



REPORT DELIVERED BY THE BOARD OF DIRECTORS IN CONNECTION WITH ITEM 15 OF THE AGENDA OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON FIRST CALL, PROPOSING THAT AN AUTHORISATION BE GIVEN TO THE BOARD OF DIRECTORS TO ISSUE BONDS CONVERTIBLE INTO NEW SHARES IN THE COMPANY, AS WELL AS OTHER SIMILAR SECURITIES THAT MAY GIVE THE RIGHT, DIRECTLY OR INDIRECTLY, TO SUBSCRIBE FOR SHARES IN THE COMPANY, WITH THE EXPRESS POWER TO EXCLUDE SHAREHOLDERS' PRE-EMPTIVE SUBSCRIPTION RIGHT AND TO INCREASE THE SHARE CAPITAL BY THE AMOUNT REQUIRED TO PROVIDE FOR THE CONVERSION.

1. Purpose of the report

This report is delivered by the Board of Directors of Greenergy Renovables, S.A. ("**Greenergy**" or the "**Company**") in connection with the proposal to authorise the Board of Directors to issue bonds convertible into new shares in the Company, or other similar securities that may give their holders the right, directly or indirectly, to subscribe for shares in the Company, with the express power to exclude shareholders' pre-emptive subscription right and to increase the share capital by the amount required to provide for the conversion, which is submitted to Ordinary General Meeting of Shareholders for approval purposes.

In accordance with the provisions of sections 286, 297.1.b), 417 and 511 of the Joint Stock Companies Act, as approved by Royal Legislative Decree 1/2010, of 2 July (the "**Joint Stock Companies Act**") and related provisions of the Register of Companies' Regulations, as approved by Royal Decree 1784/1996, of 19 July, the aforesaid proposed resolution to be submitted to the General Meeting requires the delivery by the Board of Directors of the following supporting report.

2. Justification of the proposal

The Board of Directors deems it highly advisable to have delegated powers, as admitted by the legislation in force, to be at all times in a position to raise funds in primary stock exchange markets, as required in properly managing the Company's interests.

Given the current condition of markets, the Board of Directors deems it highly advisable for the Company to benefit from as much flexibility as possible when accessing financial resources, whether internal or external resources, or even of hybrid nature.

This is why it has been decided to submit to the approval of the General Meeting an authorisation to access resources through debt instruments, or even by means of hybrid instruments, i.e., debt instruments that may become equity instruments –which would entail a share capital increase– as these latter instruments combine the benefits of the other two and offer special advantages both to shareholders and to investors in certain market conditions.

The resolution authorising the Board of Directors to issue convertible bonds, as well as warrants or other similar securities, differentiates between convertible bonds, specifically regulated in the Joint Stock Companies Act, and warrants or other similar securities that may, directly or indirectly, give their holders the right to subscribe for shares in the Company. This distinction has clarified the different interpretations that could result from the fact that these securities are not specifically regulated in the Joint Stock Companies Act. The resolution requires Board of Director to take an active part in the issue of this securities, while ensuring that applicable regulations are strictly complied with when it comes to issuing convertible values, which are specifically regulated in the Joint Stock Companies Act, which applies thereto on account of their nature, thus preventing the possibility that the lack of a specific regulation makes it unnecessary to comply with the requirements set forth by this Act for convertible bonds, insofar as they are applicable to warrants on account of their nature. Consequently, in practice the conditions of the aforesaid Board of Directors' resolution give equal treatment to all types of securities that give rise to a right to subscribe for shares in the Company.

The proposal also states the criteria for determining the bases and methods for converting these securities into shares, even though it grants to the Board of Directors itself the power to specify such bases and conversion methods for each specific issue, with such limits and under such criteria as shall be set forth by the General Meeting. Accordingly, it is for the Board of Directors to decide, by way of indication and without limitation, whether the securities to be issued are convertible or not, as well as the possibility of full or partial redemption thereof in cash; whether they are necessarily or voluntarily convertible, or even contingent, with or without objective criteria; and, if they are only convertible on a voluntary basis, whether the conversion is made at the option of its holder or of the issuer; finally, the Board of Directors shall determine the conversion rate of the shares to be issued for conversion purposes, which may be fixed or variable, with the shares being valued in accordance with any of the procedures that the Board of Directors may deem expedient in accordance with the provisions of the proposed resolution, as well as the interest rate, the dates and the procedures for payment of the coupon, including the possibility of a variable remuneration linked to the movements in stock market price of the Company's shares.

