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

STATEMENT OF RESPONSIBILITY OF THE DIRECTORS OF GRENERGY RENOVABLES, S.A. ON THE CONTENT OF THE ANNAL 2021 SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

With regard to the annual separate and consolidated financial statements of Grenergy Renovables, S.A. for 2021, and in accordance with Article 8 of Royal Legislative Decree 4/2015, of October 23, which enacts the consolidated text of the Securities Market Law, the members of the Board of Directors hereby state:

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

Statement issued by the Board of Directors of GRENERGY RENOVABLES, S.A. on February 24, 2022 for the purpose of authorizing the separate and 2021 consolidated financial statements.

Mr. David Ruiz de Andrés (Chief Executive Officer)	Mr. Antonio Jiménez Alarcón (Board Member)
Mr. Florentino Vivancos Gasset (Board Member)	Ms. Ana Peralta Moreno (Board Member)
Mr. Nicolás Bergareche Mendoza (Board Member)	Ms. María del Rocío Hortigüela Esturillo (Board Member)
Ms. María Merry del Val Mariátegui (Board Member)	Ms. Teresa Quirós Álvarez (Board Member)

Audit Report on Financial Statements
issued by an Independent Auditor

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2021

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

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

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of GRENERGY RENOVABLES, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at December 31, 2021, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2021 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

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

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

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

Key audit matters

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

Impairment of non-financial non-current assets

Description

At December 31, 2021, the Group recognized PP&E items under non-current assets amounting to 388,783 thousand, mainly corresponding to wind farms and photovoltaic solar plants under development, construction or in operation.

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

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

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

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

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

The information related to the valuation standards and the main assumptions used by the Group's Management in determining the impairment of non-current non-financial assets, are included in Notes 3.5 and 7 of the accompanying consolidated financial statements.

Our response

Our Audit procedures included, among others, the following:

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

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

Recognition of income from construction contracts and sales of developments

Description	The Grenergy Group carries out a significant part of its business though contracts for the construction of Photovoltaic solar plants and development sells to third parties. The information on the recognition of revenue from these contracts is provided in Note 3.14 of the accompanying consolidated financial statements. Given that that they represent a significant volume of the Group's revenue, we determined recognition of revenue from constructions contracts and sales of developments to be a key audit matter. Construction contracts affect the valuation of completed work pending certification, which at December 31, 2021 amounts to 15,714 thousand euros (note 11 to the accompanying consolidated financial statements) and likewise require that Group management make significant estimates related primarily to total costs, costs incurred, completion costs, and the expected profit or loss earned upon project completion. Sales of developments are completed when control of the over the goods and services underlying the performance obligation has been transferred to the buyer and the sale is considered legally irrevocable, taking termination clauses, among others, into account. Given the complexity of analyzing these transactions, we determined this to be a key audit matter.
Our response	Our audit procedures included, among others, the following: ▶ Gaining an understanding of the process used for constructions contracts to manage projects in progress. Choosing a selected sample of contracts, based on their significance, and verifying that their terms and conditions, as well as the invoiced income and related sales costs at year end, were recognized in the income statement in accordance with the input method (based on costs incurred in proportion to estimated total costs) over time, ensuring that costs are allocated at the correct amount and to the correct period, and checking against bank statements that invoiced amounts have been collected. ▶ Inquiring with Company Management about the development stage of the most relevant projects to ensure that there are no significant deviations between the projected and actual costs. Checking that the balances of uninvoiced completed construction recognized at December 31, 2020 from invoices issued after year-end have been billed correctly. Performing analytical testing on construction margins. ▶ Understanding the transactions carried out in connection with sales of development by analyzing the sale agreements reached and holding meetings with Company Management. Reviewing the accounting effects arising from the difference between the selling amount and the net asset transferred. Examining bank statements to verify collection of the sale of the subsidiaries in accordance with the payment schedule stipulated in the sale agreement. ▶ Reviewing the disclosures made in the notes to the consolidated financial statement comply with the applicable financial reporting framework.

Other information: consolidated management report

Other information refers exclusively to the 2021 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

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

a. Checking only that certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b. Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2021 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company´s directors and the audit committee for the consolidated financial statements

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of GRENERGY RENOVABLES, S.A. and subsidiaries for the 2021 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of GRENERGY RENOVABLES, S.A. are responsible for submitting the annual financial report for the 2021 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Board remuneration report has been incorporated by reference in the management report.

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

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

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on February 25, 2022.

Term of engagement

The ordinary general shareholders' meeting held on June 17, 2019 appointed us as Group auditors for three years, commencing on December 31, 2019.

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

(Signed in the original version)

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

February 25, 2022

GRENERGY RENOVABLES, S.A.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT REPORT FOR THE YEAR ENDED DECEMBER 31, 2021

Translation of a report issued in Spanish. In the event of a discrepancy, the Spanish language version prevails.

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2021 AND 2020

(Thousands of euros)

ASSETS	Notes	12.31.2021	12.31.2020
NON-CURRENT ASSETS		**428,450**	**169,498**
Intangible assets	**Note 7**	**81**	**9,142**
Software		70	76
Patents, licenses, trademarks, et al.		11	9,066
Property, plant, and equipment	**Note 6**	**388,783**	**144,768**
Land and buildings		76	17
Plant and other PP&E		198,078	61,843
PP&E under construction and prepayments		190,629	82,908
Right-of-use assets	**Note 8**	**13,072**	**5,284**
Financial investments	**Note 9**	**1,073**	**87**
Other financial assets		1,073	87
Deferred tax assets	**Note 19**	**25,441**	**10,217**
CURRENT ASSETS		**176,358**	**88,700**
Inventories	**Note 10**	**17,347**	**18,168**
Raw materials and other consumables		7,853	519
Plant under construction		3,892	16,533
Prepayments to suppliers		5,602	1,116
Trade and other receivables		**79,693**	**42,756**
Trade receivables	**Note 11**	56,261	30,258
Other accounts receivable		382	274
Receivable from employees		5	23
Current tax assets	**Note 19**	628	-
Other receivables from public administrations	**Note 19**	22,417	12,201
Financial investments	**Note 9**	**7,961**	**6,461**
Loans to companies		1,539	-
Other financial assets		6,422	6,461
Accruals		**2,689**	**746**
Cash and cash equivalents	**Note 12**	**68,668**	**20,569**
Cash in hand		68,668	20,569
TOTAL ASSETS		**604,808**	**258,198**

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of financial position for the years ended December 31, 2021 and 2020.

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2021 AND 2020

(Thousands of euros)

EQUITY AND LIABILITIES	Notes	12.31.2021	12.31.2020
EQUITY		**158,708**	**48,835**
Equity attributed to the Parent company		**159,323**	**49,205**
Capital and reserves		**170,666**	**53,655**
Share capital	**Note 13.1**	**9,774**	**8,507**
Issued capital		9,774	8,507
Share premium	**Note 13.2**	**109,851**	**6,118**
Reserves	**Note 13.3**	**52,310**	**31,912**
(Shares and participation units of the Parent company)	**Note 13.4**	**(17,577)**	**(8,115)**
Profit (loss) for the year attributed to the Parent	**Note 21**	**16,308**	**15,233**
Unrealized gains (losses) reserve	**Note 14**	**(11,343)**	**(4,450)**
Hedging transactions		(11,493)	(1,750)
Currency translation differences		150	(2,700)
Minority interests	**Note 15**	**(615)**	**(370)**
NON-CURRENT LIABILITIES		**286,376**	**143,517**
Provisions	**Note 16**	**12,509**	**3,421**
Borrowings	**Note 17**	**259,502**	**134,505**
Bonds and other marketable debt securities		31,223	21,497
Bank borrowings		201,905	106,608
Finance lease liabilities		11,051	4,200
Derivatives		15,323	2,044
Other financial liabilities		-	156
Deferred tax liabilities	**Note 19**	**14,365**	**5,591**
CURRENT LIABILITIES		**159,724**	**65,846**
Provisions	**Note 16**	**1,804**	**839**
Borrowings	**Note 17**	**74,165**	**20,958**
Bonds and other marketable debt securities		32,146	152
Bank borrowings		34,148	16,717
Finance lease liabilities		1,389	682
Derivatives		6,326	353
Other financial liabilities		156	3,054
Trade and other payables		**82,413**	**44,049**
Suppliers		76,793	40,327
		-	-
Other accounts payable		3,028	1,481
Employee benefits payable		1,180	627
Current income tax liabilities	**Note 19**	107	634
Other payables to public administrations	**Note 19**	1,303	979
Customer advances		2	1
Accruals		**1,342**	**-**
TOTAL EQUITY AND LIABILITIES		**604,808**	**258,198**

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of financial position for the years ended December 31, 2021 and 2020.

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(Thousands of euros)

	Notes	12.31.2021	12.31.2020
CONTINUING OPERATIONS			
Revenue	**Note 4**	**82,506**	**73,386**
Sale of goods		79,731	71,500
Rendering of services		2,775	1,886
Changes in inventory of finished products and work in progress	**Note 10**	**12,923**	**8,755**
Work performed by the entity and capitalized	**Note 4**	**137,648**	**40,046**
Cost of sales	**Note 20**	**(172,728)**	**(88,026)**
Other operating income		**683**	**80**
Employee benefits expense	**Note 20**	**(9,597)**	**(5,723)**
Other operating expenses	**Note 20**	**(10,026)**	**(4,652)**
Depreciation and amortization	**Notes 6, 7, and 8**	**(7,125)**	**(799)**
Impairment and gains (losses) on disposal of non-current assets		**(1,913)**	**275**
Impairment and losses	**Note 6**	(1,926)	275
Gains (losses) on disposals		13	-
Other gains or losses		**15**	**(176)**
		-	**-**
OPERATING PROFIT (LOSS)		**32,386**	**23,166**
Finance income	**Note 20**	**-**	**206**
Finance costs	**Note 20**	**(9,321)**	**(2,628)**
Changes in fair value of financial instruments	**Note 20**	**(6,290)**	**-**
Exchange gains (losses)	**Note 20**	**1,560**	**(5,242)**
Impairment and gains (losses) on disposal of financial instruments	**Note 20**	**(205)**	**-**
FINANCE COST		**(14,256)**	**(7,664)**
PROFIT (LOSS) BEFORE TAX		**18,130**	**15,502**
Corporate income tax	**Note 19**	(2,118)	(395)
CONSOLIDATED PROFIT FOR THE YEAR		**16,012**	**15,107**
PROFIT (LOSS) ATTRIBUTED TO MINORITY INTERESTS		**(296)**	**(126)**
PROFIT (LOSS) FOR THE YEAR ATTRIBUTED TO THE PARENT		**16,308**	**15,233**
Earnings (losses) per share	**Note 13.6**	**0.60**	**0.64**

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of profit or loss for the years ended December 31, 2021 and 2020.

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

A) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Thousands of euros)

	12.31.2021	12.31.2020
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR (I)	**16,012**	**15,107**
Income and expense recognized directly in equity		
- Currency translation differences	2,850	(2,247)
- Hedging transactions	(12,962)	(1,743)
- Tax effect	3,219	471
TOTAL INCOME AND EXPENSE RECOGNIZED DIRECTLY IN CONSOLIDATED EQUITY (II)	**(6,893)**	**(3,519)**
Amounts transferred to consolidated statement of profit or loss		
- Currency translation differences	-	-
- Tax effect		
TOTAL AMOUNTS TRANSFERRED TO CONSOLIDATED STATEMENT OF PROFIT OR LOSS (III)	**-**	**-**
TOTAL CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD (I+II+III)	**9,119**	**11,588**
Attributable to:		
Parent company	**9,364**	**11,808**
Minority interests	**(245)**	**(220)**

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of comprehensive income for the years ended December 31, 2021 and 2020.

B) CONSOLIDATED STATEMENT OF ALL CHANGES IN EQUITY

(Thousands of euros)

	Share capital	Share premium	Reserves	(Treasury shares)	Profit for the period attributed to the Parent company	Unrealized gains (losses) reserve	Minority interests	Total
BALANCE AT DECEMBER 31, 2019	**8,507**	**6,118**	**15,445**	**(3,328)**	**11,437**	**(931)**	**(150)**	**37,098**
Adjustments for changes in criteria and misstatements	-	-	-	-	-	-	-	-
ADJUSTED OPENING BALANCE 2020	**8,507**	**6,118**	**15,445**	**(3,328)**	**11,437**	**(931)**	**(150)**	**37,098**
Total consolidated comprehensive income	-	-	-	-	15,233	(3,519)	(126)	11,588
Capital increase	-	-	-	-	-	-	-	-
Transactions with shares of the Parent company (net)	-	-	5,067	(4,787)	-	-	-	280
Changes in the consolidation scope, transfers, and other minor effects	-	-	(37)	-	-	-	(94)	(131)
Appropriation of profit from prior year	-	-	11,437	-	(11,437)	-	-	-
BALANCE AT DECEMBER 31, 2020	**8,507**	**6,118**	**31,912**	**(8,115)**	**15,233**	**(4,450)**	**(370)**	**48,835**
Adjustments for changes in criteria and misstatements	-	-	-	-	-	-	-	-
ADJUSTED OPENING BALANCE 2021	**8,507**	**6,118**	**31,912**	**(8,115)**	**15,233**	**(4,450)**	**(370)**	**48,835**
Total consolidated comprehensive income	-	-	-	-	16,308	(6,893)	(296)	9,119
Capital increase	1,267	103,733	(1,138)	-	-	-	-	103,862
Transactions with shares of the Parent company (net)	-	-	6,085	(9,462)	-	-	-	(3,377)
Changes in the consolidation scope, transfers, and other minor effects	-	-	218	-	-	-	51	269
Appropriation of profit from prior year	-	-	15,233	-	(15,233)	-	-	-
BALANCE AT DECEMBER 31, 2021	**9,774**	**109,851**	**52,310**	**(17,577)**	**16,308**	**(11,343)**	**(615)**	**158,708**

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of changes in equity for the years ended December 31, 2021 and 2020.

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(Thousands of euros)

	Notes	12.31.2021	12.31.2020
A) CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit (loss) before tax		**18,130**	**15,502**
2. Adjustments to profit		**23,830**	**8,700**
a) Depreciation and amortization (+)	6 and 7	7,125	799
b) Impairment losses (+/-)		1,926	237
c) Changes in provisions (+/-)		741	-
e) Gains (losses) from derecognition and disposal of assets (+/-)	6 and 7	(13)	-
g) Finance income (-)		-	(206)
h) Finance costs (+)	20	9,321	2,628
i) Exchange gains (losses) (+/-)	20	(1,560)	5,242
j) Change in fair value of financial instruments (+/-)		6,290	-
3. Changes in working capital		**(22,789)**	**(26,110)**
a) Inventories (+/-)		(24,743)	(9,118)
b) Trade and other receivables (+/-)	11	(36,937)	(17,992)
c) Other current assets (+/-)		(1,943)	(423)
d) Trade and other payables (+/-)		38,364	1,413
e) Other current liabilities (+/-)		1,342	10
f) Other non-current assets and liabilities (+/-)		1,128	-
4. Other cash flows from operating activities		**(5,438)**	**(6,420)**
a) Interest paid (-)	20	(1,191)	(2,476)
c) Interest received (+)		-	206
d) Income tax receipts (payments) (+/-)	20	(4,247)	(4,150)
5. Cash flows from operating activities (+/-1+/-2+/-3+/-4)		**13,733**	**(8,328)**
B) CASH FLOWS FROM INVESTING ACTIVITIES			
6. Payments on investments (-)		**(200,647)**	**(80,318)**
b) Intangible assets	7	(24)	(33)
c) Property, plant, and equipment	6	(198,137)	(80,285)
e) Other financial assets		(42,486)	-
7. Proceeds from disinvestments (+)		**16**	**654**
c) Property, plant, and equipment	6	16	140
e) Other financial assets	8	-	514
8. Cash flows from (used in) investing activities (7+6)		**(200,631)**	**(79,664)**
C) CASH FLOWS FROM FINANCING ACTIVITIES			
9. Proceeds from and payments on equity instruments		**101,623**	**281**
a) Proceeds from issuance of equity instruments (+)	13	105,000	-
c) Acquisition of own equity instruments (-)	13	(59,634)	(16,019)
d) Disposal of equity instruments of the Parent company	13	56,257	16,300
10. Proceeds from and payments of financial liabilities		**133,697**	**74,944**
a) Issues (+)		*179,690*	*79,721*
1. Bonds and other marketable debt securities (+)		*73,720*	-
2. Bank borrowings (+)	17	105,970	79,721
b) Repayment and redemption of:		*(45,993)*	*(4,777)*
1. Bonds and other marketable debt securities (-)	*17*	(32,000)	(43)
2. Bank borrowings (-)	*17*	(9,715)	(4,682)
4. Other borrowings (-)	17	(4,278)	(52)
12. Cash flows from financing activities (+/-9+/-10-11)		**235,320**	**75,225**
D) Net foreign exchange difference		(323)	4,563
E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (+/-A+/-B+/-C+/- D)		**48,099**	**(8,204)**
Cash and cash equivalents at January 1	12	20,569	28,773
Cash and cash equivalents at December 31	12	68,668	20,569

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated cash flow statement for the years ended December 31, 2021 and 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

1. Group companies

1.1. Company information

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

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

The Grenergy Group is present in Spain, Chile, Peru, Colombia, Argentina, Mexico, Italy, and the United Kingdom.

At December 31, 2021 the Grenergy Renovables Group was comprised of 163 companies, including the Parent (150 subsidiaries held directly by the Parent and 12 held indirectly via majority shareholdings of a subsidiary). The subsidiaries were consolidated using the full consolidation method. In each of the countries in which the Group operates, it has a parent company which conducts the outsourcing functions arranged under EPC (Engineering, Procurement, and Construction) and O&M (Operation and Management) contracts, or asset-management contracts using company personnel. The remaining subsidiaries are considered Special Purpose Vehicles (SPVs) where each of the solar plants or wind farms are located. Of all the subsidiaries at December 31, 2021, a total of 97 were inactive. The breakdown of the companies which make up the Group is presented in Appendix I. In addition, the main changes in the consolidation scope corresponding to 2021 and 2020 are disclosed in Appendix II to the accompanying consolidated financial statements.

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

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

1.2. Regulatory framework

The Grenergy Group performs its activity in a regulated environment with different characteristics depending on the country in which it operates. The Group's regulatory framework is disclosed in Appendix III. No relevant matters arose in this respect during 2021 which had a significant impact on the consolidated financial statements.

2. Basis of presentation

2.1 True and fair view

The annual consolidated financial statements of Grenergy Renovables, S.A. corresponding to FY 2020 were approved by the general shareholder meeting held on June 29, 2021.

The consolidated financial statements corresponding to FY 2021, which were authorized for issue by the Board of Directors of Grenergy Renovables, S.A. on February 24, 2022, as well as those of its investees, will be submitted for approval by shareholders at their respective general meetings. It is expected that they will be approved without modification.

Grenergy's annual 2021 consolidated financial statements were prepared based on the accounting records held by Grenergy Renovables, S.A. and the remaining entities which comprise the Group, in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU"), and in conformity with Regulation (EC) 1606/2002 of the European Parliament and Council.

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

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

The Group's directors have prepared the accompanying consolidated financial statements on a going-concern basis. The directors consider that COVID-19 did not have a significant impact on the Group's business or liquidity position which may cast doubt on its ability to continue as a going concern.

These consolidated financial statements give a true and fair view of Grenergy's consolidated equity and consolidated financial position at December 31, 2021, as well as the consolidated results of its operations, changes in the consolidated statement of comprehensive income, consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended.

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

2.2 Adoption of International Financial Reporting Standards (IFRS)

a) <u>Standards and interpretations approved by the European Union and applied for the first time during the current reporting period.</u>

The accounting policies applied in the preparation of the accompanying consolidated financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2020, except for the amendment to "IAS 16 - Property, plant, and equipment: Proceeds before intended use" which prohibits a company from deducting from the cost of PP&E any amounts received from selling items produced while the entity is preparing the asset for its intended use. This amendment was applied early, effective from January 1, 2021, as the required circumstances for first-time application were given. The impact of this amendment represented an increase in revenue of 574 thousand euros and an increase in profit before tax of 269 thousand euros. This amendment did not have retroactive effects as the prior circumstances rendered it inapplicable.

The remaining standards, interpretations, or amendments to standards which became applicable for the first time during the year had an impact on the accounting policies of the Group.

b) <u>Standards and interpretations issued by the IASB not yet applicable in the current reporting period</u>

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

2.3 Responsibility for the information presented and significant estimates

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

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

- The fair value of assets and liabilities acquired in business combinations (Notes 3.2 and 5)
- The useful life of PP&E items (Notes 3.4 and 6)
- Impairment losses on certain assets (Notes 3.4, 3.11, 6, and 7)
- The probability of occurrence and amounts corresponding to certain provisions and contingencies (Notes 3.15 and 16)
- The recognition of income based on degree of project completion (Note 3.14)
- The market value of derivatives (such as interest rate swaps and hedging instruments for energy sales prices) (Notes 3.10 and 17.5).
- The recoverability of deferred tax assets (Notes 3.13 and 19).

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

Implications of COVID-19

The international pandemic declared by the World Health Organization (WHO) on March 11, 2020 has resulted in an unprecedented health crisis which has impacted the macroeconomic environment and performance of businesses. Thus, supply chains were subject to disruptions, prices in the raw materials and energy markets increased, and supplies for certain components experienced contractions. The pandemic is affecting the economy in general and the Group's operations in particular. The impacts in the coming months remain to be seen and will depend largely on the direction the pandemic takes and how much it spreads. However, the financial information adequately reflects the financial position of the Group and provides the information necessary for understanding the performance of the businesses with respect to the annual consolidated financial statements for FY 2020. The most relevant implications of COVID-19 with respect to the consolidated financial statements for FY 2021 are disclosed below.

Impairment of non-financial assets

At the date of authorization of the accompanying consolidated financial statements, there were no indications that the COVID-19 pandemic had impacted long-term performance of the businesses in a way that significantly affected measurement of the Group's non-financial assets. However, on December 31, 2021 the Group performed an impairment test on fixed assets corresponding to the wind farms known as Kosten in Argentina and Duna and Huambos in Peru. The results of the impairment tests are disclosed in Note 6.

Impairment of financial assets

Given that at the date of issue of the accompanying consolidated financial statements there were no indications that the COVID-19 pandemic had affected the recoverability of the balances recognized for financial assets, no additional provisions were recognized in this respect.

Delays in construction and obtaining the project permits

As a consequence of the international pandemic, the main countries in which the Grenergy Group operates have been implementing temporary measures to limit the spread of COVID-19, which includes or included, amongst others, restricted mobility for citizens, quarantines, isolation or confinement, the closing of borders and public as well as private venues, all of which affected and will affect the economic activities in those countries to a greater or lesser extent as well as the Group's operations in particular, resulting in delays for obtaining the necessary permits for the different projects as well as construction delays, mainly in connection with the initiation of construction activities at the Escuderos park (Spain).

2.4 Comparative information

For comparative purposes the accompanying consolidated financial statements are presented together with the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year ended December 31, 2020.

2.5 Seasonality

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

3. Accounting principles and policies and measurement criteria

3.1. Consolidation principles

3.1.1 Subsidiaries

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

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

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

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

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

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

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

3.1.2 Joint arrangements

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

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

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

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

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

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

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

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

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

The financial statements of the companies included in the consolidation scope and used for consolidation purposes correspond to the financial year ended December 31, 2021.

