

REPORT FROM GREENERGY RENOVABLES S.A.'S BOARD OF DIRECTORS REGARDING A CAPITAL INCREASE THROUGH CASH CONTRIBUTIONS WITHOUT PRE-EMPTIVE SUSSCRIPTION RIGHTS, TO BE CARRIED OUT PURSUANT TO THE AUTHORISATION GRANTED BY THE GENERAL MEETING OF SHAREHOLDERS HELD ON 29 JUNE 2020.

1. PURPOSE OF THE REPORT

This report has been drawn up by the Board of Directors of Greenergy Renovables, S.A. ("**Greenergy**" or the "**Company**", together with its subsidiaries, the "**Greenergy Group**") in relation to the capital increase through cash contributions without pre-emptive subscription rights (the "**Capital Increase**"), which the Board of Directors of Greenergy intends to carry out pursuant to the authorisation granted by the General Meeting of Shareholders of the Company held on 29 June, 2020, under item nine of the agenda.

The main terms of the Capital Increase are as follows:

- *Maximum nominal amount:* 1,593,137.35 euros.
- *Maximum number of new shares that may be issued under the Capital Increase:* 4,551,821 shares, representing 18.73% of Greenergy's share capital on the date of this report.
- *Issue price:* the new shares shall be issued at a nominal value of 0.35 euros plus an issue premium to be determined on the basis of the demand survey carried out in the context of an accelerated bookbuild offering. However, the Company's Board of Directors has agreed on a minimum issue price of 28.56 euros per share, as detailed in section 5(b) of this report.
- *Method of placement:* the new shares are to be placed through an accelerated bookbuild offering.
- *Eligible investors:* the Capital Increase shall be aimed exclusively at qualified investors, as detailed in section 5(c) of this report.
- *Pre-emptive subscription rights:* Company shareholders' right to pre-emptive subscription shall be excluded insofar as there exist reasons of corporate interest that justify the need to implement the Capital Increase through an accelerated bookbuild offering, which necessarily entails the aforementioned exclusion of pre-emptive subscription rights.
- *Incomplete subscription:* the possibility of incomplete subscription of the Capital Increase is expressly envisaged.
- *Rights of the new shares:* the new shares shall entitle their holders to the same voting and dividend rights as the Company's shares currently outstanding as from the date on which they are registered in their name in the corresponding accounting records. Furthermore, as regards economic rights, the new shares shall entitle the holders to the interim or final corporate dividends, the distribution of which is agreed as from such date.
- *Application for admission to trading:* application shall be made for the new shares to be admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, as well as their inclusion in the Spanish Stock Exchange Interconnection System (SIBE).

Pursuant to the provisions of sections 286, 296, 297.1 b), 308, 504 and 506 of the consolidated text 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 approved by Royal Decree 1784/1996, of 19 July, the Board of Directors is required to draw up this report for the purposes of implementing the Capital Increase.

This report has been prepared on the basis of information provided by Barclays Bank Ireland PLC, which shall be appointed as regards placement of the Capital Increase as the sole global coordinator (the "**Sole Global Coordinator**").

Furthermore, in compliance with the provisions of the Joint Stock Companies Act, this report, together with the report drawn up by Auren Auditores SP, S.L.P. ("**Auren**") acting as independent expert other than the auditor of the Company appointed for these purposes by the Company Registry, shall be made available to shareholders and notified at the first General Meeting to be held after the Capital Increase agreement described herein. Additionally, in compliance with recommendation 5 of the Code of Good Governance for Listed Companies, both reports shall be published on Grenergy's corporate website (www.grenergy.eu).

2. AUTHORISATION FROM THE GENERAL MEETING OF SHAREHOLDERS TO THE BOARD OF DIRECTORS TO INCREASE CAPITAL WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS.

