EUR 10,134 thousand at 31 December 2021. At 27 June 2022, the companies holding these assets by right of use have been effectively sold (see Notes 3 y 11).

Details of and movement in right-of-use assets under this heading in the consolidated balance sheet in 2021 and during the first six months of 2022 are set out below:

Six-month period ended 30 June 2022

	Thousands of Euros			
	Balance at 01/01/2022	Additions	Derecognitions	Balance at 30/06/2022
Cost:				
Land	10,573	130	(10,703)	-
Total cost	**10,573**	**130**	**(10,703)**	**-**
Accumulated depreciation:				
Land	(515)	(54)	569	-
Total accumulated depreciation	**(515)**	**(54)**	**569**	**-**
Inventories	**10,058**	**76**	**(10,134)**	**-**

Fiscal year ended 31 December 2021

	Thousands of Euros			
	Balance at 01/01/21	Transfers to 01/01/2021 (Note 1)	Additions	Balance at 31/12/21
Cost:				
Land	7,882	(7,882)	10,573	10,573
Total cost	**7,882**	**(7,882)**	**10,573**	**10,573**
Accumulated depreciation:				
Land	(1,017)	1,017	(514)	(514)
Total accumulated depreciation	**(1,017)**	**1,017**	**(514)**	**(514)**
Inventories	**6,865**	**(6,865)**	**10,058**	**10,058**

Details of lease payments recognised as an expense in the six-month period ended 30 June 2022 and in the six-month period ended 30 June 2021 in "Other operating expenses" in the consolidated income statement (see Note 15.4) are as follows (in thousands of euros):

	30/06/2022	30/06/2021
Lease payments(*)	163	106
Total	**163**	**106**

(*) Non-cancellable leases. All of these correspond to contracts with a maturity of less than one year.

The breakdown by maturity of the undiscounted lease liability based on the contracted schedule at 30 June 2022 is as follows:

	Thousands of Euros					
	2022	2023	2024	2025	2026 and subsequent years	Total
Lease liability	1,259	2,688	2,618	2,577	57,888	67,030

As at 30 June 2022 and 31 December 2021 there were no significant lease commitments.

8. Investments determined by the equity method

The detail of "Investments accounted for using the equity method" as at 30 June 2022 and the movement during the first half of 2022 is as follows (in thousands of euros):

	Balance at 01/01/2022	Additions	Share in profit (loss) of companies consolidated under equity method	Valuation adjustments (**)	Other changes (*)	Balance at 30/06/2022
Renter Gestiones, S.L.	25	-	21	-	-	45
A2 Renovables LLC Holding	7,055	-	(13)	868	655	8,565
Tordesillas Renovables 400 KV, S.L.	50	13	(2)	-	-	61
Olmedo Renovables 400 KV, A.I.E.	81	61	-	-	-	142
Valcabado Renovables 2200 KV, S.L.	110	-	(8)	-	-	102
Cubillos Renovables, S.L. (***)	60	488	(5)	-	-	543
Gazules Renovables, S.L.	2	29	(4)	-	-	27
Labradas Renovables, S.L. (***)	4	19	(3)	-	-	20
Monte Reina Renovables, S.L.	5	5	(5)	-	-	6
Trevago Renovables, S.L.	2	5	(15)	-	-	(8)
La Serranilla Renovables 132 KV, A.I.E. (***)	-	218	-	-	-	221
Trend Energético, S.R.L.	3	221	-	-	-	224
Laat 132 KV Doble Circuito Tordesillas 400 KV, S.L. (***)	-	16	(5)	-	-	14
Cuádruple Belinchon, S.L.	-	1	-	-	-	10
Total	**7,397**	**856**	**(38)**	**868**	**655**	**9,738**

(*) The amount included in the column "Other movements" includes the translation differences associated with these participations.

(**) The valuation adjustments relate to derivative financial instruments to hedge the risk of fluctuations in interest rates contracted by the companies. At 30 June 2022, the proportion corresponding to the change in the valuation of these derivatives, carried out by an independent expert, amounts to EUR 868 thousand and has been recognised with a charge to "Hedging transactions in associates" in the consolidated balance sheet.

(***) Although the Group holds a stake of more than 50% in these companies, and based on the various shareholders' agreements, it does not maintain control over these companies, which is why they have not been fully consolidated.

The detail of "Equity investments accounted for using the equity method" as at 31 December 2021 and of the movement in 2021 is as follows (in thousands of euros):

	Balance at 01/01/2021	Additions	Share in profit (loss) of companies consolidated under equity method	Valuation adjustments (***)	Other transactions (**)	Other consolidation adjustments	Derecognitions	Balance at 31/12/2021
Planta Solar OPDE Fernandina, S.L. (*)	78	-	(57)	(36)	-	11	4	-
Planta Solar OPDE Extremadura 2, S.L. (*)	34	-	(48)	(44)	-	12	46	-
Planta Solar OPDE Andalucía 1, S.L. (*)	(110)	-	(38)	(11)	-	11	148	-
Renter Gestiones, S.L.	17	-	8	-	-	-	-	25
A2 Renovables LLC Holding	6,831	-	(172)	19	364	13	-	7,055
Opdenergy Riverstone L.P.	33	199	(1)	-	(2)	-	(229)	-
Tordesillas Renovables 400 KV, S.L.	-	50	-	-	-	-	-	50
Olmedo Renovables 400 KV, A.I.E.	-	81	-	-	-	-	-	81
Valcabado Renovables 2200 KV, S.L.	-	117	(7)	-	-	-	-	110
Cubillos Renovables, S.L. (****)	-	60	-	-	-	-	-	60
Gazules Renovables, S.L.	-	2	-	-	-	-	-	2
Labradas Renovables, S.L. (****)	-	4	-	-	-	-	-	4
Monte Reina Renovables, S.L.	-	6	(1)	-	-	-	-	5
Trevago Renovables, S.L.	-	8	(6)	-	-	-	-	2
La Serranilla Renovables 132 KV, A.I.E. (****)	-	-	-	-	-	-	-	-
Trend Energético, S.R.L.	-	3	-	-	-	-	-	3
Laat 132 KV Doble Circuito Tordesillas 400 KV, S.L. (****)	-	-	-	-	-	-	-	-
Total	**6,883**	**530**	**(322)**	**(72)**	**362**	**47**	**(31)**	**7,397**

(*) The amount of the columns "Share in the results of equity-accounted companies" and "Valuation adjustments" correspond to the balances at the date of purchase and sale (Note 3.1.c of the consolidated financial statements of fiscal year 2021).

(**) The amount included in the column "Other movements" includes the translation differences associated with these participations.

(***) The valuation adjustments relate to derivative financial instruments to hedge the risk of fluctuations in interest rates contracted by the companies. At 31 December 2021, the proportion corresponding to the change in the valuation of these derivatives, carried out by an independent expert, amounts to EUR 72 thousand and has been recognised with a charge to "Hedging transactions in associates" in the consolidated balance sheet.

(****) Although the Group holds a stake of more than 50% in these companies, and based on the various shareholders' agreements, it does not maintain control over these companies, which is why they have not been fully consolidated.

Six-month period ended 30 June 2022

During the first six months of the financial year 2022, the Group, together with third parties outside the Group, has incorporated the following company, over which it has no control: Cuádruple Belinchón, S.L.

Fiscal year ended 31 December 2021

As described in Note 3.1.c of the consolidated financial statements for 2021, as a result of the sale and purchase agreement for the acquisition of 80% of the share capital of Planta Solar OPDE La Fernandina, S.L., Planta Solar OPDE Andalucía 1, S.L. and Planta Solar OPDE Extremadura 2, S.L., these companies were fully consolidated at the date of the business combination.

On the other hand, as described in Note 3.1.c of the consolidated financial statements of fiscal year 2021, on 9 December 2021 the companies Otras Producciones de Energía Fotovoltaica, S.L. and Turolense de Iniciativas Sostenibles IV, S.L. entered into a purchase and sale agreement for the acquisition of 80% of the share capital owned by Opdenergy Riverstone, L.P. from the Mexican companies Promociones Solares MV, S.A.PI. de C.V. and Rho Solar, S. de R.L. de C.V.

Lastly, in 2021 the Group incorporated the following companies, over which it does not have control, together with third parties outside the Group: Tordesillas Renovables 400 KV, S.L., Olmedo Renovables 400 KV, A.I.E., Valcabado Renovables 2200 KV, S.L., Cubillos Renovables, S.L., Gazules Renovables, S.L., Labradas Renovables, S.L., Monte Reina Renovables, S.L., Trevago Renovables, S.L., La Serranilla Renovables 132 KV, A.I.E., Trend Energético, S.r.l. and Laat 132 KV Doble Circuito Tordesillas 400 KV, S.L.

None of the companies accounted for using the equity method are listed.

The main aggregates of these associates of the Group as of 30 June 2022 are as follows:

	Thousands of Euros		
	Assets	Liabilities	Profit / (loss) for the year
Renter Gestiones, S.L.	323	134	89
A2 Renovables LLC Holding (*)	134,623	85,553	(65)
Tordesillas Renovables 400 KV, S.L.	246	33	(8)
Olmedo Renovables 400 KV, A.I.E.	509	27	-
Valcabado Renovables 2200 KV, S.L.	629	623	(19)
Cubillos Renovables, S.L.	1,564	639	(8)
Gazules Renovables, S.L.	107	27	(12)
Labradas Renovables, S.L.	32	31	(5)
Monte Reina Renovables, S.L.	24	5	(13)
Trevago Renovables, S.L.	28	56	(52)
Trend Energético, S.R.L.	715	707	(1)
Cuadruple Belinchon, S.L.	-	-	-
Total	**138,819**	**87,836**	**(94)**

(*) Consolidated interim financial statements as of 30 June 2022, including Infraestructura Energética del Norte, S. de R.L. de C.V. and Energía Solar de Poniente, S. de R.L. de C.V.

The main aggregates of these Group associates at 31 March 2021 are as follows:

	Thousands of Euros		
	Assets	Liabilities	Profit / (loss) for the year
Renter Gestiones, S.L.	223	122	29
A2 Renovables L.P. (*)	119,256	77,628	(860)
Tordesillas Renovables 400 KV, S.L.	-	-	-
Olmedo Renovables 400 KV, A.I.E.	367	87	-
Valcabado Renovables 2200 KV, S.L.	276	299	(27)
Cubillos Renovables, S.L.	30	33	(6)
Gazules Renovables, S.L.	35	29	-
Labradas Renovables, S.L.	-	-	-
Monte Reina Renovables, S.L.	4	3	(3)
Trevago Renovables, S.L.	6	23	(20)
La Serranilla Renovables 132 KV, A.I.E.	-	-	-
Trend Energético, S.R.L.	636	628	2
Laat 132 KV Doble Circuito Tordesillas 400 KV, S.L.	-	-	-
Total	**120,833**	**78,852**	**(885)**

(*) Consolidated financial statements as of 31 December 2021, considering Infraestructura Energética del Norte, S. de R.L. de C.V. and Energía Solar de Poniente, S. de R.L. de C.V.

9. Financial instruments

The following information is detailed below:

- the different classes of financial instruments registered by the Group based on their nature and characteristics;

- the carrying amount of such financial instruments; and

- the fair value of the financial instruments (except for the ones for which the carrying amount is close to its fair value).

Six-month period ended 30 June 2022

	Thousands of Euros			
	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Balance at 30/06/2022
Financial assets:				
Equity instruments	-	1,351	-	1,351
Loans to companies	581	-	-	581
Loans to group companies and associates (Note 16.2)	706	-	-	706
Derivatives (Note 9.1)	-	18,564	-	18,564
Trade and other receivables	32,460	-	-	32,460
Cash and cash equivalents	74,067	-	-	74,067
Other financial assets	1,314	-	-	1,314
Total financial assets	**109,128**	**19,915**	-	**129,042**
Financial liabilities:				
Debt instruments and other marketable securities	138,276	-	-	138,276
Bank borrowings not associated with renewable energy plants	7,000	-	-	7,000
Bank borrowings associated with renewable energy plants	242,601	-	-	242,601
Finance lease liabilities	42,333	-	-	42,333
Derivatives (Note 9.2)	-	222,904	-	222,904
Trade and other payables	34,202	-	-	34,202
Advances from trade receivables	36,379	-	-	36,379
Other financial liabilities	97	-	-	97
Total financial liabilities	**500,888**	**222,904**	-	**723,792**

Fiscal year ended 31 December 2021

	Thousands of Euros			
	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Balance at 31/12/2021
Financial assets:				
Equity instruments	-	905	-	905
Loans to companies	647	-	-	647
Loans to group companies and associates (Note 16.2)	637	-	-	637
Derivatives (Note 9.1)	-	4,296	-	4,296
Trade and other receivables	23,249	-	-	23,249
Cash and cash equivalents	99,575	-	-	99,575
Other financial assets	1,278	-	-	1,278
Total financial assets	**125,386**	**5,201**	**-**	**130,587**
Financial liabilities:				
Debt instruments and other marketable securities	137,550	-	-	137,550
Bank borrowings associated with renewable energy plants	241,504	-	-	241,504
Finance lease liabilities	1,781	-	-	1,781
Finance lease payables associated with photovoltaic plants	42,079	-	-	42,079
Derivatives (Note 9.2)	-	66,671	-	66,671
Trade and other payables	29,870	-	-	29,870
Advances from trade receivables	39,422	-	-	39,422
Other financial liabilities	34	-	-	34
Total financial liabilities	**492,240**	**66,671**	**-**	**558,911**

9.1 Financial assets

<u>*Loans to companies*</u>

As at 30 June 2022 and 31 December 2021, the Group has recorded several loans granted to third parties during previous years in the long term. Details of loans granted are as follows (in thousands of euros):

	Average interest rate	Balance at 30/06/2022		Balance at 31/12/2021	
		Long term	Short term	Long term	Short term
Sociedad Ibérica de Generación de Energía Fotovoltaica XIX, S.L. (*)	None	390	43	432	47
Sociedad Ibérica de Generación de Energía Fotovoltaica VI, S.L. (*)	None	356	50	397	43
Other loans to third parties	4.00%	-	54	-	40
Accumulated Impairment		(312)	-	(312)	-
Carrying amount		**434**	**147**	**517**	**130**

(*) Management of the Parent company considered that the loans to Sociedad Ibérica de Generación de Energía Fotovoltaica XIX, S.L. and Sociedad Ibérica de Generación de Energía Fotovoltaica VI, S.L. were not 100% recoverable and were therefore partially impaired in prior years.

As at 30 June 2022, the net value associated with the two receivables amounts to EUR 434 thousand long-term and EUR 147 thousand short-term (EUR 517 thousand long-term and EUR 130 thousand short-term as at 31 December 2021), recorded under "Non-current assets - Long-term loans to companies" and "Current assets - Short-term loans to companies", respectively, in the consolidated balance sheet.

The credit risk of the financial instrument described above has not increased significantly since initial recognition, except for the impaired loans described in the footnote to the table. The loss allowance for these financial instruments in an amount equal to the 12-month expected credit losses is not material.

<u>*Derivatives*</u>

Interest rate hedging

On 22 September 2020, OPDEnergy Generación S.p.A. entered into a financing agreement with Sumitomo Mitsui Banking Corporation for the construction of two solar farms (see Note 9.2). Together with this financing agreement, an interest-rate risk hedging agreement was entered into for an initial notional amount of USD 23,396,901 with monthly maturities until 15 June 2021 and with six-monthly maturities from 15 June 2021 to 15 December 2039. The notional amount outstanding as at 30 June 2022 is USD 67,319,458.