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

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

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

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

3.1.5 Goodwill on consolidation or negative consolidation difference

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

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

3.1.6 Transactions between companies included in the consolidation scope

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

3.2. Business Combinations

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

- the fair values of the transferred assets;
- liabilities incurred with previous owners of the acquired business;
- equity interests issued by the Group;

- the fair value of any asset or liability resulting from a contingent consideration arrangement; and
- the fair value of any prior interest held in the equity of the subsidiary.

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

Acquisition-related costs are expensed as incurred.

The excess amount of:

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

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

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

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

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

3.3. Intangible assets

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

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

Licenses

Licenses are initially measured at acquisition price and are amortized on a straight-line basis over the estimated length of their useful lives, which is the same as that for the parks (25 years).

Software

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

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

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

3.4. Property, plant, and equipment

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

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

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

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

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

The acquisition cost of PP&E items which require a period of more than one year to be readied for use includes those financial expenses accrued before being readied for use in accordance with the criteria described in IAS 23. No corresponding amounts were recorded in this respect during the period. In contrast, finance interest accrued subsequent to said date, or related to financing acquisition of the remaining PP&E items, does not increase the acquisition cost and is recognized in the consolidated statement of profit or loss for the year in which said interest accrues.

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

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

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

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

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

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

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

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

3.5. Impairment

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

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

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

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

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

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

3.6. Leases

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

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

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

Lessee

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

Lessor

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

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

- Operating Leases: Payments for operating leases are recognized as income in the income statement of the lessor on a straight-line basis over the term of the contract, except when a different distribution more faithfully reflects the pattern in which the profits deriving from use of the underlying leased asset are distributed.

- Finance leases: Grenergy recognizes the assets it holds in connection with a finance lease as a receivable balance in the consolidated statement of financial position, at an amount equal to the net investment in the lease, utilizing the implicit interest rate of the lease agreement for its valuation.

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

3.7. Right-of-use assets

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

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

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

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

The main leases contracted by the Group and which are subject to this regulation correspond to offices and the land where the different solar parks are located. In the case of land where the solar and wind parks are located, the right-of-use asset is recognized as soon as construction of the park commences, given that this is when all the rights and obligations relating to the leased land are obtained. The lease duration ranges between 20 and 30 years for land.

3.8. Financial instruments

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

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

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

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

a) Financial assets

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

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

   This category includes "Trade and other receivables" which are measured at the moment of their recognition in the statement of financial position at market value and subsequently at amortized cost utilizing the effective interest rate. The Group recognizes the corresponding impairment provisions for any differences between the recoverable amount of its accounts receivable and the carrying amounts at which they are recognized in accordance with the previous paragraph. Said provisions are recognized in accordance with the expected losses. The Group has carried out an analysis of expected losses and concluded that this IFRS does not have any significant effect on the annual consolidated financial statements for the years 2021 and 2020.

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

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

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

b) Financial liabilities

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

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

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

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

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

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

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

c) Own equity instruments

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

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

Share capital

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

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

Treasury shares

Transactions involving treasury shares in 2021 and 2020 are summarized in Note 13.4. They are deducted from equity in the accompanying consolidated statements of financial position for the years ended December 31, 2021 and 2020.

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

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

Share options (Note 3.18)

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

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

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

d) Cash and cash equivalents

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

3.9. Lease liabilities

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

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

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

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

3.10. Derivative financial instruments and hedge accounting

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

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

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

- Fair value hedges: both the hedged item as well as the hedging instrument are measured at fair value, recognizing any changes in fair value for both instruments attributable to the hedged risk in the consolidated statement of profit or loss for the year, with the net effect reflected in the balance associated with the hedged item.

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

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

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

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

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

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

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

- Derivatives traded on organized markets: their fair value is obtained based on the quoted price at the closing date of the reporting period.

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

3.11. Inventories

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

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

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

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

3.12. Foreign currency translation

Functional and presentational currency

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

Foreign currency transactions and balances

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

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

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

The exchange rates with respect to the euro of the main currencies used by the Group companies at December 31, 2021 and 2020 were as follows:

	December 31, 2021		December 31, 2020	
	Closing rate	Average accumulated rate	Closing rate	Average accumulated rate
US dollar (USD)	1.13	1.18	1.23	1.14
Argentine peso (ARS)	116.46	112.88	103.15	82.32
Peruvian sol (PEN)	4.52	4.55	4.39	3.99
Chilean peso (CLP)	955.64	901.75	873.30	905.45
Mexican peso (MXN)	23.20	24.07	24.38	24.71
Pound sterling (GBP)	0.84	0.86	-	-
Colombian peso (COP)	4,596.75	4,456.80	4,191.89	4,257.42

3.13. Income tax

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

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

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

Deferred tax liabilities are recognized for all taxable temporary differences except for those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that is not a business combination and affects neither taxable profit or accounting profit. Deferred tax assets are recognized when it is probable that the Group will generate sufficient taxable profit in the future against which the deductible temporary differences or the unused tax loss carryforwards or tax assets can be utilized.

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

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

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

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

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

3.14. Recognition of income and expenses

a) General

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

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

A five-step model is established for recognizing revenue:

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

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

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

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

b) Income from construction contracts

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

- The client simultaneously receives and consumes the benefits generated by the entity's activity over the course of the service being rendered.
- The asset has no alternative use for the Group
- The Group has the enforceable right to payment for activities already completed to date. For these purposes, the existence of resolutory clauses is also taken into account.

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

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

- if it is positive, such as "Work completed pending invoice" (deferred invoicing), under "Trade and other receivables" (Note 11);
- if it is negative, such as "Advance collections" (early invoicing), under "Accruals."

c) Income from the sale of solar parks

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

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

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

d) Income from sale of energy

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

e) Income from the rendering of services

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

3.15. Provisions and contingencies

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

- Provisions*:* existing obligations at the reporting date arising from past events that are uncertain as to amount or timing but for which it is probable that the Group will suffer an outflow of resources which can be reliably estimated (Note 16).

- Contingent liabilities*:* possible obligations arising as a consequence of past events, materialization of which is conditional upon one or more events occurring in the future not entirely within control of the Group and which do not meet the requirements for recognition as provisions. At 2021 and 2020 year end there were no contingent liabilities other than those disclosed in Note 16.

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

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

Provisions for dismantling

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

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

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

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

3.16. Environmental assets and liabilities

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

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

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

3.17. Employee benefits expense

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

a) Short-term employee benefits

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

b) Termination benefits

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

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

3.18. Share-based payments

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

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

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

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

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

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

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

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

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

At December 31, 2021 and 2020 the Parent had granted various incentive plans to its employees consisting of a share option plan on its shares. Said plan establishes that the transactions shall be settled via delivery of equity instruments (Note 13.5).

3.19. Related-party transactions

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

3.20. Earnings per share

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

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

4. Segmented financial reporting

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

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

- Development and Construction: this division's activities involve the search for feasible projects, in both financial as well as technical terms, the necessary work for reaching all the milestones for initiating construction, and preparatory work on the land for the construction and starting up of each project. Revenue arises from the sale of developments to third parties, via sale of the companies holding title to the licenses and permits, as well as construction income from EPC contracts.

- Energy: this division deals with revenue obtained from the sale of energy in each of the markets in which the Group has or will have its own operational projects as Independent Power Producer ("IPP").

- Services: this division includes the services rendered for projects once the start-up date has been reached (Commercial Operation Date - "COD") and which are therefore in the operational phase. It encompasses asset management and O&M activities provided for third-party projects.

The distribution of revenue and EBITDA amongst the three business segments at the closing of 2021 and 2020 is as follows:

	Thousands of euros	
	2021	**2020**
Income		
Development and Construction	197,475	111,546
Energy	19,904	-
Services	2,775	1,886
Total income (*)	**220,154**	**113,432**

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

	Thousands of euros	
	2021	**2020**
EBITDA		
Development and Construction	33,135	27,768
Energy	13,267	-
Services	354	173
Corporate	(5,319)	(4,251)
Total (*)	**41,437**	**23,690**

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

The income shown in the above table includes the following headings in the accompanying consolidated statement of profit or loss: "Revenue" and "Work performed by the entity and capitalized." The amount of income on the above table reflects 137,648 thousand euros during 2021, and 40,046 thousand euros during 2020, representing unrealized income with respect to third parties.

Income from the sale of energy corresponds to the beginning of operations in 2021 for the Quillagua (Chile), Duna and Huambos (Peru), Kosten (Argentina), San Miguel de Allende (Mexico), and Escuderos (Spain) parks. No income from the sale of energy was generated in 2020.

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

The total amount of income in 2021 and 2020, broken down by geographical location, is as follows:

	2021	2020
Chile	98,755	112,339
Spain	102,251	1,093
Peru	2,195	-
Argentina	3,435	-
Colombia	12,410	-
Mexico	1,108	-
Total (thousands of euros)	**220,154**	**113,432**

During 2021 and 2020 the Group did not obtain income in the remaining countries where it holds assets as said assets are not operational yet (Colombia, the United Kingdom, and Italy).

The Group's assets and liabilities at December 31, 2021 and December 31, 2020 are shown below by geographical location:

Year ended December 31, 2021

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

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

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

Year ended December 31, 2020

ASSETS	Spain	Chile	Mexico	Peru	Colombia	Italy	Argentina	Total 12.31.2020
NON-CURRENT ASSETS	**14,492**	**76,506**	**553**	**37,072**	**353**	**2**	**40,520**	**169,498**
Intangible assets	81	5,709	-	-	-	-	3,352	9,142
Property, plant, and equipment	8,158	65,458	2	35,490	322	2	35,336	144,768
Right-of-use assets	1,482	2,160	-	1,578	-	-	64	5,284
Financial investments	49	31	3	4	-	-	-	87
Deferred tax assets	4,722	3,148	548	-	31	-	1,768	10,217
CURRENT ASSETS	**20,007**	**36,436**	**25,095**	**3,192**	**151**	**100**	**3,719**	**88,700**
Inventories	1,178	-	16,808	173	-	-	9	18,168
Trade and other receivables	5,259	29,181	2,934	1,946	58	-	3,378	42,756
Financial investments	6,359	13	-	88	1	-	-	6,461
Accruals	744	2	-	-	-	-	-	746
Cash and cash equivalents	6,467	7,240	5,353	985	92	100	332	20,569
TOTAL ASSETS	**34,499**	**112,942**	**25,648**	**40,264**	**504**	**102**	**44,239**	**258,198**

EQUITY AND LIABILITIES	Spain	Chile	Mexico	Peru	Colombia	Italy	Argentina	Total 12.31.2020
EQUITY	**58,297**	**(1,692)**	**(1,643)**	**(3,015)**	**(170)**	**(9)**	**(2,933)**	**48,835**
Capital and reserves	58,461	(1,692)	(1,599)	(2,853)	(170)	(9)	(2,933)	49,205
Share capital	8,507	-	-	-	-	-	-	8,507
Share premium	6,118	-	-	-	-	-	-	6,118
Reserves	36,262	1,280	(2,318)	(803)	(128)	-	(2,381)	31,912
Profit (loss)	15,689	746	438	(1,469)	(48)	(9)	(114)	15,233
Treasury shares	(8,115)	-	-	-	-	-	-	(8,115)
Unrealized gains (losses) reserve	-	(3,718)	281	(581)	6	-	(438)	(4,450)
Minority interests	(164)	-	(44)	(162)	-	-	-	(370)
CURRENT LIABILITIES	**32,229**	**60,748**	**120**	**24,308**	**-**	**-**	**26,112**	**143,517**
Provisions	-	908	-	-	-	-	2,513	3,421
Borrowings	32,229	55,877	-	23,638	-	-	22,761	134,505
Deferred tax liabilities	-	3,963	120	670	-	-	838	5,591
CURRENT LIABILITIES	**39,545**	**11,563**	**9,266**	**3,210**	**39**	**12**	**2,211**	**65,846**
Provisions	-	839	-	-	-	-	-	839
Borrowings	7,436	3,143	7,347	1,289	-	-	1,743	20,958
Trade and other payables	32,109	7,581	1,919	1,921	39	12	468	44,049
TOTAL EQUITY AND LIABILITIES	**130,071**	**70,619**	**7,743**	**24,503**	**(131)**	**3**	**25,390**	**258,198**

5. Business Combinations

On August 18, 2021, the Parent acquired 100% of the share capital of the Chilean companies Miguel Solar, SpA and Maite Solar, SpA. Both companies are titleholders to the solar energy projects known as "Chiloé" and "Salamanca" with a capacity of 10.5 MW each. At the acquisition date they had obtained all the permits and licenses as well as performed the work necessary for commencing construction of the parks.

In accordance with the purchase-sale contract for shares, the price amounted to 1,319 and 1,268 thousand euros, respectively, which agrees with the cost of the business combination.

Based on the above, and in accordance with IFRS, the cost of the business combination at December 31, 2021 is provisional and there is a period of 12 months from the acquisition date to complete said cost.

At the acquisition date, the carrying amounts of the asset and liabilities of the acquired companies totaled 0 thousand euros and, therefore, the entire price paid was assigned to the value of permits and licenses for the projects.

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

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

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

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

From the acquisition date until the closing of FY 2021 these companies did not generate any revenue or results.

No business combinations were carried out during 2020.

6. Property, plant, and equipment

The breakdown and movements in this heading of the accompanying consolidated statement of financial position during 2021 and 2020 were as follows:

	Land and buildings	Parks in operation	Other PP&E items	PP&E under construction	TOTAL
COST					
Balance at 12.31.2019	**-**	**-**	**3,235**	**71,441**	**74,676**
Currency translation differences	-	-	(31)	(6,156)	(6,187)
Additions	17	-	696	80,721	81,434
Transfers	-	60,344	-	(61,056)	(712)
Disposals, derecognitions, and reductions	-	-	(179)	(388)	(567)
Balance at 12.31.2020	**17**	**60,344**	**3,721**	**84,562**	**148,644**
Business combinations	-	-	-	3,447	3,447
Currency translation differences	-	5,071	68	6,310	11,449
Additions	59	1,131	258	193,242	194,690
Transfers (Notes 6 and 10)	-	128,259	-	(93,352)	34,907
Provision for dismantling	-	7,756	-	-	7,756
Disposals, derecognitions, and reductions	-	-	(32)	-	(32)
Balance at 12.31.2021	**76**	**202,561**	**4,015**	**194,209**	**400,861**
DEPRECIATION					
Balance at 12.31.2019	**-**	**-**	**(1,963)**	**-**	**(1,963)**
Currency translation differences	-	-	(33)	-	(33)
Allowance for the year	-	-	(192)	-	(192)
Decreases	-	-	16	-	16
Balance at 12.31.2020	**-**	**-**	**(2,172)**	**-**	**(2,172)**
Currency translation differences	-	-	36	-	36
Allowance for the year	-	(6,065)	(276)	-	(6,341)
Decreases		-	29	-	29
Balance at 12.31.2021	**-**	**(6,065)**	**(2,383)**	**-**	**(8,448)**
IMPAIRMENT					
Balance at 12.31.2019	**-**	**-**	**-**	**(2,366)**	**(2,366)**
Allowance for the year	-	-	(50)	-	(50)
Decreases	-	-	-	712	712
Balance at 12.31.2020	**-**	**-**	**(50)**	**(1,654)**	**(1,704)**
Allowance for the year				(1,926)	(1,926)
Decreases				-	-
Balance at 12.31.2021	**-**	**-**	**(50)**	**(3,580)**	**(3,630)**
Net carrying amount at 12.31.2020	**17**	**60,344**	**1,499**	**82,908**	**144,768**
Net carrying amount at 12.31.2021	**76**	**196,496**	**1,582**	**190,629**	**388,783**

The integration of these solar and wind parks in the consolidated figures is at the construction cost for the Group.

The useful lives and depreciation criteria used for these items are disclosed in Note 3.3.

PP&E associated with parks

A part of the balances recognized in the table above corresponds to the cost of the assets associated with the solar and wind parks. The breakdown by park at 2021 and 2020 year end is as follows:

						2021				2020			
Name of park	**Technology**	**Country**	**Status**	**Capacity (MW)**	**Start-up**	**Cost**	**Accumulated depreciation**	**Impairment**	**Net carrying amount**	**Cost**	**Accumulated depreciation**	**Impairment**	**Net carrying amount**
Kosten	Wind	Argentina	Finished	24	2020	52,082	(1,138)	-	50,944	35,335	-	-	35,335
Duna & Huambos	Wind	Peru	Finished	36	2021	52,759	(1,671)	-	51,088	34,033	-	-	34,033
Quillagua	Solar	Chile	Finished	103	2021	72,892	(2,765)	-	70,127	60,344	-	-	60,344
San Miguel de Allende	Solar	Mexico	Finished	35	2021	25,564	(491)	-	25,073	-	-	-	-
Escuderos	Solar	Spain	In progress	200	-	116,733	-	-	116,733	4,185	-	-	4,185
Mitchi	Solar	Chile	In progress	11	-	6,764	-	-	6,764	-	-	-	-
Condor	Solar	Chile	In progress	11	-	6,157	-	-	6,157	-	-	-	-
Javiera Carrera	Solar	Chile	In progress	11	-	6,381	-	-	6,381	-	-	-	-
Arica 2	Solar	Chile	In progress	11	-	3,286	-	-	3,286	-	-	-	-
Ckilir	Solar	Chile	In progress	11	-	5,956	-	-	5,956	-	-	-	-
Lockma	Solar	Chile	In progress	11	-	5,888	-	-	5,888	-	-	-	-
Tierra	Solar	Chile	In progress	10	-	3,873	-	-	3,873	-	-	-	-
Rauten	Solar	Chile	In progress	11	-	234	-	-	234	-	-	-	-
Tucanes	Solar	Colombia	In progress	12	-	7,251	-	-	7,251	-	-	-	-
Cerritos	Solar	Colombia	In progress	12	-	4,153	-	-	4,153	-	-	-	-
Medina	Solar	Colombia	In progress	12	-	514	-	-	514	-	-	-	-
Caballeros	Solar	Colombia	In progress	12	-	491	-	-	491	-	-	-	-
Other developments	Solar	Miscellaneous	In progress	-	-	25,792	-	(3,580)	22,212	9,355	-	(1,654)	7,701
TOTAL						**396,770**	**(6,065)**	**(3,580)**	**387,125**	**143,252**	**-**	**(1,654)**	**141,598**

Significant movements

The main additions during 2021 and 2020 correspond to parks constructed during both years for operation.

The transfers in 2021 from work in progress to parks in operation correspond to the net carrying amount of the Duna & Huambos (Peru) and Kosten (Argentina) parks which became operational during the first half of 2021; the net carrying amount of the San Miguel de Allende (Mexico) park in the amount of 25,564 thousand euros, previously recognized under "Inventories" given that initially the Group's intention was to sell the asset and in 2021 the Group decided to maintain it for operation (Note 10); and finally the development costs acquired in the business combination which arose upon acquisition of the Kosten and Quillagua projects for an amount of 9,343 thousand euros, which until 2020 was recognized under "Intangible assets" and in 2021 was transferred to "Property, plant, and equipment" (Note 7).

Impairment losses

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

As at December 31, 2021 all the solar plants and wind parks which the Group owned were obtaining revenue and reasonably complying with the business plans, the directors consider there are no indications of any impairment except for the Kosten wind park (Argentina) due to the situation in the country and the Duna and Huambos projects (Peru), for which the Group performed an impairment test given that the parks had just initiated operations and incurred in certain extra costs and additional delays in the development and construction of the project.

In addition, in 2021 the Group recognized impairment losses on its PP&E amounting to 1,926 thousand euros, corresponding to a project in progress which the Group has in Chile since it has decided not to continue with said project as it does not fulfill the minimum profitability requirements established by the Group.

In 2020 the impairment losses on PP&E saw a net positive movement of impairment and reversals amounting to 662 thousand euros, of which 387 thousand euros correspond to definitive losses on projects which were derecognized from PP&E and which had previously not been impaired.

At December 31, 2019 the Group recognized an impairment loss amounting to 2,366 thousand euros, mainly corresponding to various projects underway in Mexico as well as one in Chile. During the first half of 2020 the Group could continue with one of its projects in Mexico (currently the park is in operation), having obtained the construction license, which had not been possible in prior years due to a moratorium declared by the municipality where the installations were located. Thus, impairment losses recognized in prior years could be reversed in the amount of 712 thousand euros, an amount recognized under "Impairment and losses" in the accompanying consolidated statement of profit or loss for FY 2020.

Impairment test for Kosten (Argentina)

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

- Electricity produced: the production performance was estimated based on a study carried out by an independent expert.

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

- Operation and maintenance costs: these were determined based on the contracts signed and experience of the markets where Grenergy operates.

- In addition, the after tax discount rate used was 9.3% (2020: 11.17%).

<u>Test result</u>

The recoverable amount calculated as value in use of the CGU is 42,500 thousand euros, greater than the net carrying amount of the CGU assets, so that it was not necessary to recognize any impairment losses.

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

- an increase in the discount rate by 100 basis points would result in additional impairment losses of 1,729 thousand euros;

- a decrease of 5% in electricity produced would result in additional impairment losses of 1,660 thousand euros;

- a 5% increase in operating and maintenance costs would not result in any impairment losses being recognized.

Impairment test for Duna & Huambos (Peru)

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

- Electricity produced: the production performance was estimated based on a study carried out by an independent expert.

- Price of electricity: energy prices were determined based on the expected performance of price curves and experience of the markets where Grenergy operates.

- Operation and maintenance costs: these were determined based on the contracts signed and experience of the markets where Grenergy operates.

- In addition, the discount rate used was 6.20%.

<u>Test result</u>

The recoverable amount calculated as value in use of the CGU is 48,200 thousand euros, greater than the net carrying amount of the CGU assets, so that it was not necessary to recognize any impairment losses.

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

- an increase in the discount rate by 100 basis points would not result in recognition of impairment losses;

- a decrease of 5% in electricity produced would not result in recognition of impairment losses;

- a 5% increase in operating and maintenance costs would not result in any impairment losses being recognized.

For the remainder of the Group's assets recognized under PP&E, there are no indications of impairment other than that already recognized at December 31, 2021 and 2020.

Fully depreciated assets

At 2021 year end, the Group held fully depreciated assets still in use under "Property, plant, and equipment" totaling 28 thousand euros (2020: 45 thousand euros).

Firm purchase and sale commitments

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

Guarantees

At December 31, 2021 the Kosten, Duna & Huambos, Quillagua, Escuderos and other parks under construction were guaranteeing "Project finance" debts with financial institutions whose pending balance amounts to 226,680 thousand euros (2020: 109,996 thousand euros) (Note 17.2).

PP&E - Items not used in operations

At December 31, 2021 and 2020, the Group did not have any significant PP&E items not being used in its operations.

Insurance

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

7. Intangible assets

The breakdown and movements in this heading of the accompanying consolidated statement of financial position during 2021 and 2020 were as follows:

	Patents, licenses, trademarks, et al.	Software	TOTAL
COST			
Balance at 12.31.2019	**9,375**	**92**	**9,467**
Additions	4	28	32
Currency translation differences	(313)	-	(313)
Balance at 12.31.2020	**9,066**	**120**	**9,186**
Additions	8	16	24
Transfers (Note 6)	(9,343)	-	(9,343)
Currency translation differences	281	1	282
Balance at 12.31.2021	**12**	**137**	**149**
AMORTIZATION			
Balance at 12.31.2019	**-**	**(22)**	**(22)**
Allowance for the year	-	(22)	(22)
Disposals, derecognitions, and reductions	-	-	-
Balance at 12.31.2020	**-**	**(44)**	**(44)**
Allowance for the year	(1)	(23)	(24)
Disposals, derecognitions, and reductions			-
Balance at 12.31.2021	**(1)**	**(67)**	**(68)**
Balance at 12.31.2020	**9,066**	**76**	**9,142**
Balance at 12.31.2021	**11**	**70**	**81**

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

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

Impairment losses

The directors of the Group consider that there are no indications of any impairment losses on its intangible assets at 2021 and 2020 year end, consequently not recognizing any impairment loss allowances for either year.