The General Meeting of Shareholders of the Company held on 29 June 2020 agreed, under item nine on the agenda, to authorise the Board of Directors, in accordance with the provisions of section 297.1 b) of the Joint Stock Companies Act, so that, within a maximum period of 5 years, it may increase the share capital by means of cash contributions, up to half the amount of the share capital, on one or more occasions, and at the time and to the amount it deems appropriate.

The aforementioned authorisation agreement granted the Board of Directors the additional power to exclude pre-emptive subscription rights, limiting such power to a maximum nominal amount, altogether, equal to 20% of the share capital at the time of authorisation. In accordance with the aforementioned authorisation and with the provisions of the applicable regulations, the capital increase without pre-emptive subscription rights, within the maximum specified, must be submitted to a directors' report which, *inter alia*, details the specific reasons of corporate interest that justify such a measure, in addition to a report by an independent expert other than the Company's auditor.

Pursuant to the aforementioned authorisation by the General Meeting, the Board of Directors of the Company plans to implement a capital increase for a maximum nominal amount representing 18.73% of the share capital of Grenergy at the date of this report, excluding pre-emptive subscription rights, the main terms and conditions of which are set out in point 1 above.

For these purposes, the Board of Directors of the Company hereby informs that: (i) no use has been made to date of the aforementioned authorisation; and (ii) the maximum nominal amount of the planned Capital Increase is less than the amount of €1,701,435.47, which corresponds to 20% of Grenergy's share capital as of the date of the authorisation by the General Meeting of Shareholders of 29 June 2020.

The resolution passed by the General Meeting of 29 June 2020, together with the mandatory report by the Board of Directors, is available to the Company's shareholders on Grenergy's corporate website (www.grenergy.eu).

3. JUSTIFICATION FOR THE CAPITAL INCREASE

Grenergy is a Spanish company incorporated in 2007 as an independent producer of energy from renewable sources, mainly wind and photovoltaic, which has been listed on the Spanish stock exchange since 2019. Its business model covers all stages of the project, from development, through construction and financial structuring, to plant operation and maintenance. Since 2012, it has been operating in Latin America, where it currently has activities in Chile, Peru, Argentina, Mexico and Colombia, with a global pipeline of more than 6 GW in various stages of development.

The main purpose of the Capital Increase described in this report is to optimally finance: (i) the development and construction of the projects that Grenergy currently has in its pipeline, with the aim of connecting to the grid in the short and medium term; (ii) the expansion of the pipeline of projects under development; and (iii) to strengthen the organisational structure and the human team to carry out, and potentially accelerate, the Company's business plan.

A substantial part of the funds to be obtained in the proposed Capital Increase will be used to finance the development and construction of the projects in Grenergy's pipeline, which are mainly carried out with third-party financing. Nevertheless, in order to grant such financing, the financial institutions require the Company to contribute share capital to the project companies, which requires an increase in Grenergy's share capital, which is the purpose of the Capital Increase described herein.

Specifically, the projects that the Company has in its pipeline are as follows:

	Early stage MW's	Advanced development MW's	Backlog MW's	Under construction MW's	Total MW's
SOLAR PROJECTS					
Chile	804	1174	295	85	2358
Spain		1247	-	200	1447
Colombia	696	58	58	12	824
Peru	-	230	-	-	230
Mexico	-	-	-	-	0
Italy	260	-	-	-	260
UK	388	-	-	-	388
Total solar MW's	2148	2709	353	297	5507
Number of Solar Projects	54	25	25	10	114
WIND PROJECTS					
Chile	400	18	-	-	418
Peru	-	112	-	-	112
Argentina	-	-	-	-	0
Total wind MW's	400	130	0	0	530
Number of wind projects	2	5	-	-	7
Total wind/solar MW's	2548	2839	353	297	6037
Number of wind projects	56	30	25	10	121