As regards warrants and other similar securities that may give their holders, directly or indirectly, the right to subscribe for shares in the Company, the rules governing convertible bonds, as set forth in the proposed resolution, shall apply, insofar as they are compatible with the nature thereof.

Consequently, by providing the Board of Directors with all the flexibility permitted by law, the Company has access to a rapid, efficient funding mechanism that will strengthen the Company's balance sheet, reinforce its financial structure and even allow the Company to engage in investment or growth initiatives that may be of strategic interest for the Company.

This authorisation would provide the Board of Directors with increased room for manoeuvre and capacity to respond required by the competitive environment in which the Company operates, where the success of a strategic initiative or of a financial transaction often depends on the possibility of conducting the same quickly, without the delays and the costs that calling and holding a General

Meeting of Shareholders inevitably entails. Thus, the Board of Directors of the Company will be entitled, whenever required, to raise a significant number of resources over a limited period of time.

In addition, the issue of securities convertible into new shares in the Company or of similar securities that may give their holders, directly or indirectly, the right to subscribe for shares in the Company, provides, on the one hand, the advantage of offering investors the possibility of transforming their claims against the Company into shares therein, thus obtaining a higher potential return than that offered by other debt instruments and, on the other hand, may allow the Company to increase its own resources. These characteristics lead to the coupon of these convertible securities being usually lower than the cost of simple debt securities or than that of banking debt, since the value of the option or the possibility of converting these securities into Company shares, as offered to investors, is reflected in the interest rate of the bonds.

For all the reasons stated above, the Board of Directors deems it necessary to request the authorisation of the General Meeting Shareholders to issue, during a five-year period, on one or more occasions, bonds convertible into new shares in the Company or other similar securities, in an aggregate amount no exceeding EUR 200,000,000 (or currency equivalent), which may give their holders, directly or indirectly, the right to subscribe for shares in the Company, so that the funding needs of the Company may be satisfied, engage in the investments that may be deemed useful for the Company at any time or, if appropriate, partly refinance the Company's indebtedness.

The proposed resolution also contains an authorisation given to the Board of Directors to proceed to the capital increase required to carry out the conversion.

The Company would only issue convertible securities if the capital share increase needed for the relevant conversion, in addition to such capital increases as may have been agreed upon under other authorisations granted by the General Meeting, does neither exceed fifty per cent of the current share capital, as provided for in section 297.1 b) *in fine* of the Joint Stock Companies Act, nor 20% of said total share capital amount, in the event that shareholders' pre-emptive subscription right is excluded from the issue, as provided for by section 506 of the Joint Stock Companies Act.

Therefore, for the reasons explained above and pursuant to the provisions of section 319 of the Register of Companies' Regulations, and of sections 417 and 511 of the Joint Stock Companies Act, and under the general regime applicable to issues of debentures, while applying the provisions of section 297.1.b) of the Joint Stock Companies Act *mutatis mutandis*, the relevant proposed resolution is submitted for consideration to the General Meeting.

In addition, as permitted by section 511 de la Joint Stock Companies Act in respect of listed companies, whenever the General Meeting delegates to the Board of Directors the power to issue convertible bonds, it may also entitle directors to exclude the pre-emptive subscription right from any issues of convertible bonds that are carried out under such delegation, if the Company's interests so require. However, in this event said proposed exclusion must be clearly stated in the notice of General Meeting, and a directors' report justifying said proposal shall be made available to shareholders.

In this respect, it should be noted that the power granted to the Board of Directors to issue convertible bonds, as contained in the proposal that is the subject matter of this report, also includes, as permitted by section 511 of the Joint Stock Companies Act, an authorization given to directors to exclude shareholders' pre-emptive subscription right if the Company's interests so require.

The Board of Directors considers that this additional possibility, which considerably increases the room for manoeuvre and capacity to respond offered by simple delegation of the power to issue convertible securities, is justified by the flexibility and agility with which it is sometimes necessary to act in the current financial markets in order to take advantage of times when market conditions are more favourable.

In any event, it is expressly stated that the exclusion of the pre-emptive subscription right is only a power granted to the Board of Directors by the General Meeting of Shareholders, which will be exercised if the Board itself so decides, having regard to prevailing circumstances and always complying with any applicable legal requirements. Where, in accordance with said power, the Board of Directors decides to exclude the pre-emptive subscription right in connection with a specific issue to be carried out under the authorisation given by the General Meeting of Shareholders, at the time of deciding on the issue, a report detailing the specific corporate interest reasons justifying this measure, which must be accompanied, if required in accordance with section 504.1 of the Joint Stock Companies Act, by the relevant report issued by an independent expert other than the Company's auditors. The report delivered by the Board of Directors shall be made available to the shareholders and shall be notified to the first General Meeting to be held after the relevant resolution regarding the issue, together with the independent expert's report to be prepared, if applicable, in accordance with the legal provisions stated above.