Fully amortized assets

At 2021 and 2020 year end the Group's intangible assets included fully amortized assets still in use amounting to 6 thousand euros.

Firm sale and purchase commitments

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

8. Right-of-use assets

The breakdown for right-of-use assets as well as their movements for the years ended, December 31, 2021 and 2020 are as follows:

Year ended December 31, 2021

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

Year ended December 31, 2020

	Land	Offices	Other	Total
Balance at 12.31.2019	**2,880**	**1,506**	**178**	**4,564**
Additions	1,497	-	-	**1,497**
Currency translation differences	-	(192)	-	**(192)**
Depreciation allowance	(242)	(306)	(37)	**(585)**
Balance at 12.31.2020	**4,135**	**1,008**	**141**	**5,284**

"Land" includes the rental contracts for the land where the following parks are located: Kosten (Argentina), Duna & Huambos (Peru), Quillagua (Chile), San Miguel de Allende (Mexico), and Escudero (Spain).

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

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

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

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

9. Financial assets

Other financial investments

The movements during 2021 and 2020 in the different balances recognized under the headings for financial investments in the accompanying statement of financial position are as follows:

	Balance at 12.31.2019	Additions	Decreases	Balance at 12.31.2020	Additions	Decreases	Balance at 12.31.2021
Non-current investments							
Equity instruments	**102**	-	(102)	**-**	-	-	**-**
Other financial assets	**-**	-	-	**-**	974	-	**974**
Security deposits and guarantees	87	-	-	87	12	-	99
	189	-	(102)	**87**	986	-	**1,073**
Current investments							
Loans to companies	**-**	-	-	**-**	1,539	-	**1,539**
Other financial assets	6,873	-	(412)	6,461	6,320	(6,359)	6,422
	6,873	-	(412)	**6,461**	7,859	(6,359)	**7,961**
Total	**7,062**	**-**	**(514)**	**6,548**	**8,845**	**(6,359)**	**9,034**

Other non-current financial assets

This item mainly corresponds to an advance payment made when purchasing 9 companies in Chile for the construction of 9 solar plants, which at December 31, 2021 had not fulfilled the suspensive contractual conditions and were therefore not included in the consolidation scope.

Current loans to companies

The purchase contract for Parque Fotovoltaíco Nuevo Quillagua SpA establishes that the amount equivalent to the costs incurred for adaptation of the substation in order to deliver energy to the standardized network tap-off will be discounted from the price up to a maximum amount of 1,850 thousand euros. This work is being carried out at present and is expected to end over the course of 2022. It does not interrupt the normal operations of the park as it only involves a legal requirement. Current loans to companies amounting to 1,539 thousand euros correspond to the amounts pending collection by the former shareholders for the work being carried out. These amounts are being collected to the extend said work is being executed.

Other current financial assets

These assets correspond to short-term deposits at financial entities which bear interest at market rates.

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

Year ended December 31, 2021

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

Year ended December 31, 2020

	At fair value through profit or loss	Loans, derivatives, and other	Total
Non-current investments			
Equity instruments	-	-	-
Security deposits and guarantees	-	87	87
	-	**87**	**87**
Current investments			
Other financial assets	-	6,461	6,461
	-	**6,461**	**6,461**
Total	**-**	**6,548**	**6,548**

The Group did not reclassify any financial assets to different categories nor did it assign or transfer any financial assets during 2021 or 2020.

At December 31, 2021 and 2020, the maturities of financial assets that are fixed or determinable by residual amounts have a duration of more than five years.

At December 31, 2021 and 2020 the Group had not delivered or accepted any financial assets as guarantees for transactions.

10. Inventories

The breakdown of inventories at December 31, 2021 and 2020 is as follows:

	12.31.2021			12.31.2020		
	Cost	Impairment losses	Balance	Cost	Impairment losses	Balance
Raw materials and other consumables	7,853	-	7,853	519	-	519
Plant under construction	3,892	-	3,892	16,533	-	16,533
Advances to suppliers	5,602	-	5,602	1,116	-	1,116
Total	**17,347**	**-**	**17,347**	**18,168**	**-**	**18,168**

At December 31, 2021 and 2020 the Group recognized materials yet to be used in the solar parks under "Raw materials and other consumables" in the respective amounts of 7,853 and 519 thousand euros.

The movements in inventories of plant under construction during 2021 and 2020 are broken down as follows:

	12.31.2021	12.31.2020
Opening balance	**16,533**	**7,778**
Changes in inventory of plant under construction	12,923	8,755
Transfers (Note 6)	(25,564)	-
Closing balance	**3,892**	**16,533**

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

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

At December 31, 2021 and 2020, there were no inventories encumbered in guarantee of debts.

11. Trade receivables

"Trade receivables" in the accompanying consolidated statement of financial position presents receivable balances from construction and sales of photovoltaic solar plants, sales of energy, as well as income from operating and maintenance services rendered for photovoltaic solar plants. The breakdown of this item at December 31, 2021 and 2020 is as follows:

	Thousands of euros	
	2021	2020
Receivable from sale of energy	5,591	-
Contract assets	50,670	30,258
Total	**56,261**	**30,258**

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

"Contract assets" in the above table corresponds to the amounts pending collection from the sale of photovoltaic plants in Chile for 49,856 thousand euros (2020: 29,939 thousand euros) and the amounts pending collection for operation and maintenance services rendered to third parties totaling 814 thousand euros (2020: 319 thousand euros).

At December 31, 2021, of the aforementioned amount, 15,714 thousand euros correspond to invoices pending issue in connection with "production executed pending invoice" as a consequence of the positive difference between income recognized for each construction project and the amount invoiced for each such project (2020: 21,844 thousand euros).

The breakdown of sales to external clients who were invoiced amounts equal to or greater than 10% of net turnover for the years ended December 31, 2021 and 2020 is the following:

	Thousands of euros	
	2021	**2020**
Clients		
CARBONFREE CHILE, SPA	4,752	20,136
NEXTENERGY CAPITAL GROUP	55,264	29,476
DE ENERGÍA, SPA	-	20,810
Total	**60,016**	**70,422**

At 2021 and 2020 year end, none of the receivable balances were considered doubtful.

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

	Thousands of euros	
	2021	**2020**
Euros	1,555	9
US dollars	49,857	29,665
Chilean pesos	3,382	584
Mexican pesos	46	0
Peruvian soles	211	0
Argentinean pesos	1,210	0
Total	**56,261**	**30,258**

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

12. Cash and cash equivalents

The breakdown for this heading at 2021 and 2020 year end is as follows:

	12.31.2021				**12.31.2020**			
	Corporate treasury	**Project treasury**		**TOTAL**	**Corporate treasury**	**Project treasury**		**TOTAL**
		Recourse	**Unsecured**			**Recourse**	**Unsecured**	
Cash in hand	52,222	2,673	13,773	**68,668**	12,492	5,632	2,445	**20,569**
Total	**52,222**	**2,673**	**13,773**	**68,668**	**12,492**	**5,632**	**2,445**	**20,569**

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

The amounts recognized for treasury balances in the above table include restricted balances at December 31, 2021 totaling 1,518 thousand euros (2020: 0 thousand euros) in compliance with the payment of interest on the loan which the Group company Kosten, S.A. holds with the financial entity KFW (Note 17.2). The remaining balances are freely distributable.

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

Year ended December 31, 2021

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

Year ended December 31, 2020

	12.31.2020								
	Equivalent value in thousands of euros								
	Euros	US Dollars	Chilean pesos	Peruvian soles	Mexican pesos	Argentinean pesos	Pound Sterling	Colombian pesos	Total
Cash in hand	1,710	16,191	2,505	35	16	20	-	92	20,569

13. Capital and reserves

13.1. Share capital

At December 31, 2021 the Parent's share capital amounted to 9,774 thousand euros, corresponding to 27,926,911 shares with a nominal value of 0.35 euros each.

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

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

Shareholder	Number of shares	Percentage of ownership interest
Daruan Group Holding, S.L.	16,209,790	58%

13.2. Share Premium

The share premium amounts to 109,851 thousand euros at December 31, 2021 (2020: 6,118 thousand euros). This balance can be used for the same purposes as the voluntary reserves of the Parent, including conversion to capital.

13.3. Reserves

The consolidated statement of changes in equity which forms a part of these consolidated financial statements provides the breakdown for aggregate balances and movements during 2021 and 2020. The breakdown and movements of the different balances comprising reserves are shown below:

	Balance at 12.31.2019	Increase	Decrease	Balance at 12.31.2020	Increase	Decrease	Balance at 12.31.2021
Parent company reserves:							
Restricted reserves							
Legal reserve	729	718	-	1,447	254	-	1,701
Capitalization reserve	560	218	-	778	743	-	1,521
Unrestricted reserves:							
Voluntary reserves	18,477	15,453	-	33,930	21,035	(1,138)	53,827
Total reserves of the Parent	**19,766**	**16,389**	**-**	**36,155**	**22,032**	**(1,138)**	**57,049**
Reserves in consolidated companies	**(4,321)**	**78**	**-**	**(4,243)**	**-**	**(496)**	**(4,739)**
Total	**15,445**	**16,467**	**-**	**31,912**	**22,032**	**(1,634)**	**52,310**

Legal reserve

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

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

Voluntary reserves

These reserves are freely distributable.

The gains or losses obtained on the purchase-sale of treasury shares are recognized directly under voluntary reserves. The increase in voluntary reserves in connection with this item recognized in 2021 totals 6,085 thousand euros (2020: 5,067 thousand euros).

Capitalization reserve

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

This reserve will be restricted for a period of 5 years. During 2021 this reserve increased by 743 thousand euros (2020: 218 thousand euros), corresponding to 10% of the increase in capital and reserves of 2020.

13.4. Own equity instruments

At 2021 and 2020 year end the portfolio of own equity instruments is broken down as follows:

	Balance at 12.31.2021	Balance at 12.31.2020
Number of shares in treasury share portfolio	**580,588**	**484,345**
Total treasury share portfolio	**17,577**	**8,115**
Liquidity Accounts	485	200
Fixed Own Portfolio Account	17,092	7,915

During 2021 and 2020, the movements in the treasury share portfolio of the Parent were as follows:

Year ended December 31, 2021

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

Year ended December 31, 2020

	Treasury shares		
	Number of shares	Nominal amount	Average acquisition price
Balance at 12.31.2019	**556,815**	**3,328**	**5.98**
Acquisitions	951,635	16,020	16.83
Disposals	(1,024,105)	(11,233)	10.97
Balance at 12.31.2020	**484,345**	**8,115**	**16.75**

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

At December 31, 2021 treasury shares represent 2.1% (2020: 2.0%) of all the Parent's shares.

13.5. Incentive plans for employees

At the meeting held on June 26, 2015, the Board of Directors of the Parent approved an incentive plan (Incentive plan I) for certain executives and key personnel based on the granting of options on the Parent's shares.

The beneficiary will be able to acquire:

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

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

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

On November 27, 2018 a third granting of options was approved in the framework of the aforementioned incentive plan. At December 31, 2021 the number of shares set aside for covering this plan totaled 157,143 shares. The exercise price of the share options was established as 3.50 euros per share.

On March 29, 2019 a fourth granting of options was approved in the framework of the aforementioned incentive plan. At December 31, 2021 the number of shares set aside for covering this plan totaled 47,800 shares. The exercise price of the share options was established as 6.90 euros per share.

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

At December 31, 2021 there were 120,695 exercisable options (December 31, 2020: 54,381). In 2021, 2,900 options were exercised (2020: 52,668 options).

A new incentive plan (Incentive plan II) was approved in October 2019 for certain executives and key personnel based on the granting of options on the Parent's shares.

Each year the beneficiary will have the right to exercise up to 25% of the options granted. The right to exercise shall be approved by the Commission for Appointments and Remuneration based on the beneficiary's compliance with the objectives established in the Remuneration Policy for Senior Management. The beneficiary can exercise the share options starting two years from their grant date and for a period of three years. The option's exercise price, which shall be set at the moment the option is granted by the Company, shall be made up of the quoted price on the corresponding market at the closing prior to the grant date and the average value of the quoted share price in the ninety sessions preceding the option grant date. The option can only be exercised if the beneficiary remains in the company.

To date, three option schemes have been granted within the Incentive plan II:

The first was granted on October 2, 2019 with an exercise price of 7.73 euros per share. The number of shares set aside for covering this scheme totaled 56,165 shares. At December 31, 2021 the number of options exercised totaled 13,317.

The second was granted on September 28, 2020 with an exercise price of 15.28 euros per share. The number of shares set aside for covering this second scheme totals 134,513 shares. At December 31, 2021 there were no rights associated with exercised options.

The third was granted on December 20, 2021 with an exercise price of 30.45 euros per share. The number of shares set aside for covering this second scheme totals 94,414 shares. At December 31, 2021 there were no rights associated with exercised options.

The Group did not recognize any amounts relating to this item since it considered that the fair value of the option price is not significant.

13.6. Earnings (losses) per share

<u>Basic</u>

The basic earnings (losses) per share from continuing operations corresponding to the years ended December 31, 2021 and 2020 were as follows:

	12.31.2021	**12.31.2020**
Profit attributable to the shareholders of the Parent (thousands of euros)	16,308	15,233
Weighted average number of ordinary shares outstanding	27,394,445	23,785,641
Basic earnings (losses) per share (euros)	**0.60**	**0.64**

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

<u>Diluted</u>

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

14. Unrealized gains (losses) reserve

Hedging transactions

These transactions correspond to the fair value at December 31, 2021 and 2020 of hedging instruments contracted by the Group to cover changes in interest rates and energy prices (Note 17.5).

Currency translation differences

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

	Original currency	12.31.2021	12.31.2020
GR RENOVABLES MÉXICO S.A. DE C.V.	Mexican peso (MXN)	225	250
GRENERGY GREENHUB S.A. DE C.V.	Mexican peso (MXN)	(56)	19
GRENERGY PERÚ SAC	US dollar (USD)	(39)	18
GR PAINO SAC	US dollar (USD)	(59)	(292)
GR TARUCA SAC	US dollar (USD)	(73)	(307)
GRENERGY RENOVABLES PACIFIC, LTDA.	Chilean peso (CLP)	59	(336)
FAILO 3, LTDA.	Mexican peso (MXN)	1	1
GR COLOMBIA, SAS	Colombian peso (COP)	18	6
PARQUE FOTOVOLTAICO NUEVO QUILLAGUA SpA	US dollar (USD)	(222)	(1,600)
GR PACIFIC OVALLE, LTDA.	Chilean peso (CLP)	(40)	(39)
ORSIPO 5 SOLAR	Mexican peso (MXN)	6	7
MESO 4 SOLAR	Mexican peso (MXN)	1	2
ASTILO 1 SOLAR	Mexican peso (MXN)	1	2
GRENERGY OPEX, SpA	Chilean peso (CLP)	(73)	1
GRENERGY PALMAS DE COCOLÁN, SpA	US dollar (USD)	63	-
CE CENTINELA SOLAR SPA	Chilean peso (CLP)	(7)	-
CE URIBE DE ANTOFAGASTA SOLAR SPA	Chilean peso (CLP)	(1)	-
GRENERGY POWER, SpA	US dollar (USD)	(4)	6
GRENERGY RENEWABLES UK LIMITED	Pound sterling (GBP)	(1)	-
GRENERGY ATLANTIC S.A.	US dollar (USD)	144	56
KOSTEN S.A.	US dollar (USD)	207	(494)
Total		**150**	**(2,700)**

15. Minority interests

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

Year ended December 31, 2021

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

Year ended December 31, 2020

	12.31.2019	Profit (loss)	Currency translation differences	12.31.2020
GR. Renovables México, S.A.	(34)	(5)	4	(35)
Grenergy Perú SAC	(11)	(4)	-	(15)
GR Paino, SAC	31	(61)	(46)	(76)
GR Taruca, SAC	32	(56)	(47)	(71)
Grenergy Renovables Pacific, Ltda.	-	-	-	-
Failo 3, Ltda.	(2)	-	(5)	(7)
Grenergy Pacific Ovalle, Ltda.	-	-	-	-
Level Fotovoltaica S.L.	(164)	-	-	(164)
Meso 4 Solar	(1)	-	-	(1)
Crison 2 Solar	-	-	-	-
Astilo 1 Solar	(1)	-	-	(1)
Mirgaca 6 Solar	-	-	-	-
Total	**(150)**	**(126)**	**(94)**	**(370)**

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

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

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

16. Provisions and contingencies

The movements in this heading during 2021 and 2020 were as follows:

	Provision for penalties	Provision for delays	Provision for guarantees	Provision for dismantling	Total
Balance at 12.31.2019	**2,748**	**491**	**338**	**-**	**3,577**
Amounts provisioned	-	236	276	908	**1,420**
Currency translation differences	(235)	(50)	(255)	-	**(540)**
Amounts applied	-	(197)	-	-	**(197)**
Balance at 12.31.2020	**2,513**	**480**	**359**	**908**	**4,260**
Amounts provisioned	3,195	34	391	7,912	**11,532**
Currency translation differences	239	42	34	113	**428**
Amounts applied	(940)	(556)	(411)	-	**(1,907)**
Balance at 12.31.2021	**5,007**	**-**	**373**	**8,933**	**14,313**

Provision for penalties

This provision corresponds to the penalties in connection with the commercial start-up of the Kosten wind park, which arose from its electricity supply contract with Compañía Administradora del Mercado Mayorista Eléctrico S.A. (CAMMESA). In accordance with the aforementioned contract, the Group was committed to ensuring that the wind park would be finished and start commercial operations on August 13, 2019. However, due to different circumstances and events, mainly the bankruptcy of its most significant subcontractor, the wind park could not be completed. The final amount payable for the penalty in accordance with the supply contract totaled 5,508 thousand euros. Recognition of this provision had a negative effect on December 31, 2021 in the consolidated statement of profit or loss amounting to 316 thousand euros as the Group executed some guarantees issued in its favor in the amount of 5,192 thousand euros, covering this circumstance with its main subcontractor. The Group reached an agreement with CAMMESA to settle the penalty in 48 monthly installments of equal amounts. In 2021 a balance of 940 thousand euros was applied via payment of said amount.

Provision for delays and provision for guarantees

At each year end the Group evaluates the need to recognize a provision for guaranteeing and covering any inconsistencies that may arise with respect to materials, supplies, and spare parts delivered as well as penalties due to delays in connecting solar plants. At December 31, 2021 and 2020 the Group recognized provisions with respect to these items, based on its historical experience in the case of the guarantees and the contractual clauses in the case of delays. The applications for 2021 and 2020 correspond to the payments made by the Group in connection with the different delays and guarantees.

Provision for dismantling costs

The Group recognizes a provision for dismantling costs when the construction period for the solar and wind plants ends. This provision is calculated by estimating the present value of the obligations assumed in connection with dismantling or retirement and other associated obligations, such as restoration costs for the location on which the solar plants were constructed. At December 31, 2021 this provision corresponds to the following parks: Quillagua (Chile), Duna and Huambos (Peru), San Miguel de Allende (Mexico), and Kosten (Argentina). At December 31, 2020 only the provision for the Quillagua park was recognized since it was the only park in operation.

Legal proceedings and/or claim litigation underway

During 2021 and 2020, with the exception of the arbitration proceedings disclosed in Note 24.2, the Group was not involved in any legal proceedings involving significant amounts. Both the Group's legal advisers as well as the Parent's directors believe that the finalization of said proceedings and claim litigation will not have a significant effect on the consolidated financial statements and notes thereto for the year ended December 31, 2021. Consequently, no provision was allocated in this respect.

17. Non-current and current borrowings

The breakdown of these headings in the consolidated statement of financial position at December 31, 2021 and 2020 is as follows:

	Non-current borrowings	Current borrowings	Total at 12.31.20	Non-current borrowings	Current borrowings	Total at 12.31.21
Bonds and other marketable debt securities	**21,497**	**152**	**21,649**	**31,223**	**32,146**	**63,369**
Bank borrowings	**106,608**	**16,717**	**123,325**	**201,905**	**34,148**	**236,053**
Loans	106,608	15,052	121,660	201,905	34,148	236,053
Credit lines	-	976	976	-	-	-
Foreign financing - current	-	689	689	-	-	-
Other financial liabilities	**156**	**3,054**	**3,210**	**-**	**156**	**156**
Derivatives	**2,044**	**353**	**2,397**	**15,323**	**6,326**	**21,649**
Finance lease liabilities	**4,200**	**682**	**4,882**	**11,051**	**1,389**	**12,440**
Total	**134,505**	**20,958**	**155,463**	**259,502**	**74,165**	**333,667**

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

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

At December 31, 2021 and 2020 the breakdown of borrowings by type of guarantee is as follows:

Year ended December 31, 2021

	Corporate debt		Project debt			
			Secured		Unsecured	
	Non-current	Current	Non-current	Current	Non-current	Current
Bonds and other marketable debt securities	**31,223**	**32,146**				
Bank borrowings	**6,712**	**2,661**	**18,960**	**16,279**	**176,233**	**15,208**
Loans	6,712	2,661	18,960	16,279	176,233	15,208
Credit lines	-	-	-	-	-	-
Foreign financing - current	-	-	-	-	-	-
Other financial liabilities	**-**	**156**	**-**	**-**	**-**	**-**
Derivatives	**-**	**-**	**-**	**-**	**15,323**	**6,326**
Finance lease liabilities	**11,051**	**1,389**	**-**	**-**	**-**	**-**
Total	**48,986**	**36,352**	**18,960**	**16,279**	**191,556**	**21,534**

Year ended December 31, 2020

	Corporate debt		Project debt			
			Secured		Unsecured	
	Non-current	Current	Non-current	Current	Non-current	Current
Bonds and other marketable debt securities	**21,497**	**152**	-	-	-	-
Bank borrowings	**9,330**	**4,000**	**40,399**	**9,983**	**56,879**	**2,734**
Loans	9,330	2,335	40,399	9,983	56,879	2,734
Credit lines	-	976	-	-	-	-
Foreign financing - current	-	689	-	-	-	-
Other financial liabilities	**156**	**3,054**	**-**	**-**	**-**	**-**
Derivatives	**-**	**-**	**-**	**-**	**2,044**	**353**
Finance lease liabilities	**4,200**	**682**	**-**	**-**	**-**	**-**
Total	**35,183**	**7,888**	**40,399**	**9,983**	**58,923**	**3,087**

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

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

At December 31, 2021 and 2020 the breakdown of borrowings by residual maturities is as follows:

Year ended December 31, 2021

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

Year ended December 31, 2020

	Bonds and other marketable debt securities	Bank borrowings	Other borrowings	Lease liabilities	Total
Until 12.31.2021	152	16,717	3,054	682	**20,605**
Until 12.31.2022	-	7,482	156	593	**8,231**
Until 12.31.2023	-	7,988	-	487	**8,475**
Until 12.31.2024	21,497	8,551	-	478	**30,526**
Until 12.31.2025	-	7,301	-	417	**7,718**
More than 5 periods	-	75,286	-	2,225	**77,511**
Total	**21,649**	**123,325**	**3,210**	**4,882**	**153,066**

During 2021 and 2020 the Group complied with the payment of all its financial debt at maturity. Likewise, at the date of authorization of these consolidated financial statements the Group was in compliance with all its corresponding obligations.