In addition, on 16 December 2021 the companies Planta Solar Opde 3, S.L., Planta Solar Opde 5, S.L. and Planta Solar Opde 6, S.L. together with new financing contracts to finance the construction of the solar farms owned by them (Note 9.2), entered into interest rate risk hedging contracts for *caps* for notional amounts of EUR 18,599,000, EUR 4,158,000 and EUR 18,610,740 respectively, all of which mature half-yearly from 31 December 2021 to 29 December 2023. In addition, these companies also entered into interest rate *swaps for* notional amounts of EUR 16,671,422, EUR 3,668,550 and EUR 16,274,396, respectively, all of which mature half-yearly from 29 December 2023 to 29 December 2034.

In addition, the companies Planta Solar Fernandina, S.L., Planta Solar Andalucía 1, S.L. and Planta Solar Extremadura 2 have financing contracts (Note 9.2) with which they entered into interest rate derivative contracts for a notional amount of EUR 20,450,031, EUR 20,637,150 and EUR 20,445,375 respectively, maturing every six months until 31 December 2029.

At 30 June 2022, the valuation of these derivatives, carried out by an independent expert, amounted to EUR 18,564 thousand and is recorded under "Derivatives" in non-current assets with a credit to "Valuation adjustments - Hedging transactions", net of the corresponding tax effect in the consolidated balance sheet in the amount of EUR 14,006 thousand.

The Group has complied with the requirements detailed in Note 3.8 on valuation rules of the consolidated financial statements for the year ended 31 December 2021 in order to classify these financial derivatives as hedging instruments. The settlements of the hedging instruments coincide with the time at which the cash flows from the interest settlements of the financing contracts are expected to occur; - the hedged item - are expected to occur. In particular, it meets all the requirements for hedge effectiveness and has been formally designated as a hedge.

Trade and other receivables

The detail of this heading on the consolidated balance sheets a 30 June 2022 and 31 December 2021 is as follows:

	Thousands of Euros	
	30/06/2022	31/12/2021
Trade receivables for sales and services long-term	-	4,415
Trade receivables for sales and services short-term	32,286	18,659
Trade receivables for sales and services to associates (Note 16.2)	106	89
Sundry accounts receivable	68	86
	32,460	**23,249**

During the first months of 2022 and at 31 December 2021, the Group recognises a receivable in relation to the 2020 sale of Energía Solar de Poniente, S. de R.L. de C.V. and Infraestructura Energética del Norte, S. de R.L. de C.V. described in Note 3.1 to the consolidated financial statements for 2021, recognising EUR 4,814 thousand in the long term (EUR 4,075 thousand at the date of sale). At 30 June 2022, the group reclassifies this amount to short term, as it matures in June 2023.

On the other hand, during the first half of 2022, the Group maintains a receivable related to the sale of Horus Kentucky 1, LLC. described in Note 3.1.c of the consolidated financial statements for the fiscal year 2021 in the amount of EUR 1,203 thousand in the short term. In addition, the Group has receivables of EUR 22,892 thousand relating to sales of energy generated by photovoltaic plants pending settlement at 30 June 2022 and EUR 3,003 thousand as a result of the sale of two of the twenty companies, a transaction discussed in Note 3 of this consolidated report.

The Group monitors and analyses changes in all trade receivables on an ongoing basis. After analysing this situation, the Directors consider that the risk of impairment of receivables is not material at 30 June 2022 and 31 December 2021.

The movement in impairment losses on trade receivables recognised as a reduction of the balance of "Trade receivables for sales and services" in the consolidated balance sheet was as follows:

Six-month period ended 30 June 2022

	Beginning balance	Charge for the year / (reversals) recognised in the year	Ending balance
Impairment for trade operations	200	(1)	199

Fiscal year ended 31 December 2021

	Beginning balance	Charge for the year / (reversals) recognised in the year	Ending balance
Impairment for trade operations	170	30	200

During the six months ended 30 June 2022 the Group has recognised an impairment charge for trading operations of EUR 1 thousand. During the fiscal year ended 31 December 2021, the Group recognised a provision of EUR 34 thousand and a reversal of EUR 4 thousand under "Other operating expenses" in the consolidated income statement for 2021.

At 30 June 2022, the Group has significant balances in currencies other than the euro. The main receivables in foreign currencies amount to a total of EUR 8,516 thousand (As at 31 December 2021: (EUR 16,820 thousand).

Maximum exposure to credit risk at the reporting date is the fair value of each category of the above-mentioned receivables. The Group holds no guarantee as insurance.

Other financial assets

At 30 June 2022 and 31 December 2021, the Group has long-term financial investments amounting to EUR 767 thousand and EUR 793 thousand, respectively, corresponding to deposits pledged under guarantee policies granted to secure compliance with certain obligations assumed by the Group; mainly due to guarantees provided to foreign public authorities (see Note 18.2). The term of the secured obligation is more than one year and, therefore, these deposits are recognised under non-current assets.

These assets bear interest at market rates. At 30 June 2022 and 30 June 2021, the interest accrued on long-term and short-term financial assets is approximately EUR 3 thousand and EUR 11 thousand respectively, credited to "Finance income" in the consolidated income statement (Note 15.5).

At 30 June 2022 and 31 December 2021, the Group holds short-term financial assets (deposits and time deposits) amounting to EUR 547 thousand and EUR 485 thousand, respectively.

Finally, the Group recognised finance income of EUR 1 thousand in relation to loans to third parties, which will be paid over the financial years 2022 and 2023 (EUR 152 thousand during the first six months of 2021).

9.2 Financial liabilities

Debt instruments and other marketable securities

The detail of "Bonds and other non-current marketable securities" in the consolidated balance sheet as at 30 June 2022 and 31 December 2021 is as follows (in thousands of euros):

	30/06/2022	31/12/2021
Bonds and other marketable securities- *Issuance 2021*		
1st bond issue - nominal EUR	114,555	114,555
2nd bond issue - nominal EUR	25,445	25,445
Formalisation fees and commissions (*)	(1,724)	(2,450)
Total	**138,276**	**137,550**

(*) For the first six months of 2022 and as at *31 December 2021 the Parent Company's Directors consider that debt arrangement fees and expenses should be classified in full as long-term debt.*

The detail by maturity of the items forming part of the heading "Bonds and other marketable securities" at 30 June 2022 and 31 December 2021 is as follows (in thousands of euros):

Six-month period ended 30 June 2022:

	2022	2023	2024	2025	Total
Bonds and other marketable securities- Issuance 2022					
1st bond issue - nominal EUR	-	114,555	-	-	114,555
2nd bond issue - nominal EUR	-	25,445	-	-	25,445
Total	**-**	**140,000**	**-**	**-**	**140,000**

Fiscal year ended 31 December 2021:

	2022	2023	2024	2025	Total
Bonds and other marketable securities- Issuance 2021					
1st bond issue - nominal EUR	-	114,555	-	-	114,555
2nd bond issue - nominal EUR	-	25,445	-	-	25,445
Total	**-**	**140,000**	**-**	**-**	**140,000**

On 17 March 2021 the Group company Opdenergy, S.A.U., entered into a new contract for the issue of a bond-based financing facility with a maximum drawdown amount of EUR 140,000,000. On the occasion of

this new issue, the Group cancelled the previous financing obtained through bond issues in previous years.

This new line of financing has a single maturity date for all issues on 23 September 2023, bearing interest linked to Euribor plus a spread that increases every six months in the following manner: 2.5% for the first six months; 4% after six months; 5% after 12 months; 5.5% after 18 months; and 6% after 24 months. In addition, the issues made may be redeemed early from the second year after the issue date.

In addition, in the framework of these operations, the Group provided the following guarantees in favour of the holders of the bonds issued:

- Pledge constituted by Opdenergy Holding, S.A. on 60,000 shares (numbers 1 to 60,000) with a nominal value of EUR 1 each, which make up 100% of the share capital of the company Opdenergy S.A.U.
- Pledge constituted by Opdenergy, S.A. on 7,138,349 shares (numbers 1 to 7,138,349) with a nominal value of EUR 1 each, which make up 100% of the share capital of the company Otras Producciones de Energía Fotovoltaica, S.L.U.
- Pledge constituted by Opdenergy, S.A. on 15,061,224 shares (numbers 1 to 15,061,224) with a nominal value of EUR 1 each, which make up 100% of the share capital of the company Opde Participaciones Industriales, S.L.U.
- Pledge constituted by Opdenergy, S.A. on the credit rights deriving from various current accounts held by it with Caja Rural de Navarra, Sociedad Corporativa de Crédito, Caixabank S.A., Banco Bilbao Vizcaya Argentaria, S.A.

Pursuant to the provisions of the issue agreement, all of the bonds issued by the Group will be fully subscribed and purchased by institutional investors identified in said agreement and, therefore, it is not necessary to register with the National Securities Market Commission any prospectus for the issue, as provided for in article 35.2 of Royal Legislative Decree 4/2015, of 23 October, approving the revised text of the Securities Market Act, as the issue is aimed exclusively at the aforementioned subscribers and is not, therefore, a public offering and subscription of securities.

All of the debt is floating rate linked at 30 June 2022 and 31 December 2021.

With the issuance of the new bonds mentioned above, on 17 March 2021, the previous bond financing facility held by the Group until that date was cancelled and fully repaid. As a result, and as this was a material change in the terms of the debt, the Group recognised EUR 1,234 thousand in debt arrangement fees and EUR 1,375 thousand in cancellation fees with a charge to "Finance costs" in the consolidated income statement for the six-month period ended 30 June 2021.

The information relating to the bond issue in the previous year 2021 which was fully subscribed during the year 2021 by eight reputable collective investment institutions and whose outstanding balances during the first six months of 2022 amounted to EUR 140,000,000 is as follows:

ISIN	Issuer	Issue date	Currency	Number of bonds purchased	Nominal value expressed in euro (**)	Maturity date	Market (*)
XS2315961271	Opdenergy, S.A.U.	23/03/2021	EUR	114,555,000	112,263,900	23/09/2023	Freiverkehr
XS2315961784	Opdenergy, S.A.U.	23/03/2021	EUR	25,445,000	24,936,100	23/09/2023	Freiverkehr
	Bond issue in EUR			**140,000,000**	**137,200,000**		

(*) The senior bond issue by Opdenergy, S.A.U. was listed on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange in accordance with the German securities market law.

(**) The difference between the bonds purchased and the nominal value is due to the cost of the issuance transaction.

As at 30 June 2022 and 31 December 2021 there were no accrued financial interests that had not yet been paid.

Compliance with financial ratios

The bond issue contract includes a series of conditions and commitments assumed by Opdenergy Holding, S.A. and its subsidiaries including compliance with a series of financial ratios, in particular a Guarantee Coverage Ratio, defined as the ratio between (i) the cash held by the Group plus other financial investments of the Group and the Project Costs incurred (construction and development cost less closed project financing) and (ii) the outstanding amount of bonds plus the principal amount of the Group's financial indebtedness plus the amount of corporate and/or bank guarantees that are due at that time plus the actual liabilities of the members of the Group. This ratio is mandatory from 2021 to 2023. In addition, cross-default conditions are assumed in the event that certain Group companies (Opdenergy Holding, S.A., Opdenergy, S.A., Otras Producciones de Energía Fotovoltaica, S.L., Opde Participaciones Industriales, S.L. and any other project companies with any project finance closed and with a capacity of more than 10 MW) entered into several default situations.

As at the end of the six-month period ended 30 June 2022 and the fiscal year ended 31 December 2021, the Directors of the Group believe that all obligations under the bond issue, including the financial ratio compliance described above, have been satisfied and do not anticipate any default in this regard in future years.

<u>*Bank borrowings*</u>

The detail of this item in the consolidated balance sheet as at 30 June 2022 and 31 December 2021 is as follows (in thousands of euros):

	30/06/2022	31/12/2021
Borrowings from credit institutions-		
Bank borrowings associated with renewable energy plants	242,601	241,504
	242,601	**241,504**

Credit facilities

In relation to the different operating lines held by the Group, a limit of EUR 35 thousand is established as at 30 June 2022. The amount drawn down at 30 June 2022 is detailed below (in thousands of euros):

	Drawn down at 30/06/2022	Drawn down at 31/12/2021	Limit
Multicurrency credit accounts	-	-	10,000
Lending facilities	-	-	5,000
Confirming facilities (*)	-	-	20,000
Total	-	-	**35,000**

(*) The use of confirming lines by the Group is subject to the acceptance of financeable invoices by credit institutions.

All credit facilities bear interest at market rates, basically tied to Euribor or Libor plus a market spread. The financial expenses accrued in respect of the loan facilities and credit facilities held by the Group during the first half of 2022 amount to EUR 1 thousand, all of which have been settled as at 30 June 2022.

Bank borrowings associated with renewable energy plants

<u>Chile</u>

During 2020, the OPDEnergy Group entered into various project finance agreements with credit institutions associated with the development of solar photovoltaic plants in Chile.

In the case of the Chilean companies (Xue Solar, S.P.A., Litre, S.p.A., Lingue, S.p.A., Eólica la Estrella, S.P.A., Austrian Solar Chile Uno, S.P.A., and Opdenergy Generación, S.P.A.) the main characteristics of these loans are as follows:

- Loan agreements relating to Xue Solar, S.P.A., Litre, S.p.A., Lingue, S.p.A., entered into on 14 August 2020, which effectively commenced on that date and have a final maturity date of 31 July 2038. The purpose of these contracts is to finance the construction and development of the photovoltaic farms.

  In accordance with the applicable legislation, no finance costs were capitalised during the first half of 2022 as these were in operation (EUR 317 thousand during the first half of 2021) as an increase in the value of fixed assets (Note 5), as this interest was incurred during the construction of the solar plant.

  These loans bear interest at LIBOR plus a spread of 4.5% on amounts drawn down and 1% on undrawn credit amounts from time to time during the drawdown period.

- Loan agreement relating to Opdenergy Generación, S.P.A. (holding company), entered into on 11 June 2020, which effectively commenced on that date and has a final maturity date of 30 June 2027. The purpose of this loan agreement is to finance the construction and development of the photovoltaic farms developed by Eólica la Estrella, S.P.A., and Sol de los Andes, S.P.A.

  In accordance with applicable law, no amounts have been capitalised as finance costs during the six-month period ended 30 March 2022 (EUR 1,532 thousand during the first half of 2021) as an increase in the value of fixed assets (note 5).

  This loan bears interest at LIBOR plus a spread of 2.25% on drawn amounts and 0.79% applicable from time to time on undrawn credit amounts from time to time during the drawdown period.

- Loan agreements relating to Eólica la Estrella, S.P.A. and AustrianSolar Chile Uno, S.P.A., entered into on 11 June 2020, which commenced on that date and mature on 7 August 2022 and 18 September 2022, respectively. The purpose of this loan agreement is to finance exclusively the VAT associated with the development and construction of Eólica la Estrella, S.P.A., and AustrianSolar Chile Uno, S.P.A.

  These loans bear interest at nominal TAB plus a spread of 1.9%.

The amount outstanding on these loans as at 30 June 2022 totals EUR 101,795 thousand.

