

Report on Limited Review

GREENERGY RENOVABLES, S.A. and SUBSIDIARIES
Interim Condensed Consolidated Financial Statements
and Interim Consolidated Management Report
for the six-month period ended
June 30, 2022

REPORT ON LIMITED REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

To the shareholders of GREENERGY RENOVABLES, S.A. at the request of the Company's directors:

Report on the interim condensed consolidated financial statements

Introduction

We have carried out a limited review of the accompanying interim condensed consolidated financial statements (hereinafter the interim financial statements) of Greenergy Renovables, S.A. (the Parent Company) and subsidiaries (hereinafter the Group), which consists of the statement of financial position at June 30, 2022, the statement of profit or loss, the statement of changes in equity, the cash flow statement and the explanatory notes thereto, all of which have been condensed and consolidated, for the six-month period then ended. The parent's directors are responsible for the preparation of said interim financial statements in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting", as adopted by the European Union, for the preparation of interim condensed financial reporting, as per article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on said interim financial statements based on our limited review.

Scope of the review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with prevailing audit regulations in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

As a result of our limited review, which under no circumstances should be considered an audit of financial statements, nothing came to our attention that would lead us to conclude that the accompanying interim financial statements for the six month period ended at June 30, 2022 are not prepared, in all material respects, in accordance with the requirements established in International Accounting Standard (IAS) 34, "Interim Financial Reporting", as adopted by the European Union, in conformity with article 12 of Royal Decree 1362/2007 for the preparation of interim financial statements.

Emphasis of matter

We draw attention to the matter described in accompanying explanatory note 2.1, of the attached summary explanatory notes, which indicates that the abovementioned interim financial statements do not include all the information that would be required for complete interim financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union and therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2021. This matter does not modify our conclusion.

Report on other legal and regulatory requirements

The accompanying interim consolidated management report for the six-month period-ended June 30, 2022 contains such explanations as the parent's directors consider necessary regarding significant events which it is not an integral part, as well as on the information required in conformity with article 15 of Royal Decree 1362/2007. We have checked that the accounting information included in the abovementioned report agrees with the interim financial statements for the six-month period ended on June 30, 2022. Our work is limited to verifying the interim consolidated management report in accordance with the scope described in this paragraph and does not include the review of information other than that obtained from the accounting records of Grenergy Renovables, S.A. and its subsidiaries.

Paragraph on other issues

This report has been prepared at the request of the management of the parent, GREENERGY RENOVABLES, S.A., with regard to the publication of the semi-annual financial report required by article 119 of Royal Legislative Decree 4/2015, of October 23.

ERNST & YOUNG, S.L.

(Signed on the original report issued in Spanish)

David Ruiz-Roso Moyano

September 23, 2022



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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AT JUNE 30, 2022**

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT JUNE 30, 2022 AND DECEMBER 31, 2021

(Thousands of euros)

ASSETS	Explanatory notes	06.30.2022	12.31.2021
NON-CURRENT ASSETS		536,545	428,450
Intangible assets		76	81
Software		66	70
Patents, licenses, trademarks, et al.		10	11
Property, plant, and equipment	Note 5	464,014	388,783
Land and buildings		76	76
Plant and other PP&E		336,944	198,078
PP&E under construction and prepayments		126,994	190,629
Right-of-use assets		13,053	13,072
Investments accounted for using the equity method	Note 2.6	4,373	-
Financial investments		17,596	1,073
Derivatives	Note 12	13,123	-
Other financial assets		4,473	1,073
Deferred tax assets	Note 13	37,433	25,441
CURRENT ASSETS		259,301	176,358
Inventories	Note 6	10,418	17,347
Raw materials and other consumables		20	7,853
Plant in progress		7,065	3,892
Prepayments to suppliers		3,333	5,602
Trade and other receivables		88,587	79,693
Trade receivables	Note 7	60,427	56,261
Other receivables		433	382
Receivable from employees		6	5
Current tax assets		1,189	628
Other receivables from public administrations		26,532	22,417
Financial investments		2,953	7,961
Loans to companies		1,012	1,539
Derivatives	Note 12	788	-
Other financial assets		1,153	6,422
Accruals		675	2,689
Cash and cash equivalents	Note 8	156,668	68,668
Cash in hand		156,668	68,668
TOTAL ASSETS		795,846	604,808

The accompanying Notes 1 to 17 to the interim condensed consolidated financial statements and appendices are an integral part of the consolidated statement of financial position for the six-month period ended June 30, 2022 and the year ended December 31, 2021.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT JUNE 30, 2022 AND DECEMBER 31, 2021

(Thousands of euros)

EQUITY AND LIABILITIES	Explanatory notes	06.30.2022	12.31.2021
EQUITY		232,745	158,708
Equity attributed to the Parent company		233,431	159,323
Share capital	Note 9.1	10,714	9,774
Issued capital		10,714	9,774
Share premium	Note 9.2	198,912	109,851
Reserves	Note 9.3	67,993	52,310
(Shares and participation units of the Parent company)	Note 9.4	(18,775)	(17,577)
Profit for the year attributed to the Parent company		8,905	16,308
Unrealized gains (losses) reserve		(34,318)	(11,343)
Hedging transactions	Note 10	(36,042)	(11,493)
Currency translation differences		1,724	150
Minority interests		(686)	(615)
NON-CURRENT LIABILITIES		393,720	286,376
Provisions	Note 11	16,437	12,509
Borrowings	Note 12	359,394	259,502
Bonds and other marketable securities		83,198	31,223
Bank borrowings		229,296	201,905
Finance lease liabilities		10,748	11,051
Derivatives		36,152	15,323
Other financial liabilities		-	-
Deferred tax liabilities	Note 13	17,889	14,365
CURRENT LIABILITIES		169,381	159,724
Provisions	Note 11	1,212	1,804
Borrowings	Note 12	140,135	74,165
Bonds and other marketable securities		52,462	32,146
Bank borrowings		49,646	34,148
Finance lease liabilities		1,426	1,389
Derivatives		36,471	6,326
Other financial liabilities		130	156
Trade and other payables		28,034	82,413
Suppliers		14,339	76,793
Other payables		8,903	3,028
Employee benefits payable		865	1,180
Current income tax liabilities		1,228	107
Other payables to public administrations		2,697	1,303
Customer advances		2	2
Accruals		-	1,342
TOTAL EQUITY AND LIABILITIES		795,846	604,808

The accompanying Notes 1 to 17 to the interim condensed consolidated financial statements and appendices are an integral part of the consolidated statement of financial position for the six-month period ended June 30, 2022 and the year ended December 31, 2021.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021 (Thousands of euros)

	Explanatory notes	06.30.2022	06.30.2021
CONTINUING OPERATIONS			
Revenue	Note 3	48,479	32,261
Sales		46,900	31,196
Rendering of services		1,579	1,065
Changes in inventory of finished products and work in progress		3,173	6,645
Work performed by the entity and capitalized	Note 3	58,879	50,252
Cost of sales	Note 14	(76,599)	(67,484)
Other operating income		64	524
Employee benefits expense		(6,579)	(4,339)
Other operating expenses	Note 14	(7,307)	(4,477)
Depreciation and amortization		(6,172)	(2,655)
Other gains (losses)		(29)	(99)
OPERATING PROFIT		13,909	10,628
Finance income	Note 14	393	35
Finance costs from interest accrued on debt	Note 14	(7,632)	(4,052)
Other finance costs	Note 14	3,976	1,889
Finance costs for companies consolidated using the equity method	Note 14	(260)	-
FINANCE COST		(3,523)	(2,128)
PROFIT BEFORE TAX		10,386	8,500
Income tax		(1,614)	(1,707)
CONSOLIDATED PROFIT FOR THE PERIOD		8,772	6,793
PROFIT (LOSS) ATTRIBUTED TO MINORITY INTERESTS		(133)	(117)
PROFIT FOR THE PERIOD ATTRIBUTED TO THE PARENT		8,905	6,910
Earnings (losses) per share	Note 9.6	0.30	0.25

The accompanying Notes 1 to 17 to the interim condensed consolidated financial statements and appendices are an integral part of the consolidated statement of profit or loss corresponding to the six-month periods ended on June 30, 2022 and 2021.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021 (Thousands of euros)

A CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Thousands of euros)	06.30.2022	06.30.2021
CONSOLIDATED PROFIT FOR THE YEAR (I)	8,772	6,793
Income and expense recognized directly in equity		
- Currency translation differences	1,574	1,337
- Hedging transactions	(32,732)	(47)
- Tax effect	8,183	12
TOTAL INCOME AND EXPENSE RECOGNIZED DIRECTLY IN CONSOLIDATED EQUITY (II)	(22,975)	1,302
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)	(14,203)	8,095
Attributable to:		
Parent company	(14,070)	8,212
Minority interests	(133)	(117)

The accompanying Notes 1 to 17 to the interim condensed consolidated financial statements and appendices are an integral part of the consolidated statement of comprehensive income corresponding to the six-month periods ended on June 30, 2022 and 2021.