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

	Balance at 12.31.2021	Balance at 12.31.2020
Euros	96,721	12,368
US dollars	139,332	110,957
Total	**236,053**	**123,325**

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

	Balance	One year	More than one year
At December 31, 2021			
Borrowings from credit entities at variable interest rates	27,018	15,638	11,380
At December 31, 2020			
Borrowings from credit entities at variable interest rates	19,993	9,239	10,754

The movement in financial debt during 2021 and 2020, presenting the changes which generate cash flows separately from those which do not, is as follows:

Year ended December 31, 2021

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

Year ended December 31, 2020

	12.31.2019	Generate cash flows		Do not generate cash flows		12.31.2020
		Increase	Decrease	Currency translation differences	Other	
Bonds and other marketable debt securities	**21,540**	-	(43)	-	152	**21,649**
Bank borrowings	**46,717**	**79,721**	**(3,989)**	**635**	**241**	**123,325**
Loans	**45,398**	78,769	(3,383)	635	241	**121,660**
Credit lines	**24**	952	-	-	-	**976**
Foreign financing - current	**1,295**	-	(606)	-	-	**689**
Other financial liabilities	**3,551**	-	(52)	(289)	-	**3,210**
Derivatives	**654**	-	-	-	1,743	**2,397**
Lease liabilities	**4,419**	-	(692)	(367)	1,522	**4,882**
TOTAL	**76,881**	**79,721**	**(4,776)**	**(21)**	**3,658**	**155,463**

17.1. Bonds and other marketable debt securities

In October 2019, the Parent’s Board of Directors agreed to establish the "2019 Grenergy Fixed-income Renewable Energy Program" by virtue of which the Company may issue fixed-income securities in the medium and long term for a maximum nominal amount of up to 50,000 thousand euros. Thus, in October 2019, the corresponding admission prospectus was prepared for the Alternative Fixed Income Market ("MARF") with a view to trading the bonds issued under the "Grenergy Renewables Fixed Income Program 2019" on said market during the period it is in force (one year from the date of the MARF admission prospectus).

In November 2019, the Parent carried out a bond issue under said program for a nominal amount of 22,000 thousand euros, bearing 4.75% interest and maturing in November 2024. Interest accrued in 2021 totaled 1,197 thousand euros (2020: 1,197 thousand euros). The issue was validated by Vigeo Eiris in terms of environmental, social, and governance (ESG) criteria, in accordance with the directives contained in the Green Bond Principles.

The Annual Green Bond Report 2020 available for viewing on Grenergy's website provides public disclosure on the distribution of all funds obtained via the Green Bonds (22,000 thousand euros) exclusively for purposes of financing renewable energy projects, both solar and wind, as indicated in the Green Bond Framework. The report describes the project selection process, management of the funds, and the environmental benefits arising in connection with said financing. Further, said report was externally validated by Vigeo Eiris in order to ensure alignment with the Green Bond Principles and the initial commitments of Grenergy.

This bond issue is subject to fulfillment of a series of covenants, which had all been fulfilled at December 31, 2021 and 2020.

In September 2021 the Parent placed a green commercial paper program on the Alternative Fixed Income Market ("MARF") with a maximum limit of 100,000 thousand euros. The balance drawn down amounted to 41,626 thousand euros at December 31, 2021.

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

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

17.2. Bank borrowings

The breakdown of loans subscribed and their main contractual conditions at December 31, 2021 and December 31, 2020 is as follows:

Year ended December 31, 2021

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

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

Year ended December 31, 2020

				Thousands of euros		
Financial entity	**Maturity date**	**Type of guarantee**	**Installments**	**Non-current liabilities**	**Current liabilities**	**Total**
Banco Sabadell	10/20/2021	Corporate	Monthly	-	525	525
Banco Sabadell (USD)	4/19/2021	Corporate	Monthly	-	272	272
KFW Bank	7/31/2034	Project guarantee	Semi-annual	22,729	1,697	24,426
CAF-Banco de Desarrollo de América Latina & ICO	4/30/2036	Project guarantee	Semi-annual	17,670	939	18,609
Sinia Capital	11/30/2035	Project guarantee	Semi-annual	4,892	241	5,133
Banco Security, Banco del Estado de Chile, and Penta Vida Compañía de Seguros de Vida	11/8/2036	Project guarantee	Semi-annual	43,017	1,623	44,640
Sinia Renovables	11/8/2036	Project guarantee	Semi-annual	8,970	871	9,841
Banco Sabadell (ICO)	4/30/2025	Corporate	Monthly	2,516	483	2,999
Bankinter (ICO)	4/30/2025	Corporate	Monthly	1,720	280	2,000
BBVA (ICO)	5/13/2025	Corporate	Monthly	420	80	500
Bankia (ICO)	4/30/2025	Corporate	Monthly	1,824	344	2,168
Banco Santander (ICO)	4/30/2025	Corporate	Monthly	1,030	170	1,200
CaixaBank (ICO)	4/30/2025	Corporate	Monthly	880	60	940
Banco Santander (ICO)	9/1/2025	Corporate	Monthly	940	120	1,060
CIFI Latam	12/30/2021	Project guarantee	Semi-annual	-	7,347	7,347
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	-	-	-
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	-	-	-
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	-	-	-
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	-	-	-
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	-	-	-
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	-	-	-
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	-	-	-
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	-	-	-
Natixis	12/31/2027	Project guarantee	Semi-annual	-	-	-
Total				**106,608**	**15,052**	**121,660**

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

Project finance

At December 31, 2021 the Group had subscribed 10 project finance arrangements for a total amount of approximately 243 million euros:

(i) a project financing arrangement granted by KFW Bank to the subsidiary GR Kosten, S.A.U. to build and operate the Kosten wind park (24 MW) in Argentina;

(ii) another two granted by CAF-Banco de Desarrollo de América Latina, by Spain's Instituto de Crédito Oficial (ICO) and Sinia Capital, S.A.C.V. to the subsidiary GR Taruca, S.A.C. for construction and operation of the Duna wind park, and to the subsidiary GR Paino, S.A.C. for construction and operation of the Huambos wind park, both located in Peru and each with a capacity of 18 MW;

(iii) a project financing arrangement granted by Banco Security, Banco del Estado de Chile, Penta Vida Compañía de Seguros de Vida, and Sinia Renovables, S.A.U. to the subsidiary Parque Eólico Quillagua, SpA for construction and operation of the Quillagua solar park in Chile with a capacity of 103 MW;

(iv) a project finance arrangement granted by CIFI Latam to the subsidiary Green Hub for construction and operation of the San Miguel de Allende solar park in Mexico with a capacity of 30 MW;

(v) another 4 project finance arrangements granted by KFW Bank, Bankinter, and FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. to the subsidiaries GR Aitana, S.L., GR Bañuela, S.L., GR Aspe, S.L., and GR Turbón, S.L. for construction and operation of the Escuderos solar park in Spain with a capacity of 200 MW; and

(vi) one project finance arrangement granted by Natixis for the construction and operation of 14 solar parks, corresponding to PMGDs and PMGs in Chile.

<u>Kosten project</u>

The project finance agreement subscribed with KFW Bank in May 2018 corresponds to a senior financing contract with a maximum principal amount of 31.7 million US dollars (28 million euros at the 2021 year end exchange rate) maturing on July 31, 2034 and repayable in semi-annual installments. At December 31, 2021 the Group was in compliance with the covenants established for this financing. This contract includes certain associated guarantees related to the company's properties which require compliance with certain obligations. Given that in 2021 the Group should have settled interest payments amounting to 1,518 thousand euros, it obtained a waiver so as to defer said payment until the beginning of 2022. As a consequence of this deferral, the Group has pledged a current account for said amount in guarantee of compliance with said payment obligation (Note 12).

Duna & Huambos Project

In addition, during the construction of the Duna and Huambos wind parks, syndicated loan agreements were arranged in March 2019 for a maximum amount of principal totaling 36.8 million US dollars (32.5 million euros at the 2021 year end exchange rate) with CAF-Banco de Desarrollo de América Latina and Spain's Instituto de Crédito Oficial (ICO), maturing on March 31, 2037. In addition, mezzanine loans (subordinated to senior financing) totaling 6 million US dollars (5.3 million euros at the 2021 year end exchange rate) were arranged with Sinia Capital, S.A. de C.V., maturing on November 30, 2035. These contracts include certain associated guarantees related to the companies' properties requiring compliance with certain obligations.

Quillagua project

In November 2019, the Group arranged financing in the amount of 60.3 million US dollars (53.3 million euros at the 2021 year end exchange rate) with Banco Security, Banco del Estado de Chile, and Penta Vida Compañía de Seguros de Vida for construction of a solar park with a capacity of 103 MW in Quillaga. The structure of the borrowings corresponds to a project finance arrangement, and includes financing of the senior debt within a period of 17 years. Sinia Renovables, SAU, wholly owned by Banco de Sabadell, S.A., also participates in financing the aforementioned solar park via a mezzanine loan in the amount of 11 million US dollars (9.7 million euros at the 2021 year end exchange rate). This contract includes certain associated guarantees related to the company's properties which require compliance with certain obligations.

San Miguel de Allende project

In September 2020 the Group arranged bridge financing in the amount of 17.5 million US dollars (15.5 million euros at the 2021 year end exchange rate) with CIFI LATAM for construction of a solar park in Mexico with a capacity of 30MW. This contract includes certain associated guarantees related to the company's properties which require compliance with certain obligations.

Escuderos project

In December 2020 the Group arranged financing in the amount of 96.7 million euros with KFW Bank and Bankinter for construction of a solar park in Cuenca (Spain) with a capacity of 200MW. The structure of the borrowings corresponds to a project finance arrangement, and includes financing of the senior debt within a period of 17 years. FOND-ICO INFRAESTRUCTURAS II, F.I.C.C., a fund in which AXIS is invested, also participates in financing said solar park via a mezzanine loan amounting to 12.8 million euros. This contract includes certain associated guarantees related to the company's properties which require compliance with certain obligations.

<u>PMGDs – PMGs in Chile</u>

In December 2020 the Group arranged financing in the amount of 85 million US dollars (75.1 million euros at the 2020 year end exchange rate) with Natixis for construction of 14 solar parks corresponding to PMGDs and PMGs in Chile. This contract includes certain associated guarantees related to the company's properties which require compliance with certain obligations.

At December 31, 2021 and 2020 the companies related to the project finance arrangements were complying with their contractual obligations. Each project finance arrangement has a series of positive/negative obligations, standard for this type of financing.

17.3. Credit facilities and discount lines

At December 31, 2021 and 2020 the Group had subscribed credit facilities and credit financing for foreign operations with various financial entities. The breakdown of the credit drawn at said dates together with the corresponding contractual terms is as follows:

Year ended December 31, 2021

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

Year ended December 31, 2020

		Thousands of euros		
Financial entity	**Maturity date**	**Credit limit granted**	**Amount drawn**	**Amount available**
SANTANDER	5/23/2023	650	-	650
SABADELL	5/10/2021	200	-	200
BANKINTER	10/20/2021	500	487	13
BBVA	4/29/2023	500	488	12
BANKIA (VISA)	Indefinite	3	-	3
BANCO SABADELL (VISA)	Indefinite	30	-	30
SECURITY (VISA)	Indefinite	8	1	7
Total credit facilities		**1,891**	**976**	**915**
SABADELL	Indefinite	13,500	689	2,675
SANTANDER	Indefinite	11,000	-	7,201
BANKIA	5/27/2021	11,000	-	5,750
BANKINTER	10/20/2021	12,700	-	1,873
CAIXABANK	1/23/2021	4,000	-	-
BBVA	3/1/2021	7,500	-	1,177
Total foreign financing		**59,700**	**689**	**18,676**
Total		**61,591**	**1,665**	**19,591**

The average annual interest rate on the credit facilities during 2021 and 2020 was 2% per year.

17.4. Other borrowings

At December 31, 2021 and 2020 the breakdown of other borrowings held by the Group was as follows:

Year ended December 31, 2021

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

Year ended December 31, 2020

					Thousands of euros		
Lender	**Maturity date**	**Interest rate**	**Type of guarantee**	**Installments**	**Non-current liabilities**	**Current liabilities**	**Total**
Spanish Center for the Development of Industrial Technology (CDTI)	5/12/2022	Zero interest	No	Monthly	156	52	208
Other borrowings (Kosten)	-	-	-	-	-	1,069	1,069
Other borrowings (PEQ)	-	-	-	-	-	1,933	1,933
Total					**156**	**3,054**	**3,210**

These balances correspond to the following:

- The amount pending repayment at 2021 and 2020 year end on a zero interest rate loan granted by the CDTI on October 13, 2011 in the amount of 521 thousand euros in order to help finance the necessary investments for the project known as "Design and Modeling of a forecasting system for performance and integral control at energy distribution installations."

- The amount pending payment at 2020 year end which was generated by the purchase of Kosten S.A., integrated into the Group during 2017.

- The amount pending payment at 2020 year end generated by the purchase of PEQ, S.P.A., integrated in the Group in 2019.

17.5. Derivative financial instruments

The breakdown of derivative financial instruments at December 31, 2021 and 2020 is as follows:

	Non-current	Current	Total at 12.31.21	Non-current	Current	Total at 12.31.20
Financial liabilities - derivatives						
Interest rate hedges	1,511	36	1,547	2,044	353	2,397
Energy price hedges	13,812	6,290	20,102	-	-	-
Total	**15,323**	**6,326**	**21,649**	**2,044**	**353**	**2,397**

The Group holds the following contracts for derivative financial instruments:

- A non-current liability amounting to 1,268 thousand euros (2020: 2,044 thousand euros) and a current liability amounting to 29 thousand euros (2020: 353 thousand euros), corresponding to two interest rate swaps contracted to mitigate the effects of fluctuations in the 6-month Libor rate upon which finance expenses are established on loans contracted with banks to finance construction of the Quillagua solar park. The notional amounts and fixed rates contracted at December 31, 2021 and 2020 are as follows:

Park	Financial entity	Notional amount at 12.31.21	Notional amount at 12.31.20	Fixed rate
Quillagua	Banco Security	11,111	10,249	6.452%
Quillagua	Banco del Estado de Chile	11,111	10,249	6.452%

Under the terms of the swap, the Group pays interest at a fixed rate of 6.452% every six months and receives interest at a variable rate of 6-month Libor. The swap was designated as a cash flow hedge against interest rate risk associated with the loans denominated in US dollars granted by Banco Security and Banco del Estado de Chile. As the terms of the hedging instrument and the hedged instrument are matched, it is considered an effective hedge. The derivative contract expires in 2036.

- A non-current liability amounting to 114 thousand euros (2020: 0 thousand euros) and a current liability amounting to 7 thousand euros (2020: 0 thousand euros), corresponding to eight interest rate swap contracts arranged to mitigate the effects of fluctuations in the 6-month Euribor rate upon which finance expenses are established on loans contracted with banks to finance construction of the solar park included under "PP&E under construction" for the Escuderos project. The notional amounts and fixed rates arranged in the eight interest rate swap contracts at December 31, 2021 and 2020 are as follows:

Park	Financial entity	Notional amount at 12.31.21	Notional amount at 12.31.20	Fixed rate
Escuderos	KFW	12,715	-	0.32%
Escuderos	KFW	11,334	-	0.32%
Escuderos	KFW	12,356	-	0.32%
Escuderos	KFW	12,702	-	0.32%
Escuderos	Bankinter	6,357	-	0.32%
Escuderos	Bankinter	5,667	-	0.32%
Escuderos	Bankinter	6,178	-	0.32%
Escuderos	Bankinter	6,351	-	0.32%

Under the terms of the swap, the Group pays interest at a fixed rate of 0.32% every six months and receives interest at a variable rate of 6-month Euribor. The swap was designated as a cash flow hedge for the interest rate risk associated with the loans granted by KFW and Bankinter. As the terms of the hedging instrument and the hedged instrument are matched, it is considered an effective hedge. The eight derivative contracts expire in 2038.

- A non-current liability amounting to 242 thousand euros (2020: 0 thousand euros) corresponding to an interest rate swap contracted to mitigate the effects of fluctuations in the 6-month Libor rate upon which the finance expenses are established on loans contracted with banks to finance construction of a package of 14 solar parks (PMGDs) in Chile. The notional amounts and fixed rates contracted at December 31, 2021 and 2020 are as follows:

Park	Financial entity	Notional amount at 12.31.21	Notional amount at 12.31.20	Fixed rate
PMGDs Chile	Natixis	11,003	-	1.77%

Under the terms of the swap, the Group pays interest at a fixed rate of 1.77% every six months and receives interest at a variable rate of 6-month Libor. The swap was designated as a cash flow hedge against the interest rate risk associated with the loan denominated in US dollars granted by Banco Natixis. As the terms of the hedging instrument and the hedged instrument are matched, it is considered an effective hedge. The derivative contract expires in 2027.

- A non-current and current liability amounting to 13,699 and 6,290 thousand euros, respectively, relating to electric energy price contracts designed to mitigate the effects of changes in pool prices for the sales of the Spanish photovoltaic plants corresponding to the Escurderos project. The price contracted ranges from 30 to 40 euros per MWh, maturing in 2033.

As a consequence of the delay in starting up operations at the park, coverage provided by this financial instrument was ineffective in 2021 and measurement of the difference between MW produced and MW hedged was therefore recognized under "Change in fair value of financial instruments" in the accompanying consolidated statement of profit or loss at an amount of 6,290 thousand euros (Note 20).

17.6. Lease liabilities

Commencing January 1, 2019, due to the application of IFRS 16 "Leases," lease liabilities are treated as financial debt. The main liabilities recognized at December 31, 2021 and 2020 under this heading in the consolidated statement of financial position are as follows:

Year ended December 31, 2021

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

Year ended December 31, 2020

	Land	Offices	Transport equipment	Total
Non-current lease liabilities	3,346	750	104	4,200
Current lease liabilities	319	335	28	682
TOTAL (thousands of euros)	**3,665**	**1,085**	**132**	**4,882**

"Land" includes the lease liabilities from the rental contracts for the land upon which the Kosten, Duna & Huambos, Quillagua, San Miguel de Allende, and Escuderos projects are being built.

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

"Other" includes the lease liabilities from the finance lease contracts for certain transportation items and installations.

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

The finance cost recognized in the consolidated statement of profit or loss corresponding to this item amounted to 185 thousand euros in 2021 and 137 thousand euros in 2020.

18. Joint operations

At December 31, 2021 the Group only participates in one joint operation which fulfills the conditions described in Note 3.1.2 and corresponds to the 34.02% investment made in AIE Renovables Nudo Villanueva de los Escuderos, A.I.E, incorporated during 2019 together with two other partners, with a view to building an electricity substation for use by the partners in various solar parks.

The contribution of this joint operation to the assets, liabilities, income, and expenses of Grenergy is as follows:

	12.31.21	12.31.20
Non-current assets	**2,693**	**821**
Property, plant, and equipment	2,693	821
Current assets	**431**	**189**
Trade and other receivables	158	144
Cash and cash equivalents	273	45
Current liabilities	**(258)**	**(170)**
Trade and other payables	(258)	(170)
Net assets (thousands of euros)	**2,866**	**840**

	12.31.21	12.31.20
Revenue		-
Other operating expenses	40	(118)
OPERATING PROFIT (LOSS)	**40**	**(118)**
PROFIT (LOSS) BEFORE TAX	**40**	**(118)**
CONSOLIDATED PROFIT (thousands of euros)	**40**	**(118)**

The contribution of the assets to A.I.E. was based on the percentage of investment. Likewise, the Group does not hold any other assets or liabilities and neither has it incurred expenses in addition to those incurred together by the three partners of A.I.E.

19. Public administrations and tax matters

The breakdown of balances with public administrations at December 31, 2021 and 2020 is as follows:

Receivable from public administrations	Non-current	Current	Balance at 12.31.2021	Non-current	Current	Balance at 12.31.2020
Deferred tax assets	**25,441**	**-**	**25,441**	**10,217**	**-**	**10,217**
Current income tax assets	**-**	**628**	**628**	**-**	**-**	**-**
Other receivables from public administrations	**-**	**22,417**	**22,417**	**-**	**12,201**	**12,201**
Tax refunds receivable from the tax authorities	-	243	**243**	-	83	**83**
VAT receivable from the tax authorities	-	22,174	**22,174**	-	12,118	**12,118**
Total	**25,441**	**23,045**	**48,486**	**10,217**	**12,201**	**22,418**

Payable to public administrations	**Non-current**	**Current**	**Balance at 12.31.2021**	**Non-current**	**Current**	**Balance at 12.31.2020**
Deferred tax liabilities	**14,365**	**-**	**14,365**	**5,591**	**-**	**5,591**
Current income tax liabilities	**-**	**107**	**107**	**-**	**634**	**634**
Other payables to public administrations	**-**	**1,303**	**1,303**	**-**	**979**	**979**
VAT payable to the tax authorities	-	875	**875**		593	**593**
Payable to the tax authorities for withholdings	-	251	**251**		203	**203**
Social security agencies	-	177	**177**		183	**183**
Total	**14,365**	**1,410**	**15,775**	**5,591**	**1,613**	**7,204**

Tax matters

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

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

Corporate income tax

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

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

Year ended December 31, 2021

	Statement of profit or loss		**Total**
	Increase	**Decrease**	
Consolidated profit (loss) before tax	**18,130**	**-**	**18,130**
Margins eliminated in the consolidation process (*)		**(402)**	**(402)**
Permanent differences (**)	**-**	**(29,897)**	**(29,897)**
Temporary differences (***)	**17,441**	**(29,628)**	**(12,187)**
Taxable income (Tax results)			**(24,356)**

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

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

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

Year ended December 31, 2020

	Statement of profit or loss		Total
	Increase	Decrease	
Consolidated profit (loss) before tax	**15,502**	**-**	**15,502**
Margins eliminated in the consolidation process	**20,339**	**-**	**20,339**
Permanent differences	**118**	**(19,042)**	**(18,924)**
Temporary differences	**762**	**(8,085)**	**(7,323)**
Capitalization reserve	**-**	**(743)**	**(743)**
Taxable income (Tax results)			**8,851**

The negative permanent differences correspond to the capital gains obtained from the sale of Group companies.

The negative temporary differences correspond to the difference between the tax value of the assets and their carrying amount, given that certain capitalized costs were treated as expenses for tax purposes.