The detail, by company, as at 30 June 2022 and 31 December 2021 is as follows (in thousands of euros):

	Drawn down at 30/06/2022	Drawn down at 31/12/2021	Total nominal amount
Xue Solar, S.P.A.	8,232	6,673	8,279
Lingue, S.P.A.	1,974	1,850	1,979
Litre, S.P.A.	1,929	1,800	1,911
Opdenergy Generación, S.P.A.	89,659	83,599	88,292
AustrianSolar Chile Uno, S.P.A.	-	1,980	4,389
Total	**101,795**	**95,902**	**104,850**

<u>Spain</u>

In the case of the Spanish companies Planta Solar OPDE 3, S.L., Planta Solar OPDE 5, S.L. and Planta Solar OPDE 6, S.L., the project financing agreements that the Group held at the end of 31 December 2020 with a first maturity on 31 December 2021 were cancelled on 16 December 2021. The main characteristics of the new loans formalised are as follows:

- Loan agreements entered into on 16 December 2021, which effectively commenced on that date and have a final maturity date of 31 December 2039. The purpose of these loan agreements is to finance the construction and development of photovoltaic plants.

- The outstanding amount of such loans per company as at 30 June 2022 and 31 December 2021 is as follows (in thousands of euros):

	Drawn down at 30/06/2022	Drawn down at 31/12/2021	Total nominal amount
Planta Solar OPDE 3, S.L.	25,539	26,106	27,655
Planta Solar OPDE 5, S.L.	5,666	5,837	6,180
Planta Solar OPDE 6, S.L.	25,238	26,123	27,663
Total	**56,443**	**58,066**	**61,498**

- These loans bear interest at 12-month EURIBOR plus a spread from the date of signature of the contract (16 December 2021) of 1.75% until 31 December 2026. From 1 January 2027, the interest accruing on these loans will be 12-month EURIBOR plus a spread of 2% on the drawn-down portion.

The companies Planta Solar Fernandina, S. L., Planta Solar Andalucía 1, S.L. and Planta Solar Extremadura 2, S.L. were incorporated into the Group in March 2021 following the transaction described in Note 3.1.c of the consolidated financial statements for 2021. The three companies have different project financing agreements, which came into force on 29 December 2019. The main characteristics of these loans are as follows:

- Loan agreements entered into on 29 December 2019, with an effective start date of 29 December 2019 and a final maturity date of 31 December 2035. The purpose of these loan agreements is to finance the construction and development of photovoltaic plants.

- The amount outstanding on these loans as at 30 June 2022 and 31 December 2021 by company is as follows (in thousands of euros):

	Drawn down at 30/06/2022	Drawn down at 31/12/2021	Total nominal amount
Planta Solar La Fernandina, S.L.	23,825	24,603	22,267
Planta Solar Andalucía 1, S.L.	23,962	24,751	27,516
Planta Solar Extremadura 2, S.L.	23,789	24,557	27,260
Total	**71,576**	**73,911**	**82,043**

- These loans bear interest at 12-month EURIBOR plus a spread of 2.25% up to and including 2023. From 1 January 2024, they will accrue EURIBOR interest plus a spread of 2.5% up to and including 2029. Finally, from January 2030 until the final life of the loan the interest to accrue will be EURIBOR plus a spread of 2.75%.

Italy

In the case of the Italian companies (Opde Puglia, S.R.L., Solare Puglia, S.R.L., and Ribaforada 10, S.R.L.), the construction of their solar plants took place in 2010 and 2011 and were financed as follows:

Solar plant	Location	Start of funding	Maturity date	Drawn down at 31/12/2021	Drawn down at 30/06/2022
Ribaforada 10	Italy	01/05/2011	18 years	3,666	3,456
OPDE Puglia – Ruatella 1	Italy	01/08/2010	18 years	2,181	2,048
OPDE Puglia – Ginosa 1	Italy	01/03/2010	18 years	2,048	1,913
Solare Puglia – Ruatella 2	Italy	21/09/2009	19 years	1,796	1,671
Solare Puglia – Ginosa 2	Italy	21/09/2009	19 years	1,732	1,609
Solare Puglia - Sannicardo	Italy	01/03/2010	20 subsequent	2,202	2,092

The financing signed by Opde Puglia, S.R.L., Solare Puglia, S.R.L. and Ribaforada 10, S.R.L., accrues interest at 6.14%, 3.48% and 3.41% respectively.

The detail by maturity of the bank borrowings at 30 June 2022, undiscounted and considering all the contractual flows included in the contracts (principal and interest) is as follows (in thousands of euros):

	2022	2023	2024	2025	2026 and subsequent years	**Total**
Debentures and Bonds	4,340	146,195	-	-	-	**150,535**
Bank borrowings associated with renewable energy plants	11,668	20,128	19,497	20,519	216,795	**288,607**

Guarantees

As security for the fulfilment of the obligations arising from the financing granted to the companies based in Spain, these companies have provided the following guarantees:

- Pledge on pledged contracts (PV plant construction contract, plant operation and maintenance contract, hedging contracts, etc.).

- Pledge on pledged accounts (main account, debt service reserve account and clearing account).

- Pledge on the totality of its shares.

In this regard, as at 30 June 2022, the Group has restricted current accounts in relation to this financing amounting to EUR 31,194 thousand recorded under "Cash and cash equivalents" in the consolidated balance sheet (31 December 2021: EUR 18,295 thousand).

In relation to the companies located in Chile, the following guarantees have been provided:

- Pledge without first degree displacement on present and future subordinated credits.

- Commercial pledge on rights and promise of commercial pledge on rights.

- Pledge without displacement of first degree on future assets.

- Pledge without displacement and prohibitions regarding all the current and future shares of the companies that the shareholder grants in favour of the creditor by means of a public deed granted.

- Pledge without displacement on money and investments allowed.

The Directors of the Group believe that the companies subject to the guarantee will be able to meet all contractual obligations under such financing loans in a timely manner.

Compliance with financial ratios

The project finance contracts of Spanish and Chilean companies include a series of conditions and obligations assumed by them for the year 2022 and beyond, including the fulfilment of a series of financial ratios. In particular, the achievement of the leverage ratio, the debt service ratio and the calculation of the cash flow generated and the cash surplus on the basis of the audited financial statements of these individual companies. The Group's Directors believe that those obligations are being met and that they will be fully satisfied at year end.

Issuance of green notes

The Group subscribed on 28 December 2021 to a green notes programme on the Alternative Fixed Income Market (MARF) with a maximum limit of EUR 100 million. The interest rate will be set at the time of each of the promissory note issues. The Group resorted to this type of financing in order to diversify its sources of funding and improve the cost of its debt.

On 18 May 2022, a first issue of this facility was made for an amount of EUR 7 million, with maturities of one, three and six months at an average interest rate of 1.15%.

10. Financial risk management

The Group’s activities are exposed to various financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, liquidity risk and fair value measurement, as well as climate change risk. The Group's global risk management programme focuses on the uncertainty of the financial markets and aims to minimise the potential adverse effects on its financial returns.

Responsibility for financial risk management is controlled by the Group's Finance Department, in accordance with the policies approved by the Parent Company's Directors. This department identifies, assesses and hedges the financial risks in close cooperation with the Group's operating units. OPDEnergy provides policies for comprehensive risk management, as well as for specific areas such as currency risk, interest rate risk, liquidity risk, the use of derivative and non-derivative financial instruments and the investment of surplus liquidity.

10.1 Market risk

Currency risk

The Group operates internationally and is exposed to foreign currency risk on the transactions it performs in foreign currencies. Foreign exchange risk arises mainly from commercial transactions abroad that are in a currency other than the Group's functional currency, the euro.

Foreign currency transactions are translated to the functional currency using the exchange rates prevailing at the date of the transactions. Exchange differences arising from the settlement of these transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, unless they are deferred in equity, as in the case of cash flow hedges and designated net investment hedges. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The detail of the most significant balances in foreign currencies, translated to euros at the year-end exchange rates, is as follows (in thousands of euros):

	30/06/2022	31/12/2021
Trade and other receivables	8,516	16,820
Other current financial assets	258	258
Cash and cash equivalents	15,033	8,261

The Group is mainly exposed to foreign exchange risk in the following currencies: United States (USD), Chile (CLP), Mexico (MXN) and United Kingdom (GBP).

The following table details the Group's sensitivity to a 10% increase or decrease in the euro (the Group's presentation currency) against the functional currencies of each Group entity. 10 per cent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. A 10% strengthening of the functional currency of each Group entity against the Group's presentation currency (euro) generates negative impacts on asset items and positive impacts on liability items in the consolidated balance sheet, while a weakening of these currencies will generate impacts in the opposite sign.

Six-month period ended 30 June 2022

Currency	Change	Thousands of Euros				
		Impact on non-current assets (*)	Impact on cash and cash equivalents	Impact on debt instruments and Bank borrowings	Impact on Equity	Impact on the income statement
USD / EUR	10%	(1,619)	(1,502)	9,775	322	171
MXN / EUR	10%	(14)	(14)	139	1,851	87
CLP / EUR	10%	(83)	-	(400)	12	8
GBP / EUR	10%	(227)	(9)	172	(27)	23
PLN/EUR	10%	(43)	(2)	-	12	(35)
USD / EUR	-10%	1,979	1,836	11,948	(394)	(209)
MXN / EUR	-10%	17	17	(170)	(2,262)	(106)
CLP / EUR	-10%	101	-	489	(15)	(9)
GBP / EUR	-10%	278	11	(210)	33	(28)
PLN/EUR	-10%	53	3	-	(15)	43

Fiscal year ended 31 December 2021

Currency	Change	Thousands of Euros				
		Impact on non-current assets (*)	Impact on cash and cash equivalents	Impact on debt instruments and Bank borrowings	Impact on Equity	Impact on the income statement
USD / EUR	10%	(7,376)	(2,115)	9,183	807	369
MXN / EUR	10%	(13)	(5)	72	1,786	85
CLP / EUR	10%	(454)	-	391	34	10
GBP / EUR	10%	(184)	(5)	133	(54)	(19)
USD / EUR	-10%	9,016	2,585	(11,223)	(986)	(451)
MXN / EUR	-10%	15	6	87	(2,182)	(104)
CLP / EUR	-10%	555	-	(478)	(41)	(12)
GBP / EUR	-10%	225	7	162	66	24

(*) Derived from Chilean plants whose functional currency is the US dollar.

The detail, by class of financial instrument, of the exchange differences recognised in profit or loss is as follows (in thousands of euros):

2022

	Total
Other consolidated balance sheet positions	(220)
Cash	4,332
Total financial assets	**4,112**

2021

	Total
Other consolidated balance sheet positions	77
Cash	(445)
Total financial assets	**(368)**

Interest rate risk

Interest rate fluctuations change the fair value of assets and liabilities that bear a fixed interest rate and the future flows from assets and liabilities bearing interest at a floating rate.

The Group's income and cash flows from operating activities are not sensitive to fluctuations in market interest rates, as it has no significant interest-bearing assets other than deposits (see Note 9.1).

The Group’s interest rate risk arises mainly on bank borrowings and marketable securities issued. Bank borrowings and marketable securities issued on unregulated markets at variable interest rates expose the Group to cash flow interest rate risk (see note 3.8 to the consolidated financial statements for 2021). At 31 December 2021 and during the six-month period ended 30 June 2022 the Group had interest rate hedges in place to mitigate interest rate fluctuations on Bank borrowings (see Note 9.2).

The sensitivity analysis to an increase or decrease in the long-term interest rate curve in relation to the fair value of the interest rate derivatives that are part of cash flow hedging relationships, would imply a decrease of EUR 2,440 thousand in the debt for financial derivatives when there is an increase of 50 basis points in the interest rate curve. Likewise, a decrease of 50 basis points of the interest rate curve would result in an increase of EUR 2,537 thousand in the debt for financial derivatives. The change in the fair value of derivatives due to an increase or decrease in the forward curve would similarly impact other comprehensive income, as the hedging relationship is expected to be highly effective. in the case of "Bonds and other marketable securities" (Note 9.2), the sensitivity analysis to an increase or decrease in the long-term interest rate curve of 50 basis points would result in a higher interest expense of EUR 175 thousand in the event of an increase in rates and a decrease in interest expense of EUR 175 thousand in the event of a decrease in the applicable rates.

Electricity price risk

The OPDEnergy Group uses derivative financial instruments to hedge the risk of fluctuations in electricity prices based on its projections, since such fluctuations may have a significant impact on the earnings of the companies that own the solar PV and wind farms under development. Generally, as a result of these swaps, the Group companies that enter into them agree to pay the hourly pool market price in relation to a notional amount of MWh established in the contracts in monthly or half-yearly periods in exchange for receiving a fixed price for a period of between ten and fifteen years.

The fair value of this type of derivatives is estimated in accordance with valuations performed by independent experts, based on long-term electricity price curves between the contracting date and the closing date.

At 30 June 2022, the valuation of these derivatives amounts to EUR 192,978 thousand and is recognised under "Derivatives" in non-current liabilities, which is recorded under "Adjustments for changes in value - Hedging transactions" for a negative amount of EUR 147,361 thousand, net of the tax effect in the consolidated balance sheet. Similarly, positive ineffectiveness associated with these derivatives amounting to EUR 10,200 thousand has been recognised and, in relation to the options issued, as they are financial instruments classified as fair value through profit or loss since they do not meet the criteria required for the application of hedge accounting, changes in the fair value of the options amounting to a negative EUR 4,142 thousand have been recognised under "Other income and expenses" in the consolidated income statement for the six-month period ended 30 June 2022.

At 31 December 2021, the valuation of these derivatives amounted to EUR 42,312 thousand and was recognised under "Derivatives" in non-current liabilities, which was recognised under "Valuation adjustments - Hedging transactions" for a negative amount of EUR 32,188 thousand (of which EUR 13,274 thousand relate to the cumulative effect from the time of the takeover of the acquired plants described in Note 3.1.c), net of the tax effect on the consolidated balance sheet. Similarly, negative ineffectiveness associated with these derivatives was recognised in the amount of EUR 12,834 thousand and, in relation to the options issued, as they are financial instruments classified as fair value through profit or loss since they do not meet the criteria required for the application of hedge accounting, changes in the fair value of the options amounting to EUR 94 thousand have been recognised under "Other income and expenses" in the consolidated income statement for the year ended 31 December 2021.

The increase in the valuation of these derivatives from December 2021 to June 2022 is due to the increase in energy prices in the market during the first half of 2022 and the change in future price projections at that date.

Additionally, at 30 June 2022, the Group has recognised under "Derivatives" in current liabilities the amount pending settlement for these energy price derivatives of EUR 29,926 thousand (EUR 22,891 thousand at 31 December 2021), relating to settlements in the first half of 2022.

The electricity derivatives indicated are designated as hedges because they meet all the requirements established by IFRS-EU for the application of hedge accounting, with the exception of written options classified as fair value through profit or loss, as they are not financial instruments that qualify for hedge accounting (see note 3.8 to the consolidated financial statements for 2021). Specifically, with the exception of the written options, these instruments have been formally designated as hedges and the hedge was considered effective.

The sensitivity analysis to an increase or decrease in OMIE prices (electricity market operator designated to manage the daily and intraday electricity market in the Iberian Peninsula) in the long term in relation to the fair value of the commodity derivatives that form part of the hedging relationships contracted by the Group, would imply an increase of EUR 20,485 thousand in the debt for financial derivatives when there is an increase of EUR 2 MW in the electricity price curve. Likewise, a decrease of EUR 2 MW in the electricity prices curve would result in a decrease of EUR 20,485 thousand in the debt for financial derivatives. Both impacts would have the same effect on the Group's consolidated equity as they are instruments designated as hedges.