B) CONDENSED CONSOLIDATED STATEMENT OF ALL CHANGES IN EQUITY

	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, 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
Adjustments for changes in criteria and misstatements	-	-	-	-	-	-	-	-
ADJUSTED OPENING BALANCE 2022	9,774	109,851	52,310	(17,577)	16,308	(11,343)	(615)	158,708
Total consolidated comprehensive income	-	-	-	-	8,905	(22,975)	(133)	(14,203)
Capital increase	940	89,061	(1,128)	-	-	-	-	88,873
Transactions with shares of the Parent company (net)	-	-	786	(1,198)	-	-	-	(412)
Changes in the consolidation scope, transfers, and other minor effects	-	-	(283)	-	-	-	62	(221)
Appropriation of profit from prior year	-	-	16,308	-	(16,308)	-	-	-
BALANCE AT CLOSING OF PERIOD ENDED JUNE 30, 2022	10,714	198,912	67,993	(18,775)	8,905	(34,318)	(686)	232,745

The accompanying Notes 1 to 17 to the interim condensed consolidated financial statements and appendices are an integral part of the consolidated statement of all changes in equity at June 30, 2022 and December 31, 2021.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021 (Thousands of euros)

	06.30.2022	06.30.2021
A) CASH FLOWS FROM OPERATING ACTIVITIES		
1. Profit before tax	10,386	8,500
2. Adjustments to profit	9,764	5,094
a) Depreciation and amortization (+)	6,172	2,655
b) Impairment losses (+/-)		-
c) Changes in provisions (+/-)	69	311
g) Finance income (-)	(393)	(35)
h) Finance costs (+)	7,892	4,052
i) Exchange gains (losses) (+/-)	(8,376)	(1,985)
j) Change in fair value of financial instruments (+/-)	4,400	96
3. Changes in working capital	(49,293)	(16,615)
a) Inventories (+/-)	6,929	(15,798)
b) Trade and other receivables (+/-)	(8,894)	(19,781)
c) Other current assets (+/-)	2,014	(2,102)
d) Trade and other payables (+/-)	(47,267)	21,041
e) Other current liabilities (+/-)	(1,378)	25
f) Other non-current liabilities (+/-)	(697)	-
4. Other cash flows from operating activities	(8,508)	(2,926)
a) Interest paid (-)	(7,632)	(2,253)
c) Interest received (+)	393	35
d) Income tax receipts (payments) (+/-)	(1,269)	(708)
5. Cash flows from operating activities (+/-1+/-2+/-3+/-4)	(37,651)	(5,947)
B) CASH FLOWS FROM INVESTING ACTIVITIES		
6. Payments on investments (-)	(66,449)	(99,837)
a) Group companies, net of cash in consolidated companies	(4,468)	-
b) Intangible assets	(9)	-
c) Property, plant, and equipment	(58,572)	(75,642)
e) Other financial assets	(3,400)	(24,195)
7. Proceeds from disposals (+)	5,796	-
e) Other financial assets	5,796	-
8. Cash flows from (used in) investing activities (7+6)	(60,653)	(99,837)
C) CASH FLOWS FROM FINANCING ACTIVITIES		
9. Proceeds from and payments on equity instruments	89,589	103,047
a) Proceeds from issuance of equity instruments (+)	90,001	103,560
c) Acquisition of equity instruments of the Parent company (-)	(17,683)	(38,179)
d) Disposal of equity instruments of the Parent company	17,271	37,666
10. Proceeds from and payments of financial liabilities	103,410	14,836
a) <i>Issues</i> (+)	176,201	18,314
1. Bonds and other marketable securities (+)	141,291	18,314
2. Bank borrowings (+)	34,910	-
b) <i>Repayment and redemption of:</i>	(72,791)	(3,478)
1. Bonds and other marketable securities (+)	(69,000)	(1,305)
2. Bank borrowings (-)	(3,765)	-
4. Other borrowings (-)	(26)	(2,173)
12. Cash flows from financing activities (+/-9+/-10-11)	192,999	117,883
D) Effect of changes in exchange rates	(6,695)	(3,635)
E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (+/-A+/-B+/-C+/- D)	88,000	8,464
Cash and cash equivalents at beginning of period	68,668	20,569
Cash and cash equivalents at end of period	156,668	29,033

The accompanying Notes 1 to 17 to the interim condensed consolidated financial statements and appendices are an integral part of the consolidated cash flow statement for the six-month periods ended June 30, 2022 and 2021.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

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

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

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

In each of the countries in which the Group operates, it has a parent company which conducts the outsourcing functions arranged under EPC (Engineering, Procurement, and Construction) and O&M (Operation and Management) contracts, or asset-management contracts using company personnel. The remaining subsidiaries are considered Special Purpose Vehicles (SPVs) where each of the solar parks or wind parks are located. Of all the subsidiaries at June 30, 2022, a total of 126 were inactive.

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

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

2. Basis of presentation and accounting policies

2.1 Basis of presentation

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

The accompanying interim condensed consolidated financial statements at June 30, 2022 for Greenergy were authorized by the Board of Directors on September 21, 2022 in accordance with IAS 34 "Interim financial reporting" and must be read together with the annual consolidated financial statements for the year ended December 31, 2021, prepared in accordance with EC Regulation number 1606/2002 of the European Parliament and of the Council ("IFRS-EU").

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

Consequently, it was not necessary to include or update some of the notes or estimates included in the aforementioned consolidated financial statements. Instead, the accompanying selected explanatory notes include an explanation of the events or circumstances which are significant for explaining any changes in the financial position, results of operations, comprehensive income, as well as changes in equity and consolidated cash flows of Greenergy from December 31, 2021, the reporting date of the aforementioned consolidated financial statements, until June 30, 2022.

The figures contained in the accompanying interim condensed consolidated financial statements are shown in thousands of euros, except when expressly indicated otherwise.

2.2 Main risks and uncertainties

The main risks and uncertainties are broken down in the consolidated financial statements for FY 2021.

2.3 Accounting policies

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

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 still in the process of analyzing their impact, based on the analysis performed to date, it estimates that their initial application will not have a significant impact on its annual consolidated financial statements or its interim condensed consolidated financial statements.

2.4 Comparison of information

For comparative purposes the interim condensed consolidated financial statements are presented together with the consolidated statement of financial position and the consolidated statement of changes in equity for the year ended December 31, 2021, as well as the consolidated statement of profit or loss and consolidated cash flow statement for the interim period ended June 30, 2021.

2.5 Seasonality

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

2.6 Consolidation scope

Six-month period ended June 30, 2022

a) New additions to the consolidation scope:

- In the first half of 2022 the Group acquired all the participation units of the following Chilean companies: Parque Solar Tangua, SpA, Manzano Solar, SpA, Cuesta Solar, SpA, and Chapiquina Solar, SpA. Said transactions do not amount to a significant balance. Subsequent to analyzing the transactions carried out, the Group considered that they do not fulfill the requirements to qualify as business combinations in accordance with IFRS 3 and recognized them as acquisitions of assets instead.

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

The purchase-sale contract for shares includes a call option for the buyer with a start date in February 2023 and expiration date in December 2023 as well as a put option for the seller with a start date in October 2023 and expiration date in said year, both amounting to 3,600 thousand US dollars (3,217 thousand euros) for acquiring an additional 28.8% of the company. The put option for the seller is conditional upon fulfillment of a series of business indicators, which at June 30, 2022 seemed highly probable to occur.

Likewise, the purchase-sale contract for shares also includes a call option for the buyer, the start date of which was established as the date on which the first call option is exercised. Said call option expires in February 2025 and totals a variable amount of between 3,300 thousand US dollars (2,949 thousand euros) and 4,500 thousand US dollars (4,021 thousand euros), based on fulfilling certain economic indicators, for acquiring the remaining 31.2% of the company.

b) Removal from consolidation scope:

- In the first half of 2022 the Parent sold its interests in GR Nahuelbuta, SpA and GR Conguillío, SpA.

c) Other transactions

In the first half of 2022, five companies were incorporated in the United Kingdom (inactive) and 18 companies were incorporated in Colombia (inactive).

3. Segmented financial reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Chief Executive Officer when taking operational decisions for Greenergy about resources to be allocated to the segment and assessing its performance, and for which discrete financial information is available.

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 the interim periods ended June 30, 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
Income (*)		
Development and Construction	79,569	74,623
Energy	26,210	6,825
Services	1,579	1,065
Total income	107,358	82,513

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

	Thousands of euros	
	2022	2021
EBITDA (*)		
Development and Construction	6,053	10,115
Energy	17,686	4,958
Services	380	367
Corporate	(4,038)	(2,157)
Total	20,081	13,283

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

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

The income shown in the above table includes the following headings in the accompanying consolidated statement of profit or loss: "Revenue;" "Work performed by the entity and capitalized;" and "Gains (losses) on disposals and other." Further, the amount of income shown in the above table reflects a balance of 58,879 thousand euros for the interim period ended June 30, 2022 and 50,252 thousand euros for the interim period ended June 30, 2021, corresponding to unrealized income from third parties.