In particular, the results for financial year 2020 were characterised by: (i) the construction and subsequent delivery of solar PV plants in the "Small Means of Distributed Generation" segment (the "SMDG") in Chile previously agreed for sale to third parties; and (ii) the construction and commissioning of the Duna Huambos wind

farms in Peru (36 MW) and Kosten in Argentina (24 MW), and the Quillagua solar farms in Chile (103 MW) and San Miguel de Allende in Mexico (35 MW). The Company also made progress in the construction of the Escuderos project (200 MW) in Spain, the SMDG "Palmas de Cocolán" projects in Chile (130 MW) and the first wind farm in Colombia with Bayunca (12 MW). The Company has also entered Italy and the United Kingdom, where it already has its first projects under development for a total of 260 MW and 388 MW, respectively.

In this respect, the Capital Increase would allow the Company to continue executing the investment strategy outlined in its business plan by continuing the development and construction of the projects in its pipeline, as well as expanding the pipeline of projects under development and strengthening the organisational structure and the human team to carry out, and potentially accelerate, the Company's business plan.

Accordingly, with the priority of maintaining a solid share capital position and an adequate proportion with respect to borrowed funds, the Capital Increase aims to ensure the availability of funds to meet the committed investment in the shortest possible time and to facilitate the completion of ongoing projects and projects under development, by taking advantage of the Company's current favourable situation and the current windows in the capital markets, limiting as far as possible the execution risk arising from the volatility introduced by the extended terms involved in the alternative placement modalities to the one proposed in this report. This is particularly relevant in the current environment following the COVID-19 health crisis.

According to the information provided by the Sole Global Coordinator, the Board of Directors considers that there is currently a favourable situation for the Company due, *inter alia*, to achieving the strategic objectives announced and the positive outlook for the renewable energy sector, which means that the share price is showing a positive evolution and may make it possible to undertake a transaction with attractive terms for the Company's shareholders.

In this regard, over the last few months, despite the COVID-19 health crisis, there has been a steady upward trend, with Grenergy's share price rising 157% from €15.05 per share at the end of the 2019 financial year to €38.80 per share at the end of the 2020 financial year. The share price performance reflects the market's support for the implementation of the Grenergy Group's growth strategy.

Moreover, it should be stressed that the renewable energy sector is currently highly competitive. As a result, the confidence of international investment funds in the renewable energy sector as a long-term investment, as well as the reactivation of the capital market, has led to an increase in investments in renewable energy projects, which in turn has increased the level of competition in the sector. Therefore, in the current competitive environment, it is essential to have funds available to formalise investments immediately once the agreement has been reached, in order to avoid losing investment opportunities to other entities that may have greater availability of funds. Additionally, the current competitive environment calls for a strengthening of the organisation and human teams, attracting talent to the Company.

Consequently, the current competitive environment and the investment opportunities being analysed require the Company to hold a solid share capital position and an adequate proportion of borrowed funds, so as to be able to undertake new investments and take advantage of the current market situation, as well as to favour organic growth opportunities in the main markets where it operates.

In this regard, the Company's Board of Directors considers that it is in the Company's best interest to carry out a capital increase immediately, using the windows currently offered by the capital markets and avoiding exposure to volatility risks as far as possible, proceeding in the terms described herein for the reasons summarised below:

- To optimally finance: (i) the development and construction of Grenergy's current pipeline of projects, with the aim of connecting to the grid in the short and medium term; (ii) the expansion of the pipeline of projects under development; and (iii) to strengthen the organisational structure and human team to carry out, and potentially accelerate, the Company's business plan.
- To take advantage of the current market environment by avoiding the risks associated with market volatility as far as possible through accelerated bookbuild offering.
- The evolution of Grenergy's share price and the interest of the national and international investment community in the Company's shares, which open an optimal market window for a capital increase.

The Company's Board of Directors understands, on the basis of the information provided by the Sole Global Coordinator, that the conditions currently exist in order to count on strong support for a capital increase by Grenergy such as the one proposed, both as regards the market in general and the existence of individual investors with a keen interest in participating therein, which will ultimately result in value generation for the shareholder.