10.2 Credit risk

Credit risk arises from cash and cash equivalents and deposits at banks and financial institutions, as well as balances with customers, including outstanding accounts receivable and committed transactions. In relation to banks and financial institutions, transactions are only carried out with entities of recognised credit rating, taking into account past experience and other factors. If an independent appraisal of the customers' creditworthiness has not been made, the Financial Department assesses their credit quality on the basis of the financial position of the customer in question, past experience and other factors. The Group does not have a policy of granting long-term loans to its customers, except in exceptional circumstances.

The maximum credit risk exposure of the financial assets at the reporting dates is related to the carrying amount thereof.

The Directors consider that the Group's credit risk is significantly reduced as trade receivables consist of short-term debt with high quality credit performance and no historical default. In this respect, the Group maintains a low credit risk exposure with its main customers (Note 4), taking into account the relatively low collection periods for energy sold and the guarantees obtained in energy sales transactions and the sale of shares through bank guarantees with reputable institutions.

Details of maturities of accounts receivable from third party customers and associated impairments at 30 June 2022 and 31 December 2021 are as follows (in thousands of euros):

30 June 2022

	Unmatured	0-30 days	30-60 days	60-90 days	90-180 days	> 180 days	TOTAL
Trade receivables	19,224	13,056	-	-	10	44	32,334
TOTAL	**19,224**	**13,056**	**-**	**-**	**10**	**44**	**32,334**

31 December 2021

	Unmatured	0-30 days	30-60 days	60-90 days	90-180 days	> 180 days	TOTAL
Trade receivables	12,495	6,036	-	71	57	-	18,659
TOTAL	**12,495**	**6,036**	**-**	**71**	**57**		**18,659**

10.3 Liquidity risk

Prudent management of liquidity risk entails the maintenance of sufficient cash and marketable securities, availability of financing through a sufficient level of committed credit facilities and the capacity to settle market positions. In view of the dynamic nature of the underlying businesses, the Group's Financial Department aims to maintain the flexibility of financing through the availability of the credit lines arranged, which complement the financing specific to the turnkey projects.

An exhaustive control of working capital (current assets less current liabilities), the absence of an excessive concentration of risk at any certain bank and the ongoing monitoring of levels of borrowings and the generation of funds enable the business’s liquidity risk to be adequately controlled.

In this regard, at 31 December 2021 and during the first six months of 2022, the Group had contracted credit lines whose limits had not been drawn down in full and had the capacity to increase the issuance of debt instruments in unregulated markets that would allow it to continue operating normally and obtain the liquidity necessary to guarantee the development of its projects.

In this regard, at the date of preparation of these summarised interim consolidated financial statements, the Group´s Management is in the process of refinancing and negotiating the financing facility obtained through bonds (Note 9.2), which will enable them to extend their maturity and drawdown.

10.4 Capital risk management

The Group's capital management objectives are to safeguard its ability to continue as a going concern, generate returns for shareholders and maintain an optimal capital structure while reducing the cost thereof.

In order to be able to maintain or adjust the capital structure, the Group may vary the amount of the dividends payable to shareholders, reimburse capital, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of its debt ratio, which is in line with the industry. This ratio is calculated by dividing net financial debt by total capital employed in the business. Net financial debt is calculated as follows (in thousands of euros):

	30/06/2022	31/12/2021
Non-current payables	367,459	318,737
Bank borrowings and other short-term liabilities	20,418	60,317
Other financial liabilities	97	34
Cash and cash equivalents	(74,067)	(99,575)
Adjusted Net financial debt (*)	**313,907**	**279,513**

(*) Lease liabilities has not been considered to the net financial debt calculation.

The total capital employed in the company is calculated by adding the amount of net financial debt to equity.

The Group's strategy during the six-month period ended 30 March 2022 led to a debt ratio of close to 1. The debt ratios as at 30 June 2022 and 31 December 2021 are as follows (in thousands of euros):

	30/06/2022	31/12/2021
Adjusted Net financial debt (a)	313,907	279,513
Equity (b)	(60,271)	25,343
Total capital employed in the business (c) = (a+b)	253,636	304,856
Debt ratio (a/c)	**1.24**	**0.92**

10.5 Climate change risk management

The OPDEnergy Group bases its entire activity on the development, financing, construction and operation of renewable energy assets, and is thus an active player in the fight against climate change.

In this sense, the transition towards a low-carbon economy may represent an opportunity for the Group, with a business model based on renewable energies and aligned with climate change mitigation policies and related global agreements. Renewable energies foster an economy less dependent on fossil fuels and reductions in greenhouse gas emissions, so a decarbonisation of the economy would increase the market in which the Group operates. However, potential risks that could have an impact on the organisation have also been identified, such as:

- Political and legal risks, i.e., risks arising from possible actions of political bodies and regulatory changes that may lead to legal instability.
- Market risk, related to situations in which changes and imbalances in the supply and demand of certain components and services may occur, especially due to a growth in activity in favour of an energy transition.
- Technological risk, which relates to the constant technological innovations that arise or are favoured in the transition process, and the consequent obsolescence of equipment for the replacement of old systems.

On the other hand, physical risks are those related to events (acute risks) or long-term changes (chronic risks) resulting from climate change, depending on the location of the Group's facilities, for example:

- Increase in extreme weather events and natural disasters, which can lead to increased downtime and higher operation and maintenance costs.
- Changes in weather patterns that may affect operating temperatures, as well as the amount of available sunlight in photovoltaics and the kinetic energy of wind in wind power, as sources of electricity generation at the assets.

In this context, the OPDE Group promotes the implementation of a risk management model, which allows taking advantage of the opportunities that may arise from climate change mitigation and adaptation; but at the same time anticipating threats to eliminate or reduce undesired effects. Some actions are outlined below:

- Maximise the opportunity to promote a decarbonisation of the economy with a business model based on renewable energies and providing the Group with a better positioning and reputational image in a society that is increasingly aware of sustainability.

- Respond to the need for efficient adaptation to combat climate change threats and ensure the resilience of energy assets, avoiding claims and losses due to extreme events.

11. Inventories

The detail of "Inventories" in the consolidated balance sheet as at 30 June 2022 and 31 December 2021 is as follows (in thousands of euros):

	30/06/2022	31/12/2021
Trade	246	246
Raw materials and other supplies	16	16
Work in progress	5,611	15,067
Advances to suppliers	344	292
Total	**6,217**	**15,621**

The heading "Trade" mainly includes photovoltaic materials for installation or sale.

Under "Work in progress" the Group recognises renewable energy plants under construction or development intended for subsequent sale. The detail of this item as at 30 June 2022 and 31 December 2021 is as follows (in thousands of euros):

	30/06/2022	31/12/2021
Patents and licenses	208	208
Plant	5,403	4,801
Right-of-use assets (Note 7)	-	10,058
Total	**5,611**	**15,067**

As at 30 June 2022 and 31 December 2021, the Group recognises primarily as "Patents and licences" assets based on acquired access rights to connection points in prior periods for those projects that once developed will be sold in financial years 2022 and 2023.

At 30 June 2022 and 31 December 2021, the technical installations recorded as "Product in progress" relate to projects under development, located in Spain, which will be sold in 2022 and 2023 in accordance with the transaction described in Note 3.1.c of the consolidated financial statements for 2021. The geographical distribution of inventories classified as "Work in progress" as at 30 June 2022 and 31 December 2021 is as follows (in thousands of euros):

	30/06/2022	31/12/2021
Spain	5,611	15,067
Total	**5,611**	**15,067**

The Group recognises provisions for the decommissioning of wind farms where an obligation exists. The estimated present value of these costs is recognised as an increase in the value of the asset with a credit to "Provisions" (Note 13).

The changes arising from disposals recorded in "Changes in inventories of finished goods and work in progress" during the six-month period ended 30 June 2022 and during the year ended 31 December 2021 are as follows (in thousands of euros):

Six-month period ended 30 June 2022:

	Beginning balance	Derecognitions	Amounts reversed	Ending balance
Impairment of work in progress	-	-	-	-
Total	**-**	**-**	**-**	**-**

Fiscal year ended 31 December 2021:

	Beginning balance	Derecognitions	Amounts reversed	Ending balance
Impairment of work in progress	506	(506)	-	-
Total	**506**	**(506)**	**-**	**-**

The impairment charges for work in progress made in previous years relate to work on solar plant developments whose projects have not been viable or for which the necessary permits and licences have not been obtained. In addition, the gross value of previously impaired projects was written off in 2021. In this regard, the Directors and Senior Management of the Group consider that the net realisable value of the wind farm developments recognised in inventories at 30 June 2022 is higher than the net carrying amount at which they are carried.

During the six-month period ended 30 June 2022, the Group has capitalised finance costs by amount EUR 130 thousand as an increase in the value of inventories (EUR 266 thousand in the year ended 31 December 2021) (see Notes 3 and 7).

The Group has also capitalised staff costs and work carried out by third parties not associated with construction, mainly amounting to EUR 207 thousand and EUR 928 thousand, respectively, in connection with the development of the photovoltaic power plant projects, as an increase in the value of inventories during the six-month period ended 30 June 2022.

At 30 June 2022 and 31 December 2021, the Group has no inventory purchase commitments.

The Group has taken out insurance policies to provide cover for the risks to which inventories are subject. It is considered that these policies sufficiently cover such risks.

12. Equity and shareholders' equity

12.1 Share capital

On 17 March 2021, the General Extraordinary and Universal Shareholders' meeting of the Parent Company resolved to modify the governing body by previously dismissing the Directors to form a seven-member Board of

Directors. The effectiveness of the appointment of the three independent Directors and the executive Director was subject to the admission to listing of the shares on the Spanish Stock Exchanges. Likewise, at the same meeting it was agreed to double the number of shares of the parent company by reducing their nominal value from EUR 10 to 0.02 per share, at a ratio of 500 new shares for each old share, without changing the amount of share capital from 211,844 shares to 105,922,000 shares.

As at 30 June 2022 and 31 December 2021, the share capital of the Parent Company consisted of 105,922,000 fully subscribed and paid-up shares of EUR 0.02 par value each.

In addition, as at 30 June 2022 and 31 December 2021, the distribution of the shareholdings among the shareholders of the Parent is as follows:

	Number of shares	% of ownership
Aldrovi, S.L.	44,677,900	42.18%
Marearoja Internacional, S.L.	44,677,900	42.18%
Jalasa Ingeniería, S.L.	16,566,200	15.64%
	105,922,000	**100.00%**

As at 30 June 2022 the Company's shares are not listed on any market and the Parent Company has no options or obligations on its own shares. However, the Board of Directors of the Parent Company agreed in 2021 to take certain steps to raise sufficient funds to undertake the projects in the pipeline, which could include the listing of the Parent Company's shares through a public and subscription offering.

12.2 Reserves and retained earnings

The breakdown of the reserves as at 30 June 2022 and 31 December 2021 is as follows (in thousands of euros):

	30/06/2022	31/12/2021
Legal reserve	602	602
Voluntary reserves	73,311	74,011
Total reserves of the Parent	**73,913**	**74,613**
Reserves in consolidated companies	(16,087)	1,670
Total consolidated reserves	**(16,087)**	**1,670**
Total reserves	**57,826**	**76,283**

<u>Legal reserve</u>

Under the Consolidated Companies Law, the Parent must transfer 10% of net profit for each year to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve may be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

As at 30 June 2022 and 31 December 2021, this reserve had reached the legally required minimum.

The heading "Reserves of consolidated companies" included the legal reserves corresponding to the subsidiaries for a total of EUR 4,574 thousand (as at 31 December 2021: EUR 4,574 thousand positive).

Voluntary reserves - Dividends distributed

During the six-month period ended 30 June 2022, the General Meeting of Shareholders of the Parent Company resolved to approve the distribution of dividends totalling EUR 700 thousand charged to reserves, which have been paid in full.

During the financial year 2021, the General Meeting of Shareholders of the Parent Company resolved to approve the distribution of dividends in the amount of EUR 2,800 thousand charged to reserves. At 31 December 2021, these dividends had been paid in full.

The voluntary reserves are unrestricted as to their use.

12.3 Share-based payments

The OPDEnergy Group has approved on 28 June 2022 a long-term incentive plan for a limited number of Group Executives. This plan is intended to motivate and reward managers appointed by the Parent Company's directors, enabling them to be part of the Group's long-term value creation. In this respect, it was contemplated that the plan would vary depending on whether the IPO takes place, which has taken place on July 22, 2022 as indicated in Note 20, and consists of the delivery to these employees of a number of shares to be determined by the Board of Directors according to a number of conditions. The main features of the Plan are as follows:

- The vesting period shall commence from the time of joining and acceptance of the plan by each designated employee and shall end on 31 December 2024.
- Shares under the plan will be granted 365 days after the end of the vesting period and will vest upon satisfaction, at the end of the vesting period, of the following conditions:

    - Condition of service. Necessary condition of permanence in the participant's employment until 31 December 2024;

    - Performance conditions. The number of shares to be delivered to each participant will be determined by the gradual achievement of certain Group performance ratios associated with the total shareholder rate of return (market condition), EBITDA (non-market condition) and the volume of projects in operation, construction and pre-construction (non-market condition).

These performance conditions will be calculated as at 31 December 2024 on the values projected to that year. The distribution of the estimated expense is subject to estimates made by the Group at the date of grant of the plan and subsequent closings, of the achievement and probability of fulfilment of both the market and non-market conditions set out in the plan.

The incentive compliance metrics will be the shareholder's rate of return at 40%, EBITDA at another 40% and the volume of projects in operation, construction and pre-construction at the remaining 20%; establishing minimum amounts below which the incentive will not accrue, as well as the possibility of an over bonus of up to 175%. The number of shares to be received by each participant will be determined by the incentive attributed to him/her in the plan, the share price (average of the share price of the 20 sessions prior to 31 December 2024) and the achievement of targets (between 0% and 175%). For the accounting recording of this incentive plan, an external valuator was consulted who, using the "Monte Carlo simulation method" and considering the volatility of the share for companies in the sector in which the Group operates for a comparable period, estimated that the fair value of the aforementioned variable part amounted to approximately EUR 5.4 million at the grant date.

During the six-month period ended 30 June 2022, this plan has led to the recording of a personnel expense of EUR 10 thousand with a balancing entry in equity in the accompanying consolidated balance sheet.

13. Provisions and contingencies

The detail of "Provisions" in the consolidated balance sheets as at 30 June 2022 and 31 December 2021 is as follows (in thousands of euros):

	30/06/2022	31/12/2021
Provision for decommissioning of farms (Note 4)	7,066	6,676
Other provisions	126	105
Long-term provisions	**7,192**	**6,781**
Other provisions (Notes 10 and 16.3)	3,800	5,203
Short-term provisions	**3,800**	**5,203**

Long-term provisions:

Plants that are recorded under "Property, plant and equipment" in the consolidated balance sheet (Note 5) are required to incur future decommissioning costs when removing their facilities from their original site at the end of the concession or lease contract. As a general rule, as the construction of these plants progresses and always before completion, the Group records a provision for the present value of the expected decommissioning costs at the end of the contract. Specific changes in measured decommissioning liabilities will result in a change in the cost of the related asset. At 30 June 2022, the cost of renewable energy parks includes the costs of dismantling the power plants located in Chile and Spain for which the Group has recorded a provision of EUR 6,686 thousand recorded in non-current liabilities (EUR 6,302 thousand at 31 December 2021).