Income from the sale of energy increased given the longer operational period for the Quillagua (Chile), Duna and Huambos (Peru), Kosten (Argentina), San Miguel de Allende (Mexico), and Escuderos (Spain) parks (all of which initiated operations in 2021).

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

The total balance for revenue generated during the interim periods ended June 30, 2022 and June 30, 2021 broken down by geographical area, is as follows:

	6/30/2022	6/30/2021
Chile	63,292	32,206
Spain	18,464	48,740
Peru	1,537	847
Argentina	3,783	450
Mexico	1,533	125
Colombia	18,359	24
Italy	198	71
UK	192	50
Total	107,358	82,513

The Group's assets and liabilities at June 30, 2022 and December 31, 2021 are shown below by geographical location:

Interim period ended June 30, 2022

ASSETS	Spain	Chile	Mexico	Peru	Colombia	Italy	United Kingdom	Poland	Argentina	Total 06.30.2022
NON-CURRENT ASSETS	221,555	147,787	27,557	61,754	18,547	1,100	749	86	57,410	536,545
Intangible assets	76	-	-	-	-	-	-	-	-	76
Property, plant, and equipment	173,211	132,836	26,321	57,309	18,495	1,092	742	81	53,927	464,014
Right-of-use assets	8,896	2,015	560	1,540	-	-	-	-	42	13,053
Investments accounted for using the equity method	4,373	-	-	-	-	-	-	-	-	4,373
Financial investments	16,077	1,489	3	7	-	8	7	5	-	17,596
Deferred tax assets	18,922	11,447	673	2,898	52	-	-	-	3,441	37,433
CURRENT ASSETS	169,124	63,496	9,074	6,471	6,532	257	39	45	4,263	259,301
Inventories	3,125	5,369	58	65	1,775	16	-	-	10	10,418
Trade and other receivables	34,428	35,785	7,188	3,784	3,626	124	3	17	3,632	88,587
Financial investments	1,755	1,102	-	-	96	-	-	-	-	2,953
Accruals	569	8	14	35	-	-	-	7	42	675
Cash and cash equivalents	129,247	21,232	1,814	2,587	1,035	117	36	21	579	156,668
TOTAL ASSETS	390,679	211,283	36,631	68,225	25,079	1,357	788	131	61,673	795,846

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

EQUITY AND LIABILITIES	Spain	Chile	Mexico	Peru	Colombia	Italy	United Kingdom	Poland	Argentina	Total 06.30.2022
EQUITY	242,415	10,200	(5,566)	(6,864)	(2,155)	(49)	(84)	(40)	(5,112)	232,745
Share capital	10,714	-	-	-	-	-	-	-	-	10,714
Share premium	198,912	-	-	-	-	-	-	-	-	198,912
Reserves	75,411	8,966	(4,527)	(5,347)	(805)	(29)	(42)	-	(5,634)	67,993
Treasury shares	(18,775)	-	-	-	-	-	-	-	-	(18,775)
Profit (loss)	12,496	(232)	(659)	(1,384)	(1,300)	(20)	(43)	(39)	86	8,905
Unrealized gains (losses) reserve	(36,179)	1,466	(326)	335	(50)	-	1	(1)	436	(34,318)
Minority interests	(164)	-	(54)	(468)	-	-	-	-	-	(686)
NON-CURRENT LIABILITIES	239,719	75,550	989	35,671	3,874	-	-	-	37,917	393,720
Provisions	2,540	1,287	316	5,200	-	-	-	-	7,094	16,437
Borrowings	233,065	68,172	534	27,033	3,874	-	-	-	26,716	359,394
Deferred tax liabilities	4,114	6,091	139	3,438	-	-	-	-	4,107	17,889
CURRENT LIABILITIES	124,654	15,252	18,515	2,501	4,650	82	17	8	3,702	169,381
Provisions	-	424	-	-	3	-	-	-	785	1,212
Borrowings	112,388	6,969	17,044	2,111	140	-	-	-	1,483	140,135
Trade and other payables	12,266	7,859	1,471	390	4,507	82	17	8	1,434	28,034
TOTAL EQUITY AND LIABILITIES	606,788	101,002	13,938	31,308	6,369	33	(67)	(32)	36,507	795,846

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)
NON-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

4. Business Combinations

No business combinations were carried out during the first six months of 2022.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

5. Property, plant, and equipment

The breakdown and movements during the six-month period ended June 30, 2022 of balances recognized under this heading in the accompanying consolidated statement of financial position are as follows:

	Land and buildings	Parks in operation	Other PP&E items	PP&E under construction	TOTAL
COST					
Balance at 12.31.2021	76	202,561	4,015	194,209	400,861
Currency translation differences	-	18,805	88	-	18,893
Additions	-	-	272	59,324	59,596
Transfers	-	122,959	-	(122,959)	-
Provision for dismantling	-	2,782	-	-	2,782
Disposals, derecognitions, and reductions	-	-	-	-	-
Balance at 06.30.2022	76	347,107	4,375	130,574	482,132
DEPRECIATION					
Balance at 12.31.2021	-	(6,065)	(2,383)	-	(8,448)
Currency translation differences	-	(301)	-	-	(301)
Allowance for the year	-	(5,481)	(258)	-	(5,739)
Decreases	-	-	-	-	-
Balance at 06.30.2022	-	(11,847)	(2,641)	-	(14,488)
IMPAIRMENT					
Balance at 12.31.2021	-	-	(50)	(3,580)	(3,630)
Currency translation differences	-	-	-	-	-
Allowance for the year	-	-	-	-	-
Decreases	-	-	-	-	-
Balance at 06.30.2022	-	-	(50)	(3,580)	(3,630)
Net carrying amount at 12.31.2021	76	196,496	1,582	190,629	388,783
Net carrying amount at 06.30.2022	76	335,260	1,684	126,994	464,014

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

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 June 30, 2022 and December 31, 2021 is as follows:

Name of park	Technology	Country	Capacity (MW)	Net carrying amount	
				06.30.2022	12.31.2021
Kosten	Wind	Argentina	24	53,927	50,944
Duna & Huambos	Wind	Peru	36	54,255	51,088
Quillagua	Solar	Chile	103	76,305	70,127
San Miguel de Allende	Solar	Mexico	35	26,326	25,073
Escuderos	Solar	Spain	200	123,268	116,733
Other parks in progress/testing phase	Solar	Chile/Colombia/Spain	-	97,849	50,948
Other developments	Solar/Wind	Spain/Chile/Peru/Colombia/UK/Italy	-	30,324	22,212
TOTAL				462,254	387,125

At June 30, 2022 the following parks were operational: Kosten (Argentina), Duna & Huambos (Peru), Quillagua (Chile), San Miguel de Allende (Mexico), and Escuderos. Likewise, the following parks were operating in the testing phase: Mitchi and Condor (Chile), and Tucanes (Colombia).

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

Description of the main movements

The additions during the six-month period ended June 30, 2022 mainly correspond to parks constructed and held for operation.

No significant items were derecognized during the 6-month period ended June 30, 2022.

The transfers correspond to the net carrying amount of the Escuderos park (Spain), which became operational over the course of the first half of 2022.

Impairment losses

At the end of each annual 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, 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.

At June 30, 2022 all the solar parks and wind parks which the Group owns were obtaining income and reasonably complying with the established business plans, so that the directors consider that there are no indications of impairment losses for said parks which significantly affect the value of the assets. Consequently, no impairment tests were carried out for any of the assets in operation.

6. Inventories

The breakdown of inventories at the closing of the interim period ended June 30, 2022 and FY 2021 is as follows:

	06.30.2022			12.31.2021		
	Cost	Impairment losses	Balance	Cost	Impairment losses	Balance
Raw materials and other consumables	20	-	20	7,853	-	7,853
Plant in progress	7,065	-	7,065	3,892	-	3,892
Prepayments to suppliers	3,333	-	3,333	5,602	-	5,602
Total	10,418	-	10,418	17,347	-	17,347

"Plant in progress" presents a balance of 7,065 thousand euros at June 30, 2022, which includes the construction costs for various parks in Chile which will subsequently be sold to third parties (December 31, 2021: 3,892 thousand euros).

7. 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 heading at June 30, 2022 and December 31, 2021 was as follows:

	Thousands of euros	
	06.30.2022	12.31.2021
Receivable from sale of energy	10,344	5,591
Contract assets (sale of parks)	49,035	49,856
Contract assets (O&M services)	1,048	814
Total	60,427	56,261

"Receivable from sale of energy" includes an amount of 7,797 thousand euros at June 30, 2022 corresponding to "energy produced pending invoice" (December 31, 2021: 3,546 thousand euros).

At June 30, 2022, of the balance recognized for contract assets, 14,705 thousand euros correspond to invoices pending issue ("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 (December 31, 2021: 15,714 thousand euros).

At June 30, 2022 and December 31, 2021, none of the receivable balances were considered doubtful.

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.