It is proposed that the General Meeting of Shareholders adopt the following resolution:

It is agreed to authorise the Board of Directors of the Company, with express delegation powers, pursuant to the provisions of sections 297.1. b), 401 and seq. and sections 417 and 511 of the Joint Stock Companies Act and section 319 of the Reigster of Companies' Regulations, to issue securities in accordance with the terms and conditions specified below:

1. Securities to be issued

The securities covered by this authorisation include bonds, notes, preferential stock and any other debt securities or similar instruments that may be converted into shares in the Company, or which may give the right, directly or indirectly, to subscribe for new shares in the Company, including warrants (the "Securities").

Any Securities to be issued under this delegation may provide for the possibility of being additionally or alternatively exchangeable for outstanding shares in the Company, or of being subject to net settlement, at the Company's option.

2. Term of the delegation

These Securities may be issued on one or more occasions, within a maximum period of 5 years as from the date of adoption of this resolution.

3. Maximum amount to be issued

The maximum amount of any issue of Securities which may be made under this delegation may not exceed, in the aggregate, EUR 200,000,000 or currency equivalent.

4. Beneficiaries of the delegation

Any issues of securities to be made under this delegation may be offered to all types of investors, in or out of Spain.

5. Scope of the delegation

The Board of Directors shall be responsible for determining the terms and conditions of each issue, including, without limitation, the following details:

- a) Its amount (complying with any applicable quantitative limits).*
- b) The place of issue – in or out of Spain– and the relevant currency, including the Euro equivalent if the issue is denominated in a different currency.*
- c) The denomination or type of securities, including bonds or notes, subordinated bonds, preferential stock, warrants or any other type of securities admitted by law.*
- d) The date or dates of the issue.*
- e) The number of securities and their par value which, as regards convertible securities, may not be lower than the par value of the shares.*
- f) The interest rates, the dates and procedures for payment of the coupon, including the possibility of providing for a remuneration linked to the movements of the Company's share price, or to any other index or parameter.*
- g) Whether the Securities are issued on a perpetual or redeemable basis and, in this latter case, the provisions applicable to the (full or partial) redemption thereof and the date of maturity.*
- h) Their convertible nature, including the possibility of converting the Securities or of fully or partially redeeming the issue in cash at any time.*
- i) Events of conversion. In particular, the fact that the Securities are necessarily or voluntarily convertible, even on a contingent basis, and if they are voluntarily converted, whether conversion is made at the option of the Securities holder or of the issuer.*
- j) The possibility that the Securities are additionally or alternatively convertible into outstanding shares in the Company, or subject to net settlement.*
- k) Settlement by means of the physical delivery of the shares or, if deemed appropriate, on a net settlement basis.*
- l) As regards warrants and similar securities, the price of issue and/or the premium, the strike price – which may be fixed or variable – and the procedure, timelines and other requirements applicable to the exercise of the pre-emptive right to subscribe for underlying shares or, if deemed appropriate, the exclusion of this right.*
- m) Any anti-dilution mechanisms and clauses.*

- n) *The preference order and, as the case may be, any subordination clauses.*
- o) *The rate of repayment, premiums and lots.*
- p) *The underwriting of the issue, if any.*
- q) *The manner of representation, in physical or in book-entry form, or in any other manner permitted by law.*
- r) *The provisions concerning exercise or exclusion of the pre-emptive subscription rights in respect of shareholders, as well as, more generally, the system for subscription and payment for Securities.*
- s) *The possibility of incomplete subscription of the issue.*
- t) *The applicable law, whether domestic or foreign.*
- u) *If appropriate, the appointment of the Commissioner and the approval of the basic rules governing the legal relationships between the Company and the syndicate of holders of the Securities to be issued.*
- v) *The Spanish or foreign market, whether or not it is regulated or organised, in which the Company shall apply, if appropriate, for admission to trading in respect of the Securities to be issued under this delegation, together with the requirements set forth by applicable regulations and, in general, any other requirement of the issue.*

The Board of Directors is hereby empowered to modify, when deemed appropriate and, if applicable, subject to the obtention of any relevant authorisations and, as the case may be, the approval of the meetings of the relevant syndicates or representative bodies of holders of Securities, the conditions applicable to the redemption of the securities issued and the respective interest rate, as applicable, of any Securities included in each of the issues to be made under this authorisation.