On the other hand, and in accordance with the Directors' best estimate, the Group has recognised EUR 380 thousand for the decommissioning of the Italian and Spanish wind farms in operation in accordance with the legislation of those countries (EUR 374 thousand at 31 December 2021). This provision is discounted annually and the effect on the consolidated income statement for the six-month period ended 30 June 2022 and 31 December 2021 is not material.

The remaining amount recognised under "Long-term provisions" relates to other obligations accrued to the employees of the Group's Italian companies in accordance with the legislation in that country.

Short term provisions:

In addition, the Group reversed EUR 2,409 thousand with a credit to "Staff costs" in the consolidated income statement for the year ended 31 December 2021 and a credit to "Current provisions" in the consolidated current liabilities, corresponding to the bonus granted to one of the members of the Senior Management, as it is estimated that the increase in equity due to the expected liquidity event will be lower than estimated in the previous year (Notes 18. 3 and 19.3 of the consolidated financial statements for the year ended 31 December 2021). In this sense, given the probable occurrence of said liquidity event, the Directors and the Group's Management have proceeded to carry out, in accordance with the best information available at the date of preparation of these annual accounts, an estimate of the amount to be disbursed as a consequence of said agreement currently recorded under the heading of 'Short-term provisions' for an amount of 3,568 euros that has been settled in cash by the Company on the date of the Offer Price. In this regard, the member of senior management has declared that he will reinvest 100% of the net amount of the IPO Premium of the CEO (i.e. the gross amount less the application of any value added tax withholding). to subscribe for Investor Linked Shares in the Investor Linked Tranche of the Offer (the "CEO IPO Premium Shares").

On 1 May 2022, an additional remuneration plan has been approved for a member of Senior Management subject to the achievement and successful completion of the sale and purchase agreement of 20 Spanish companies formalised by the Group during 2021, which is currently pending the fulfilment of various conditions and the obtaining of authorisations from different public administrations. The amount of the extraordinary remuneration shall be paid separately for each company disposed of at the time the sale becomes final and will be calculated based on the final impact of each transaction on the Group's consolidated shareholders' equity. At the date of preparation of the financial statements, the most likely estimate considered by the Parent Company's Directors is that the amount of remuneration will be approximately EUR 2.1 million, considering the sale of all the companies included in the sale and purchase agreement. This amount will be accrued as the sales agreements are executed. As of June 30, 2022, a short-term provision has been made for the bonus corresponding to two companies already disposed of for an amount of EUR 232 thousand.

14. Public authorities and tax matters

Until 31 December 2019, the Group was taxed under the consolidated tax regime in accordance with the provisions of Navarre Corporation Tax Law 24/1996 of 30 December, as this is where the companies' registered offices are located in Spain (Note 1). Since the beginning of the fiscal year 2020, and as a result of the change of registered office, the Parent Company and various subsidiaries have been taxed under the Tax Consolidation Regime, regulated in Chapter VII of Title VII of Royal Legislative Decree 4/2004, of 5 March, and are taxed in accordance with the provisions of article 55 et seq. of Law 27/2014, of 27 November, on Corporate Income Tax (hereinafter, LIS).

Since 30 December 2010, the Parent Company is taxed as the parent company in the consolidated tax group No. 3100047 on Value Added Tax. The Parent Company has a creditor position in relation to this tax in the amount of EUR 905 thousand with the tax authorities at 30 June 2022 (EUR 371 thousand at 31 December 2021).

The other subsidiaries located abroad file tax returns in accordance with the tax legislation in the countries in which they are located.

The Group has calculated the income tax provision at 30 June 2022 using current tax legislation. However, if, as a result of tax reforms, tax treatments different from those provided for in current legislation become apparent, these will be applied immediately in the financial statements presented after such approval.

The receivable or payable resulting from the estimated income tax calculation for the six-month period ended 30 June 2022 is recognised under "Current tax assets" and "Current tax liabilities" in the accompanying consolidated balance sheet.

14.1 Current tax receivables and payables

Details of current balances with public authorities in the consolidated balance sheets at 30 June 2022 and 31 December 2021 are as follows (in thousands of euros):

Tax receivables

	30/06/2022	31/12/2021
VAT refundable (*)	5,430	9,727
Corporate Tax receivable	801	728
Other accounts receivable from Tax Authorities	796	586
Total	**7,027**	**11,041**

(*) Corresponds mainly to the VAT borne by the Group companies located in Chile in relation to the photovoltaic solar modules and the expenses incurred for the construction of the new solar parks.

Tax payables

	30/06/2022	31/12/2021
VAT payable	1,429	1,248
Income tax payable	3,278	68
Accrued social security taxes payable	243	205
Other accounts payable to public authorities	1,059	1,283
Total	**6,009**	**2,804**

14.2 Assets for registered deferred tax

Details of deferred taxes as at 30 June 2022 and 31 December 2021 are as follows (in thousands of euros):

	30/06/2022	31/12/2021
Temporary differences (Deferred tax assets)		
Derivatives (Note 9)	46,433	6,320
Temporary differences arising from consolidation adjustments	4,334	5,508
Provisions	828	828
Non-deductible finance costs	1,210	1,210
Tax loss carryforwards-	12,731	11,411
Tax credits-	1,044	1,044
Total deferred tax assets recognised	**66,580**	**26,321**

The deferred tax assets indicated above were recognised on the consolidated balance sheet because the Group's Directors considered that, based on the best available estimates of the Group's future earnings, including certain tax planning measures, it is probable that these assets will be recovered.

Several Group companies are carrying out construction work on solar plants which the Group has recognised under "Fixed assets" at 30 June 2022 and 31 December 2021 (Note 5). The unrealised gains on these operations are eliminated, giving rise to a tax effect on them, which is recovered mainly in the year in which the ownership interests of the subsidiaries that own these plants are sold or depreciated.

The deferred tax assets for tax loss carryforwards and tax credits that the Group has recognised at 30 June 2022 relate basically to deductions and taxable income of Spanish and Chilean construction companies which, due to the nature of their activity and ownership of renewable energy plants, have a long-term business plan that offers high visibility as to the income to be obtained in the future.

These tax assets have been recorded considering the recoverable amounts of the tax bases and deductions derived from these business plans, which mainly consider the following key variables:

- Estimated expected results from the sale of companies holding photovoltaic farm developments in 2022 and 2023 (Note 3).

- Energy sales price: prices based on PPA contracts in the case of fixed price contracts, or estimates based on independent expert valuations in the case of variable (market) prices, all considering the maintenance of regulatory frameworks.

- Projected revenues over the life of the plants, estimated at 25 to 30 years.

- Energy production estimates (MW), based on historical data recorded in the areas where the plants are located, corrected for the expected degradation of the solar panels.

According to Group management estimates, the capitalised tax loss carryforwards and deductions will be recovered within 7-10 years depending on the country in which they were generated.

Lastly, the Group has EUR 46,433 thousand at 30 June 2022 related to energy price and interest rate derivatives mainly from Spanish and Chilean construction companies.

14.3 Liabilities for registered deferred tax

Details of deferred tax liabilities at 30 June 2022 and 31 December 2021 are as follows (in thousands of euros):

	Thousands of Euros	
	30/06/2022	31/12/2021
Temporary differences (unearned revenues)-		
Goodwill	2,657	2,643
Temporary differences arising from consolidation adjustments	2,549	784
Derivatives (Note 9)	3,727	967
Other	229	209
Total deferred tax liabilities recognised	**9,162**	**4,603**

14.4 Years open for review and tax audits

Under current legislation, taxes cannot be considered to be definitively settled until the declarations filed have been inspected by the tax authorities or the four-year limitation period has elapsed. Likewise, in accordance with current legislation, the Administration's right to check the tax bases offset or pending offset or deductions applied or pending application shall expire ten years from the day following the end of the regulatory period established for filing the tax return corresponding to the tax year or period in which the right to offset such bases or apply such deductions arose.

For Spanish companies, at 30 June 2022 the Group has 2017 and subsequent years open for review for corporate income tax and other applicable taxes.

On the other hand, and due to the different interpretations that may be given to tax standards applicable to the transactions conducted by the Group, there may be other tax liabilities of a contingent nature that are not susceptible of an objective calculation. However, in the opinion of the Group's Directors, the possibility of these contingent liabilities materialising is remote and, in any case, the tax liability that might arise from them would not materially affect these financial statements. Similarly, the Group's Directors are of the opinion that the Group has no uncertain tax positions under any of the tax laws applicable to it.

Furthermore, in the opinion of the Group's Directors and its tax advisors, the transfer pricing system is adequately designed and supported in order to comply with applicable tax regulations. It is considered that there are no significant risks in this connection that could give rise to material liabilities for the Group in the future.

15. Income and expenses

15.1 Revenue

The breakdown by geographical area of the Group's revenue from continuing operations for the six-month periods ended 30 June 2022 and 2021 is as follows:

	30/06/2022	30/06/2021
Spain	82%	73%
Mexico	-	2%
Italy	6%	13%
Chile	12%	12%
	100%	**100%**

The breakdown, by business line, of the Group's revenue for the six-month periods ended 30 June 2022 and 2021 is as follows (in thousands of euros):

	30/06/2022		30/06/2021	
Services rendered	600	2%	924	6%
Sale of energy and other	34,703	98%	14,077	94%
	35,303	**100%**	**15,001**	**100%**

The main transactions carried out by the Group in the six-month periods ended 30 June 2022 and 2021 are the sale of power from the Group's connected plants in Spain, Chile and Italy. In this regard, the sale of energy produced by various power plants in Spain corresponds to sales made to the distributor Nexus Energía, S.A. amounting to EUR 46,596 thousand (EUR 15,077 thousand in the six-month period ended 30 June 2021) and settlements of financial instruments for hedging energy prices held with Céntrica Energy Limited amounting to EUR 29,926 thousand (EUR 3,206 thousand in the six-month period ended 30 June 2021) (Note 10.1).

15.2 Supplies

Details of "Supplies" in the consolidated income statement for the six-month periods ended 30 June 2022 and 2021 are as follows (in thousands of euros):

	30/06/2022	30/06/2021
Purchases	11	280
Work performed by other companies	1,826	10,134
Total	**1,837**	**10,414**

The breakdown of "Change in inventories of finished goods and work in progress" by geographical area in the consolidated income statement for the six-month periods ended 30 June 2022 and 2021 is as follows (in thousands of euros):

	30/06/2022	30/06/2021
Spain	1,123	6,758
Total	**1,123**	**6,758**

15.3) Staff costs

Details of this item in the consolidated income statement for the six-month periods ended 30 June 2022 and 2021 are as follows (in thousands of euros):

	30/06/2022	30/06/2021
Wages, salaries and similar expenses	6,407	(3,742)
Employee benefit costs	856	679
Other	155	145
Total	**7,418**	**(2,918)**

On 1 May 2022, a compensation plan was approved to encourage the permanence of various members of Senior Management. Each of the employees will be granted a total incentive amount to be received in cash, which will be settled in two tranches and the accrual of which is conditional on the permanence of each employee in the Group between 30 May 2022 and 2023 for the first tranche, and between May 30, 2023 and 2024 for the second tranche.

- The first tranche has been paid on May 2021 for an approximate amount of EUR 560 thousand. The accounting treatment of this incentive would imply the recognition of an advance payment in the balance sheet and an expense in the heading "Personnel expenses" of the consolidated profit and loss account, as established by IAS 19 'Remuneration for employees '.

- In the event of an IPO of the shares of the Parent Company, the second tranche would be settled in advance (and without the need to comply with the established permanence period) on a discretionary basis by the Parent Company through in cash or delivery of shares. Those employees who receive this incentive, and whose national legislation allows them to participate in the IPO, will have the obligation to reinvest the net amount received in shares of the Parent Company through the tranche established for related investors in the context of the IPO. In these cases, the second tranche of the incentive plan will be considered a plan settled in shares (equity-settled) and therefore its registration will affect the heading "Personnel expenses" with a balancing entry in the Group's equity. The amount of the second tranche that will be reinvested in shares is estimated at EUR 280 thousand. The amount of the second tranche that will not be reinvested in shares is estimated at EUR 81 thousand.

The estimated total amount of the plan, considering both tranches, amounts to EUR 921 thousand. With the IPO of the Opdenergy group, the permanence condition is eliminated and the group, on June 30, 2022, accrued the personnel expense for this bonus.

The average number of employees, by category, for the six-month periods ended *s* 30 June 2022 and 2021 is as follows:

	Average Number of Employees	
	30/06/2022	30/06/2021
Management	10	12
University graduates, technical and administrative staff	145	109
Total	**155**	**121**

(*) The Group include as Managers the members of Group´s Steering Committee.

At 30 June 2022 and 2021, the Group's workforce includes one employee with a disability.

In addition, the Group's headcount as at 30 June 2022 and 2021, by gender and category, is as follows:

	30/06/2022			30/06/2021		
	Men	Women	**Total**	Men	Women	**Total**
Management (*)	8	2	**10**	10	2	**12**
University graduates, technical and administrative staff	102	57	**159**	78	40	**118**
Total	110	59	**169**	88	42	**130**

(*) The Group include as Managers the members of Group´s Steering Committee.

15.4 Other operating expenses

Details of "Other operating expenses" in the consolidated income statement for the six-month periods ended 30 June 2022 and 2021 are as follows (in thousands of euros):

	Thousands of Euros	
	30/06/2022	30/06/2021
Leases (Note 7)	163	106
Repair and maintenance	1,049	88
Independent professional services	1,977	5,022
Insurance premiums	711	314
Banking	113	788
Advertising, publicity and public relations	20	30
Supplies	195	82
Other operating expenses	1,383	2,313
Total	**5,611**	**8,743**

The OPDEnergy Group is in the process of increasing the volume of its operations through the development and construction of renewable energy plants, as well as the search for new avenues of financing and growth, which has required numerous services from legal and accounting consultants, notaries, real estate registrars, etc. that increase the costs under the heading "Independent professional services". In addition, to support its ongoing projects, it also incurred higher expenses for accommodation, per diems and transport, among others, recognised under "Other operating expenses".

15.5. Finance income

Details of "Finance income" in the consolidated income statement for the six-month periods ended 30 June 2022 and 2021 are as follows (in thousands of euros):

	30/06/2022	30/06/2021
Financial instruments measured at amortised cost-		
Associates	100	478
Third parties (Note 9.1)	180	139
Total	**280**	**617**

15.6 Finance costs

Details of "Finance costs" in the consolidated income statement for the six-month periods ended 30 June 2022 and 2021 are as follows (in thousands of euros):

	30/06/2022	30/06/2021
Financial instruments measured at amortised cost-		
Bank borrowings	4,519	2,299
Debt instruments and other marketable securities	3,852	4,512
Lease liabilities	419	579
Update of decommissioning provisions	56	45
Total	**8,846**	**7,434**

16. Related party transactions and balances

16.1 Related party transactions

Details of related party transactions during the six-month periods ended 30 June 2022 and 2021 are as follows (in thousands of euros):

Six-month period ended 30 June 2022:

	Income from sales and services
Associates:	
Renter Gestiones, S.L.	287
Infraestructura Energética del Norte, S. de R.L. de C.V.	10
Energía Solar de Poniente, S. de R.L. de C.V.	10
Total	**307**

Six-month period ended 30 June 2021:

	Income from sales and services
Associates:	
Renter Gestiones, S.L.	288
Planta Solar OPDE la Fernandina, S.L.	50
Planta Solar OPDE Extremadura 2, S.L.	49
Planta Solar OPDE Andalucía 1, S.L.	50
A2 Renovables LLC Holding	377
Infraestructura Energética del Norte, S. de R.L. de C.V.	88
Energía Solar de Poniente, S. de R.L. de C.V.	209
Total	**1,111**

During the six-month periods ended 30 June 2022 and 2021, the revenues relating to the solar PV plants relate to the operation and maintenance work performed by OPDE O&M, S.L. for the Spanish solar farms (until the time of acquisition - Note 3.1.c of the consolidated financial statements for 2021) and for the Mexican solar farms. These revenues have been recognised in accordance with the operation and maintenance contracts signed between the operators and the customers.