In view of the above, the Board of Directors considers that the Capital Increase is in line with the corporate interest.

4. METHOD OF PLACEMENT

The Company's Board of Directors, on the basis of the information provided by the Sole Global Coordinator, considers that the most efficient, secure way for the Company to achieve the intended outcome and, at the same time, take advantage of the current market situation and the interest of the national and international investment community in the Company's shares, is to implement the issue of the new shares through a bookbuild offering. There therefore exist reasons of corporate interest that justify the use of this type of placement (see section 5 (a) below).

For such purpose, Grenergy shall enter into a placement contract with placement entities, under which the latter shall carry out private placement of the new shares exclusively with qualified investors.

This placement will be accelerated so that the subscription and payment of the Capital Increase, along with admission to trading of the new shares on the Stock Exchanges, shall be carried out in a matter of a few days, all subject to the usual practices and standards in this type of procedure.

Considering the Company's interest in the advantages of this type of placement, its context and purpose, and in accordance with consolidated market practice, the accelerated capital increase requires the exclusion of pre-emptive subscription rights, since a capital increase with acknowledgement of pre-emptive subscription rights is incompatible in its timing and formalities with a rapid placement aimed at qualified investors, which ensures the intended outcome. For the purposes of excluding pre-emptive subscription rights and in accordance with the applicable legislation, a detailed justification of the proposal is included in point 5 herein, specifying the value of the shares and the consideration to be paid for the new shares (issue price).

During the private placement period, underwriters shall conduct a process of sounding out the existing demand for the Company's shares in order to assess potential investors' interest in the Capital Increase and to determine the price the market is willing to pay for the Company's shares. The Board of Directors, in accordance with international and domestic financial practice, understands that the price resulting from this procedure (which shall be conducted transparently and amongst equally independent and well-informed parties) shall reflect the fair value of the Company's shares, as required under the provisions of section 506 of the Joint Stock Companies Act excluding pre-emptive subscription rights. Notwithstanding the above, the Company's Board of Directors has established a minimum issue rate as a safeguard for the price that may arise from such process (see section 5 (b) below).

This process shall be carried out in compliance with the applicable regulations and the usual practices and standards for this type of procedure and, particularly, with the regulations in force regarding market sounding.

Once this procedure has finalised, the Capital Increase shall be implemented by redrafting the corresponding article in the Articles of Association to include the exact amount by which the share capital has been increased as a result of the accelerated bookbuild offering.

For greater flexibility, it is envisaged to delegate jointly and severally to the Company's Chief Executive Officer and to the Secretary of the Board of Directors all powers necessary or appropriate to determine the terms and conditions of the Capital Increase following the period of sounding out demand, including, but not limited to, the amount of the Capital Increase and the shares' final issue price. It is also envisaged to empower the Chief Executive Officer and the Secretary of the Board of Directors so that each of them, individually and by their sole signature, may establish the terms and conditions of the procedure for the shares' placement, agreeing on the commencement date thereof, the duration thereof and any other circumstances required for its full execution.

5. EXCLUSION OF PRE-EMPTIVE SUBSCRIPTION RIGHTS

The Capital Increase shall be carried out by excluding the Company's shareholders' pre-emptive subscription rights insofar as such exclusion is necessary so as to implement the Capital Increase through the accelerated bookbuild offering described above.

In accordance with the applicable regulations, in order to exclude pre-emptive subscription rights in the issue of new shares, the directors are required to draw up a report in which they specify the value of the company's shares and provide detailed justification for the proposal and the consideration to be paid for the new shares. In this regard, the following details are set forth below: (a) justification of the Capital Increase and the method of placement from the perspective of Greenergy's corporate interest; (b) issue price of the new shares; and (c) intended investors in the Capital Increase.

(a) Justification of the Capital Increase and the placement method from the perspective of Greenergy's corporate interest.