6. Exclusion of the pre-emptive subscription right

The Board of Directors is expressly authorised, pursuant to the provisions of sections 417 and 511 of the Joint Stock Companies Act, to exclude, in whole or in part, the exercise of the pre-emptive subscription right of shareholders, in connection with issues of Securities, when deemed appropriate or expedient for the sake of the corporate interest. In the event that, when issuing the Securities, the Board of Directors decides to exclude pre-emptive subscription right of shareholders, shall only issue convertible Securities when the share capital required for their conversion, added to any increases excluding the pre-emptive subscription right that may have been granted under other authorisations given by the General Meeting, does not exceed 20% of the total share capital amount. To be valid, the resolution approving the issue of Securities without pre-emptive subscription rights, up to the maximum amount set forth above, shall require the favourable vote of two thirds of the members of the Board.

In any event, should the Board of Directors decide to exclude the pre-emptive subscription right, the Board will prepare the mandatory report of the directors of the Company. This report must be accompanied, if required in accordance with section 504.1 of the Joint Stock Companies Act, by the relevant report issued by an independent expert other than the Company's auditors. The report delivered by the Board of Directors shall be made available to the shareholders and shall be notified to the first General Meeting to be held after the relevant resolution regarding the issue of securities, together with the independent expert's report to be prepared, if applicable.

7. Bases and methods for conversion

In the event of any issue of convertible bonds, and for the purposes of establishing the bases and methods for the conversion, these shall be determined by the Board of Directors for each individual issue carried out under the delegation granted, in accordance with the following criteria:

- a) Any securities to be issued under this resolution may be converted into new shares in the Company, according to conversion rate that may be fixed (determined or determinable) or variable (with the possibility of including maximum and/or minimum limits to the price of conversion), with the Board of Directors being authorised to determine whether they are convertible, and to decide whether they are necessarily or voluntarily convertible, even on a contingent basis, or subject to any objective criterion, if deemed appropriate; and, if they may be converted voluntarily at the option of the relevant holder or of the issuer, subject to the periodicity and within the time limits laid down in the resolution on their issue, which shall not exceed ten years from the date of issue, or on a perpetual basis if so permitted by applicable legislation.*
- b) In the event of a fixed rate of conversion for Company shares, the convertible bonds or notes shall be valued at their par value, and the shares shall be valued at the fixed exchange rate to be determined under a resolution of the Board of Directors to be passed under this delegation, or at the exchange rate to be determined on the date or dates to be specified in the resolution of the Board itself, and mainly on the basis of the stock market price of the Company shares on the reference date(s) or period(s) indicated in the resolution, with or without a premium or a discount on said stock market value, with the possibility of additionally establishing maximum or minimum fixed conversion prices.*
- c) If a variable rate of conversion rate for Company shares is chosen, the price of the shares, for the purposes of the conversion, shall be mainly fixed in accordance with the stock market price, and may include a premium or, if deemed appropriate, a discount on said stock market price. The premium or discount may be different depending on the date of conversion of each issue (or, as the case may be, of each tranche of the issue), with the possibility of additionally establishing maximum or minimum fixed conversion prices.*
- d) For the purposes of the rate of conversion of bonds into shares, the price of the shares shall never be lower than their par value. In accordance with the provisions contained in section 415 of the Joint Stock Companies Act, bonds may not be converted into shares when the par value of the former is lower than that of the latter. In addition, convertible bonds may not be issued for an amount below their par value.*
- e) In the event of a convertible and exchangeable issue, the Board of Directors may decide that the Company shall reserve the right, at any time, to choose between the conversion into new shares or the exchange for outstanding shares, and to determine the nature of*

the shares to be delivered at the time of the conversion or exchange. However, the Company may also opt for a combination of newly issued shares and already existing shares or an equivalent cash amount. In any event, equal treatment shall be ensured for all holders of debt securities who shall convert and/or exchange the same on a given date.

- f) In the event of conversion, fractions of shares to be delivered, if any, to the holder of the bonds or notes shall be rounded down by default to the nearest whole number, and each holder shall receive any possible difference in cash.*

Authority is conferred upon the Board of Directors, so that it may develop and specify the bases and methods of the conversion set forth above, and especially, to determine the timing of the conversion or exercise of the warrants, which may be limited to a previously-established period established, the ownership of the conversion right, which may be vested in the Company itself or in the holders of bonds and/or notes and/or warrants, the method for compensating holders of bonds or warrants and, in general, any other conditions or particulars deemed necessary or expedient for each specific issue.