In addition, transactions have been carried out with companies related to Directors of the Parent Company corresponding to management services rendered by these companies during the six-month periods ended 30 June 2022 and 2021, amounting to EUR 126 thousand and EUR 111 thousand, respectively, which have been recognised with a charge to "Other operating expenses" in the consolidated income statement for each of the periods.

The detail is as follows (in thousands of euros):

	30/06/2022	30/06/2021
Aldrovi, S.L.	38	32
Jalasa Ingeniería, S.L.	49	40
Marearoja Internacional, S.L.	39	39
Total	**126**	**111**

The aforementioned amounts include the charges for their work as directors of the Group. Note 16.3 details the additional commitments acquired with certain Directors and executives of the Parent Company.

16.2 Balances with associates

Details of "Balances with related parties" during the first six months of 2022 and as at 31 December 2021 are as follows (in thousands of euros):

30 June 2022

	Long term loans granted	Trade receivables from Group companies and associates	Short term loans granted
Associates:			
Renter Gestiones, S.L.	-	94	-
Infraestructura Energética del Norte, S. de R.L. de C.V.	-	12	-
A2 Renovables LLC Holding	-	-	13
Trend Energético, S.R.L.	693	-	-
Total	**693**	**106**	**13**

31 December 2021

	Long term loans granted	Trade receivables from Group companies and associates	Short term loans granted
Associates:			
Renter Gestiones, S.L.	-	82	-
Infraestructura Energética del Norte, S. de R.L. de C.V.	-	7	-
A2 Renovables LLC Holding	-	-	21
Trend Energético, S.R.L.	616	-	-
Total	**616**	**89**	**21**

The receivables recorded under "Short-term loans granted" as at 30 June 2022 and 31 December 2021 mainly related to the amount receivable under the subordinated loan agreements entered into with each of the associated companies. The purpose of these loan agreements was to partially finance the design, construction and operation of the photovoltaic farm.

On the other hand, the accounts receivable recorded under the heading "Trade receivables from Group companies and associates" in the consolidated balance sheet correspond mainly to the amount receivable at year-end corresponding to the operation and maintenance service contracts signed by Opde O&M, S.L. (for plants in Spain) and Inversiones Solares del Altiplano S. de R.L. de C.V. (plants in Mexico), as the service provider, with each of the companies indicated.

16.3 Remuneration of Group Directors and senior executives

Remuneration paid to members of the Board of Directors

The members of the Board of Directors of the Parent Company have not earned or received any remuneration in the six-month periods ended 30 June 2022 and 2021, except as indicated below. Also, the Group had not granted any advances or loans to the Directors and it did not have any pension, retirement bonus or special termination benefit obligations to them.

For information purposes, it is hereby disclosed that the shareholders, Aldrovi, S.L., Jalasa Ingeniería, S.L. and Marearoja Internacional, S.L. are companies related to three members of the Board of Directors and provide and invoice services to the Parent. All of the foregoing companies provide services to the Parent in accordance with the signed contracts (see Note 16.1).

In addition, the Group has taken out a civil liability insurance policy for its Directors, the cost of which amounted to EUR 28 thousand at 30 June 2022 (EUR 28 thousand at 31 December 2021).

Remuneration of Senior Management

During the six-month periods ended 30 June 2022 and the year ended 31 December 2021 the remuneration received by senior management amounted to EUR 3,333 thousand and EUR 1,259 thousand, respectively.

In addition, the Group acquired commitments with certain OPDEnergy Group executives consisting of the recognition of additional variable remuneration amounting to EUR 1,634 thousand under "Short-term provisions" in the consolidated balance sheet, which have been fully disbursed as of the date of these interim financial statements (Note 13).

In addition, the Group acquired in 2017 an agreement with a member of senior management in the event of a liquidity event.

During 2017 to 2019, no liquidity event occurred that could lead to the achievement of this remuneration. Likewise, during those years, the Parent's Directors considered the possibility of such an event to be remote, and therefore no provision was recognised in this regard. However, at the end of the 2020 financial year, the Parent Company commenced the necessary actions for a future share issue on the Spanish Stock Market in the 2021 financial year, also hiring specialised advisors for this operation. Although the transaction was not finally concluded in 2021, the Parent Company was listed on the Spanish Stock Exchange in Barcelona, Bilbao, Madrid and Valencia on July 22, 2022, and, in consequence, the directors and management of the Group have estimated, based on the best information available at the date of preparation of these summarised interim consolidated financial statements, the amount to be disbursed as a result of this agreement, and have recognised a provision of EUR 3,568 thousand under "Short-term provisions" in the accompanying consolidated balance sheet at 30 June 2022 and 31 December 2021.

This estimate of the amount to be disbursed has as its main assumption the increase in equity through a capital increase that would occur as a result of the issue of shares on the Spanish Stock Market. The sensitivity analysis to an increase or decrease in the funds obtained in this issue on the Spanish Stock Market would imply a decrease in the provision of EUR 960 thousand if the planned capital increase were to be lower by EUR 50 million and an increase of EUR 960 thousand in the event that the capital increase was to be higher by EUR 50 million.

17. Information on the environment

The OPDE Group is aware that photovoltaic and wind energy assets occupy large areas of land and can affect a wide range of environmental aspects such as the soil and water system, the atmosphere, vegetation, fauna and landscape, which is why it applies a precautionary approach and promotes continuous improvement in the environmental management of its activities.

The Group takes into account environmental protection requirements ("environmental laws") in its global operations. The Group considers that it substantially complies with such laws and that it has procedures in place designed to promote and guarantee its fulfilment. Thus, during the first six months of 2022, the Group has not received any penalties for environmental non-compliance in the regions where it operates. In addition, it conducts annual compliance assessments to identify new developments in current legislation and to prevent penalties and violations.

In addition, the OPDE Group advocates appropriate environmental processing of projects from the outset, avoiding incidents related to permits, standards or regulations and placing special emphasis on projects for monitoring birdlife, archaeology, use of information sources and prior review of land prior to project development. The OPDE Group does not move forward with a project that does not have a favourable impact resolution or declaration issued by the competent authority.

Furthermore, in order to safeguard compliance with environmental regulations in each plant under construction and/or operation, the Group develops and implements Environmental Monitoring Programmes (EMP), guaranteeing the supervision and adoption of the appropriate measures in relation to the protection and improvement of the environment and the minimisation, where appropriate, of environmental impact.

18. Other information

18.1 Contingencies

Contingent liabilities

The Group does not have any contingent liabilities due to litigation arising from the ordinary course of business which are expected to give rise to significant liabilities.

Bank guarantees

At 30 June 2022 and 31 December 2021, the Group had provided guarantees to third parties in connection with the development and construction of solar PV installations in various currencies, mainly corresponding to guarantees for the provisional acceptance of constructed solar PV installations, guarantees to municipalities for works to be performed or already performed and guarantees provided for awarded tenders. The breakdown by currency is as follows (in millions):

	30.06.2022		31.12.2021	
	Local currency	Euros	Local currency	Euros
Euros	73.8	73.8	73.6	73.6
Chilean pesos	9,546.5	10.2	7,353	7.6
US dollar	33.6	32.4	45.8	40.4

The guarantees provided by the Group are mostly guarantees given for interconnection rights acquired, common energy evacuation infrastructures, PPA contracts for their connection on date and for turnkey contracts. The total amount of these guarantees is EUR 18,585 thousand at 30 June 2022 and EUR 18,723 thousand at 31 December 2021.

The guarantees and sureties would mainly be called due to non-compliance with the completion dates of the various projects. However, the Group's Directors consider that these situations are not common and are not expected to occur, and therefore the liabilities that could arise from the guarantees provided would not be material.

In addition, the Group has recorded long-term deposits and guarantees under "Current financial assets - Other financial assets" and "Non-current financial assets - Other financial assets" which are pledged to secure bank guarantees amounting to EUR 341 thousand at 30 June 2022 (at 2021 year-end: (EUR 617 thousand).

At 30 June 2022 and 31 December 2021, the Parent Company has taken out surety insurance policies amounting to EUR 152,881 thousand and EUR 129,435 thousand, respectively.

18.2 Guarantees

Guarantees in agreements for sale and execution of solar PV facilities (turnkey)

The Group guarantees to remedy the flaws or defects in the execution and completion of the projects for the construction of the solar PV plants, provided that they are directly allocable thereto, for a period of two years from the final delivery date of the solar PV plant.

The guarantee assumed by the Group with respect to the products and materials supplied by it for the construction of the plants shall be covered by and limited to the warranty provided by the manufacturers of those materials. In addition, the Group offers an assembly guarantee, although no guarantee costs have been incurred as of the date of this report (Note 3.15 of the consolidated financial statements for the fiscal year 2021).

As at 30 June 2022 and 31 December 2021, the Group has not made any provision for this warranty as there is no historical experience in this regard and it is considered that the manufacturers' warranties for the components used by the Group would adequately cover any incidents.

19. Earnings (or losses) per share

19.1 Basic

The basic earnings (or losses) per share from continuing operations for the first half of 2022 and 2021 are as follows:

	Thousands of Euros	
	30/06/2022	30/06/2021
Profit attributable to shareholders of the Parent	17,354	(4,683)
Weighted average number of ordinary shares outstanding	105,922,000	105,922,000
Basic earnings / (losses) per share	**0.16**	**(0.04)**

Basic earnings per share are calculated by dividing the profit attributable to the Parent's shareholders by the weighted average number of ordinary shares outstanding during the year (Note 12).

19.2 Diluted

There are no agreements that give rise to a dilution of earnings per basic share calculated as described in the above paragraph.

20. Events Subsequent to Year-End

The Group's Senior Management has closed with EIG and Generali Global Infrastructure a new corporate debt facility of up to EUR 250 million with a maturity of 36 months. The new financing agreement signed involved an initial drawdown of EUR 143.7 million with a maturity of three years and a three-month Euribor interest rate with a floor of 0% plus an additional margin fixed annually, with this drawdown cancelling the existing financing for a nominal amount of EUR 140,000 thousand (Note 9.2) and the interest accrued and unpaid at the date of issue of the new financing. Subsequent issues up to the maximum aggregate nominal amount of EUR 250 million (i.e., EUR 106.3 million) may be drawn down until 15 March 2023 in four additional tranches of not less than EUR 10 million each. This additional funding will serve to finance the development of the Group's target of reaching 3.3 GW of gross asset capacity in operation and under construction by 2025.

On 22 July 2022, the Group's Parent Company, Opdenergy Holding, S.A., was listed on the Spanish Stock Exchange in Barcelona, Bilbao, Madrid and Valencia. As a result, the company has increased its capital by 200 million euros, with the issuance of 42,111,474 new fully subscribed and paid-up ordinary shares.

On July 22, 2022, the market was notified through Other Relevant Information of the closing of the project financing with BBVA and EIB for a principal amount of senior debt of approximately EUR 301 million to finance the construction of 605MW in Spain.

On July 27, 2022, the Group communicated through Other Relevant Information the closing of a financing agreement with ING for the construction and start-up of a portfolio of photovoltaic parks in Spain with a total planned installed capacity of approximately 167 MW located in Cuenca. The financing has a principal amount of senior debt of approximately EUR 95 million.

Regarding the complaint filed by a former shareholder of the subsidiary Opde Sur, S.A. against, among others, the members of the Board of Directors of the Parent Company, Mr. Alejandro Javier Chaves Martínez and Mr. Gustavo Carrero Díez, as well as against the Parent Company itself, through Order No. 510/2022, issued on July 27, 2022 by the First Section of the Provincial Court of Navarra, it has been agreed to dismiss the appeal filed by the complainants against the Order of November 25, 2021, issued by the Court of First Instance and Instruction No. 2 of Tudela, by virtue of which the provisional dismissal and the filing of the proceedings were agreed. Consequently, the case must be considered definitively filed, without any liability of any kind for the persons under investigation once it has been concluded, in addition, that more than sufficient steps have been taken to clarify the facts under investigation, and having, therefore, lost the status of investigated all individuals and legal entities reported, and among them the directors Mr. Alejandro Javier Chaves Martínez and Mr. Gustavo Carrero Díez, as well as the Parent Company itself.

No subsequent events have occurred that may affect the summarised interim consolidated financial statements for the six-month period ended 30 June 2022, other than the events described above.

Interim Consolidated Directors' Report

30 June 2022

CONTENTS

1. THE OPDENERGY GROUP

Opdenergy Holding, S.A. ("Opdenergy", "the Company" or "the Parent") and its subsidiaries ("the Opdenergy Group" or "the Group") form a consolidated group of companies operating in the renewable energy sector as a sustainable independent power producer ("IPP"), focusing on the development, construction, operation, maintenance, management and sale of energy from its onshore wind and solar assets in the different markets in which it operates.

As of 30 June 2022, we have a secured project pipeline of 2.4 GW (including projects in operation, under construction and in pre-construction) and a pipeline of projects under development of 10.8 GW (projects categorised as "*Farm-Down*" with formalised sales agreement but pending transfer, in advanced stage "*Advanced Stage*", in initial stage "*Early Stage*" and of identified opportunities "*Identified Opportunities*").

1.1 HISTORICAL EVOLUTION OF THE GROUP

The Company was founded in 2005. In our first years of operations, we focused on the Spanish market and became one of the key players in Spain in the solar PV energy sector. Starting in 2009, we began our international expansion across some of the most attractive renewable energy markets in the world, including Italy, Chile, Mexico and the United States, by undertaking both *greenfield* and *brownfield projects*.

Since its origins, Opdenergy has proven to be a firm in constant evolution, thanks to its ability to adapt to the market. Its proven business model has made possible to progressively increase its international presence and continuously improve its management and reputation.

In the last 10 years of the Group's history, we highlight the following milestones marking the conversion to a full-scale IPP:

- During 2012 to 2015, we built assets in the UK and opened offices in Chile and Mexico.
- From 2016 to 2018, we were awarded additional capacity through auctions in Spain, Chile and Mexico and issued our first corporate bond issue.
- During 2019 and 2020, we were awarded several PPAs in the United States and reached milestones regarding project financing and M&A transactions.
- During the financial year 2021, a portfolio of 20 assets was sold, the execution of which is still pending at the date of this Consolidated Director's Report, with the exception of two SPVs whose transfer was completed in June 2022. In addition, the sale of a solar photovoltaic asset under development in the United States was completed at the end of the same year.
- During 2022 we increased our exposure to new geographies by opening an office in Colombia, bringing our total to 7 offices.
- At the reporting date Opdenergy had 1 GW of solar projects under construction in Spain and the USA, which added to its operating capacity of 584 MW totals 1.6 GW in operation and under construction.