The exclusion of pre-emptive subscription rights for the Company's shareholders requires corporate interest, as shown in this report. In this regard, the Company's Board of Directors considers that the exclusion of shareholders' pre-emptive subscription rights is fully compliant with the substantive requirements laid down by law and, especially, with the condition that the exclusion be required by corporate interest. In particular, because: (i) the procedure is the most suitable and appropriate in terms of the new shares' issue price, allowing optimal financing of the Company's committed investments in the development of ongoing projects and taking advantage, with the lowest cost of raising funds, of the current market situation and the interest of the national and international investment community in the Company's shares, avoiding execution risks associated with exposure to terms which, due to their length, create uncertainty due to possible market volatility; and (ii) there is proportionality between the advantages obtained for the Company and the disadvantages that might potentially be caused to any shareholder whose expectations could be reduced due to political dilution.

Accordingly, the Board of Directors considers that the Capital Increase and the placement method fall in line with corporate interest insofar as, *a priori*, they are the most appropriate measures to provide the Company with full coverage, and on favourable terms, for financing its business plan, reducing execution risks as far as possible.

Furthermore, on the basis of the information provided by the Sole Global Coordinator, it is considered that Grenergy is facing a potentially ideal window to undertake a capital increase of this nature.

In this regard, and without prejudice to the detailed justification of the proposal set out in point 3 above, it is worth highlighting the following:

- (i) *Adequacy of the accelerated bookbuild offering of shares as a procedure for securing the corporate purposes of the Capital Increase.*

The Company's Board of Directors, on the basis of the information provided by the Sole Global Coordinator, considers that implementing the new share issue through an accelerated bookbuild offering is the most appropriate technique to achieve the desired outcome and to take advantage, in turn, of the current market situation and the interest of the national and international investment community in the Company's shares in terms of: (i) the new shares' issue price; (ii) the cost of raising funds; and (iii) execution risk; all of which is proportional to the objective sought by the Board of Directors and the Company's corporate interest.

In this respect, it is important to point out that this type of transaction is commonly used by large issuers in international capital markets and has often been used by a number of Spanish listed companies, mainly due to its flexibility, efficiency and speed. This explains why the procedure is a consolidated practice in the market, which listed companies have regularly adopted, excluding pre-emptive subscription rights as they are incompatible in terms of deadlines and formalities with fast placement aimed at a specific group of investors, such as the one intended.

The Company's Board of Directors has analysed other alternative methods of raising new capital available to the Company, such as: (i) a capital increase through cash contributions and acknowledgement of pre-emptive subscription rights; and (ii) a capital increase through cash contributions, excluding pre-emptive subscription rights for the purpose of a public share offering (i.e. without private placement).

In this regard, the main advantages of the proposed structure, compared to the above-mentioned alternative methods of raising capital, are as follows:

Reduced exposure to market volatility: any alternative capital raising strategy to the one proposed would significantly delay the process, which would expose the transaction to market volatility for an extended period of time, making it incompatible with the intended goal of corporate interest.

This advantage is particularly relevant in the current environment stemming from the COVID-19 health crisis and its global economic and social consequences. In this context, share capital markets have had, and continue to have, highly volatile stock market sessions which, together with the current political and economic framework, create a scenario that suggests resorting to mechanisms that reduce their associated uncertainty and volatility.

In this respect, in a capital increase through cash contributions and with pre-emptive subscription rights, adding on the time factor, the value of the shares

must be established at the beginning of the process, leaving the company exposed to market performance during the term for trading rights, in a context subject to exceptional volatility as described in the paragraph above.

In addition, in a capital increase with cash contributions and excluding pre-emptive subscription rights for the purpose of a public share offering, the duration of the process could again entail considerable market risk which, depending on its performance, could prevent the necessary resources from being raised.

The Company's Board of Directors considers that the volatility described above makes it inadvisable, according to the information provided by the Sole Global Coordinator, to raise capital that would expose the Company for an extended period of time to a negative share price evolution.