8. Cash and cash equivalents

The breakdown of this heading at June 30, 2022 and December 31, 2021 is as follows:

	06.30.2022				12.31.2021			
	Corporate treasury	Project treasury		TOTAL	Corporate treasury	Project treasury		TOTAL
		Recourse	Non-recourse			Recourse	Non-recourse	
Cash in hand	118,724	1,042	36,902	156,668	52,222	2,673	13,773	68,668
Total	118,724	1,042	36,902	156,668	52,222	2,673	13,773	68,668

"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.

The breakdown of the cash balance included in the above table includes restricted balances amounting to 2,962 thousand euros at June 30, 2022 (December 31, 2021: 1,518 thousand euros).

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

9. Capital and reserves

9.1. Share capital

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

On June 28, 2022, the Parent carried out a capital increase amounting to 90,001 thousand euros via the issue of 2,685,000 new shares at a nominal value of 0.35 euros each and a share premium of 33.52 euros each. The costs for said capital increase totaled 1,124 thousand euros.

At June 30, 2022 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.	16,329,790	53.34%

9.2. Share Premium

The share premium amounted to 198,912 thousand euros at June 30, 2022. This balance can be used for the same purposes as the voluntary reserves of the Parent, including conversion to capital.

9.3. Reserves

The consolidated statement of changes in equity which forms a part of these interim condensed consolidated financial statements provides a breakdown of the aggregate balances and movements for the interim period ended June 30, 2022. The breakdown and composition of the different line items are shown below:

	Balance at 12.31.2021	Increase	Decrease	Balance at 06.30.2022
Parent company reserves:				
<u>Restricted reserves</u>				
Legal reserve	1,701	-	-	1,701
Capitalization reserve	1,521	-	-	1,521
<u>Unrestricted reserves:</u>				
Voluntary reserves	53,827	25,878	(1,128)	78,577
Total reserves of the Parent	57,049	25,878	(1,128)	81,799
Reserves in consolidated companies	(4,739)	-	(9,067)	(13,806)
Total	52,310	25,878	(10,195)	67,993

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

9.4. Own equity instruments

The treasury share portfolio at the closing of the interim period ended June 30, 2022 and December 31, 2021 is comprised of the following:

	Balance at 06.30.2022	Balance at 12.31.2021
Number of shares in treasury share portfolio	589,824	580,588
Total treasury share portfolio	18,775	17,577
Liquidity Accounts	518	485
Fixed Own Portfolio Account	18,257	17,092

During the interim period ended June 30, 2022, the movements in the treasury share portfolio of the Parent were as follows:

	Treasury shares		
	Number of shares	Nominal value (thousands of euros)	Average acquisition price
Balance at 12.31.2021	580,588	17,577	30.27
Acquisitions	562,920	17,683	31.41
Disposals	(553,684)	(16,485)	29.77
Balance at 06.30.2022	589,824	18,775	31.83

The purpose of holding the treasury shares is to maintain them available for sale in the market and for the incentive plan approved for directors, executives, employees, and key collaborators of the Group (Note 9.5).

At June 30, 2022 treasury shares represent 1.9% (December 31, 2021: 2.1%) of all the Parent's shares.

9.5. Incentive plan for executives and key personnel

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

Incentive Plan	Grant date	Date of approval	Number of shares designated at 06/30/2022	Exercise price per share (euros)
Incentive Plan I	Options granted 1	6/26/2015	174,000	1.38
Incentive Plan I	Options granted 2	6/2/2016	82,667	1.90
Incentive Plan I	Options granted 3	11/27/2018	139,143	3.50
Incentive Plan I	Options granted 4	3/29/2019	42,000	6.90
Incentive Plan II	Options granted 1	10/2/2019	56,165	7.90
Incentive Plan II	Options granted 2	9/28/2020	131,451	15.28
Incentive Plan II	Options granted 3	12/10/2021	94,414	30.45

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

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

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

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

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

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

At June 30, 2022 the Group recognized a provision for this item in the amount of 207 thousand euros.

9.6. Earnings (losses) per share

Basic

The basic earnings (losses) per share from continuing operations corresponding to the interim periods ended June 30, 2022 and 2021 were as follows:

	Thousands of euros	
	06.30.2022	06.30.2021
Profit attributable to the partners of the Parent	8,905	6,910
Weighted average number of ordinary shares outstanding	30,026,705	27,440,425
Earnings (losses) per share	0.30	0.25

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

Diluted

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

10. Unrealized gains (losses) reserve

Hedging transactions

These transactions correspond to the fair value at June 30, 2022 and December 31, 2021 of hedging instruments contracted by the Group to cover changes in interest rates and energy prices (Note 12.5).

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

11. Provisions and contingencies

The movements during the interim period ended June 30, 2022 in the line items included under this heading in the accompanying consolidated statement of financial position were as follows:

	Provision for penalties	Provision for delays	Provision for guarantees	Provision for dismantling costs	Total
Balance at 12.31.2021	5,007	-	373	8,933	14,313
Amounts provisioned	-	-	72	2,782	2,854
Currency translation differences	413	-	31	738	1,182
Amounts applied	(700)	-	-	-	(700)
Balance at 06.30.2022	4,720	-	476	12,453	17,649

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. The Group reached an agreement with CAMMESA in 2021 to settle the penalty in 48 monthly installments of equal amounts. In 2022 a balance of 700 thousand euros was applied via payment of said amount.

Provision for delays and guarantees

At the end of each reporting period the Group evaluates the need to recognize a provision for guaranteeing and covering any inconsistencies that may arise with respect to materials, supplies, and spare parts delivered as well as penalties due to delays in connecting solar plants. At June 30, 2022 the Group recognized provisions with respect to these items, based on its historical experience in the case of the guarantees and the contractual clauses in the case of delays.

Provision for dismantling costs

The Group recognizes a provision for dismantling costs when the construction period for the solar and wind energy 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 (Note 5). At June 30, 2022 this provision corresponds to the following parks: Quillagua (Chile), Duna and Huambos (Peru), San Miguel de Allende (Mexico), Kosten (Argentina), Escuderos (Spain), Mitchi (Chile), and Condor (Chile).

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

12. Non-current and current borrowings

The breakdown of these headings in the accompanying consolidated statement of financial position at June 30, 2022 and December 31, 2021 is as follows:

	Non-current borrowings	Current borrowings	Total at 12.31.2021	Non-current borrowings	Current borrowings	Total at 06.30.2022
Bonds and other marketable securities	31,223	32,146	63,369	83,198	52,462	135,660
Bank borrowings	201,905	34,148	236,053	229,296	49,646	278,942
Loans	201,905	34,148	236,053	229,296	38,656	267,952
Credit lines	-	-	-	-	-	-
Foreign financing - current	-	-	-	-	10,990	10,990
Other financial liabilities	-	156	156	-	130	130
Derivatives	15,323	6,326	21,649	36,152	36,471	72,623
Finance lease liabilities	11,051	1,389	12,440	10,748	1,426	12,174
Total	259,502	74,165	333,667	359,394	140,135	499,529

The only liabilities recognized at fair value correspond to derivative financial instruments. The measurement of said instruments was carried out by discounting cash flows.

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

At June 30, 2022 the breakdown of borrowings by type of guarantee is as follows:

	Corporate debt		Project debt			
	Non-current	Current	Recourse (secured)		Non-recourse (unsecured)	
			Non-current	Current	Non-current	Current
Bonds and other marketable securities	83,198	52,462				
Bank borrowings	8,115	13,926	-	16,993	221,181	18,727
Loans	8,115	2,936				
Foreign financing	-	10,990	-	-	-	-
Other financial liabilities	-	130	-	-	-	-
Derivatives	-	-	-	-	36,152	36,471
Lease liabilities	10,748	1,426	-	-	-	-
Total	102,061	67,944	-	16,993	257,333	55,198

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 SPV itself which acts as guarantor.

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

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

During 2022 and 2021 the Group complied with the payment of all its financial debt at maturity. Likewise, at the date of authorization of these interim condensed consolidated financial statements the Group had complied with all assumed obligations.

12.1. Bonds and other marketable securities

The breakdown of this heading at June 30, 2022 is as follows:

Program	Date of program	Nominal amount	Amount issued	Issue date	Interest rate	Maturity date	Finance costs 06.30.2022
Green Bond program (MARF) (*)	Mar-22	100,000	52,500	April-22	4%	5 years	524
Green commercial paper program (MARF)	Sept-21	100,000	60,916	Sept-21	0.7%-2.5%	5 years	312
Green Bond program (MARF) (**)	Oct-19	50,000	22,000	Nov-19	4.75%	5 years	598

(*) Subject to fulfillment of a series of covenants, all of which are at present expected to be fulfilled at December 31, 2022.