As of the date of this Consolidated Directors' Report, we are an independent power producer, in the process of expansion and aiming to significantly increase our power sales in the future as we develop our project pipeline and grow our portfolio of renewable energy plants.

2. BUSINESS MODEL

Opdenergy is an organisation with a strategic presence in Europe, the United States and Latin America, in constant expansion and focused on the production of renewable energy assets. The Group has offices in seven markets and is present in nine countries: Spain, Italy, United Kingdom, Poland, France, United States, Chile, Mexico and Colombia. Opdenergy has a comprehensive, aggregated and long-term business model, oriented to the management of all phases of a project through **two operational segments:**

A) Development & EPC

From the development and EPC area, we search for and generate investment opportunities in energy assets and supervise the engineering and construction of the projects until the start-up of the energy assets.

By working along the value chain of renewable energy assets, we can acquire projects at an advanced stage of maturity or initiate projects from *greenfield*, also collaborating with local resources. The development team focuses on, among other things, selecting the optimal location, addressing technical and financial studies, processing and obtaining licences and permits, or formalising agreements that guarantee the investment.

For the EPC we use a "Project Management Office (PMO)" scheme of work applied in the different stages of construction, starting with the resource study and basic engineering, procurement of major equipment and services, detailed engineering and construction management and commissioning and activation.

B) Energy Sales and Services

From the Energy Sales and Services area, we manage the exploitation and availability of energy assets, looking for opportunities to take advantage of and optimize their useful life.

We manage our assets, under the best practices and with the objective of maximising the energy generated, reducing operating costs, increasing the safety of the process and guaranteeing the reliability of the equipment from the Operation and Maintenance and *Asset Management teams*.

We seek to generate revenue through the sale of the electricity produced by our solar PV and wind power plants under a Power Purchase Agreement ("PPA") or another sales model. We enter into power sales contracts in strong currencies and with creditworthy counterparties with investment-grade credit ratings, which include a mix of government entities as well as private companies. We generally enter into long-term power sales agreements with these power purchasers who pay a fixed price, in some cases subject to inflation adjustments, for the committed portion of the electricity generated by our assets.

2.1 STRATEGY AND OBJECTIVES

Opdenergy defines its strategy based on the principles of internationalisation, dynamism and adaptability, diversification of energy sources, and continuous improvement in project management with the aim of maximising the profitability of the assets.

The Group's strategy, objectives and value proposition for the upcoming years are summed up in the following bullet points:

- Consolidate geographical and technological diversification in its key markets in Europe and Latin America, as well as in the United States.

- Complete the transition to a full-scale IPP with a presence in Europe, the United States and Latin America.

- Reach a total capacity of 3.3 GW in operation and construction by the end of 2025. This target is backed by a secured project pipeline of approximately 2.4 GW including operating, construction and pre-construction assets that support the group's growth in the short and medium term, accounting for more than 70% of this target.

- Play a relevant role in the Environmental, Social and Corporate Governance (hereinafter "ESG") transition, investing and contributing positively and in an active manner to the environment and society while targeting sustainable long-term returns.

3. BUSINESS PERFORMANCE AND RESULTS

3.1 FINANCIAL INDICATORS

The selected financial information included in this section has been extracted from the Group's interim financial statements as at 30 June 2022, which include consolidated financial information as at 30 June 2021 for comparative purposes. These interim financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS-EU") in accordance with Regulation (EC) No 1606/2002 of the European Parliament and Council and effective at 30 June 2022.

Income statement

The highlights of the first half of the 2022 and 2021 financial years are as follows:

Thousands of Euros	**2022**	**2021**
Revenue	35,303	15,001
Adjusted EBITDA	26,307	2,990
Adjusted EBITDA margin	*74.52%*	*19.93%*
Adjusted EBIT	19,440	(946)

3.2 ALTERNATIVE PERFORMANCE MEASURES (APM)

We present certain Alternative Performance Measures ("APMs") to provide additional information that favours the comparability and understanding of the financial information and to facilitate the process of decision making and evaluation of the Group's performance. The APMs should be considered by the user of the financial information as supplementary figures presented in accordance with the basis of presentation of the Group's interim financial statements as at 30 June 2022. The APMs used by the Group are:

Adjusted EBITDA

Definition: Revenue + Change in stocks of finished goods and work in progress + Impairment of inventories - Supplies + Other operating income – Staff costs - Other operating expenses +/- IPO costs and other adjustments.

Explanation of use: The ADJUSTED EBITDA is considered by us as a measure of the performance of our activity, as it provides an analysis on the profit/loss of the year excluding interest, taxes, depreciation and amortization. It is used to evaluate the capacity to generate operating cash flow from the projects. Additionally, it is a magnitude widely used by investors when assessing companies, as well as by rating agencies and creditors to assess the level of indebtedness by comparing EBITDA with net debt or with debt service.

Thousands of Euros	2022	2021
Revenue	35,303	15,001
Changes in inventories of finished goods and work in progress	1,123	6,758
In-house work on non-current assets	4,013	2,634
Supplies	(1,629)	(10,414)
Other operating income	474	432
Staff costs	(7,418)	2,918
Other operating expenses	(5,819)	(8,743)
Provisioned liquidity event bonus	260	(7,612)
Expenses IPO	-	2,016
Adjusted EBITDA	**26,307**	**2,990**

Adjusted EBIT

Definition: Adjusted EBITDA + Depreciation and amortisation and others.

Depreciation and amortisation charge and others include "Depreciation of fixed assets", "Impairment and gains/losses on disposal of fixed assets" and "Other gains/losses" in the consolidated income statement for each year.

Explanation of use: EBIT provides an analysis of the profit/loss for the year excluding interest and taxes. It is used to assess the operating results generated by the business in each financial year.

Thousands of Euros	2022	2021
Adjusted EBITDA	**26,307**	**2,990**
Adjusted EBITDA margin	*74.52%*	*19.93%*
Depreciations & others	(6,867)	(3,936)
Adjusted EBIT	**19,440**	**(946)**

ADJUSTED EBITDA MARGIN

Definition: Adjusted EBITDA / Revenue

Explanation of use: EBITDA Margin is considered as a measure of the performance of our activity, as it provides information on the percentage contribution that EBITDA represents on revenue. This contribution allows for comparative analyses to be made on the performance of the margin of our projects.

Thousands of Euros	2022	2021
Adjusted EBITDA	26,307	2,990
Revenue	35,303	15,001
Adjusted EBITDA margin	**74.52%**	**19.93%**

NET FINANCIAL DEBT (excluding IFRS 16)

Definition: Short-term and long-term debt and other marketable securities + Short-term bank borrowings + Short-term and long-term bank borrowings associated with renewable energy plants + Other financial liabilities - Cash and cash equivalents. Excluding the effect of the valuation of derivatives and finance lease liabilities.

Explanation of use: Net Financial Debt is a financial magnitude that measures the net debt position of a company. Additionally, it is a magnitude widely used by investors when assessing the net financial leverage of companies, as well as by rating agencies and creditors to assess the level of net indebtedness.

Thousands of Euros	30 June 2022	31 December 2021
Long-term debt instruments and other marketable securities	138,276	137,550
Short-term debt instruments and other marketable securities	-	-
Bank borrowings	7,000	-
Long-term Bank borrowings associated to renewable energy plants	229,183	228,571
Short-term Bank borrowings associated to renewable energy plants	13,418	12,933
Other financial liabilities	97	34
Cash and cash equivalents	(74,067)	(99,575)
NET FINANCIAL DEBT (excluding IFRS 16)	**313,907**	**279,513**

DEBT RATIO

Definition: Net Financial Debt / Total Capital employed in the company (Total Capital employed for the company is calculated as Net Financial Debt + Equity).

Explanation of use: Debt ratio shows the capacity of a Company to cover or pay back its debt if net financial debt and EBITDA are held constant. However, if a company has more cash than debt, the ratio can be negative.

Thousands of Euros	30 June 2022	31 December 2021
Net financial debt excluding IFRS 16 (a)	313,907	279,513
Equity (b)	(59,824)	25,343
Total capital employed in the business (c) = (a+b)	254,083	304,856
Debt ratio (a/c)	**1.24**	**0.92**

WORKING CAPITAL

Definition: Current assets – Current liabilities

Explanation of use: Working Capital is considered by us as a measure of our financial condition, as it provides an analysis of our liquidity, operational efficiency (optimisation of short-term resources and processes to generate positive investment returns) and short-term financial health.

Thousands of Euros	30 June 2022	31 December 2021
Current assets	125,939	146,195
Current liabilities	132,405	124,445
WORKING CAPITAL	**(6,466)**	**21,750**

3.3 ALTERNATIVE PERFORMANCE MEASURES (APMs) BY OPERATING SEGMENT

Below we present the revenue as well as the APMs of our three operating segments:

Six-month period ended 30 June 2022

	Thousands of Euros				
	EPC & Development	Energy Sales and Services	Corporate	Consolidation adjustments	TOTAL
Operating income:	20,432	49,522	1,066	(35,718)	**35,303**
- From third parties	12,128	22,825	350	-	35,303
- From group companies	8,304	26,698	716	(35,718)	-
(-) Direct cost	(6,147)	(21,026)	1,091	29,380	3,299
Gross Margin	**14,285**	**28,497**	**2,157**	**(6,337)**	**38,602**
(-) G&As	(3,075)	(8,628)	(5,937)	5,085	(12,555)
Provisioned liquidity event bonus	-	-	260	-	260
Expenses IPO	-	-	-	-	-
Adjusted EBITDA	**11,209**	**19,868**	**(3,519)**	**(1,252)**	**26,307**
(-/+) Depreciations & others	(377)	(7,662)	(282)	1,454	(6,867)
Adjusted EBIT	**10,832**	**12,207**	**(3,802)**	**202**	**19,440**

Six-month period ended 30 June 2021

	Thousands of Euros				
	EPC & Development	Energy Sales and Services	Corporate	Consolidation adjustments	TOTAL
Operating income:	21,737	30,778	368	(37,883)	**15,001**
- From third parties	-	15,001	-	-	15,001
- From group companies	21,737	15,777	368	(37,883)	-
(-) Direct cost	(20,911)	(11,847)	(197)	31,933	(1,022)
Gross Margin	**826**	**18,931**	**171**	**(5,950)**	**13,979**
(-) G&As	(2,358)	(6,808)	789	2,984	(5,393)
Provisioned liquidity event bonus	-	-	(7,612)	-	(7,612)
Expenses IPO	-	-	2,016	-	2,016
Adjusted EBITDA	**(1,532)**	**12,123**	**(4,636)**	**(2,965)**	**2,990**
(-/+) Depreciations & others	(118)	(5,839)	(142)	2,162	(3,936)
Adjusted EBIT	**(1,650)**	**6,284**	**(4,779)**	**(803)**	**(946)**

4. LIQUIDITY AND CAPITAL RESOURCES

Our principal funding needs are for the financing of investments in the development and construction of renewable energy plants, the repayment of debt incurred by the project *SPVs (*and, where applicable, the SPV holding companies) that own such plants, the financing of working capital needs and, to a lesser extent, dividend distributions. Historically, to fund these needs, we have relied heavily on project finance debt at the project SPV level, cash from operations (primarily cash flows from our turnkey development and construction contracts with non-Group entities), our corporate bond issuance and our asset rotation strategy to optimise our portfolio and to meet our financing needs.

Funding needs for project development and construction vary depending on the stage of the project.

- Funding needs at the development stage. Our funding needs during a project’s development stage, which runs from the time a site is identified until construction begins, include costs associated with project analysis and feasibility studies, payments for land rights, payments for interconnection and grid connectivity arrangements, government permits, engineering and procurement of solar panels or turbines, in addition to the personnel-hours dedicated by our team of project developers and supporting engineers. Historically, we have relied on our own capital contributions, bank loans and bond issues to pay for costs and expenses incurred during project development.

- Funding needs at the construction stage. The project SPVs (or, less often, the SPV holding companies) generally finance their projects through: (i) outside financing, generally in the form of long-term bank loans. Third-party debt financing generally covers 65% to 75% of the project costs; and (ii) to a lesser extent, equity financing in the form of capital contributions, current account advances or similar arrangements provided by the Group and (where the project SPV is not wholly owned by the Group) by the project SPV’s other shareholders. Historically, we have financed our share of equity contributions to project SPVs using the proceeds of capital increases at the Company level. We have also financed a portion of these contributions using cash flow generated from bond issuance and other debt financing in previous years. To a lesser extent, we finance a portion of our contributions using our internal resources from operating cash flow.

- During the construction phase for a project held through a project SPV which we intend to own and operate, we generally receive no cash flow from the project (other than cash received through debt financing) prior to its commercial operation date (“COD”), when it begins selling the electricity that it produces. Generally, the Group is repaid for current account advances and related interest payments or receives dividends only to the extent that cash remains after meeting payment requirements for senior debt and subject to compliance with financial ratios. When we develop and construct plants under turnkey development and construction contracts with non-Group entities, we typically receive partial payments from our customers upon the completion of certain construction milestones.

We monitor our capital structure on the basis of our debt ratio, calculated by dividing net financial debt by total capital employed in the business.

With regard to the interim period of 6 months ending 30 June 2022, the following sources of funding should be noted:

i) Bonds and Other Marketable Securities amounting to EUR 138,276 thousand at 30 June 2022, compared to EUR 137,500 thousand at 31 December 2021. This variation of EUR 726 thousand is mainly due to the amortisation of debt arrangement costs.

ii) Bank Borrowings associated with Renewable Energy Plants in the long and short-term amounting to EUR 242,601 thousand at 30 June 2022, compared to EUR 241,504 thousand at 31 December 2021, representing a variation of EUR 1,097 thousand.

iii) Bank borrowings amounting to EUR 7,000 thousand include the drawn down portion of the green notes programme in the Alternative Fixed Income Market (MARF) with a maximum limit of EUR 100 million.

iv) Long-term and short-term lease liabilities amounting to EUR 42,333 thousand as at 30 June 2022, compared to EUR 44,423 thousand as at 31 December 2021, a representing a variation of EUR 2,090 thousand. The decrease is mainly due to the transfer of the rights of use of the Carmona 1 and 2 land, partially offset by the addition of new land lease contracts for the group's plants.

5. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Group's Senior Management has closed with EIG and Generali Global Infrastructure a new corporate debt facility of up to EUR 250 million with a maturity of 36 months. The new financing agreement signed involved an initial drawdown of EUR 143.7 million with a maturity of three years and a three-month Euribor interest rate with a floor of 0% plus an additional margin fixed annually, with this drawdown cancelling the existing financing for a nominal amount of EUR 140,000 thousand (Note 9.2) and the interest accrued and unpaid at the date of issue of the new financing. Subsequent issues up to the maximum aggregate nominal amount of EUR 250 million (i.e., EUR 106.3 million) may be drawn down until 15 March 2023 in four additional tranches of not less than EUR 10 million each. This additional funding will finance the development of the Group's target of reaching 3.3 GW of gross capacity of assets in operation and under construction by 2025.

On 22 July 2022, the Group's Parent Company, Opdenergy Holding, S.A., was listed on the Spanish Stock Exchange in Barcelona, Bilbao, Madrid and Valencia. As a result, the company has increased its capital by 200 million euros, with the issuance of 42,111,474 new fully subscribed and paid-up ordinary shares.