Pursuant to sections 417 and 511 of the Joint Stock Companies Act, when any issue of convertible bonds or notes is approved, and the exercise of the pre-emptive subscription right of shareholders is excluded, in whole or in part, under the provisions of the authorisation contained in this resolution, the Board of Directors shall prepare a report in which the bases and conversion methods specifically applied to such issue will be developed and specified, on the basis of the aforementioned criteria. This report must be accompanied, if required in accordance with section 504.1 of the Joint Stock Companies Act, by the relevant report issued by an independent expert other than the Company's auditors, to be appointed for this specific purpose by the Register of Companies. In addition, the report delivered by the Board of Directors shall be made available to the shareholders and shall be notified to the first General Meeting to be held after the relevant resolution regarding the issue, together with the independent expert's report to be prepared, if applicable.

8. Bases and methods for exercising warrants and similar securities

In the event of issues of warrants or similar securities that may give, directly or indirectly, the right to subscribe for shares in the Company, which shall be governed, mutatis mutandis, by the provisions of the Joint Stock Companies Act concerning convertible bonds, the Board of Directors shall be authorised to determine, as broadly as required, the bases and methods for exercising the same. These issues shall be governed by the criteria set forth in section 7 above, with the adjustments required to make them compatible with the legal and financial system applicable to this type of securities.

9. Rights of holders of Securities

The holders of any Securities that may be issued in accordance with the authorisation contained in this resolution shall enjoy such those rights conferred upon them by the regulations in force concerning the issue and by the resolution that approved the same.

10. Capital increase

Authorisation is given to the Board of Directors to increase the share capital through the issue of new ordinary shares, in the amount required to meet the requests for conversion of the convertible securities issued under this resolution. Such authorisation will be subject to the condition that the total number of capital increases agreed by the Board of Directors, including those agreed as a result of this delegation of powers and those implemented pursuant to other authorisations granted by the Meeting of Shareholders, does neither exceed fifty per cent of the current share capital, as provided for in section 297.1 b) in fine of the Joint Stock Companies Act, nor 20% of said total share capital amount, in the event that shareholders' pre-emptive subscription right enjoyed is excluded from the issue of convertible securities.

This authorisation to increase the share capital also includes an authorisation to issue and float, on one or more occasions, the number of shares representing the Company's capital that is required to implement the conversion, as well as to redraft the article of the By-Laws concerning the amount of the Company's share capital and, if appropriate, to render null and void such relevant tranche of such capital increase as was not required for said conversion into shares.

11. Admission to trading

Authorisation is given to the Board of Directors, with express powers of delegation to any of the members thereof, to apply for the admission to trading of the Securities that are the subject matter of this delegation in Spanish or foreign secondary markets, whether or not official and organized, as well as to carry out such formalities and actions as may be deemed necessary or expedient before the competent bodies of said Spanish or foreign stock markets.

Further authorisation is given to the Board of Directors to apply for the admission to trading of the new ordinary shares that may be issued to meet the requests for conversion of any Securities issued under this resolution in the Madrid, Barcelona, Bilbao and Valencia stock exchange markets, or in any other markets in which Company shares can be traded at the time of implementation of this resolution, and their integration within the Spanish Stock exchange Interconnection System (SIBE).

It is expressly stated that, in the event that exclusion from trading is subsequently applied for, such exclusion shall be subject to the same formalities, as far as they are applicable, as applied to the application for trading and, in such event, the interests of any shareholders or bond holders who challenge or vote against such resolution shall be preserved in accordance with the provisions established by the legislation in force. In addition, it is expressly provided that the Company shall be subject to the stock market regulations currently in force or that might be enacted in future, and especially, those regarding trading, continuity and exclusion from trading.

12. Delegation of powers

Without prejudice to the specific delegations of powers contained in preceding paragraphs (which should be understood as being granted with express substitution powers in favour of the bodies and individuals specified herein), the Board of Directors is hereby granted authority, to the broadest extent required by law, and with express powers of delegation to any of its members, so that any of them may indistinctly apply, under their sole signature, for any

authorisations and adopt such resolutions as may be deemed necessary or expedient in complying with the legislation in force, or in implementing this resolution and giving effectiveness thereto, including the completion of any formalities and the formal execution of any public or private deeds, agency, underwriting, calculation and other agreements that may be required in connection with this type of issues, as well as any prospectus that might be required under the delegation of powers that is the subject matter of this resolution.

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This report has been drawn up and approved by the Board of Directors, at its meeting held on 26 May 2021.