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

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

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

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

12.2. Bank borrowings

The breakdown of loans subscribed and their main contractual conditions at June 30, 2022 is as follows:

Financial entity	Maturity date	Type of guarantee	Installments	Thousands of euros		
				Non-current liabilities	Current liabilities	Total
KFW Bank	7/31/2034	Project guarantee	Semi-annual	26,675	1,462	28,137
CAF-Banco de Desarrollo de América Latina & ICO	4/30/2036	Project guarantee	Semi-annual	20,269	944	21,213
Sinia Capital	11/30/2035	Project guarantee	Semi-annual	5,742	1,064	6,806
Banco Security, Banco del Estado de Chile, and Penta Vida Compañía de Seguros de Vida	11/8/2036	Project guarantee	Semi-annual	48,494	2,869	51,363
Sinia Renovables	11/8/2036	Project guarantee	Semi-annual	9,412	3,821	13,233
Banco Sabadell (ICO)	4/30/2025	Corporate	Monthly	1,405	745	2,150
Bankinter (ICO)	4/30/2025	Corporate	Monthly	982	495	1,477
BBVA (ICO)	5/13/2025	Corporate	Monthly	235	124	359
Bankia (ICO)	4/30/2025	Corporate	Monthly	1,068	537	1,605
Banco Santander (ICO)	4/30/2025	Corporate	Monthly	585	298	883
CaixaBank (ICO)	4/30/2025	Corporate	Monthly	512	247	759
Banco Santander (ICO)	9/1/2025	Corporate	Monthly	571	247	818
Abanca (ICO)	2/9/2027	Corporate	Monthly	2,757	243	3,000
CIFI Latam	12/30/2021	Project guarantee	Semi-annual	-	16,993	16,993
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	21,798	1,726	23,524
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	21,871	1,691	23,562
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	21,791	1,782	23,573
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	21,776	1,851	23,627
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,978	344	3,322
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,978	344	3,322
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,978	344	3,322
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,978	344	3,322
Natisis	12/31/2027	Project guarantee	Semi-annual	7,566	-	7,566
Bancolombia	12/31/2036	Project guarantee	Semi-annual	3,875	141	4,016
Total				229,296	38,656	267,952

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

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 270 million euros:

- (i) a project finance 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) two granted by CAF-Banco de Desarrollo de América Latina and 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 finance arrangement granted by Banco Security, Banco del Estado de Chile, Penta Vida Compañía de Seguros de Vida, and Sinia Renovables, S.A.U. to the subsidiary Parque Eólico Quillagua, SpA for construction and operation of the Quillagua solar park in Chile with a capacity of 103 MW;
- (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 30MW;
- (v) 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) a project finance arrangement granted by Natixis for the construction and operation of 14 solar parks in Chile, corresponding to PMGDs and PMGs; and
- (vii) a project finance arrangement granted by Bancolombia for the construction and operation of a solar park in Colombia with a capacity of 12 MW.

At June 30, 2022 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.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

12.3. Credit facilities and discount lines

At June 30, 2022 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:

Financial entity	Thousands of euros		
	Credit limit granted	Amount drawn	Amount available
SANTANDER	650	-	650
BBVA	500	-	500
Credit cards	-	-	-
Total credit facilities	1,150	-	1,150
SABADELL	14,930	-	2,466
SANTANDER	30,000	-	22,206
CAIXABANK	25,000	-	15,101
BANKINTER	18,005	-	6,107
BBVA	35,000	8,465	13,836
ABANCA	6,000	2,525	3,103
NATIXIS	10,000	-	9,424
BANCO COOPERATIVO	10,000	-	10,000
Total foreign financing	148,935	10,990	82,243
Total	150,085	10,990	83,393

12.4. Other borrowings

At June 30, 2022 the breakdown of other borrowings held by the Group was as follows:

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

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

12.5. Derivative financial instruments

The Group recognizes the fair value of the interest rate hedges and price hedges (financial PPA) contracted at June 30, 2022 under this heading:

	Non-current	Current	Total at 06.30.22
<i>Derivative financial assets</i>			
IRS Escuderos	11,879	742	12,621
IRS Quillagua	1,244	46	1,290
Total interest rate hedges	13,123	788	13,911
<i>Financial liabilities - derivatives</i>			
IRS 14 PMGDs Chile	1,073	-	1,073
Total interest rate hedges	1,073	-	1,073
PPA Escuderos	35,579	36,471	72,050
Total energy price hedges (PPA)	35,079	36,471	71,550
Total	36,152	36,471	72,623

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

Interest rate hedges (IRS)

The Greenergy Group regularly contracts interest rate derivatives which are designated as hedging instruments for accounting purposes. Said instruments are contracted to cover the potential changes in cash flows arising from interest payments associated with non-current financial liabilities at variable rates (Note 12.2).

The derivative financial instruments for hedging interest rates which the Group contracted, in force at June 30, 2022, are recognized in the accompanying consolidated statement of financial position at their market value, as per the following breakdown:

	Grant date	Maturity date	Variable rate	Financial entity	Fixed rate
Quillagua hedge	2,020	2,036	6-month Libor	Banco Security and Banco del Estado de Chile	6.45%
Escuderos hedge	2,021	2,038	6-month Euribor	KFW and Bankinter	0.32%
Hedges for 14 PMGDs Chile	2,021	2,027	6-month Libor	Natixis	1.17

Hedges for energy sales

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

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

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

	Agreement date	Start date	Maturity date	Notional (MWh)	Price (euros/MW)
PPA Escuderos (4 contracts)	2,020	Aug 01 - 2021	July 30 - 2033	360,000	30-40

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

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

As a consequence of the delay in starting up operations at the parks, the coverage provided by these financial instruments was ineffective in 2021 and therefore the Group recognized a balance of 6,290 thousand euros under "Change in fair value of financial instruments" in the accompanying consolidated statement of profit or loss.

Considering the average price of the last 12 months, Management's estimate for said ineffectiveness at June 30, 2022 amounts to 10.7 million euros, of which 4,300 thousand euros were recognized in the consolidated statement of profit or loss at said date.

A dispute arose between the counterparties during 2022 regarding an estimated amount of 18,700 thousand euros in connection with the annual settlement of August 1, 2022.

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

Based on the risk assessment performed by the Group's external and internal lawyers, Greenergy Management decided to recognize an expense of 10,700 thousand euros (6,290 thousand euros were recognized in 2021 and the remaining 4,400 thousand euros were recognized at June 30, 2022). Greenergy Management decided not to recognize any provision for the difference (8,000 thousand euros) as the associated risk is not likely to materialize and the interim condensed consolidated financial statements are therefore not exposed to any impact.

12.6. Finance lease liabilities

The main liabilities recognized at June 30, 2022 under this heading in the consolidated statement of financial position are as follows:

	Land	Offices	Other	Total
Non-current lease liabilities	9,000	715	1,033	10,748
Current lease liabilities	538	504	384	1,426
TOTAL (thousands of euros)	9,538	1,219	1,417	12,174

"Land" includes the lease liabilities from the rental contracts for the land upon which the Kosten, Duna & Huambos, Quillagua, San Miguel de Allende, Mitchi, Condor, and Escuderos parks are located.

"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 Greenergy arises from the homogeneous portfolio of leases, countries, and contractual durations.

13. Public administrations and tax matters

The breakdown of balances with public administrations at June 30, 2022 is as follows:

Receivable from public administrations	Non-current	Current	Balance at 06.30.2022
Deferred tax assets	37,433	-	37,433
Current income tax assets	-	1,189	1,189
Other receivables from public administrations	-	26,532	26,532
VAT receivable from the tax authorities	-	26,532	26,532
Total	37,433	27,721	65,154

Payable to public administrations	Non-current	Current	Balance at 06.30.2022
Deferred tax liabilities	17,889	-	17,889
Current income tax liabilities	-	1,228	1,228
Other payables to public administrations	-	2,697	2,697
VAT payable to the tax authorities	-	2,233	2,233
Payable to the tax authorities for withholdings	-	262	262
Social security agencies	-	202	202
Total	17,889	3,925	21,814

Tax situation

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.