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

	2021	2020
Tax payable (*)	-	2,301
Change in deferred taxes	3,708	2,049
Current foreign tax	6,001	2,307
Capitalization reserve	-	(162)
IAS 12	212	-
Provision for impairment losses - Mexico branch	-	558
Tax loss carryforwards	(7,082)	(1,958)
Consolidation adjustments (**)	(643)	(5,085)
Other	(78)	384
Income tax expense (refund)	**2,118**	**394**

(*) Calculated at the average tax rate
(**) Internal margins eliminated in the consolidation process

While the theoretical tax rates vary depending on the different locations, the main rates applied for both FY 2021 and FY 2020 were as follows:

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

Deferred tax assets and liabilities

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

The movements in these headings in the accompanying consolidated statement of financial position at December 31, 2021 and 2020 are as follows:

Year ended December 31, 2021

	Balance at 12.31.2020	Recognized in profit or loss				Balance at 12.31.2021
		Additions	Business Combinations	Currency translation differences	Derecognitions	
Deferred tax assets	**10,217**	**15,454**	**-**	**361**	**(591)**	**25,441**
Tax loss carryforwards pending offset	3,888	7,082	-	313		11,283
Tax deductions pending application	-	19	-	-	-	19
Temporary differences	6,329	4,150	-	48	(591)	9,936
Derivatives	-	3,456	-	-	-	3,456
IAS 12	-	747	-	-	-	747
Deferred tax liabilities	**5,591**	**7,984**	**862**	**189**	**(261)**	**14,365**
Permanent differences, adjustments on consolidation	-					-
Temporary differences	4,921	7,025	862	133	(261)	12,680
IAS 12	670	959	-	56	-	1,685
Total	**4,626**	**7,470**	**(862)**	**172**	**(330)**	**11,076**

Year ended December 31, 2020

	Balance at 12.31.2019	Recognized in profit or loss			Balance at 12.31.2020
		Additions	Currency translation differences	Derecognitions	
Deferred tax assets	**3,498**	**7,580**	**(117)**	**(744)**	**10,217**
Tax loss carryforwards pending offset	2,047	1,958	(117)	-	3,888
Tax deductions pending application	-	-	-	-	-
Temporary differences	1,451	5,622	-	(744)	6,329
Deferred tax liabilities	**3,450**	**2,240**	**(99)**	**-**	**5,591**
Temporary differences	3,450	1,570	(99)	-	4,921
IAS 12	-	670	-	-	670
Total	**48**	**5,340**	**(18)**	**(744)**	**4,626**

The breakdown of these headings in the accompanying consolidated statement of financial position at December 31, 2021 and 2020 is as follows:

	2021	2020
Deferred tax assets	**25,441**	**10,217**
Tax loss carryforwards pending offset	11,283	3,888
Tax deductions pending application	19	-
Internal margins	5,697	5,085
Capitalization reserve	735	198
Other temporary differences	3,504	1,046
Derivatives	3,456	-
IAS 12	747	-
Deferred tax liabilities	**14,365**	**6,614**
Temporary differences	12,680	5,655
IAS 12	1,685	959

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

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

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

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

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

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

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

Tax loss carryforwards pending offset

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

At 2021 and 2020 year end the breakdown of tax loss carryforwards recognized but pending offset, by company, is as follows:

Thousands of euros	**12.31.2021**	**12.31.2020**
GR RENOVABLES MÉXICO S.A.	277	347
PARQUE EÓLICO QUILLAGUA, SpA	16,589	7,291
KOSTEN SA	7,862	7,049
GRENERGY RENOVABLES PACIFIC	4,495	-
GR TARUCA, SAC	4,747	-
GR PAINO, SAC	3,826	-
GRENERGY RENOVABLES, S.A.	135	-
Total	**37,931**	**14,687**

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

The limits to their application are broken down as follows:

Country	**Tax rate**
Chile	No limit
Spain	No limit
Peru	No limit
Argentina	No limit
Mexico	No limit

20. Income and expenses

Cost of sales

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

	12.31.2021			12.31.2020		
	Purchases	**Changes in inventories**	**Total consumption**	**Purchases**	**Changes in inventories**	**Total consumption**
Consumption of goods for resale	180,046	(7,334)	172,712	88,518	(496)	88,022
Work performed by third parties	16	-	16	4	-	4
Total	**180,062**	**(7,334)**	**172,728**	**88,522**	**(496)**	**88,026**

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

	12.31.21	**12.31.20**
Spain	86,999	8,557
Imports	93,063	79,965
Total	**180,062**	**88,522**

Employee benefits expense

The breakdown of this heading in the consolidated statement of profit or loss for 2021 and 2020 is as follows:

	12.31.21	**12.31.20**
Wages and salaries	8,056	4,748
Social security payable by the Company	1,454	907
Other social security expenses	87	68
Total	**9,597**	**5,723**

The average number of employees, by professional category, in 2021 and 2020, was as follows:

Category	**2021**	**2020**
Directors and Senior Management	11	9
Department directors	4	4
Other	212	148
Total	**227**	**161**

The breakdown by gender of employees, directors, and senior management at 2021 and 2020 year end, is as follows:

	12.31.2021			12.31.2020		
Category	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Directors and Senior Management	7	6	**13**	6	3	**9**
Department directors	4	-	**4**	4	-	**4**
Other	178	57	**235**	137	42	**179**
Total	**189**	**63**	**252**	**147**	**45**	**192**

The Group had no employees under contract with disabilities greater than or equal to 33% during 2021 or 2020.

External services

The breakdown of this heading in the consolidated statement of profit or loss for 2021 and 2020 is as follows:

Type	2021	2020
Leases	337	278
General repairs and maintenance	294	202
Park maintenance	5,010	-
Professional services	2,281	1,935
Insurance	258	139
Bank services	349	265
Advertising and publicity	216	80
Supplies	183	169
Other	343	904
Other taxes	14	168
Losses on, impairment of, and changes in trade provisions	741	512
Total	**10,026**	**4,652**

"Park maintenance" at December 31, 2021 reflects all the operating costs for the parks which became operational during 2021: Quillagua, Duna and Huambos, San Miguel de Allende, Kosten, and Escuderos.

"Other" mainly includes expenses incurred when changing offices in Spain during 2020, as well as travel expenses for personnel during 2021 and 2020.

The balance presented under "Losses on, impairment of, and changes in trade provisions" for FY 2021 arose from the following allowances recognized: 316 thousand euros corresponding to the provision for penalties of the Kosten park; 34 thousand euros corresponding to the provision for delays in the construction of various parks in Chile; and 391 thousand euros corresponding to the provision for guarantees (Note 16). In 2020 said balance corresponds to the allowance recognized for provisioning delays and guarantees.

Finance income and expenses

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

	12.31.2021	12.31.2020
Income	**-**	**206**
Interest from other financial assets	-	206
Investments in equity instruments		
Expenses	**(9,321)**	**(2,628)**
Interest on borrowings	(9,321)	(2,628)
Exchange gains (losses)	**1,560**	**(5,242)**
Change in fair value of financial instruments (Note 17.5)	**6290**	**-**
Impairment of and gains (losses) on disposal of financial instruments	**(205)**	**-**
Impairment and losses	(205)	-
Finance cost	**(14,256)**	**(7,664)**

Negative exchange differences in 2021 mainly correspond to the appreciation of the US dollar against the euro (in contrast, in 2020 the euro appreciated against the US dollar).

The breakdown for currency translation differences by currency at December 31, 2021 and 2020 is as follows:

	Thousands of euros	
	2021	**2020**
US dollar (USD)	3,719	(2,192)
Argentine peso (ARS)	(1,098)	(1,866)
Peruvian sol (PEN)	(34)	(302)
Chilean peso (CLP)	6	(1,220)
Mexican peso (MXN)	(660)	338
Colombian peso (COP)	(373)	-
Total	**1,560**	**(5,242)**

21. Foreign currency

The breakdown of transactions carried out in foreign currency during 2021 and 2020 is as follows:

Year ended December 31, 2021

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

Year ended December 31, 2020

	12.31.2020							
	Equivalent value in thousands of euros							
	US Dollars	**Chilean pesos**	**Peruvian soles**	**Mexican pesos**	**Argentinean pesos**	**Pound Sterling**	**Colombian pesos**	**Total**
Sale of goods	71,500	-	-	-	-	-	-	71,500
Services rendered	-	1,684	-	-	-	-	-	1,684
Total	**71,500**	**1,684**	**-**	**-**	**-**	**-**	**-**	**73,184**
Purchases	(46,555)	(22,186)	-	-	-	-	-	(68,741)
Work performed by third parties	-	(4)	-	-	-	-	-	(4)
Receipt of services	(111)	(1,486)	(304)	(105)			(86)	(2,092)
Total	**(46,666)**	**(23,676)**	**(304)**	**(105)**	**-**	**-**	**(86)**	**(70,837)**

22. Environmental disclosures

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

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

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

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

23. Related-party transactions

23.1. Balances and transactions with related parties

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

At 2021 and 2020 year end, the Group did not hold any debit or credit balances with related parties.

The breakdown of transactions performed with related parties in 2021 and 2020 is as follows:

	12.31.2021		12.31.2020	
	Parent company	**Other related parties**	**Parent company**	**Other related parties**
Expenses	**(482)**	**(52)**	**(195)**	**(503)**
Leases	(482)	(46)	(195)	(113)
Other purchases	-	-	-	(377)
Services received	-	(6)	-	(13)

The transactions with related parties carried out during 2021 and 2020 relate to the normal course of the Group's business and were generally carried out on an arm's length basis:

- Renting of the offices at Rafael Botí 2 by Nagara Nur, S.L. for an amount of 46 and 113 thousand euros in 2021 and 2020, respectively.

- Renting of the offices at Rafael Botí 26 by Daruan Group Holding, S.L.U. for an amount of 482 thousand euros in 2021 (2020: 195 thousand euros).

- Purchases of health care materials from Marp Marketing y Producto, S.A. in 2020 for an amount of 268 thousand euros.

23.2. Disclosures relating to the directors and senior management

During 2021 and 2020 the Parent did not extend any advances or credit to its directors, nor did it assume any obligations on their behalf by way of guarantees extended. Likewise, the Parent has no pension or life insurance commitments for any of its current or former directors.

The amounts accrued by members of the Board of Directors during 2021 and 2020 were as follows:

Type of remuneration	2021	2020
Remuneration for membership of Board and/or Board committees	133	138
Salaries	155	155
Variable remuneration in cash	139	123
Share-based remuneration schemes	165	233
Other	50	16
TOTAL	**642**	**665**

The directors of the Parent are covered by a civil liability insurance policy for which the Parent disbursed a premium of 25 and 24 thousand euros in 2021 and 2020, respectively.

The amounts accrued by senior management corresponding to fixed remuneration, variable annual remuneration, and other items, amounted to 829 thousand euros in 2021 (2020: 321 thousand euros).

23.3. Other disclosures relating to the directors

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

The directors did not carry out any related-party transactions outside the ordinary course of activities or transactions which were not carried out on an arm's length basis with the company or Group companies during the years 2021 and 2020.

24. Other disclosures

24.1. Risk management policy

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

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

Market risk

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

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

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

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

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

Credit risk

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

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

The percentage of allowances for insolvencies was zero during 2021 and 2020.

Exchange rate risk

The Group performs a large part of its economic activities abroad and outside the European market, specifically, in Chile, Peru, Argentina, Mexico, and Colombia. At December 31, 2021 practically all Group revenue, realized with respect to third parties, was denominated in currencies other than the euro, specifically, the US dollar. Likewise, a large part of the expenses and investments, mainly corresponding to expenses incurred for consumables required in construction activities and investments in development projects, were also denominated in US dollars. Thus, the currency used in the normal course of the Group's corporate activity in LATAM is the local currency or the US dollar.

COVID-19 has provoked significant instability in the currency markets. Specifically, with respect to the emerging markets in which Grenergy operates, the depreciation of currencies was very pronounced (Chilean peso and Peruvian sol).

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

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

If at December 31, 2021 the euro had been devalued/revalued by 10% with respect to all the other functional currencies, with the remaining variables constant, equity would have been 14,929 thousand euros more or 12,214 thousand euros less, respectively (2020: 9,577 thousand euros more or 8,705 thousand euros less, respectively) due to the effect of the equity contributed by the subsidiaries who operate with a functional currency other than the euro. The breakdown by currency is as follows:

	Thousands of euros			
	12.31.2021		12.31.2020	
	10%	-10%	10%	-10%
US dollars (USD)	(10,210)	12,479	(4,619)	5,081
Chilean peso (CLP)	(71)	87	(2,600)	2,862
Other	(1,933)	2,363	(1,486)	1,634
Total	**(12,214)**	**14,929**	**(8,705)**	**9,577**

If the average exchange rate of the euro during 2021 had been devalued/revalued by 10% with respect to the other functional currencies, with the remaining variables constant, profit before taxes for the period would have been 788 thousand euros less or 644 thousand euros more, respectively (2020: 469 thousand euros less or 453 thousand euros more, respectively), mainly due to the result of converting the profit or loss statement to euros. The breakdown by currency is as follows:

	Thousands of euros			
	12.31.2021		12.31.2020	
	10%	-10%	10%	-10%
US dollars (USD)	(602)	492	(329)	299
Chilean peso (CLP)	115	(94)	(154)	169
Other	(301)	246	14	(15)
Total	**(788)**	**644**	**(469)**	**453**

Liquidity risk

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

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

During the early stages of the effects arising from COVID-19 and until the central banks started implementing measures for injecting liquidity to stabilize markets, liquidity squeezes arose, mainly affecting entities with poor ratings.

The Group's liquidity position was sound prior to the situation arising from COVID-19, which ensured that the Group was not at risk of failing to comply with its commitments.

However, and with a view to guaranteeing liquidity should there be an additional deterioration in the generation of cash by the businesses, the sources for liquidity were expanded, ensuring that even in an environment of low liquidity the Group would receive support from banking entities and investors. Evidence of this was the capital increase carried out in the month of March for an amount of 105 million euros (Note 13.1) and the placement of a green commercial paper program (Note 17.1).

At December 31, 2021 the Group's liquidity position was sound, including sufficient cash and available credit lines to cover its liquidity requirements comfortably even in the case of a major contraction of markets.

Interest rate risk

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

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

If during 2021 and 2020 the average borrowings referenced to variable rates had been 10 basis points higher/lower, with the remaining variables constant, profit after tax for the corresponding period would not have experienced significant changes given that most of the Group's borrowings are referenced to a fixed rate. Thus, the Group considers that exposure to interest rate risk is not great.

24.2. Guarantee commitments to third parties

At 2021 year end, the Group had provided guarantees to third parties in the amount of 56,067 euros (2019: 40,929 thousand euros), which were chiefly arranged for presentation in public renewable energy tenders and auctions.

Given that the aforementioned guarantees were basically granted with a view to ensuring compliance with contractual obligations or investment commitments, the events which could lead to their execution, and thus a cash outflow, would be non-compliance on the part of Grenergy with regard to its obligations related to the ordinary course of its activities, which is considered unlikely. Grenergy considers that any unforeseen liabilities at December 31, 2021 that may arise in connection with the aforementioned guarantees would in any case not be significant.

Duna and Huambos wind parks

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

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

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

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

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

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

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

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

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

With respect to execution of the Guarantees and termination of the RES Supply Contract, Grenergy's external Peruvian legal advisors and internal legal advisors, based on the conclusions they reached, believe that execution of the Guarantees as well as termination of the RES Supply Contract are remote possibilities.

Based on the risk assessment performed by the Group's external Peruvian lawyers and its internal lawyers, Grenergy Management has decided not to recognize any provision since the associated risks have been qualified as remote and there would be no impact on the consolidated financial statements in light of the analysis of future cash flows in the impairment tests performed on the assets associated with these wind parks.

24.3. Audit fees for the auditors and related entities

The fees accrued for professional services rendered by Ernst & Young, S.L. during 2021 and 2020 are broken down as follows:

	2021		*2020*	
Categories	*Ernst&Young, S.L.*	*Remaining EY network*	*Ernst&Young, S.L.*	*Remaining EY network*
Audit services (1)	*133*	*90*	*86*	*59*
Other assurance services (2)	*25*	*-*	*3*	*-*
Total audit and related services	***158***	***90***	***89***	***59***
Other (3)	*-*	*-*	*40*	*2*
Total other professional services	***-***	***-***	***40***	***2***
Total professional services	***158***	***90***	***129***	***61***

(1) Audit services: This heading includes services rendered for the performance of statutory audits of the Group's annual financial statements and the limited review work performed with respect to the interim consolidated financial statements.

(2) Other audit-related assurance services: These services mainly correspond to the assurance work related to compliance with financial covenants and the report on agreed-upon procedures for reviewing the Internal Control System for Financial Reporting.

In addition, other audit firms rendered audit services amounting to 18 thousand euros to various Group companies in 2021 (2020: 18 thousand euros).

24.4. Information on average payment periods to suppliers

The following table presents the disclosures required by final provision two of Law 31/2014, of December 3, prepared in accordance with the Spanish Accounting and Audit Institute (ICAC) Resolution of January 29, 2016 on the disclosures to be included in notes to financial statements with respect to the average payment period for suppliers in commercial transactions:

	2021	2020
	Days	**Days**
Average supplier payment period	56.01	57.20
Ratio of payments made	58	60
Ratio of transactions pending payment	51	49
	Amount	**Amount**
Total payments made	161,604	58,939
Total payments outstanding	64,179	31,000

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

25. Events after the reporting date

No significant events took place from December 31, 2021 to the date of authorization of these consolidated financial statements that require disclosure.

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

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

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

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

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

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GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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

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

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

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

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

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

(*) Exchange rate at closing of 12.31.2021 applied, with average rates applied to the 2021 income statement.
(**) Audited financial statements
(***) Indirect ownership via GR Equity Wind and Solar
(****) Indirect ownership via GR Las Palmas de Cocolán
(****) Indirect ownership via GR Renovables México
All the companies are consolidated under the full consolidation method.

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GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Equity investments in Group companies and associates at December 31, 2020

									Thousands of euros					
			% capital - voting rights			Balances at 12.31.2020								
Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Discontinued operations	Total equity of the investee	
GREENHOUSE SOLAR FIELDS, S.L.	Spain	Production of renewable electric energy	100%	-	100%	3	-	3	3	(1)	-	-	2	
GREENHOUSE SOLAR ENERGY, S.L.	Spain	Production of renewable electric energy	100%	-	100%	3	-	3	3	(1)	-	-	2	
GREENHOUSE RENEWABLE ENERGY, S.L.	Spain	Production of renewable electric energy	100%	-	100%	3	-	3	3	(1)	-	-	2	
GUÍA DE ISORA SOLAR 2, S.L.	Spain	Production of renewable electric energy	100%	-	100%	2	-	2	3	(7)	-	-	(4)	
GR SOLAR 2020, S.L.	Spain	Production of renewable electric energy	100%	-	100%	3	-	3	3	(2)	-	-	1	
GR SUN SPAIN, S.L.	Spain	Production of renewable electric energy	100%	-	100%	3	-	3	3	(3)	-	-	-	
GR EQUITY WIND AND SOLAR, S.L.	Spain	Production of renewable electric energy	100%	-	100%	3	-	3	3	287	-	-	290	
LEVEL FOTOVOLTAICA S.L.	Spain	Production of renewable electric energy (Inactive company)	50%	-	50%	1	-	1	2	(327)	-	-	(325)	
GR BAÑUELA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	-	100%	3	-	3	3	(1)	-	-	2	(**)
GR TURBON RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	-	100%	3	-	3	3	(1)	-	-	2	(**)
GR AITANA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	-	100%	3	-	3	3	(1)	-	(1)	1	(**)
GR ASPE RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	-	100%	3	-	3	3	(1)	-	(1)	1	(**)
VIATRES RENEWABLE ENERGY, S.L.	Spain	Production of renewable electric energy (Inactive company)	40%	-	40%	1	-	1	3	-	-	-	3	
EIDEN RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	-	100%	3	-	3	3	-	-	-	3	
CHAMBO RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	-	100%	3	-	3	3	-	-	-	3	
MAMBAR RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	-	100%	3	-	3	3	-	-	-	3	
EL ÁGUILA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	-	100%	3	-	3	3	-	-	-	3	
EUGABA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	-	100%	3	-	3	3	-	-	-	3	
TAKE RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	-	100%	3	-	3	3	-	-	-	3	
NEGUA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	-	100%	3	-	3	3	-	-	-	3	

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Equity investments in Group companies and associates at December 31, 2020

			% capital - voting rights			Balances at 12.31.2020			Thousands of euros					
Company name	**Registered address**	**Activity**	**Direct**	**Indirect**	**Total**	**Cost**	**Impairment**	**Carrying amount**	**Share capital**	**Reserves**	**Other equity items**	**Discontinued operations**	**Total equity of the investee**	
GR SISON RENOVABLES, S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GR PORRON RENOVABLES, S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GR BISBITA RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GR AVUTARDA RENOVABLES, S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GR COLIMBO RENOVABLES, S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GR MANDARÍN RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GR DÁNICO RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GR CHARRAN RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GR CERCETA RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GR CALAMÓN RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GR CORMORÁN RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GR GARCILLA RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GR LAUNICO RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GR MALVASÍA RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GR MARTINETA RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GR FAISÁN RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GRENERGY OPEX, S.L	Spain	Operation and maintenance of renewable electric energy installations (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GRENERGY EPC EUROPA, S.L.	Spain	Construction of electric energy installations (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GR POWER COMERCIALIZACIÓN, S.L	Spain	Commercialization of renewable electric energy (Inactive company) (Inactive company)	100%	-	100%	3 (3)	-	-	-	-	-	-	-	
GRENERGY PACIFIC LTDA	Chile	Promotion and construction of electric energy installations	99.9%	-	99.9%	43	-	43	34	2,500	-	2,160	4,694	(*) (**)

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Equity investments in Group companies and associates at December 31, 2020

			% capital - voting rights			Balances at 12.31.2020			Thousands of euros					
Company name	**Registered address**	**Activity**	**Direct**	**Indirect**	**Total**	**Cost**	**Impairment**	**Carrying amount**	**Share capital**	**Reserves**	**Other equity items**	**Discontinued operations**	**Total equity of the investee**	
GR PEUMO, S.P.A.	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	2 (2)	-	-	-	-	-	-	-	
GR QUEULE, S.P.A.	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	2 (2)	-	-	-	-	-	-	-	
GR MAITÉN, S.P.A.	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	2 (2)	-	-	-	-	-	-	-	
GR ALGARROBO SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR PACIFIC CHILOÉ SPA	Chile	Production of renewable electric energy (Inactive company)	-	98%	98.0%	1 (1)	-	-	-	-	-	-	-	
GR PACIFIC OVALLE, SPA	Chile	Production of renewable electric energy (Inactive company)	-	98%	98.0%	1 (1)	-	-	933	(926)	-	-	7	(*)
GR PIMIENTO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR CHAÑAR, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR LÚCUMO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR LLEUQUE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR NOTRO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR LENGA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR TEPÚ, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR LUMILLA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR TOROMIRO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR PACAMA,SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR TEMO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR RULI, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR POLPAICO PACIFIC, SPA	Chile	Production of renewable electric energy (Inactive company)	-	98%	98.0%	1 (1)	-	-	-	-	-	-	-	
GR Manzano SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	2 (2)	-	-	-	-	-	-	-	

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Company name	Registered address	Activity	% capital - voting rights: Direct	Indirect	Total	Balances at 12.31.2020: Cost	Impairment	Carrying amount	Thousands of euros: Share capital	Reserves	Other equity items	Discontinued operations	Total equity of the investee	
GR Naranjillo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	2 (2)	-	-	-	-	-	-	-	
GR Mañio SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	2 (2)	-	-	-	-	-	-	-	
GR Tara SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	2 (2)	-	-	-	-	-	-	-	
GR Hualo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	2 (2)	-	-	-	-	-	-	-	
GR Huacano SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR Corcolén SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR Luma SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR Fuinque SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR Piñol SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR Queñoa SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR Tayú Spa	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR Petra SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR Corontillo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR Liun SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR Kewiña SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR Frangel SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR Maqui SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR Petrillo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR Tepa SpA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
Grenergy OPEX SpA	Chile	Operation and maintenance of renewable electric energy installations	100%	-	100.0%	1	-	1	1	67	-	208	276	(*)

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Equity investments in Group companies and associates at December 31, 2020