On 22 July 2022, the closing of the project financing with BBVA and BEI for a senior debt principal amount of approximately EUR 301 million to finance the construction of 605 MW in Spain was communicated through Other Relevant Information to the market.

On 27 July 2022, the Group communicated through Other Relevant Information the closing of a financing agreement with ING for the construction and commissioning of a portfolio of photovoltaic parks in Spain with a total planned installed capacity of approximately 167 MW located in Cuenca. The financing has a senior debt principal amount of approximately EUR 95 million.

Regarding the complaint filed by a former shareholder of the subsidiary Opde Sur, S.A. against, among others, the members of the Board of Directors of the parent company, Mr. Alejandro Javier Chaves Martínez and Mr. Gustavo Carrero Díez, as well as against the Parent Company itself, by Order no. 510/2022, issued on 27 July 2022 by the First Section of the Provincial Court of Navarra, it has been agreed to dismiss the appeal filed by the complainants against the Order of 25 November 2021, issued by the Court of First Instance and Investigation no. 2 of Tudela, by virtue of which it was agreed that the proceedings would be provisionally dismissed and closed. Consequently, the case must be considered definitively closed, with no liability of any kind for the persons under investigation, once it has been concluded, moreover, that there have been more than sufficient proceedings to clarify the facts under investigation, and that, consequently, all the natural and legal persons reported, including the Directors Mr. Alejandro Javier Chaves Martínez and Mr. Gustavo Carrero Díez, as well as the Parent Company itself, have lost the status of investigated persons.

There have been no subsequent events that may affect the summarised consolidated interim financial statements for the six-month period ended 30 June 2022, other than the events described above, and the information reflected in Note 20 to the summarised consolidated interim financial statements for the six-month period ended 30 June 2022.

6. R&D&I ACTIVITIES

In Opdenergy we have a strong commitment to innovation as is a relevant part of our corporate culture. This constant innovation is what allows us to offer a differentiated product and help us becoming leaders in the sector. We believe that investing in Research, Development and Innovation is a core aspect to surviving and growing in the market, for those reasons the investments we make in this division grows annually.

The Group expectation is to continue to focus its efforts on innovation and while be investing in the following areas:

- Artificial intelligence.
- Storage.

Technologies

The main sources of energy linked to our activities are:

- Photovoltaic Wind “Onshore” Hybrid systems Storage systems

Based on the solar business, where we acquired our experience, our growth and maturity have allowed us to define a strategy aimed at diversifying the business, extending the spectrum of technologies to operate with equal efficiency in wind energy and also attending to other solutions such as the demand for storage or hybrid systems.

7. ACQUISITION AND DISPOSAL OF TREASURY SHARES

There have been no treasury share transactions during the first six months of the financial year 2022.

8. DIVIDEND POLICY

Opdenergy intends to devote its generated cash flows to continue growing its business and executing its business plan, including capital expenditures at various projects. Opdenergy does not plan to distribute dividends during the next three years. After such period, the Group will evaluate the approval of a dividend policy based, inter alia, on financial results and future business prospects.

The Company’s ability to distribute dividends in the near future will depend on a number of circumstances and factors, including (but not limited to) the amount of distributable profits and reserves and its investment plans, earnings, level of profitability, cash flow generation, restrictions on payment of dividends under applicable law (both on the Company and on any Group entity), including compliance with covenants in the debt instruments, the level of dividends paid or shares repurchased by other comparable listed companies doing business in Spain and such other factors as the Board of Directors or the General Shareholders’ Meeting may deem relevant from time to time. In that regard, payment of dividends is generally proposed by the Board of Directors and must be approved by the General Shareholders’ Meeting.

9. STRONG COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY- ESG

As an organisation we contribute to the sustainability of the communities in which we operate, by managing the environmental, social, and economic impact of our activities.

Because of the climate change we face in the world, our commitment and investments are mainly oriented to the use of renewable sources for the promotion of a low carbon economy. We also contribute to society encouraging local employment and integration, maintaining strong ethical values, and committed to safety and quality of all our employees.

During the first half of 2022 we published our first sustainability report as part of our commitment to corporate social responsibility, detailing the different measurements and metrics for the 2021 financial year. In addition, we have completed a materiality analysis and developed a master plan showing the ESG roadmap 2022-2025.

It is also worth noting the implementation of a green financing framework, which details the implementation of financing with the principles designated within the "Green Loan Principles", which aim to promote sustainability and provide clear environmental benefits. Since the creation of this financing framework, all new financing has fallen under this framework and has been categorised as green financing.

9.1 QUALITY, ENVIRONMENT AND HEALTH AND SAFETY POLICY

Within the Group’s framework activity and business model, and focusing on the core strategic pillars of the company, the Board of Directors is committed to show leadership regarding quality, environment and health and safety, by implementing a Management System that enables us to:

- Promote the adoption of a process approach, understand the Group and its context and incorporate risk-based thinking to address risk and opportunities, achieve goals and adapt to changes.

- Integrate the most demanding standards in accordance with a highly competitive market and provide products and services (projects) that enhance customer satisfaction and meet the requirements of its stakeholders.

- Contribute to protect the environment through prevention of pollution, sustainable use of natural resources and promotion of energy efficiency and a low carbon economy.

- Provide safe and healthy working conditions for the prevention of work-related injuries and health impairments, with a commitment to eliminate hazards and reduce risks to occupational health and safety.

- Encouraging consultation and participation of workers and their representatives.

- Ensure compliance with legal, regulatory and any applicable requirements subscribed by Opdenergy.

- Achieve continual improvement in terms of quality, environment, health and safety.

The abovementioned policies support the strategic direction of the Group and serve as a reference to establish the long-term objectives and vision of the Group. Such policies are applicable to any activity, area or subsidiary company of the Group. Management grants the availability of the necessary resources for its fulfilment and requests all the people working on behalf of the Group to actively participate and contribute to the effectiveness of the Management System.

The Board of Directors of Opdenergy decided to approve and implement this Code of Ethics, which aims to establish the basic principles that shall govern the Group’s behaviour. This Code of Ethics is not intended to cover all possible situations that may arise in the development of the Group's activity, but to establish a series of guidelines and minimum standards of conduct. Such ethical standards are set below and are applicable for all members of our Group.

9.2 ETHICAL PRINCIPLES AND RULES OF CONDUCT

Compliance with applicable regulations

Complying with all applicable regulations, including both legal and regulatory requirements and other requirements that the Group may be legally bound. The legal framework of the geographical area (international, national and local) has to be taken into consideration.

Conflicts of interests

Members of the Group must proceed impartially in situations of conflict of interest in which they may be involved. Especially, no personal or professional activities shall be carried out, nor direct or indirect interests pursued, that might interfere with the applicable responsibilities in the Group.

Illicit payments and anti-corruption principles

Members of the Group are prohibited from offering or accepting illicit payments in any situation, such as (but not limited to), bribes, kickbacks and other similar compensations.

Human rights and employee rights

Respecting the principles embodied in the Universal Declaration of Human Rights of the United Nations (UN), as well as fundamental principles and rights included in the Declaration of the International Labour Organization (ILO). Especially, they commit not to participate in the trafficking of human beings, not to employ child labour, or to use forced, involuntary or enslaved labour. The members of Opdenergy shall maintain strict and objective recruitment programs, focusing exclusively on the candidate's academic, personal and professional merits and their human resource needs.

Quality

Ensuring the compliance of the products and services with the applicable requirements, promoting an approach to increase customer satisfaction and respond to the needs and expectations of stakeholders. For such purpose the Group shall assign the workers with the necessary means to do so.

Environment

Pursuing the engagement to protect the environment, through the prevention of pollution, the sustainable use of natural resources and the promotion of energy efficiency and a low carbon economy. Workers will receive the necessary means to do so, and awareness will be promoted.

Health and Safety at work

Guarantying adequate conditions of safety, hygiene and wellbeing to address the engagement to prevent harm and deterioration of health. The workers will receive the relevant protective equipment and all the necessary training in the subject. Unsafe behaviours will not be tolerated. The members of our Group must respect meticulously the applicable regulations regarding health and safety in all locations where they develop their business activities, as well as safeguard their compliance by other internal or external workers.

Social commitment and support to the local community

Commit to promoting the improvement of the quality of life and well-being of all people and communities that are related to our activities and, in particular, they must respect scrupulously the legal framework, cultural diversity and customs and current principles in force in the geographical area.

Confidentiality, information management and protection

Commit to respect confidentiality and the right to privacy in all its appearances and, in particular, with regard to the applicable provisions and requirements regarding the protection of personal data, as well as the information provided by third parties. It is forbidden to disclose personal data or information provided by third parties (unless express consent of the interested parties, legal obligation or compliance with judicial or administrative resolutions), to reveal confidential information of the Group, to provide incorrect or inaccurate information deliberately and to use the information for their own benefit or that of third parties in an unlawful manner. Special attention will be paid to the signing of confidentiality agreements (Non-disclosure agreement) in situations that require the sharing of sensitive information.

Communication and transparency

Commit to transmitting true and complete information about their business activities. The communication will always be made in accordance with the rules and in the terms established by the applicable legislation.

9.3 SOCIAL - THE PEOPLE OF OPDENERGY

In Opdenergy Group we count with a team of highly experienced professionals, specialized in the development, financing, construction, operation, and maintenance of energy assets.

As of 30 June 2022, the Group had a total of 169 employees located in nine countries, with offices in seven of them (Spain, Italy, United Kingdom, Mexico, Chile, Colombia and the United States).

The following tables provide further information regarding the number of employees by region and category as of 30 June 2022 and 2021:

	30 June	
Region	**2022**	**2021**
Spain	113	87
Italy	15	11
France	1	1
Poland	1	-
United Kingdom	1	1
United States of America	8	9
Mexico	17	11
Chile	11	11
Colombia	2	-
Total	**169**	**130**

	30 June	
Category	**2022**	**2021**
Management	10	12
University graduates, technical and administrative staff	159	118
Skilled and manual workers	-	-
Total	**169**	**130**

In addition, the average number of employees during the first half of the financial years 2022 and 2021 is 155 and 121, respectively.

9.4 CORPORATE GOVERNANCE

On 17 March 2020, the Annual General Meeting of Shareholders approved new Bylaws that allow us to align ourselves with the transparency objectives and governance requirements of the Good Governance Code for Listed Companies in preparation for the admission to trading of the Company's shares on the stock exchanges which was completed in July 2022. Below, we describe the main updates that have been in force since the admission to trading.

General Shareholders' Meeting

The General Shareholders' Meeting is the primary space for participation by the Group shareholders and the highest decision-making authority at the Group, where all duly convened shareholders shall meet to discuss and decide, by the specific majority required in each case, on any matter falling within their scope of authority, or to be informed on any matter deemed convenient by the Board of Directors or the shareholders pursuant to the legislation in force.

Board of Directors

It is the highest governing body of the Group and in which the shareholders delegate their responsibility. It is the responsible body for the management of the Group and establishes the strategic, accounting, organizational and financing policies of the Group. Moreover, the Board of Directors is responsible for, among others, the following:

- Supervising the effective operation of any committees established or the performance of any delegated bodies or managers nominated by it.

- Determining the Group's general policies and strategies.

- Authorising or releasing directors from the obligations arising from the duty of loyalty in accordance with the provisions of article 230 of the Spanish Companies Law.

- Determining its own organisation and performance.

- Preparing the annual individual and consolidated financial statements and presenting such statements to the General Shareholders' Meeting.

- Preparing any type of report required from the Board of Directors by law, assuming that the transaction to which the report refers cannot be delegated.

- Nominating or removing executive directors from the Company or establishing the conditions of their contract.

- Nominating or removing managers on whom the Board of Directors or some of its members may directly depend, such as establishing the basic conditions of their contracts, including remuneration.

- Decisions relating to directors' remuneration, within the statutory framework and, when relevant, the remuneration policy approved by the general meeting.

- Calling the general meeting of shareholders and preparing the agenda and proposal for agreements.

- The policy relating to treasury shares.

- Any powers that the General Shareholders' Meeting has vested to the Board of Directors, unless the Board of Directors has been explicitly authorised to sub-delegate them.

According to the Bylaws and the Board of Directors Regulations, the Directors are elected by the General Shareholders' Meeting for a maximum term of four years and may be re-elected for an unlimited number of terms of the same duration. The Board of Directors of the Group will be composed of seven members at the date of admission to trading: one executive director, three independent directors and three proprietary directors. The effectiveness of the appointment of the three independent directors and the executive director is subject to the admission to listing of the shares on the Spanish Stock Exchanges.

AUDIT COMMITTEE

The Audit Committee is responsible for monitoring the effectiveness and efficiency of the Group's internal control, internal audit and the risk management systems, as well as supervising the process of preparation of regulated financial information.

The composition, responsibilities and rules of the Audit Committee are governed by the Bylaws and the Board of Directors Regulations, for instance, the Audit Committee shall have at least three members, with a maximum of five members, all of whom must be non-executive directors appointed by the Board of Directors, of whom the majority must be independent directors.

The Audit Committee of Opdenergy shall consist of a minimum of three and a maximum of five members. The chairmanship of this committee corresponds to an independent member. Each member shall be appointed on the basis of his or her knowledge and expertise in accounting, audit or risk management or a combination thereof. As a group, the members of the Audit Committee shall have relevant technical knowledge relating to the industry to which Opdenergy operates. The effectiveness of the constitution of this Committee and the appointment of its members is subject to the admission to listing of the shares on the Spanish Stock Exchanges.

Appointments and Remuneration Committee

The composition, responsibilities and rules of the Appointments and Remunerations Committee are governed by the Bylaws and the Board of Directors Regulations. Is the responsible body for evaluating the skills, knowledge and experience of the members of the Board of Directors and formulate proposals for appointment of new members of the Board of Directors. Additionally, the Appointments and Remuneration Committee will be responsible for monitoring the compliance with Group´s remuneration policy.

The Appointments and Remuneration Committee shall be composed of a minimum of three and a maximum of five members. The chairmanship of this Committee must be selected by the Board of Directors from among its independent members. The effectiveness of the constitution of this Committee and the appointment of its members is subject to the admission to listing of the shares on the Spanish Stock Exchanges.

Sustainable Development Committee

The Sustainable Development Committee is responsible for conducting a periodic review of the corporate governance system, monitor the Group´s corporate governance sustainable development strategies and the compliance with legal requirements and with the rules and regulations of the corporate governance system. In addition, it supervises the Group's actions related to sustainable development and corporate social responsibility The Sustainable Development Committee shall consist of a minimum of three and a maximum of five members. The chairmanship of this Committee is selected by the Board of Directors from among its independent members. The effectiveness of the constitution of this Committee and the appointment of its members is subject to the admission to listing of the shares on the Spanish Stock Exchanges.

The following table shows the composition of the different committees:

Consejero	Categoria	Comisión de Auditoría	Comisión de Nombramientos y Retribuciones	Comisión Sostenibilidad
Alejandro Javier Chaves	Dominical		🟠	
Gustavo Carrero Diez	Dominical	🟠		
Francisco Javier Remacha	Dominical			🟠
Luis Cid	Ejecutivo			
Cristina Fernández González-Granda	Independiente		🟠	🔵
Mar Gallardo Mateo	Independiente	🔵		🟠
Chony Martín Vicente-Mazariegos	Independiente	🟠	🔵	

🔵 Presidente de la Comisión 🟠 Miembro de la Comisión