Deferred tax assets and liabilities

The difference between tax expense attributed to the year and previous years as compared to taxes 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.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

The movements under these headings in the consolidated statement of financial position at June 30, 2022 is as follows:

	Balance at 12.31.2021	Recognized in profit or loss			Balance at 06.30.2022
		Additions	Currency translation differences	Derecognitions	
Deferred tax assets	25,441	11,801	1,726	(1,535)	37,433
Tax loss carryforwards pending application	11,283	-	921	-	12,204
Tax deductions pending application	19	-	-	-	19
Temporary differences	9,936	11	743	(1,505)	9,185
Derivatives	3,456	11,790	-	(30)	15,216
IAS 12	747	-	62	-	809
Deferred tax liabilities	(14,365)	(3,016)	(591)	83	(17,889)
Temporary differences	(12,680)	-	(452)	83	(13,049)
Derivatives	-	(3,016)	-	-	(3,016)
IAS 12	(1,685)	-	(139)	-	(1,824)
Total	11,076	8,785	1,135	(1,452)	19,544

14. Income and expenses

Cost of sales

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

	06.30.2022			06.30.2021		
	Purchases	Changes in inventories	Total consumption	Purchases	Changes in inventories	Total consumption
Consumption of goods for resale	84,380	(7,833)	76,547	58,050	9,423	67,473
Work performed by third parties	52	-	52	11	-	11
Total	84,432	(7,833)	76,599	58,061	9,423	67,484

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

	06.30.2022	06.30.2021
Spain	15,445	43,577
Imports	68,987	14,484
Total	84,432	58,061

Social security costs, et al

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

	06.30.2022	06.30.2021
Social security payable by the company	1,027	645
Other social security costs	98	46
Total	1,125	691

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

The Group's average number of employees during the interim periods ended June 30, 2022 and June 30, 2021 by professional category is as follows:

Category	06.30.2022	06.30.2021
Directors and Senior Management	13	9
Managers	10	8
Department heads	28	18
Technical staff/other	124	94
Construction (EPC work/ O&M)	89	81
Total	264	210

The breakdown by gender of employees, directors, and senior management at June 30, 2022 and June 30, 2021 is as follows:

Category	06.30.2022			06.30.2021		
	Men	Women	Total	Men	Women	Total
Directors and Senior Management	7	6	13	6	3	9
Managers	10	1	11	9	-	9
Department heads	23	9	32	15	4	19
Technical staff/other	90	52	142	59	40	99
Construction (EPC work/ O&M)	79	13	92	78	9	87
Total	209	81	290	167	56	223

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

Other operating expenses

The breakdown of this heading in the consolidated statement of profit or loss at June 30, 2022 and June 30, 2021 is as follows:

Type	06.30.2022	06.30.2021
Leases	71	172
Repairs and maintenance	166	152
Maintenance of plants	3,787	1,622
Professional services	1,432	943
Insurance	399	106
Bank services	120	240
Advertising and publicity	170	116
Supplies	148	65
Other	831	349
Other taxes	114	12
Losses on, impairment of, and changes in trade provisions	69	700
Total	7,307	4,477

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

Finance income and costs

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

	06.30.2022	06.30.2021
Income	393	35
Interest from other financial assets	393	35
Expenses	(7,632)	(4,052)
Interest on borrowings	(7,632)	(4,052)
Exchange gains (losses)	8,376	1,985
Change in fair value of financial instruments (Note 12.5)	(4,400)	-
Impairment and gains (losses) on disposal of financial instruments	-	(96)
Finance costs for companies consolidated using the equity method	(260)	-
Finance cost	(3,523)	(2,128)

15. Transactions with related parties

15.1. 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 the closing of the interim period ended June 30, 2022 and the year ended December 31, 2021, no balances with related parties were recognized.

The breakdown of transactions carried out with related parties during the six-month periods ended June 30, 2022 and 2021 is as follows:

	06.30.2022			06.30.2021		
	Parent company	Key management personnel	Other related parties	Parent company	Key management personnel	Other related parties
Expenses	(348)	(588)	-	(242)	(368)	(45)
Leases	(348)	-	-	(242)	-	(45)
Remuneration (Note 15.2)	-	(588)	-	-	(368)	-

The transactions with related parties carried out during the six-month periods ended June 30, 2022 and 2021 relate to the normal course of the Group's business and were generally carried out on an arm's length basis.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

15.2. Remuneration for directors and senior management

During the six-month periods ended June 30, 2022 and 2021, the directors of the Parent were not granted any advances or credit, nor did the Parent 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 the six-month periods ended June 30, 2022 and 2021 were as follows:

Type of remuneration	06.30.2022	06.30.2021
Remuneration for membership of Board and/or Board committees	141	72
Salaries	47	78
Variable remuneration in cash	47	67
Share-based remuneration schemes	-	-
Other items	8	5
TOTAL	243	222

The amounts accrued by senior management corresponding to fixed remuneration, variable annual remuneration, and other items, amounted to 345 thousand euros in the first half of 2022 (146 thousand euros in the first half of 2021).

15.3. Other disclosures relating to the directors

At the date of authorization of these interim condensed consolidated financial statements none of the members of the Parent's Board of Directors disclosed 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 which were not carried out on an arm's length basis with the Company or Group companies during the interim periods ended June 30, 2022 and 2021.

16. Other disclosures

16.1. Guarantees extended to third parties

At June 30, 2022 the Group had provided guarantees to third parties in the amount of 48,938 thousand euros (December 31, 2021: 56,067 thousand euros), mainly corresponding to guarantees for presentation in public renewable energy tenders and auctions.

Given that the aforementioned guarantees were basically granted with a view to ensuring compliance with contractual obligations or investment commitments, the events which could lead to their execution, and thus a cash outflow, would be non-compliance on the part of Greenergy with regard to its obligations related to the ordinary course of its activities, which is considered unlikely. Greenergy considers that any unforeseen liabilities at June 30, 2022 that may arise in connection with the aforementioned guarantees would in any case not be significant.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

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.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Notes to the interim condensed consolidated financial statements

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 Greenergy 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, Greenergy'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, Greenergy 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 interim condensed 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.

17. Events after the reporting date

No significant events took place from the closing of the interim period on June 30, 2022 to the date of authorization for issue of the accompanying interim condensed financial statements that may require disclosure.

Interim consolidated management report

1. Main activities of the Group

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

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

Since its incorporation in 2007, the Group has seen rapid growth and changes in the planning, design, development, construction, and financial structuring of projects. It is present in Europe as well as in Latam since the year 2012. Currently, Greenergy has offices in Spain, Italy, the United Kingdom, Poland, Chile, Peru, Colombia, Argentina, Mexico, and the United States of America. Greenergy's overall pipeline, which includes photovoltaic solar energy installations and wind parks in different stages of development, exceeds 13 GW, while its storage pipeline boasts 5,4 GWh.

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

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

The source of this income is technologically diversified, encompassing project developments in wind and photovoltaic energy as well as the development of storage systems, so that it can operate at highly competitive prices as compared to conventional energy sources. This backdrop is further favored by an emerging market for PPAs (bilateral energy purchase-sale agreements) as well as the end of the fossil fuel era as determined on a political level with a view to closing down nuclear power plants and coal plants within 10 years.

The Parent has been listed on the continuous market since December 16, 2019, with capitalization at June 30, 2022 totaling 963 million euros.

1.2 Pipeline phases

According to degree of maturity, the Group classifies its projects into the following phases:

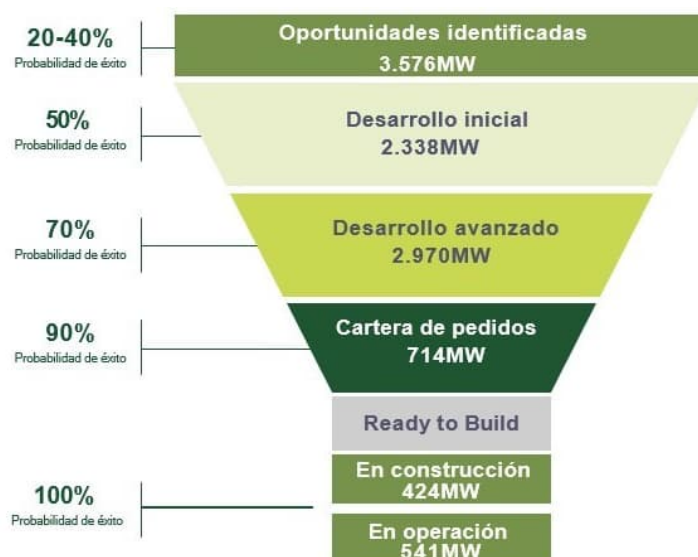
- Identified Opportunity (20-40%): projects which are technically and financially feasible based on the following circumstances: (i) there is land potential; (ii) access to the electricity grid is considered operationally viable; and/or (iii) it is potentially interesting for sale to third parties.
- 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 June 30, 2022 the Group had more than 13 GW in different stages of solar and wind energy development, as well as 5.4 GWh in pipeline storage projects.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Interim consolidated management report for the interim six-month period ended June 30, 2022



1.3 Operating divisions

The Greenergy Group classifies its different business activities under the following operational divisions:

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

2. Business performance in 2022

The results generated by the Group performing its activities are in general closely related to the economic cycles of the countries and regions where the Group is present. Normally, an upward economic cycle is reflected in positive performance of the Group's businesses, while a downward economic cycle can have a negative impact on its activities, financial position, and operating results.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Interim consolidated management report for the interim six-month period ended June 30, 2022

The Group, which operates mainly in markets located in Europe and Latin America, is particularly affected by the economic cycle and GDP generated in these markets. Various macroeconomic factors influence energy demand as there is a high degree of correlation between economic growth and electricity consumption.

Specifically, the Group's activity is very intense in logistics operations associated with supply chains in the markets where it operates. Thus, more costs and/or delays in the projects included in the Group's pipeline may arise given that the logistics for transportation of equipment, parts, and materials necessary for each project presents increasing challenges for execution of each project in accordance with programmed schedules and budgets. Other factors such as (i) international political tensions, e.g. US foreign policy and the conflicts between the United States and China; (ii) the global financial situation and uncertainty; (iii) geopolitical tensions that have currently resulted in Russia's invasion of Ukraine; (iv) the migratory crisis in Europe; and (v) the terrorist and military actions carried out in Europe and other parts of the world, could affect the global economic situation of the Eurozone and Spain.