			% capital - voting rights			Balances at 12.31.2020			Thousands of euros					
Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Discontinued operations	Total equity of the investee	
Parque Fotovoltaico Nuevo Quillagua SpA	Chile	Operation and maintenance of renewable electric energy installations	100%	-	100.0%	15,211	-	15,211	17,962	(1,766)	(1,750)	(1,747)	12,699	(*) (**)
GR PUMALIN SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR CORCOVADO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR QUEULAT SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR YENDEGAIA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR KAWESQAR	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR HORNOPIREN SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR ALARCE ANDINO SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR ALERCE COSTERO SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR TOLTUACA SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR TORRES DEL PAINE SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR PATAGONIA SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR NAHUELBUTA SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR CONGUILILLO SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR VILLARRICA SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR ARCHIPIÉLAGO JUAN FERNÁNDEZ SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GRENERGY PALMAS DE COCOLÁN, SPA	Chile	Holding company	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR LA CAMPANA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR VOLCÁN ISLUGA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR LAUCA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	

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Equity investments in Group companies and associates at December 31, 2020

			% capital - voting rights			Balances at 12.31.2020			Thousands of euros				
Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Discontinued operations	Total equity of the investee
GR PAN DE AZÚCAR, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-
GR MORRO MORENO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-
GR NEVADO TRES CRUCES, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-
GR LLULLAILLACO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-
GR SALAR HUASCO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-
GR RAPANUI, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-
GR PUYEHUE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-

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Equity investments in Group companies and associates at December 31, 2020

									Thousands of euros					
			% capital - voting rights			Balances at 12.31.2020								
Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Discontinued operations	Total equity of the investee	
GR CABO DE HORNOS, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR CERRO CASTILLO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR PALI AIKE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR RADAL SIETE TAZAS, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR ISLA MAGDALENA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GRENERGY LLANOS CHALLE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR LAGUNA SAN RAFAEL, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	-	100.0%	1 (1)	-	-	-	-	-	-	-	
GR POWER CHILE, SPA	Chile	Commercialization of renewable electric energy	100%	-	100.0%	1	-	1	1	-	-	(67)	(66)	(*)
GRENERGY PERÚ SAC	Peru	Promotion and construction of electric energy installations	99%	-	99%	-	-	-	-	(144)	-	(283)	(427)	(*)
GR JULIACA, S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	-	100%	-	-	-	-	-	-	-	-	(*)
GR HUAMBOS, S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	-	100%	-	-	-	-	-	-	-	-	(*)
GR APORIC, S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	-	100%	-	-	-	-	-	-	-	-	(*)
GR BAYONAR, S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	-	100%	-	-	-	-	-	-	-	-	(*)

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Equity investments in Group companies and associates at December 31, 2020

			% capital - voting rights			Balances at 12.31.2020			Thousands of euros					
Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Discontinued operations	Total equity of the investee	
GR VALE S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	-	100%	-	-	-	-	-	-	-	-	(*)
GR CORTARRAMA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	-	100%	-	-	-	-	-	-	-	-	
GR GUANACO S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	-	100%	-	-	-	-	-	-	-	-	
GR TARUCA S.A.C.	Peru	Production of renewable electric energy	90%	-	90%	4,932	-	4,932	5,030	141	-	(632)	4,539	(*) (**)
GR PAINO S.A.C.	Peru	Production of renewable electric energy	90%	-	90%	5,011	-	5,011	5,119	124	-	(676)	4,567	(*) (**)
GR PAICHE S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	-	100%	-	-	-	-	-	-	-	-	
GR LIBLANCA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	-	100%	-	-	-	-	-	-	-	-	
GR RENOVABLES MÉXICO	Mexico	Promotion and construction of electric energy installations	98%	-	98%	3	-	3	2	(1,350)	-	872	(476)	(*) (**)
GREENHUB S.L. DE C.V.	Mexico	Production of renewable electric energy	20%	80%	100%	20	-	20	92	(10)	-	144	226	(*) (**)
FAILO 3 SACV	Mexico	Production of renewable electric energy (Inactive company)	-	50%	50%	-	-	-	2	(14)	-	-	(12)	(*)
ASTILO 1 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	99.99%	99.99%	3 (3)	-	-	2,050	(25)	-	-	2,025	(*)
CRISON 2 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	99.99%	99.99%	3 (3)	-	-	2,050	(2)	-	-	2,048	(*)
MESO 4 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	99.99%	99.99%	3 (3)	-	-	2,050	(22)	-	-	2,028	(*)
ORSIPO 5 SOLAR, SACV	Mexico	Production of renewable electric energy	-	99.99%	99.99%	3 (3)	-	-	2,050	(2)	-	-	2,048	(*)
MIRGACA 6 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	99.99%	99.99%	3 (3)	-	-	2,050	-	-	-	2,050	(*)
GRENERGY COLOMBIA S.A.S.	Colombia	Promotion and construction of electric energy installations	100%	-	100%	270	-	270	229	(81)	-	(77)	71	(*)
GR PARQUE BRISA SOLAR 2	Colombia	Production of renewable electric energy (Inactive company)	100%	-	100%	-	-	-	-	-	-	-	-	

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			% capital - voting rights			Balances at 12.31.2020			Thousands of euros				
Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Discontinued operations	Total equity of the investee
GR PARQUE BRISA SOLAR 3	Colombia	Production of renewable electric energy (Inactive company)	100%	-	100%	-	-	-	-	-	-	-	-
GR PARQUE PRADO SOLAR 1	Colombia	Production of renewable electric energy (Inactive company)	100%	-	100%	-	-	-	-	-	-	-	-
GR PARQUE SOLAR SÁNDALO 2	Colombia	Production of renewable electric energy (Inactive company)	100%	-	100%	-	-	-	-	-	-	-	-

			% capital - voting rights			Balances at 12.31.2020			Thousands of euros					
Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Discontinued operations	Total equity of the investee	
GR VALE S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	-	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOLAR TUCANES	Colombia	Production of renewable electric energy (Inactive company)	100%	-	100%	-	-	-	-	-	-	-	-	
GRENERGY RINNOVABILI ITALIA SRL	Italy	Promotion and construction of electric energy installations	100%	-	100%	100	-	100	100	-	-	(9)	91	(*)
GRENERGY RENEWABLES UK LIMITED	UK	Promotion and construction of electric energy installations	100%	-	100%	-	-	-	-	-	-	-	-	
GRENERGY ATLANTIC, S.A.U.	Argentina	Promotion and construction of electric energy installations	100%	-	100%	316	-	316	265	(275)	-	(199)	(209)	(*)
KOSTEN S.A.	Argentina	Production of renewable electric energy; promotion and construction of electric energy installations	100%	-	100%	8,159	(2,336)	5,823	4,600	(1,451)	-	85	3,234	(*) (**)
								31,786						

(*) Exchange rate at closing of 12.31.2020 applied, with average rates applied to the 2020 income statement.
(**) Audited financial statements

ANNEX II

Changes in the consolidation scope

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

New inclusions in the consolidation scope during 2021:

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

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

Exclusions from consolidation scope during 2021:

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

The main changes to the consolidation scope corresponding to 2020 were as follows:

New inclusions in the consolidation scope during 2020:

- Incorporation of Grenergy Rinnovabili Italia SRL with share capital totaling 100,000 euros, fully subscribed and paid in at 2020 year end.

- Incorporation of GR Power, SpA with share capital totaling 1,067 euros, fully subscribed and paid in at 2020 year end.

- Incorporation of the following companies: GR Pumalin SpA; GR Corcovado, SpA; GR Queulat, SpA; GR Yendegaia, SpA; GR Kawesqar, SpA; GR Hornopiren; GR Alarce Andino, SpA; GR Alerce Costero, SpA; GR Toltuaca, SpA; GR Torres del Paine, SpA; GR Patagonia, SpA; GR Nahuelbuta, SpA; GR Conguilillo, SpA; GR Villarrica, SpA; GR Archipiélago Juan Fernández, SpA; Grenergy Palmas de Cocolán, SpA; GR La Campana, SpA; GR Volcán Isluga, SpA; GR Lauca, SpA; GR Pan de Azúcar, SpA; GR Morro Moreno, SpA; GR Nevado Tres Cruces, SpA; GR Llullaillaco, SpA; GR Salar Huasco, SpA; GR Rapanui, SpA; GR Puyehue, SpA; GR Cabo de Hornos, SpA; GR Cerro Castillo, SpA; GR Pali Aike, SpA; GR Radal Siete Tazas, SpA; GR Isla Magdalena, SpA; Grenergy Llanos Challe, SpA; GR Laguna San Rafael, SpA; GR Parque Brisa Solar 2; GR Parque Brisa Solar 3; GR Parque Prado Solar 1; GR Parque Solar Sándalo 1; Grenergy Opex, S.L.; Grenergy EPC Europa, S.L; and GR Power comercialización, S.L. with share capital corresponding to the minimum required by legislation in each country. At December 31, 2020 the share capital of these companies was not yet paid in.

Exclusions from consolidation scope during 2020:

- In 2019 the Parent sold its interests in GR Guindo, SpA and GR Sauce, SpA. Said sales contracts for shares of the subsidiaries included resolutory clauses which did not make the sale effective until 2020, the year in which the parks were connected and said clauses were no longer relevant.

- On June 30, 2020 the Parent sold its interests in GR Raulí SpA, GR Ulmo SpA, and GR Roble SpA.

- On September 30, 2020 the Parent sold its interests in GR Carza, SpA, GR Pilo, SpA, and GR Pitao, SpA.

- On October 31, 2020 the Parent sold its interests in GR Ciprés, SpA.

ANNEX III

Regulatory framework

Sector regulation in Europe

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

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

The legislative items cover, amongst others, reform of the market for greenhouse gas emissions rights; distribution of national efforts for the reduction of emissions in different sectors; development of renewable energies and energy efficiency measures; adoption of the Integrated National Energy and Climate Plans; regulatory standards in the internal market for electricity or CO2 emissions standards for vehicle manufacturers.

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

Spain

The renewable energies sector is a regulated sector which saw fundamental changes in recent years, receiving a new regulatory framework in 2013. Within said framework, the new legislative reference is Law 24/2013, of December 26, on the Electricity Sector, which repealed Law 54/1997 of November 27, on the Electricity Sector.

The new Sector Law 24/2013, published on December 26, 2013, ratified the provisions of Royal Decree-Law 9/2013, eliminating the so-called special regime and proposing a new remuneration regime for facilities that generate power from renewable sources, cogeneration, and waste. The new remuneration regime (known as specific remuneration, to be applied to the new installations exceptionally) is additional to the revenue obtained from the sale of energy in the market and is composed of a term per unit of installed capacity to cover, where applicable, the investment costs which cannot be recovered in the market, and a term for the operation to cover, where applicable, the difference between the operating costs and the market price.

This new specific remuneration is calculated based on a standard installation over the length of its useful regulatory life in the context of the activity performed by an efficient and well-managed company, as per the following:

- standard revenues from the sale of energy valued at the market price;

- standard operating costs; and

- the standard value of the original investment.

This remuneration regime is underpinned by a "reasonable return" on investment which is defined as the yield on the 10-year sovereign bond plus a spread (which has initially been set at 300 basis points).

The new regime establishes regulatory periods of six years and sub-periods of three years. Every three years there is scope for changing the remuneration parameters related to market price forecasts, factoring in any deviations that may have arisen during the sub-period.

Every six years the standard parameters for installations can be modified, except for the amount of initial investment and the regulatory useful lives, which remain unchanged throughout the life of the installations. Likewise, every six years the interest rate for remuneration can be changed, but only with respect to future remuneration.

The value of the standard investment for the new installations is determined via a competitive procedure.

This new remuneration is applicable from July 2013, the date on which Royal Decree Law 9/2013 entered into force.

On June 6, 2014, Royal Decree Law 413/2014 was published, regulating the production of electric energy from renewable energy sources, cogeneration, and waste. Subsequently, on June 16, 2014, Order IET/1045/2014, of the Ministry for Industry, Energy, and Tourism, was published, approving the remuneration parameters of standard facilities applicable to certain installations that produce electricity from renewable sources, cogeneration, and waste. In accordance with this new regulation, in addition to the revenue obtained from the sale of energy valued at market prices, the installations will receive specific remuneration during their regulatory life composed of a term per unit of installed capacity to cover, where applicable, the investment costs of each standard facility which cannot be recovered by the sale of energy in the market, known as investment remuneration, and a term for the operation to cover, where applicable, the difference between operating costs and revenue from participating in the market for production of a standard facility, know as operational remuneration.

It is worth highlighting that at December 31, 2021 the Group does not own any assets in Spain which could be classified as a renewable energy plant or installation whose remuneration is determined by the aforementioned regulatory framework.

On November 23, 2019 Royal Decree Law 17/2019, of November 22, was published, by virtue of which urgent measures were adopted for the necessary adaptation of remuneration parameters which affect the electricity system and further providing a response to the process of terminating activities at thermal power plants. The main aspects covered in this Royal Decree Law are as follows:

- It establishes the reasonable return for renewable energy, cogeneration, and waste, and the financial remuneration rate for production in territories outside the Iberian Peninsula for the 2020-2025 period. The rate is updated to 7.09% vs 7.398% or 7.503%, depending on the type of installations.

- It establishes that before February 29, 2020 the Government will establish the remaining remuneration parameters which will be applicable from from 2020 to 2025, which previously requires the definition of the related reasonable return.

- It incorporates a mechanism which the installations that had already been granted prime remuneration when Royal Decree Law 9/2013 became effective can avail themselves of: the option for the owners to maintain a reasonable return of 7.398% for their installations until 2031. This measure will not be applicable when there is a right to receive indemnities as a consequence of a firm court sentence or definitive arbitration ruling, or if judicial or arbitration proceedings are ongoing, unless the irrevocable renunciation of said compensation, continuation or re-initiation of said proceedings is officially accredited. In addition, the installations can renounce the remuneration framework which is regulated by this Royal Decree Law and avail themselves of the ordinary framework, subject to a review every six years.

On January 21, 2020 the Council of Ministers approved the agreement comprising the Declaration regarding the Climate and Environmental Emergency in Spain, which commits the Executive to the following during the first 100 days:

- Introduce a law in parliament which guarantees that zero net emissions be achieved at the latest by 2050, implementing a 100% renewable electricity system, private and commercial vehicles with 0 grammes of CO_2 emissions per kilometer, an agricultural system neutral in equivalent CO_2 emissions, as well as a tax, budget, and financial system compatible with the necessary decarbonization of the economy and society.

- Define the path to decarbonization in the long term for our country, ensuring the objective of climate neutrality at the latest by the year 2050.

- Present the second National Plan for Adaptation to Climate Change.

- Boost the transformation of our industrial model and services sector via collective agreements for a Fair Transition together with accompanying measures.

On February 28, 2020, Order TED/171/2020, of February 24, 2020, was published for application to the regulatory period from January 31, 2020 to December 31, 2025, updating the remuneration parameters of standard facilities applicable to certain installations that produce electricity from renewable sources, cogeneration, and waste.

On March 6, 2020 the CNMC Resolutions of February 26, 2020 were published by virtue of which the remuneration for companies distributing and transporting electric energy was provisionally established for the year 2020. Approval of a remuneration resolution for the year 2020 is expected should the aforementioned remuneration resolution not be approved and made effective. In this case, the remuneration approved by Order IET/980/2016, of June 10, should continue to be applied to the first settlements payable in 2020 for distributors and Order IET/981/2016, of June 15, which established remuneration for 2016, the last remuneration scheme which has been approved and which has been applied in recent years, should continue to be applied to transporters.

On March 26, 2020, Order TED/287/2020, of March 23, was published, establishing the contribution obligations for the National Fund for Energy Efficiency in 2020.

In the framework of the "Long-term Strategy for a Modern, Competitive, and Climate Neutral Spanish Economy in 2050," by virtue of the Resolution of March 25, 2021, jointly issued by the General Directorate of Energy and Mining Policy and the Spanish Office for Climate Change, the Agreement of the Council of Ministers of March 16, 2021 was published, adopting the final version of the Integrated National Energy and Climate Plan (PNIEC in its Spanish acronym) 2021-2030, delivered to the European Commission.

On June 24, 2020 Royal Decree-Law 23/2020 was published by virtue of which measures were approved with respect to energy issues and other areas for reactivation of the economy. This law contains a battery of measures to boost, in an orderly and rapid manner, the energetic transition to a fully renewable electricity system, as well as favoring economic reactivation in line with the European Green Deal. The regulation, amongst other matters, eliminates barriers for the massive deployment of renewable resources, defines new business models and foments energy efficiency, establishes milestones and temporary deadlines to avoid speculative movements in the utilization of network access permits, creates a new auction system which offers stability to the investor and allows all consumers to benefit from the savings associated with the integration of renewable energies in the system, while also making it possible to inject the surplus from prior years with a view to ensuring liquidity in the system and mitigating the imbalances which have been provoked by the COVID-19 crisis.

On September 22, 2020 the Government approved the National Plan for Adaptation to Climate Change.

On November 3, 2020, Royal Decree 960/2020, regulating the economic regime for installations generating electricity from renewable energy sources, was published. It was approved in application of RDL 23/2020 as the alternative remuneration framework for the specific remuneration framework. It establishes the scope of auctions for renewable energy installations, the remuneration scheme to be received, as well as the necessary requirements and guarantees.

In connection with this Royal Decree, Order TED/1161/2020, of December 4, was approved, regulating the first auction mechanism for granting the economic regime applicable to renewable energies and establishing the corresponding schedule for the 2020-2025 period. The announcement of the first auction for granting the economic regime for renewable energies, in accordance with the provisions of this Order and the specific details contained therein, is included in the Resolution of December 10, 2020 of the Secretariat of Energy. This first auction was held on January 26, 2021 for 3,000 MW of renewable energy, with two minimum reserves of at least 1,000 MW from wind energy and 1,000 MW from solar energy. On January 28, 2021, the BOE published the Resolution of January 26, 2021 issued by the General Directorate for Energy and Mining Policy, thus resolving the first auction held for granting the economic regime for renewable energies in accordance with the provisions of Order TED/1161/2020, of December 4.

Royal Decree 1183/2020, of December 29, on access and connection of transport networks and electric energy distribution networks, was published on December 30, 2020. The purpose of this Royal Decree is to establish the principles and criteria with respect to the application for, the processing, and the granting of access and connection permits for the transport and electric energy distribution networks which will be applicable for producers, consumers, owners of storage installations, and owners and managers of the transport and distribution networks. This Royal Decree has seen certain modifications via Royal Decree 29/2021, approved on December 21, 2021. In February 2021 the Strategy for Energy Storage was approved, establishing the objective to reach 20 GW in 2030 and 30 GW in 2050, thereby allowing for the deployment of renewable energies so that they may be key in guaranteeing security in supplies and facilitating lower energy prices.

On May 21, 2021 the new Climate Change and Energy Transition Law ("PLCCTE" in its Spanish acronym) became effective. Thus, the regulatory and institutional framework was established in order to facilitate the progressive adaptation of the national reality to the demands which regulate climate-related actions and which will also facilitate and focus the decarbonization of the Spanish economy by 2050, a decarbonization process which must be socially just.

Finally, given the current situation with high energy prices which has prevailed over recent months, the Government approved Royal Decree 17/2021 and Royal Decree 23/202, thereby establishing compensatory measures to help mitigate the impact.

<u>Italy</u>

Italy represents one of the most mature renewable energy markets in the world.

However, it is still far from reaching the European objectives in terms of energy and sustainability and, as also indicated in the PNIEC (National Energy and Environment Plan published by the Ministry for Economic Development), Italy needs to aggregate some 30 GW of photovoltaic energy to its fuel mix, in addition to the current 20 GW available in the country (about 9% of its composition in terms of the source).

The sale of energy is performed via the spot market or via PPAs.

The developments in Italy involve clear and transparent electricity regulation, which allows for the market to develop against the speculation of the past.

The applicable regulation is established in the document known as TICA (Testo integrato delle connessione attive), in accordance with "deliberazione ARG/elt 99/08" (and all modifications and integrations thereof).

The need to make an advance payment for the connection and to start the application process for authorization within a maximum period of time provides assurance to the market that existing projects are transparent and viable.

From the environmental point of view, the regulation is well articulated, considering that as Italy is a fairly diversified territory, each of the 20 regions can apply for its own regional regulations, in custodianship of its own landscape and environment, applying different restrictions by region.

At any rate, the processes involved are standard and basically relate to art. 27bis of the Dlgs 152/2006 which enacts the PAUR (Provvedimento autorizzatorio unico regionale), which in turn includes the VIA (Valutazione Impatto Ambientale) process in a single process plus the "Autorizzazione Única" - in accordance with art. 12 of the DLgs 387/2003.

Should the VIA process not be necessary, process 387 shall be directly considered for obtaining the single authorization.

United Kingdom

The regulatory framework for the electricity market in the United Kingdom has evolved over time with a view to satisfying the needs of its consumers, more recently focusing its attention on decarbonization. At the inception of the market for renewable energies, subsidies were available for the generation of electricity but as the market has continued developing, said support has been reduced progressively.

Regulatory authorities

The main regulatory authorities for the electricity sector in the United Kingdom are the following:

> The Department for Business, Energy and Industrial Strategy ("BEIS"), which is responsible for legislation, policy and regulations in business, industrial strategy, science, innovation, energy and climate change, and seeks to develop the energy industry and provide fair prices for consumers;
>
> The Gas and Electricity Markets Authority ("GEMA"), which is the governing body of OFGEM (as defined below) and is in charge of protecting consumers by strengthening competition, innovation, more ecological emissions, and lower prices for consumers;
>
> The Office of Gas and Electricity Markets ("**OFGEM**"), which is a non-ministerial government department and the main governing body for the energy market in the United Kingdom, in charge of granting and enforcing licenses (see below).

General view of the permits, licenses, and authorizations

Licenses for generation, transmission, distribution, and supply: these licenses are necessary for each individual activity (subject to exemptions) by virtue of article 6 of the Electricity Act of 1989, including the generation activities. Normally, a photovoltaic project (provided its declared net capacity is less than 100 MW) is exempt from the obligation to obtain a generation license.

Planning permit or development consent order: The construction of a photovoltaic plant and any associated infrastructure will require a planning permit or development consent order (for larger projects) in England and Wales. The authorization procedures for obtaining a planning permit or development consent order will vary based on the location of the project (i.e., in England or Wales) and the installed generation capacity. In order to obtain the planning permit, an *Environmental Impact Assessment* ("**EIA**") may have to be performed depending on how much the projects may have a significant effect on the environment.

Electricity market and sources of income

Power Purchase Agreement (PPA): the energy of a photovoltaic project is usually sold via a PPA with an authorized supplier. Some projects do not dispatch to the British grid but sell the energy to a host or neighbor via a private cable. The PPAs tend to be long-term agreements which permit the financing of the project. However, as the market has been developing, more projects are opting for short-term PPAs.

Smart Export Guarantee: The new solar photovoltaic solar energy projects can avail themselves of a Smart Export Guarantee ("**SEG**"). The purpose of the SEG regime is to support the generation of small quantities (up to 5 MW) with low carbon emissions via the SEG payments from authorized suppliers (agreed upon with the corresponding supplier). It must be taken into account that the *Feed-in Tariffs* ("**FiT**") and the *Renewables Obligation Certificates* ("**ROC**") are no longer available for new solar projects.

Contract for Difference ("**CfD**"): Support for solar energy prices may be in the form of a CfD granted by the government between a generator and a *Low Carbon Contracts Company* (a private limited company which is owned by the Secretary of State for the BEIS department, which is the counterparty in the CfD). Photovoltaic solar assets with a capacity exceeding 5 MW compete with other established technologies in an auction and the generators who win receive CfDs. A generator sells its electricity in the market but receives a complementary amount (above the market price for electricity) corresponding to a "strike price" previously agreed upon within the framework of the CfD for the electricity produced over a 15-year period (or, if the market price for electricity is higher than the exercise price, the generator will pay the difference between the strike price and the market price to the Low Carbon Contract Company). The next (fourth) CfD auction is planned for the autumn of 2021.