The issuance of fixed income securities has been reduced and debtors are assuming higher costs. Capital markets are observing how the war is evolving and assessing the measures which the European Central Bank (ECB) may implement regarding the stimulus withdrawal plan, and whether this withdrawal will be slowed down or postponed despite the upturn in inflation. In addition, the announcement of severe financial sanctions against Russia is causing a collapse in liquidity for all those assets issued by Russian entities, which in turn generates a certain amount of contagion for private fixed income and, especially, for those issues with lower ratings and less market liquidity.

The inflationary situation in the main economies of the OECD, and consequently the interest rate hikes and withdrawal of monetary stimuli by the FED, the ECB, and other central banks, are having a significant impact on financing costs for companies and governments, as well as on liquidity, investments, and commodity prices, thus impacting the economic growth experienced in previous years.

In terms of the Group's sector of activity, renewable energy installations (solar and wind) during 2022 are estimated to total approximately 300GW globally according to Bloomberg New Energy Finance (BNEF).

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 the relative competitiveness of renewable energies and evidenced the need for reducing dependency on certain non-renewable energy commodities.

According to BNEF, new installed capacity is expected to exceed 200 GW in solar energy for the first time in 2022, as compared to the 183 GW presented in the interim scenario for 2021. Though new wind energy installations reached 76 GW in 2022, representing a decrease as compared to 2021, more growth is expected for the coming years.

Projections for storage facilities indicate annual growth of 30% until 2030, to be achieved by installing 58GW/178GWh annually until said year. 54% of said installations will be constructed in the USA and China.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Interim consolidated management report for the interim six-month period ended June 30, 2022

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 the first half of 2022 represents the best results achieved by the Group to date in the first half of any year. EBITDA totaling 20,081 thousand euros and net results amounting to 8,772 thousand euros evidence the efforts made during recent years in the process of developing and executing portfolio projects in Latin America, especially Chile.
- Total revenue and EBITDA amounted to 107,358 thousand and 20,081 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	
	2022	2021
Income (*)		
Development and Construction	79,569	74,623
Energy	26,210	6,825
Services	1,579	1,065
Total income	107,358	82,513

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

	Thousands of euros	
	2022	2021
EBITDA (*)		
Development and Construction	6,053	10,115
Energy	17,686	4,958
Services	380	367
Corporate	(4,038)	(2,157)
Total	20,081	13,283

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

Development and Construction: the increase in income corresponds to a greater number of parks under construction in 2022 as compared to 2021. Nevertheless, EBITDA decreased as a consequence of fewer parks being sold to third parties.

Energy: Income from the sale of energy increased given the longer operational period for the Quillagua (Chile), Duna and Huambos (Peru), Kosten (Argentina), San Miguel de Allende (Mexico), and Escuderos (Spain) parks (all of which initiated operations in 2021).

Services: the increase in income and EBITDA corresponds to a greater number of parks in operation during 2022 as compared to 2021.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Interim consolidated management report for the interim six-month period ended June 30, 2022

Corporate: corresponds to general expenses. The main EBIDTA variations were due to an increase in the Group's activity and size.

- Amortization/depreciation expenses, amounting to 6,172 thousand euros, suffered an increase of 3,517 thousand euros with respect to the prior year mainly as a consequence of depreciating the parks which became operational in the second half of 2021.
- Finance cost amounted to a negative balance of 3,523 thousand euros. This item encompasses four large figures:
 - Interest on debt associated with the projects: 5,282 thousand euros of expenses.
 - Interest on corporate debt and guarantees: 1,915 thousand euros of expenses.
 - Exchange gains: 8,376 thousand euros, mainly corresponding to provisions as a consequence of the US dollar appreciating against the euro during 2022.
 - Change in the fair value of financial instruments amounting to -4,400 thousand euros, as a consequence of measuring the ineffectiveness of the hedging derivatives for energy sales prices.
- In terms of after tax profits, the Group achieved a figure of 8,772 thousand euros.
- With regard to the consolidated statement of financial position, performance at the closing of June 30, 2022 as compared to December 31, 2021 showed changes which reflected continuity in the Group's growth, with the most important balances being strengthened. The following are especially positive aspects worth highlighting:
 - The 19% increase in PP&E, reaching 464,014 thousand euros as a consequence of parks being constructed which the Group intends to operate, with the corresponding impact on income from the sale of energy.
 - The increase of 78,692 thousand euros in equity, which reached 237,400 thousand euros, mainly a consequence of the capital increase performed in the month of June 2022 amounting to 90,001 thousand euros, representing great capacity to finance future developments.
 - Positive working capital, amounting to 83,942 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.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Interim consolidated management report for the interim six-month period ended June 30, 2022

- An improvement to the financial debt ratio, which decreased from 2.81 at December 31, 2021 to 2.41 at June 30, 2022 due to the strengthening of the Group's cash position after the capital increase. The breakdown of net debt is as follows:

Net debt	6/30/2022	12/31/2021
Non-current financial debt (*)	102,063	48,986
Current financial debt (*)	67,813	36,196
Other non-current financial liabilities	-	-
Other current financial liabilities	130	156
Current financial investments - other financial assets	-	(6,422)
Cash and cash equivalents (*)	(118,724)	(52,222)
Net secured corporate debt	51,282	26,694
Recourse project debt (*)	16,992	35,239
Recourse project treasury (*)	(1,042)	(2,673)
Net recourse project debt	15,950	32,566
Unsecured project debt (*)	239,908	191,441
Unsecured project treasury (*)	(36,902)	(13,773)
Net unsecured project debt	203,006	177,668
Total net debt	270,238	236,928

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

3. Privileged information and other relevant information for FY 2022

- Towards the end of March 2022, the Group published the sustainability report corresponding to 2021. The most noteworthy items in said report are the milestones for the year in terms of sustainability, corporate governance, and social matters, including calculation of the main non-financial KPIs for said period.
- On March 15, 2022 the rating agency Axesor Rating (now called "Ethifinance") increased the rating for Grenergy Renovables, S.A. from "BB+" to "BBB-," while maintaining the stable trend.
- On March 22, 2022 Grenergy announced the placement of a green commercial paper program on the Alternative Fixed Income Market ("MARF") with an outstanding maximum balance of 100,000,000 euros. The program utilizes a financing framework aligned with the 2021 Green Bond Principles of the International Capital Markets Association (ICMA).

Further, the program was set up with a view to diversifying the Company's financing sources and allowing for more options regarding how to fulfill the strategic growth plan in coming years. The Company's green financing framework was subjected to a Second Party Opinion (SPO) issued by the rating agency Sustainalytics. The report considers the positive impact on the environment of the funds used and evaluates the credibility of the green financing framework used by Grenergy, as well as its alignment with international standards.

- The Parent held its ordinary general shareholders meeting on May 11, 2022. All the items included in the agenda were approved by a majority in said meeting. The main points approved included the following:
 - Approval of the annual consolidated financial statements

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Interim consolidated management report for the interim six-month period ended June 30, 2022

- Approval of the proposed application of profits for 2021
 - Approval of the Board of Directors' social management during the year ended December 31, 2021
 - Renewal of the auditor of accounts for the Company and its consolidated Group, covering both 2022 and 2023.
- On June 28, 2022 Greenergy Renovables announced its second capital increase, consequently obtaining a total of 90 million euros. Subsequent to the capital increase the Company's free float amounted to 43.3%.

4. Strategy and objectives for upcoming years

From the commencement of its activities, the Group has fundamentally based its business model on the development, financing, and construction of solar and wind energy projects. Until 2019 all projects developed and constructed by the Group in Spain and Latam were sold to third parties, permitting Greenergy to use the funds obtained thereby to boost the inclusion of new projects in its pipeline and contribute the necessary capital to finance many of these projects so as to be able to construct and operate the portfolio of projects that have reached the ready-to-build phase.

Thus, the Company's strategy changed from a build-to-sell approach focused entirely on asset rotation to a mixed model in which the Group maintains ownership of a large part of the projects (build-to-own) while also maintaining some rotation of projects (build-to-sell), thereby allowing it to generate cash to be used mainly for the equity of projects it intends to keep in its portfolio.

The projects held in its portfolio generate recurring revenue from the sale of energy, sold under bilateral contracts with buyers of proven solvency, using bankable price stabilization schemes, directly to the market or a combination of these.

As a result of this activity, the Company has been able to connect and maintain 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 recurring revenue from the moment the first plants were started up in Spain.

With a view to accelerating the development process for the new technologies division and complementing the activity of generating solar and wind energy, in 2021 the Group 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, thereby seeking the most efficient way to provide energy when there are no renewable resources. Thus, the Group can at present boast a multi-disciplinary team as well as 10 persons in charge of developing the pipeline projects in the different regions, totaling 1,233 MW, equivalent to a capacity of 5,410 MWh.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Interim consolidated management report for the interim six-month period ended June 30, 2022

The Group's objectives for 2022 are as follows: (i) develop photovoltaic solar and wind energy activity as well as storage activity; (ii) construct and manage a portfolio as IPP which by the end of the period will approximately reach 1.4 GW of aggregate installed capacity in projects, both photovoltaic solar and wind energy, in the different regional platforms where it operates (Europe, Latam, and USA).

In addition, as will be defined below in the section on ESG objectives, the company has a clear road map until 2023, which includes actions for implementing improvements in the area of corporate governance, environment, and social impact. A series of objectives have been considered for 2022, which will be disclosed in the quarterly presentations of results, and which form a part of the company objective included in the variable remuneration for Board members and executives.

5. Corporate governance

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 interim condensed consolidated financial statements at June 30, 2022, 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 - Board Member	Proprietary	5/19/2015	11/15/2023
Ms. Ana Peralta Moreno	Board member	Independent	6/27/2016	11/15/2023
Mr. Nicolás Bergareche Mendoza	Board member	Independent	6/27/2016	11/15/2023
Ms. María del Rocío Hortigüela Esturillo	Board member	Independent	11/15/2019	11/15/2023
Ms. María Merry del Val Mariátegui	Board member	Proprietary	6/29/2021	6/29/2025
Ms. Teresa Quirós Álvarez	Board member	Independent	6/29/2021	6/29/2025

The Board of Directors has established 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.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Interim consolidated management report for the interim six-month period ended June 30, 2022

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 interim condensed consolidated financial statements at June 30, 2022 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	Director of Legal Area
Mr. Francisco Quintero Berganza	Generation and Equity Director

Internal audit

The internal audit function is discharged by Ms. Carlota Seoane, who reports to the Audit Committee.

Average workforce

The average number of employees during 2022, broken down by professional categories, was the following:

Category	06.30.2022
Directors and Senior Management	13
Managers	10
Department heads	28
Technical staff/other	124
Construction (EPC work/ O&M)	89
Total	264

Regulatory environment

Appendix III (Regulatory Framework) to the 2021 consolidated financial statements includes a description of the sector regulations and functioning of the electricity systems in the markets in which Grenergy operates.

6. Main risks and uncertainties

The chief financial risks which might affect the Group are indicated in Note 24.1 to the consolidated financial statements for 2021.

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 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 of the project, and also to define the preventive, corrective, and compensatory measures with regard to said impacts.

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

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

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

8. Investment in research and development

The Group did not capitalize any amounts during 2022 related to research and development.

However, the Strategy Department created the New Technologies Division, which will focus on implementing the emerging energy storage technologies in the Group's value chain, taking charge of the design in terms of both engineering and economics as well as the development of such plants in the different markets where the Group operates. Further, in order to make these projects competitive as soon as possible, the Group has also organized its own team which is working with consultancy firms to analyze access to public funds aimed at transforming the energy matrix to renewable energies.

9. Events after the reporting period

No significant events took place from the closing of the interim period on June 30, 2022 to the date of authorization for issue of the accompanying interim condensed financial statements that may require disclosure.

10. 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 Greenergy since its shares were issued, and especially to our Group's collaborators and employees, since without their efforts and dedication, we would find it difficult to achieve the established targets or the results obtained.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

APPENDIX I: Glossary of alternative performance measures (APM)

APPENDIX I: Glossary of alternative performance measures (APM)

These interim condensed consolidated financial statements for the six-month period ended June 30, 2022 include financial figures which correspond to alternative performance measures (APMs) in accordance with the *European Securities and Markets Authority* (ESMA) directives published in October 2015.

APMs are presented to provide a better assessment of the Group's financial performance, cash flows, and financial position, to the extent that Greenergy uses them when making financial, operational, or strategic decisions for the Group. However, these APMs are not audited, nor is it necessary to disclose or present them under IFRS-EU. Therefore, they must not be considered individually but rather as complementary information to the audited financial data or the financial information subject to limited reviews prepared in accordance with IFRS-EU standards. Further, these measures may differ in both definition as well as in their calculation as compared to similar measures used by other companies and are thus not necessarily comparable.

The following is an explanatory glossary of APMs utilized, including their calculation methods and definitions or relevance, as well as their reconciliation with items recorded in the interim condensed consolidated financial statements for the six-month periods ended June 30, 2022 and 2021 and December 31, 2021.

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 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 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.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

APPENDIX I: Glossary of alternative performance measures (APM)

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 debt	Non-current recourse project bank borrowings + Current recourse project 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 – Non-recourse 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.
Non-recourse project debt	Non-current unsecured project bank borrowings+ Current unsecured project 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.
Non-recourse project treasury	"Cash and cash equivalents" - Cash in hand and equivalents and recourse project treasury	The amount held in the treasury by SPVs who owe the Parent unsecured debt. 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	6/30/2022	6/30/2021
"Revenue"	48,479	32,261
+ "Work performed by the entity and capitalized"	58,879	50,252
Total income	107,358	82,513

EBITDA

RECONCILIATION OF EBITDA	6/30/2021	6/30/2021
"Operating profit"	13,909	10,628
- "Impairment and losses"	--	--
- "Depreciation and amortization"	6,172	2,655
Total EBITDA	20,081	13,283

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

APPENDIX I: Glossary of alternative performance measures (APM)

Net debt

RECONCILIATION OF NET DEBT	6/30/2022	12/31/2021
"Non-current borrowings"	359,394	259,502
- "Non-current derivatives"	36,152	15,323
+ "Current borrowings"	146,840	74,165
- "Current derivatives"	36,471	6,326
- "Current financial investments" — "Other financial assets"	--	6,422
- "Cash and cash equivalents"	(156,668)	68,668
Total Net Debt	270,238	236,928

Non-current financial debt

RECONCILIATION OF NON-CURRENT FINANCIAL DEBT	6/30/2022	12/31/2021
"Non-current: Bonds and other marketable securities"	83,198	31,223
+ "Non-current bank borrowings"	229,296	201,905
+ "Non-current lease liabilities"	10,748	11,051
- "Non-current project bank borrowings"	(221,179)	(195,193)
Total non-current financial debt	102,063	48,986

Current financial debt

RECONCILIATION OF CURRENT FINANCIAL DEBT	6/30/2022	12/31/2021
"Bonds and other marketable securities"	52,462	32,146
+ "Current bank borrowings"	49,646	34,148
+ "Current lease liabilities"	1,426	1,389
- "Current project bank borrowings"	(35,721)	(31,487)
Total current financial debt	67,813	36,196

Cash and cash equivalents

RECONCILIATION OF CASH AND CASH EQUIVALENTS	6/30/2022	12/31/2021
"Cash and cash equivalents"	156,668	68,668
- Project treasury	(37,944)	(16,446)
Total cash and cash equivalents	118,724	52,222

Recourse project debt

RECONCILIATION OF RECOURSE PROJECT DEBT	6/30/2022	12/31/2021
Non-current recourse project debt bank borrowings	--	18,960
+ Current recourse project bank borrowings	16,993	16,279
Total recourse project debt	16,993	35,239

Non-recourse project debt

RECONCILIATION OF NON-RECOURSE PROJECT DEBT	6/30/2022	12/31/2021
Non-current unsecured project bank borrowings	221,181	176,233
+ Current unsecured project bank borrowings	18,727	15,208
Total recourse project debt	239,908	191,441

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

APPENDIX I: Glossary of alternative performance measures (APM)

Recourse project treasury

RECONCILIATION OF RECOURSE PROJECT TREASURY	6/30/2020	12/31/2021
"Cash and cash equivalents"	156,668	68,668
- Cash in hand and equivalents	(118,724)	(52,222)
- Non-recourse project treasury	(36,902)	(13,773)
Total recourse project treasury	1,042	2,673

Non-recourse project treasury

RECONCILIATION OF NON-RECOURSE PROJECT TREASURY	6/30/2022	12/31/2021
"Cash and cash equivalents"	156,668	68,668
- Cash in hand and equivalents	(118,724)	(52,222)
- Recourse project treasury	(1,042)	(2,673)
Total non-recourse project treasury	36,902	13,773

Working capital

CONCILIATION OF WORKING CAPITAL	6/30/2022	12/31/2021
"Current assets"	260,028	176,358
- Current liabilities	(176,086)	(159,724)
Total working capital	83,942	16,634

Debt ratio

CONCILIATION OF DEBT RATIO	6/30/2022	12/31/2021
Non-current liabilities	396,261	286,376
+ Current liabilities	176,086	159,724
/ Equity	237,400	158,708
Total debt ratio	2.41	2.81

AUTHORIZATION FOR ISSUE OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND INTERIM CONSOLIDATED MANAGEMENT REPORT FOR THE PERIOD ENDED JUNE 30, 2022

The interim condensed consolidated financial statements and the interim consolidated management report for the six-month period ended June 30, 2022 were authorized by the Board of Directors of the Parent Company, Greenergy Renovables, S.A., at its meeting on September 21, 2022, for their 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 interim condensed consolidated financial statements, explanatory notes thereto, and the interim consolidated management report.

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)