Renewable Energy Guarantee of Origin ("**REGO**"): The REGOs are certificates which demonstrate that the electricity was produced based on renewable sources.

The REGO system is designed to offer the consumers transparency when determining what portion of their electricity comes from renewable sources. The OFGEM issues a REGO certificate to the generators of renewable electricity for each mega watt hour of renewable production. The REGOs are usually sold to the energy supplier who makes use of the energy generated by the project with a minimum value attributed to them, though a market is in development for said certificates.

Sector regulation in Latin America

Chile

Until now the Group has operated in Chile via photovoltaic installations operated under the regime for small power producers ("SPP"). The SPPs comprise all those means of generation with excess capacity less than or equal to 9 MW, connected via medium voltage networks in the distribution systems. These types of projects make up the short term Grenergy project portfolio in Chile.

The main difference in the commercialization of energy between a PMG/D and other producers consists in sales made at a stabilized price. The price stabilization mechanism is determined via modification of the law for electric services of 2007, settled on a monthly basis by the National Electricity Coordinator ("CEN" in its Spanish acronym) as the difference between the marginal price and the short-term nodal price ("PNCP" in its Spanish acronym). This price (PNCP) is in turn set by the National Energy Commission ("CNE" in its Spanish acronym) every six months. It is based on the projected marginal costs for the following 48 months, thaw projections, and prices for tendered contracts prevailing at each node. Estimated marginal costs, given that it is an average of the marginal cost performance over the coming four years and 24 hours a day, in addition to representing the most important component of the PNCP, this price does not change significantly, remaining stable in comparison with spot market prices (the instantaneous hourly marginal cost). Subsequent to application of the new price stabilization scheme established in Supreme Decree 88 (DS 88), the CNE will annually define a new calculation of the stabilized price in January and August, with the same mechanism in place for the CEN to settle differences (for plants declared under construction subsequent to April 8, 2022).

In addition, all companies which generate electricity can sign contracts with clients at freely agreed-upon prices (unregulated clients) or at the stabilized price established by the CNE as explained above, which is either compensated by the generators who are party to regulated supply contracts or, if the marginal cost is greater than the stabilized price, by the PNCP. Another way for commercializing energy generated is via a regulated process for supply tenders involving distributor companies. The distributor companies in turn sell their energy to final regulated clients or to unregulated clients who do not wish to freely agree upon supply contracts with producer companies.

The producing companies must notify the CDEC six months in advance with respect to the option of selling energy they will choose (at the nodal price or stabilized price). In order to change the option, advance notice of 12 months must be provided, with the minimum term for each option corresponding to four years.

The amendments approved by the Ministry of Energy in October 2020 (DS88), corresponding to the regulations for small-scale means of generation, establish a transitional regime for projects already under the current remuneration scheme, as well as those in advanced stages of development. Projects already under operation may continue to receive the current stable price for a period of up to 14 years counting from the entry into force of the newer regulations, which is also applicable to projects in their final stages of development. To be eligible, the projects must be granted connection permission, or present the environmental paperwork within a period of 7 months. They must also have obtained the construction declaration within 18 months counting from the new regulations becoming effective. Should the above conditions not be met, new projects will continue at the stabilized price, though based on a different calculation method linked to the time slots during which each project sells its energy.

In contrast, on May 29, 2020 the CNE determined the extent of the exclusive payment established in the Law on Short Distribution (Law no. 21.194) which comprises the activities relating to electric energy transportation via distribution networks, the purchase and sale of energy and power to regulated end users, the use of distribution network installations which allow for the injection, retirement or management of electric energy, the rendering of services at legally fixed prices and the services which are provided utilizing the infrastructure or resources essential for the rendering of the aforementioned services, whose shared utilization with other services is absolutely necessary or efficient.

Peru

The electricity sector in Peru is regulated by the Electricity Concession Law, in accordance with Decree Law No. 25844, Supreme Decree No. 009-93-EM and its modifications and extensions. In accordance with this law, the electric energy sector in Peru is divided into three principal segments: generation, transmission, and distribution. Since October 2000, the Peruvian electricity system has been comprised of the National Interconnected Electricity System ("SEIN" in its Spanish acronym) as well as other connecting systems. The Group supplies renewable electric energy in the segment which belongs to SEIN based on Law No. 28832 of 2006, which ensures the efficient generation of electric energy, introducing important changes in the regulation of the sector.

In accordance with the Electricity Concession Law, the operation of energy generation installations and transmission systems is subject to the regulations of the National Committee for Economic Operations - ("COES-SEIN") so as to coordinate operations at a minimum cost, ensuring the secure supply of electricity, as well as the best use of energy resources.

The COES-SEIN regulates electric energy prices and transmission prices between energy producers, as well as the consideration for owners of the transmission systems.

To foster installation of renewable energy, the Peruvian government has on several occasions held public tenders in which it offered long-term contracts (20 years) with energy prices set at a fixed rate.

During August 2019, the Peruvian government published a new regulation acknowledging firm capacity for wind power projects, that is, the maximum power generated by a generation unit with a high level of security. This is a relevant step forward, considering that generation projects must deliver fixed amounts of energy once a supply contract has been signed. Peru’s government is working to publish a regulation which also makes it possible to recognize firm capacity for solar energy.

Colombia

Colombia liberated its electricity sector in 1995 with its Public Service Law and Electricity Law (both during 1994). Regulation of this market was implemented by the Energy and Gas Regulation Commission. It enacted the basic rules and launched this new approach in July, 1995. The sector separates its activities into the following segments: generation, transmission, distribution, and sales.

Energy purchase-sale transactions between generators and sellers takes place on the wholesale market as defined under article 11 of Law 143 of 1994, in the following terms: "*it is the market of large wholesalers of electric energy, in which generators and sellers buy and sell energy and power on the national inter-connected system.*"

Considering the system's huge proportion of hydraulic generation, as well as the existence of different climatological phenomena in the country which seriously affect the availability of hydraulic resources, the "reliability charge" was created by virtue of which plants will receive additional income for their firm power, which is that which will likely be distributed during a drought year, with the system guaranteeing there will be installed capacity to satisfy demand in the country in such moments. Renewable plants are entitled to receive this additional income for all or part of their annual energy output.

To boost the presence of renewable energy in the country, the Colombian government has held renewable energy tenders. Long-term contracts to be signed with sellers at fixed prices are offered at these tenders (indexed to the price index). To boost sellers' interest, the government has approved the obligation that at least 10% of energy supplied to regulated users originate from unconventional renewable energy sources.

On June 10, 2020, articles 11, 12, 13, and 14 of Law 1715, of 2014, were enacted by Decree 289, of 2020, modifying and expanding Decree number 1625, of 2016, the Single Regulatory Framework for Tax Matters, while certain articles of Decree number 1073, the Single Regulatory Framework for the Administrative Sector of Mining and Energy, were repealed, establishing the incentives for generation of electric energy with unconventional sources, assigning competence to the UPME to issue certifications of tax benefits, and defining the steps to be taken for deduction of income tax, accelerated amortization/depreciation of assets, and exemption from tariffs on the FNCER projects.

On October 23, 2020, via Resolution no. 40311 of 2020, the Ministry of Mining and Energy established the guidelines for public policy regarding allocation of transportation capacity to generators in the National Interconnected Electricity System, as well as for loss of access, while further regulating certain additional matters such as guarantees which must be presented for the connections, behavioral norms, and a transition regime.

Argentina

Argentina’s energy sector has undergone three differentiated stages which have impacted its current system. Until 1992, the scheme was based on a centralized market under heavy government control. That year, Law 24,065 went into effect, establishing the bases for creating the following: ENTRE (the National Electricity Regulatory Board), the MEM administration (Wholesale Electricity Market), setting prices on the spot wholesaler market, determining tariffs for regulated businesses, as well as evaluating assets to be privatized.

In 2002, subsequent to the country’s financial crisis, the Emergency Law was approved, freezing tariffs (among other measures). This led to a situation in which incentive to invest was strongly dissuaded, with nearly all new generation and transportation projects taken over by the government. However, generation activity continues to be dominated by private-sector participants and is still liberal.

Against a backdrop of energy demand arising due to low private investment, as well as the intention to take advantage of the country’s natural resources while also reducing dependence on energy from abroad, new regulations were established declaring electricity production from renewable energy projects of national interest. Specifically, Law 27,191 was approved in 2015, imposing the obligation for significant users to consume 8% of their energy from the above sources in 2017, and up to 20% in 2025. In addition, within the framework of these regulations (the most representative being Law 27,191), renewable energy public tenders are promoted under the auspices of the RenovAr plan.

In these tender processes, projects obtain a PPA for 20 years of energy sales. CAMMESA, the counterparty, is the non-profit entity which oversees the Argentine market though the contracts are backed by a specific fund created by the Ministry of Energy and Mining, and claims can be reported to the World Bank as a last recourse. Apart from the government-backed agreement, RenovAr also offers tax breaks to attract private investment.

Mexico

On March 4, 2020 the CRE published the "Agreement by virtue of which the Regulatory Energy Commission issues the criteria for calculating the total number of Clean Energy Certificates available to cover the total amount of Clean Energy Obligations for each of the first two years in which said Obligations are effective, while establishing the Implicit Price Calculation Methodology for the Clean Energy Certificates to which the twenty second transitory provision of the Law on Energy Transition refers."

On May 1, 2020 the National Center for Energy Control (CENACE in its Spanish acronym) published the "Agreement to guarantee the Efficiency, Quality, Reliability, Continuity, and Security of the National Electricity System, with a view to acknowledging the epidemic due to the illness caused by the SARS - CoV2 virus (COVID-19)."

On May 15, 2020 the Secretariat of Energy (SENER in its Spanish acronym) published the "Agreement establishing the Policy for Reliability, Security, Continuity, and Quality in the National Electricity System."

On March 9, 2021 the Official Daily of the Federation published a reform to the Electric Industry Law ("LIE" in its Spanish acronym) with a view to modifying certain matters which govern the electricity sector and the wholesale electricity markets. Further, on September 30, 2021 a constitutional reform initiative was presented relating to the energy sector. The reform consists in some modifications to the general concepts which govern the Mexican energy sector, included in articles 25, 27, and 28 of the Mexican Constitution, together with a series of transitory articles.

GRENERGY RENOVABLES, S.A. and Subsidiaries

Consolidated management report for 2021

1. Main activities of the Group

1.1 Nature of the Group's operations and its main activities

Grenergy is a Spanish company which produces energy based on renewable sources, specialized in the development, construction, and operation of photovoltaic and wind energy projects; the promotion and commercialization of photovoltaic projects; as well as the commercialization of energy.

Since its incorporation in 2007, the Group has seen rapid growth and changes in the planning, design, development, construction, and financial structuring of projects. It is present in Europe as well as in Latam since the year 2012. Currently, Grenergy has offices in Spain, Italy, the United Kingdom, Poland, Chile, Peru, Colombia, Argentina, and Mexico. Grenergy's overall pipeline, which includes photovoltaic solar energy installations and wind parks in different stages of development, exceeds 10 GW, while its storage pipeline boasts 5.4 GWhs.

Its business model encompasses all project phases, from development through construction and financial structuring to plant operation and maintenance. In addition, Grenergy generates income from recurring sales to third parties of non-strategic parks, combined with recurring income from its own parks in operation as well as income from O&M and AM services for plants sold to third parties.

Grenergy performs its activities in each of the phases comprising the value chain of a renewable energy project, prioritizing greenfield projects, that is, those renewable energy projects starting from nothing or those already underway which require a complete modification, as compared to brownfield projects, which require certain occasional modifications, expansions or repowering.

The source of this income is technologically diversified, encompassing project developments in wind and photovoltaic energy as well as the development of storage systems, so that it can operate at highly competitive prices as compared to conventional energy sources. This backdrop is further favored by an emerging market for PPAs (bilateral energy purchase-sale agreements) as well as the end of the fossil fuel era as determined on a political level with a view to closing down nuclear power plants and coal plants within 10 years.

The Parent has been listed on the continuous market since December 16, 2019, with capitalization at 2021 year end totaling 810 million euros.

1.2 Pipeline phases

According to degree of maturity, the Group classifies its projects into the following phases:

- Identified Opportunity (20-40%): projects which are technically and financially feasible based on the following circumstances: (i) there is land potential; (ii) access to the electricity grid is considered operationally viable; and/or (iii) it is potentially interesting for sale to third parties.

- Early stage (50%): based on an identified opportunity, the project is approved internally in order to commence the investment phase, presenting the pertinent applications so as to access the electricity network and initiate negotiations for the required land.

- Advanced development (70%): projects in advanced technical and financial stages, since: (i) the land is assured, or there is at least more than a 50% probability of it being obtained; (ii) the appropriate requests to connect to the electricity grid have been filed, with a 90% or higher likelihood of being accepted; and (iii) environmental permits have been requested.

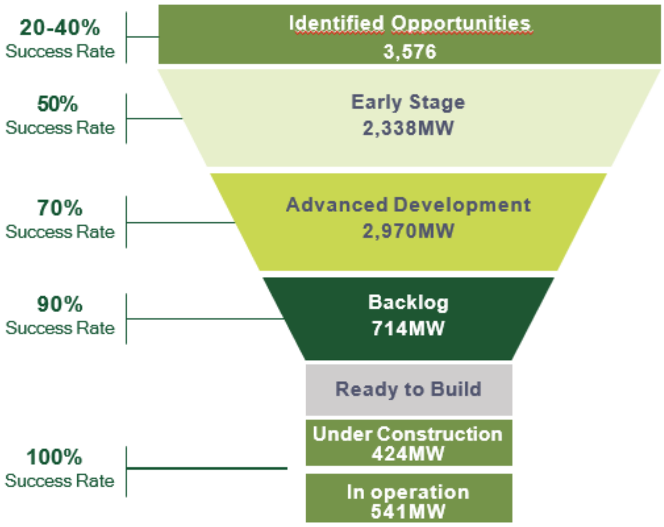
- Backlog (90%): projects in the final phase prior to construction, in which: (i) land and access to the electricity grid are assured; (ii) the likelihood of obtaining environmental permits is over 90%; and (iii) there are PPAs or framework agreements with energy buyers or banks which are ready to be signed, or there is a bankable price stabilization scheme.

- Under construction (100%): EPC projects in which the engineering, construction, and procurement order has been given to commence construction under the corresponding EPC contract.

- In operation: projects for which the acceptance certificate has been signed by the entity that will be the owner of the project in question, and for which responsibility over the asset has been transferred from the entity performing the EPC construction tasks to the Group’s operations team.

The corresponding administrative authorizations may be obtained during any stage of the pipeline, including during the construction phase.

At December 31, 2021 the Group had more than 10 GW in different stages of solar and wind energy development, as well as 5.4 GW in pipeline storage projects.



1.3 Operating divisions

The Grenergy Group classifies its different business activities under the following operational divisions:

- **Development and Construction**: this division's activities involve the search for feasible projects, in both financial as well as technical terms, the necessary work for reaching all the milestones for initiating construction, and preparatory work on the land for the construction and starting up of each project.

- **Energy**: this division deals with revenue obtained from the sale of energy in each of the markets in which Grenergy has or will have its own operational projects as Independent Power Producer ("IPP").

- **Services**: this division includes the services rendered for projects once the start-up date has been reached (Commercial Operation Date - "COD") and which are therefore in the operational phase. It also encompasses asset management and O&M activities provided for internal IPP projects as well as those for third parties.

2. 2021 Business Performance

According to Bloomberg New Energy Finance (BNEF), 315 GW of renewable energy installations were installed globally during 2021.

Though global cost inflation is affecting the renewable energy industry, increasing the cost of key components for its installations, the cost of other sources of energy, such as gas or petroleum, experienced even more severe inflation, which strengthened their competitiveness relative to renewable energies and evidenced the need for reducing dependency on certain non-renewable energy commodities.

BNEF expects new installed capacity of 228 GW in 2022 for solar energy at a global level as compared to the 183 GW of installed capacity estimated for 2021. New wind energy installations reached 93 GW in 2021 and growth of 9% is expected until 2023.

As far as storage installations are concerned, growth continued exponentially with an estimated 11 GW installed in 2021 and expectations of another 345 GW by 2030.

In the long term BNEF expects exponential growth in the renewable energy sector until it reaches 85% of energy supplied in 2050.

The main headings for the consolidated statement of profit or loss and the consolidated statement of financial position are explained below:

- The income reflected in the consolidated statement of profit or loss for FY 2021 represents the best results achieved by the Group to date. EBITDA totaling 41,437 thousand euros and net results amounting to 16,012 thousand euros evidence the efforts made during recent years in the process of developing and executing portfolio projects in Latin America, especially Chile. In addition, it is worth highlighting the connection of the largest plant to date, corresponding to the Escuderos project (Spain) with a capacity of 200 MW. All these efforts have translated into significant positive results for the Group, setting the foundation for continuing with the pipeline in LATAM and Europe as foreseen.

- Total revenue and EBITDA amounted to 220,154 and 41,437 thousand euros, respectively. Until 2019 all the projects developed and constructed by the Group were sold to third parties. In 2020 the Group started constructing parks in order to hold them in its portfolio and operate them, starting to obtain income from the sale of energy in 2021. In coming years revenue and EBITDA from this division will progressively increase to the extent that the Group connects the projects in the different pipeline stages. The breakdown of income and EBITDA by operational division is as follows:

	Thousands of euros	
Income	**12.31.2021**	**12.31.2020**
Development and Construction	197,475	111,546
Energy	19,904	-
Services	2,775	1,886
Total income (*)	**220,154**	**113,432**

(*) Alternative performance measure (APM) See Appendix I.

	Thousands of euros	
EBITDA	**12.31.2021**	**12.31.2020**
Development and Construction	33,135	27,768
Energy	13,267	-
Services	354	173
Corporate	(5,319)	(4,251)
Total	**41,437**	**23,690**

(*) Alternative performance measure (APM) See Appendix I.

Development and Construction: the increase in income and EBIDTA was the result of a greater number of parks under construction and an increased number of parks sold during 2021 vs. the previous year (2021: 494 MW under construction and 11 parks sold, vs.389 MW under construction and 9 sold in 2020). However, margins related to construction saw a decrease as a result of increased costs. These costs are expected to decrease during 2022, recovering to levels seen prior to 2021.

Energy: Income and EBITDA from the sale of energy corresponds to the beginning of operations for the Quillagua (Chile), San Miguel de Allende (Mexico), and Escuderos (Spain) solar parks and the Duna and Huambos (Peru) and Kosten (Argentina) wind parks. No income from the sale of energy was generated in 2020.

Services: the increase in income and EBITDA corresponds to a greater number of parks in operation in 2021 as compared to 2020 (275 MW vs. 215 MW).

Corporate: corresponds to general expenses. The main EBIDTA variations were due to an increase in the Group's activity and size.

- Amortization/deprecation expenses, amounting to 7,125 thousand euros, suffered an increase of 6,326 thousand euros with respect to the prior year, mainly as a consequence of depreciating the parks which became operational in 2021 (6,251 thousand euros): Quillagua (Chile), Duna and Huambos (Peru), Kosten (Argentina), and San Miguel de Allende (Mexico).

- Finance cost amounted to a negative balance of 14,256 thousand euros. This item encompasses four large figures:

  - Interest on debt associated with the projects: 7,072 thousand euros of expenses.

  - Interest on corporate debt and guarantees: 2,200 thousand euros of expenses.

  - Exchange gains: 1,560 thousand euros, mainly corresponding to provisions as a consequence of the US dollar recovering against the euro during 2021.

  - Change in the fair value of financial instruments amounting to -6,290 thousand euros, as a consequence of measuring the ineffectiveness of the hedging derivatives for energy sales prices.

- In terms of after tax profits, the Group achieved a figure of 16,012 thousand euros.

- With regard to the consolidated statement of financial position, the performance reflected at 2021 year end with respect to 2020 showed changes which confirmed continuity in the Group's growth, with the most important balances being strengthened. The following are especially positive aspects worth highlighting:

  - The 169% increase in PP&E, reaching 388,783 thousand euros, which was a result of the construction of the parks which the Group intends to operate, with the consequent impact on revenue from the sale of energy.

  - The increase of 109,873 thousand euros in equity, which reached 158,708 thousand euros and was mainly a consequence of the capital increase performed in the month of March 2021 amounting to 105,000 thousand euros, which represents great capacity to finance future developments.

  - Positive working capital, amounting to 16,634 thousand euros, which permits the Group to meet its short-term payment obligations comfortably and continue performing its activities while ensuring its stability and a decrease in its long-term financial debt.

- o An improved debt ratio which went from 4.29 in 2020 to 2.81 in 2021 given the strengthening of the cash position as a result of the capital increase. The breakdown of net debt is as follows:

Net debt	**12/31/2021**	**12/31/2020**
Non-current bank borrowings (*)	48,986	35,027
Current bank borrowings (*)	36,196	4,834
Other non-current financial liabilities	-	156
Other current financial liabilities	156	3,054
Current financial investments - other financial assets	(6,422)	(6,461)
Cash and cash equivalents (*)	(52,222)	(12,492)
Net recourse corporate debt	**26,694**	**24,118**
Recourse project finance (*)	35,239	50,382
Recourse project treasury (*)	(2,673)	(5,632)
Net recourse project finance	**32,566**	**44,750**
Unsecured project finance (*)	191,441	59,613
Unsecured project treasury (*)	(13,773)	(2,445)
Net unsecured project finance	**177,668**	**57,168**
Total net debt	**236,928**	**126,036**

(*) Alternative performance measure (APM) See Appendix I.

3. Privileged information and other relevant information for FY 2021

- On April 13, 2021 Grenergy Renovables made the capital increase it carried out effective, consequently obtaining a total of 105,000 thousand euros. Subsequent to the capital increase the Company's free float amounted to 40%.

- In May 2021 the Group published the sustainability report corresponding to 2020. The most noteworthy items in said report are the milestones for the year in terms of sustainability, corporate governance, and social matters, including calculation of the main non-financial KPIs for said period.

- The Company held an ordinary general shareholders meeting on last June 29. All the items included in the agenda were approved by a majority in said meeting. The main points approved included the following:

  - Approval of the annual consolidated financial statements

  - Approval of the proposed application of profits for 2020

  - Approval of the Board of Directors' social management during the year ended December 31, 2010.

  - Inclusion of a new article 9.bis to establish the additional loyalty vote.

  - Appointment of Ms. María Merry del Val Mariátegui as Board member, with the category of a proprietary director, and Ms. Teresa Quirós Álvarez as Board member, with the category of independent director.

The aforementioned agenda for the meeting included appointment of the Company's new Board members for a statutory period of four years: Ms. Teresa Quirós Álvarez as independent director and Ms. María Merry del Val Mariátegui as proprietary director.

In addition, the Board of Directors decided to designate Ms. Teresa Quirós Álvarez as member of the Audit Committee and Ms. María Merry del Val Mariátegui as member of the Appointments and Remuneration Committee. These changes in the Group's Board of Directors as well as the composition of the respective committees were communicated to the market on August 19, 2021.

- On August 2, 2021 the Group announced the repurchase program for its own shares with a view to holding treasury shares in order to remunerate key personnel of the Company with share option plans. Said repurchase program finalized on August 26 once the objective of 100,000 shares had been reached.

- On August 2, 2021 the Group announced the finalization of the liquidity contract it held with Banco Sabadell. Once the repurchase program was concluded, the Group provided public notice that it had subscribed a new liquidity contract to manage its treasury portfolio with JB Capital Markets. The contract became effective on August 27, 2021 and will have a duration of twelve months.

- On September 12, 2021 the Group announced the signing of a PPA with a company engaged in the generation, commercialization, and distribution of electricity. Said company is very present in the market of the Iberian peninsula and has been granted a BBB rating by Fitch. A long-term agreement for the sale of energy (PPA) of approximately 200 GWh/year for 12 years, starting in March 2023. This agreement was subscribed for the Belinchón photovoltaic solar energy project, located in the province of Cuenca (Spain), which boasts 150 MWp and an estimated production of 315 GWh/year.

- On September 16 Grenergy announced the placement of a green commercial paper program on the MARF with a maximum limit of 100,000,000 euros. The program uses a financing framework aligned with the Green Loan Principles 2021 of the Loan Market Association (LMA) and with the Green Bond Principles 2021 of the International Capital Markets Association (ICMA). It is the first such program in Spain.

  The program was set up with a view to diversifying the Company's sources of financing and optimizing capital costs, which will help fulfill the operational objectives. The Company's green financing framework was subjected to a Second Party Opinion (SPO) issued by the rating agency ESG Sustainalytics.

- On December 31, 2021 a new organizational structure was announced, including changes in the composition and positions assigned in the management committee.

4. Strategy and objectives for upcoming years

From the commencement of its activities, the Group has fundamentally based its business model on the development, financing, and construction of solar and wind energy projects. Until 2019, all projects developed and constructed by the Group in Spain and Latam were sold to third parties, permitting Grenergy to use the funds obtained thereby to boost the inclusion of new projects in its pipeline and contribute the necessary capital to finance many of these projects so as to be able to construct and operate the portfolio of projects that have reached the ready-to-build phase.

Thus, the Company's strategy changed from a build-to-sell approach focused entirely on asset rotation to a mixed model in which the Group maintains ownership of a large part of the projects (build-to-own) while also maintaining some rotation of projects (build-to-sell), thereby allowing it to generate cash to be used mainly for the equity of projects it intends to keep in its portfolio.

The projects held in its portfolio generate recurring revenue from the sale of energy, sold under bilateral contracts with buyers of proven solvency, using bankable price stabilization schemes, directly to the market or a combination of these.

As a result of this activity, the Company has been able to connect and maintain 544 MW in its own portfolio up to the date of presentation of this report, thus becoming an IPP and beginning to generate income from the sale of energy.

The Group also performed O&M and asset management services in the majority of the projects transferred to third parties, which generated additional recurring revenue from the moment the first plants were started up in Spain.

In order to complete the activity of generating solar and wind energy, the Group has initiated the process of developing storage equipment, a business based on storing energy from the photovoltaic and wind energy business models in order to engage in market arbitration and obtain income from capacity as well as seek the most efficient way to provide energy when there are no renewable resources. Thus, the Group currently boasts 1,233 MW of pipeline projects in development, equivalent to a capacity of 5,410 MWh.

The Group's objectives for 2022 are as follows: (i) develop photovoltaic solar and wind energy as well as storage activity; (ii) construct and manage as IPP in order to achieve a portfolio at year end amounting to approximately 1.4 GW of aggregate installed capacity in projects, both photovoltaic solar and wind energy, in the different regional platforms where it operates (Europe, Latam, and USA).

In addition, as will be defined below in the section on ESG objectives, the company has a clear road map until 2023, which includes actions for implementing improvements in the area of corporate governance, environment, and social impact. A series of objectives have been considered for 2022, which will be disclosed in the quarterly presentations of results, and which form a part of the company objective included in the variable remuneration for executive Board members and executives.

5. Corporate governance

The Annual Corporate Governance Report for 2021 is attached as an appendix to this Management Report and forms an integral part hereof, as required by article 538 of the Corporate Enterprises Act.

The governance of Grenergy is conducted in accordance with the established principles of efficacy and transparency as per the main recommendations and standards prevailing at an international level.

Board of Directors

Below is a description of Grenergy's Board of Directors at the date of preparation of these consolidated financial statements, indicating the positions filled by each member:

Name/corporate name	Position	Type of director	Date of first appointment	End of appointment
Mr. David Ruiz de Andrés	Chairman / CEO	Executive	5/19/2015	11/15/2023
Mr. Antonio Jiménez Alarcón	Board member	Proprietary	11/15/2019	11/15/2023
Mr. Florentino Vivancos Gasset	Secretary and director	Proprietary	5/19/2015	11/15/2023
Ms. Ana Peralta Moreno	Board member	Independent	6/27/2016	11/15/2023
Mr. Nicolás Bergareche Mendoza	Board member	Independent	6/27/2016	11/15/2023
Ms. María del Rocío Hortigüela Esturillo	Board member	Independent	11/15/2019	11/15/2023
Ms. María Merry del Val Mariátegui	Board member	Proprietary	6/29/2021	6/29/2025
Ms. Teresa Quirós Álvarez	Board member	Independent	6/29/2021	6/29/2025

The Board of Directors has the following committees:

- Audit and Control Committee
- Appointments and Remuneration Committee

These committees have been attributed legal functions as well as those established in the Code for Good Corporate Governance approved by the CNMV.

The shareholders of the Parent in general meeting held on June 29, 2021 agreed upon the appointment of Ms. María Merry del Val Mariátegui and Ms. Teresa Quirós Álvarez as Board members.

Senior executives

Steering Committee

The senior executives of the Group (understood as those who report directly to the Board of Directors and/or the CEO) at the date of preparation of these consolidated financial statements follow:

Name	Position
Mr. David Ruiz de Andrés	Chief Executive Officer (CEO)
Mr. Daniel Lozano Herrera	Strategy and Capital Markets Director
Ms. Mercedes Español Soriano	M&A Director
Ms. Emi Takehara	Financial Director
Mr. Álvaro Ruiz Ruiz	Director of Legal Area
Mr. Francisco Quintero Berganza	Generation and Equity Director

Internal Audit

The internal audit function is performed by Ms. Carlota Seoane, reporting to the Audit Committee.

Average workforce

The average number of employees during 2021, broken down by professional categories, was the following:

Category	2021
Directors and Senior Management	11
Department directors	4
Other	212
Total	**227**

Regulatory environment

In Appendix III. The regulatory framework for consolidated financial statements includes a description of the sector regulations and functioning of the electricity systems in the markets in which Grenergy operates.

6. Risk management policy

The fundamental objective of the Grenergy Group's risk management and control policy is to establish the basic principles and general framework for the control and management of the different types of risks which affect the Group in the different countries in which it operates, so that the risks are identified, quantified, and managed at all times.

Organizational model

The Group's Board of Directors determines its risk control and management policy as well as the internal audit policy, identifying the main risks while also implementing and supervising the internal information and control systems with a view to ensuring future viability and competitiveness of the Group, adopting the most relevant decisions for improved development.

In order to do so, the Board relies on the Audit Committee, which is responsible for supervising the efficacy of the Group's internal control and risk management systems, periodically reporting to the Board of Directors on their performance. Specifically, the Audit Committee supervises both the process for preparing and presenting the financial information as well as the functioning of the internal control over financial reporting (ICFR). The Audit Committee also supervises the efficacy of internal corporate risk control and management as well as the function of Internal Audit.

At an operational level, each of the business units is responsible for adequately identifying and quantifying the risks which affect them, as well as implementing the policies and controls necessary for reasonable mitigation of said risks.

In addition, at a corporate level, the Group has a control, risk management, and internal audit function, independent of the businesses, which gathers information on all the Group's risks, evaluates their status, and periodically provides reports thereon to the Board of Directors. Further, independent reviews are performed on the functioning of the controls established by the different business units. The internal control, risk management, and internal audit functions are discharged by a competent staff member or internal department of the Group that reports to the Audit Committee.

The Group also has a Regulatory Compliance Unit which is responsible for carrying out all the necessary actions for the correct implementation and operation of the Crime Prevention System, as well as defining and applying procedures to promote and control compliance with external and internal regulations applicable to Grenergy.

Risk factors

In general, a risk is considered to be any internal or external contingency which, if it materializes, could prevent the Group from achieving its objectives and carrying out its strategy and business plans successfully, adversely affecting the results and financial position of the Group companies.

The risk factors to which the Group is generally exposed are broken down as follows:

- External risks:
  - Macroeconomic risks arising from the current economic situation and its impact on the market for renewable energies
  - Regulatory and political risk
  - Market competition risk:
    - Competitors;
    - Other sources of energy;
    - Excess demand for panels.
  - Market risk
  - Price increases for raw materials
  - Risks arising from the volatility in solar and wind energy resources due to meteorological conditions during certain periods
  - Meteorological risk, natural disasters, and vandalism or terrorist actions
  - Foreign currency risk
  - Interest-rate risk
  - Risk of restricted evacuation due to congestion of the transport node
  - Risk of climate change
  - Reputational risk in the sector (impact on biodiversity)
- Internal risks:
  - Downward negotiation of service contracts or termination thereof
  - Dependence on a limited number of suppliers and subcontractors

- Lack of obtaining, or losing, permits, licenses, and authorizations
- Risk linked to the obtaining and maintenance of rights to use land and rights-of-way
- Risk linked to the creation of temporary groupings of companies for the construction of common infrastructures
- Necessary repairs of project components and a possible insufficiency of the contracted insurance coverage
- Technological, operating, and/or dismantling or re-machining risk in renewable projects
- Credit risk
- Liquidity risk
- Risk from the status of collateral guarantees and execution thereof
- Reputational risk (environmental impact)
- Reputational risk (credibility in capital markets)
- Corporate governance risks
- Risk of termination of energy sales contracts (PPA)
- Risk of contractual breaches by suppliers
- Risk of retaining and capturing talent
- Risk of corruption
- IT risk
- Risk related to local community
- Tax risks.

7. Environmental disclosures

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

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

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

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

8. ESG analysis

Compliance with the ESG Action Plan 2021

In February 2021 the Group published its ESG Action Plan 2021, including the objectives for the first phase of the ESG Roadmap 2023, affirming its commitment to informing the public on its progress every quarter.

In accordance with this commitment, the Group has presented the objectives reached in each of its quarterly presentation of results. This last report for the year describes the actions taken to comply with the programmed objectives for the fourth quarter of 2021, the preparation of the Social Action Plan, and the Equality Roadmap:

Having successfully fulfilled the last objectives programmed for the fourth quarter, the Group has managed to achieve 100% of its ESG Action Plan 2021.

Table: Progress of the ESG Action Plan 2021 in Q4.

Social Action Plan

The Group has defined the basic principles, establishing the focus on actions and strategic lines which delimit the area of definition of the plans and social initiatives.

The core principles are based on establishment of bi-directional, frequent, and fluid communication with the local community from the early stages, oriented towards creation of a social contact with the company, improve well-being in the local community with a medium- and long-term perspective, flexibility and adaptability of the social reality, close collaboration with local organizations, ethical principles and transparency, respect for the values and traditions of the local community, the linking of specific initiatives for social development with the ODS, and the utilization of appropriate metrics to monitor the impact.

Table: Basic principles and strategic lines in the Social Action Plan

Said procedure defines the complete process for identifying initiatives, social assessment of the environment, internal approval and monitoring of the impact, in addition to including aspects related to training and the raising of awareness.

In 2021 the Group fulfilled 100% of the objectives included in the ESG Action Plan 2021.

Greater coverage of ESG ratings and sustainability indicators

Grenergy obtained the distinction of ESG INDUSTRY TOP RATED 2022 amongst more than 4,000 companies evaluated by Sustainalytics at a global level. This represents acknowledgment with respect to the leading companies of the sector in terms of ESG risk management considered material by the agency. In its assessment, Sustainalytics qualifies the management as "strong" in all assessed areas: Corporate governance, human capital, community relations, corporate ethics, product governance, health and safety, use of the soil and biodiversity.

Table: Distinciton awarded to Grenergy for its leadership in ESG risk management

Grenergy was assessed for the first time by CDP, an international non-profit organization providing the most acknowledged climate change indicator at a global level, obtaining a rating of B-. The CDP methodology is aligned with the recommendations of TCFD and covers the integration of climate change in areas of governance, management of risk, opportunities, and business strategy, in addition to considering the emissions calculations, the objectives for reduction, and the engagement achieved in the value chain.

The CDP report points out that Grenergy is acting in a coordinated manner in matters of climate change and that its rating (B-) positions it above the average in the sector for generation of renewable energy.

Grenergy had already previously announced a rating of 8.5/10 in the MSCI corporate governance report, which concluded that the corporate governance practices of the Group were well aligned with the interests of its shareholders.

Table: Corporate governance matters evaluated by MSCI in its report.

9. Investment in research and development

The Group did not capitalize any amounts during 2021 related to research and development.

However, the Strategy Department created the New Technologies Division which will focus on implementation of emerging energy storage technologies in the Group's value chain, assuming the design, both at an engineering and economic level, as well as the development of said plants in the different markets in which the Group operates. At the same time, using its own team as well as consulting entities, the Group is analyzing access to public funds aimed at transforming the energy matrix to renewable energy in order to make these projects competitive as soon as possible.

10. Treasury shares

The treasury share portfolio at the closing of FY 2021 is comprised of the following:

	Balance at 12.31.2021
Number of shares in treasury share portfolio	**580,588**
Total treasury share portfolio	**17,577**
Liquidity Accounts	485
Fixed Own Portfolio Account	17,092

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

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

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

At December 31, 2021 treasury shares represent 2.1% of all the Parent's shares.

11. Average supplier payment period

In compliance with Law 31/2014 of December 3, modifying the third additional provision, "Disclosure requirements," of Law 15/2010 of July 5, the Group reports that the average payment period for the Parent, Grenergy Renovables, S.A., to its suppliers was 56 days.

12. Annual Report on Remuneration for Directors

The Annual Report on Remuneration for Directors, which forms a part of this management report as required by article 538 of the Corporate Enterprises Act, is presented in a separate document which can be accessed through the website of the National Securities Market Commission (CNMV).

13. Non-financial statement

The Group does not present a non-financial statement as it is not obliged to do so as per article 49.5 of the Commercial Code. However, the Group voluntarily prepares a sustainability report, which is planned to be published on the Group's website in the month of April 2022.

14. Events after the reporting period

No significant events took place between December 31, 2020 and the date of authorization for issue of the accompanying consolidated financial statements that may require disclosure.

15. Final considerations

We’d like to take this opportunity to thank our clients for their confidence in us, as well as our suppliers and strategic partners for their constant support; our investors for having believed in Grenergy since its shares were listed, and especially to our Group’s collaborators and employees, since without their efforts and dedication, we would find it difficult to achieve the established targets or the results obtained.

Appendix I: Glossary of alternative performance measures (APM)

This consolidated management report includes financial figures considered alternative performance measures (**APM**s), in conformity with the directives published by the *European Securities and Markets Authority* (ESMA) in October, 2015.

APMs are presented to provide a better assessment of the Group's financial performance, cash flows, and financial position, to the extent that Grenergy uses them when making financial, operational, or strategic decisions for the Group. However, these APMs are not audited, nor is it necessary to disclose or present them under IFRS-EU. Therefore, they must not be considered individually but rather as complementary information to the audited financial data or the financial information subject to limited reviews prepared in accordance with IFRS-EU standards. Further, these measures may differ in both definition as well as in their calculation as compared to similar measures used by other companies, and are thus not necessarily comparable.

The following is an explanatory glossary of APMs utilized, including their calculation methods and definitions or relevance, as well as their reconciliation with items recorded in Grenergy's 2021 and 2020 consolidated financial statements.

ALTERNATIVE PERFORMANCE MEASURE (*APM*)	**CALCULATION METHOD**	**DEFINITION/RELEVANCE**
Income	"*Revenue*" + "*Work performed by the entity and capitalized.*"	Indicates the total volume of income obtained from the Group's operating activities, regardless of whether it was obtained from projects constructed for third parties or own projects.
EBITDA	"*Operating profit*" - "*Impairment and losses*" - "*Amortization and depreciation of assets.*"	Indicates profitability to evaluate the operational capacity to generate cash flows from the Group's different activities.
Net debt	"*Non-current borrowings*" – "*Non-current derivatives*" + "*Current borrowings*" – "*Current derivatives*" - "*Current financial investments*"— "*Other financial assets*" - "*Cash and cash equivalents.*"	A measure of profitability used by Management which permits assessment of the level of net debt for the assets.
Non-current bank borrowings	"*Non-current: Bonds and other marketable debt securities*" + "*Non-current bank borrowings*" + "*Non-current lease liabilities*" *- "Non-current project bank borrowings."*	The amount of financial debt not associated with a project which the Group must settle within a period exceeding one year. The Group issued green bonds in 2019 subject to the fulfillment of certain covenants which require this disclosure of debt.
Current bank borrowings	"*Current liabilities: Bonds and other marketable debt securities*" + "*Current bank borrowings*" + "*Current lease liabilities*" *- Current project bank borrowings.*	The amount of financial debt not associated with a project which the Group must settle within a year. The Group issued green bonds in 2019 subject to the fulfillment of certain covenants which require this disclosure of debt.

ALTERNATIVE PERFORMANCE MEASURE (*APM*)	CALCULATION METHOD	DEFINITION/RELEVANCE
Cash and cash equivalents	"*Cash and cash equivalents*" – Project cash balance	The balance corresponding to the treasury of the Parent and the remaining subsidiaries which are not SPVs. The Group issued green bonds in 2019 subject to the fulfillment of certain covenants which require this disclosure of its treasury.
Recourse project finance	Non-current recourse project finance bank borrowings + Current recourse project finance bank borrowings.	Indicator of project debt secured by the Parent The Group issued green bonds in 2019 subject to the fulfillment of certain covenants which require this disclosure of debt.
Recourse project treasury	"*Cash and cash equivalents*" – Cash in hand and equivalents – Unsecured project treasury	The amount held in the treasury of SPVs which owe the Parent secured debt. The Group issued green bonds in 2019 subject to the fulfillment of certain covenants which require this disclosure of its treasury.
Unsecured project debt	Non-current unsecured project finance bank borrowings+ Current unsecured project finance bank borrowings	Indicator of project debt not secured by the Parent The Group issued green bonds in 2019 subject to the fulfillment of certain covenants which require this disclosure of debt.
Unsecured project treasury	"*Cash and cash equivalents*" - Cash in hand and equivalents and unsecured project treasury	The amount held in the treasury by SPVs who owe debt unsecured by the Parent. The Group issued green bonds in 2019 subject to the fulfillment of certain covenants which require this disclosure of its treasury.
Working capital	Current assets – Current liabilities	Indicator of the Group's capacity to continue with the normal performance of its activities in the short term
Debt ratio	(Non-current liabilities + Current liabilities) / Equity	Indicator of the Group's solvency

The following is a reconciliation of the APMs used (in euros):

Income

RECONCILIATION OF INCOME	12/31/2021	12/31/2020
"*Revenue*"	82,506	73,386
+ "*Work performed by the entity and capitalized*"	137,648	40,046
Total income	**220,154**	**113,432**

EBITDA

RECONCILIATION OF EBITDA	12/31/2021	12/31/2020
"*Operating profit*"	32,386	23,166
- "*Impairment and losses*"	(1,926)	275
- "*Depreciation and amortization*"	(7,125)	(799)
Total EBITDA	**41,437**	**23,690**

Net debt

RECONCILIATION OF NET DEBT	12/31/2021	12/31/2020
"*Non-current borrowings*"	259,502	134,505
- "*Non-current derivatives*"	15,323	2,044
+ "*Current borrowings*"	74,165	20,958
- "*Current derivatives*"	6,326	353
- "*Current financial investments*"—"*Other financial assets*"	6,422	6,461
- "*Cash and cash equivalents*"	68,668	20,569
Total Net Debt	**236,928**	**126,036**

Non-current financial debt

RECONCILIATION OF NON-CURRENT FINANCIAL DEBT	12/31/2021	12/31/2020
"*Non-current: Bonds and other marketable debt securities*"	31,223	21,497
+ "*Non-current bank borrowings*"	201,905	106,608
+ "*Non-current lease liabilities*"	11,051	4,200
- "*Non-current project finance bank borrowings*"	(195,193)	(97,278)
Total non-current financial debt	**48,986**	**35,027**

Current financial debt

RECONCILIATION OF CURRENT FINANCIAL DEBT	12/31/2021	12/31/2020
"*Bonds and other marketable debt securities*"	32,146	152
+ "*Current bank borrowings*"	34,148	16,717
+ "*Current lease liabilities*"	1,389	682
- "*Current project finance bank borrowings*"	(31,487)	(12,717)
Total current financial debt	**36,196**	**4,834**

Cash and cash equivalents

RECONCILIATION OF CASH AND CASH EQUIVALENTS	12/31/2021	12/31/2020
"*Cash and cash equivalents*"	68,668	20,569
- *"Project treasury"*	(16,446)	(8,077)
Total cash and cash equivalents	**52,222**	**12,492**

Recourse project debt

RECONCILIATION OF RECOURSE PROJECT DEBT	12/31/2021	12/31/2020
Non-current recourse project finance bank borrowings	18,960	40,399
+ Current recourse project finance bank borrowings	16,279	9,983
Total recourse project debt	**35,239**	**50,382**

Unsecured project debt

RECONCILIATION OF UNSECURED PROJECT DEBT	12/31/2021	12/31/2020
Non-current unsecured project finance bank borrowings	176,233	56,879
+ Current unsecured project finance bank borrowings	15,208	2,734
Total recourse project debt	**191,441**	**59,613**

Recourse project treasury

RECONCILIATION OF RECOURSE PROJECT TREASURY	12/31/2021	12/31/2020
"*Cash and cash equivalents*"	68,668	20,569
- Cash in hand and equivalents	(52,222)	(12,492)
- Unsecured project treasury	(13,773)	(2,445)
Total recourse project treasury	**2,673**	**5,632**

Unsecured project treasury

RECONCILIATION OF UNSECURED PROJECT TREASURY	12/31/2021	12/31/2020
"*Cash and cash equivalents*"	68,668	20,569
- Cash in hand and equivalents	(52,222)	(12,492)
- Recourse project treasury	(2,673)	(5,632)
Total unsecured project treasury	**13,773**	**2,445**

Working capital

RECONCILIATION OF WORKING CAPITAL	12.31.21	12.31.20
"Current assets"	176,358	88,700
- Current liabilities	(159,724)	(65,846)
Total working capital	**16,634**	**22,854**

Debt ratio

RECONCILIATION OF DEBT RATIO	12.31.21	12.31.20
Non-current liabilities	286,376	143,517
+ Current liabilities	159,724	65,846
/ Equity	158,708	48,835
Total debt ratio	**2.81**	**4.29**

AUTHORIZATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED DECEMBER 31, 2021

The consolidated financial statements and consolidated management report for FY 2021 were authorized for issue by the Board of Directors of the Parent, GRENERGY RENOVABLES, S.A., in its meeting on February 24, 2022, for the purpose of submission for verification by the auditors and subsequent approval by the shareholders in general meeting.

Mr. Florentino Vivancos Gasset is authorized to sign all pages comprising the consolidated financial statements and consolidated management report for FY 2021.

Mr. David Ruiz de Andrés (Chief Executive Officer)	Mr. Antonio Jiménez Alarcón (Board Member)
Mr. Florentino Vivancos Gasset (Board Member)	Ms. Ana Peralta Moreno (Board Member)
Mr. Nicolás Bergareche Mendoza (Board Member)	Ms. María del Rocío Hortigüela Esturillo (Board Member)
Ms. María Merry del Val Mariátegui (Board Member)	Ms. Teresa Quirós Álvarez (Board Member)