Therefore, none of the alternative capital raising strategies to the one proposed would allow the Company's objectives to be achieved most efficiently considering the volatility inherent in the financial markets - currently compounded by the COVID-19 health crisis - and the execution time required to carry out any of these alternatives.

Possible lower discount to the share price: the issue price of new shares under an accelerated bookbuild offering usually represents a lower discount to the share price at that time by avoiding the market risk which a capital increase with pre-emptive subscription rights or a capital increase with cash contributions and excluding pre-emptive subscription rights is subject to, for the purpose of a public offer for subscription of shares, which require a period of several weeks as from announcement to closure (during which time the share price may fall, which could result in the share price being lower than the issue price set for such increases), whereas a capital increase under an accelerated bookbuild offering is carried out in a matter of a few days.

Therefore, capital raising strategies other than as proposed would generally involve having to carry out the transaction at an issue price at a greater discount with respect to the listed price of the Company's share

- *Cost saving:* the costs of an accelerated accelerated bookbuild offering are generally lower than those of a cash capital increase with pre-emptive subscription rights and those of a capital increase with cash contributions (excluding pre-emptive subscription rights) for the purpose of a public offering of shares due to the fact that most of the advertising and marketing costs are eliminated and the commissions of the underwriters are generally reduced.
- Therefore, capital raising strategies other than the one proposed would, initially, involve a greater cost for the Company
- *Flexibility in terms of launch and speed of execution:* Any capital raising strategy other than the one proposed would draw out the process, which would lead to a significant delay in raising funds.
- In this respect, a capital increase by cash contributions with acknowledgement of pre-emptive subscription rights is exercised during a period which, by law, cannot be less than 15 days as from the publication of the announcement of the subscription offer for such a new issue in the Official Gazette of the Mercantile

Registry. Moreover, in a capital increase by cash contributions and excluding pre-emptive subscription rights so as to make a public offer for subscription of shares, a period of approximately 2 weeks is required as from the announcement until the issue price is established. Moreover, in both cases, it is also necessary to prepare and register the corresponding prospectus with the National Securities Market Commission (CNMV).

Such time periods contrast with the time required to complete the subscription and disbursement of shares through an accelerated bookbuild offering, insofar as it is limited to a period of a few days, which means it can be carried out quickly and flexibly, thus significantly increasing the Company's room for manoeuvre and its capacity to react. This allows the Company to take advantage of the prevailing market situation and the interest of the national and international investment community in the Company's shares and, therefore, perform the transaction under the best conditions available to the Company.

Furthermore, insofar as the maximum number of shares to be issued under the Capital Increase represents less than 20% of the number of the Company's shares admitted for trading and no additional Grenergy shares have been admitted to trading in the last 12 months, it would not be necessary to prepare and register a prospectus in accordance with the provisions of Article 1. 5 (a) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 regarding the prospectus to be published when securities are offered to the public or admitted for trading on a regulated market and repealing Directive 2003/71/EC ("**Regulation 2017/1129**").

Accordingly, such speed of execution is essential to limiting and taking advantage of market windows, therefore contributing to the corporate interest by optimizing the Capital Increase in terms of price and cost, and also providing greater certainty as to the outcome of the Capital Increase, which means that, in the current market situation, it is the best option in the interest of all of the Company's shareholders.

In addition, the proposed Capital Increase offers an opportunity to: (i) increase the Company's shareholder base by adding new, qualified, prestigious investors; (ii) improve the Company's liquidity; and (iii) increase interest and monitoring of the Company by analysts.

Furthermore, through the accelerated bookbuild offering process, the Company can participate in the share allotment process in order to consolidate a shareholder base aligned with the Company's interests, non-speculative and with the intention of permanence in the medium and long term.

In view of the above, the Board of Directors considers that accelerated accelerated bookbuild offering is the most suitable procedure in the current market situation for achieving the outcome desired with the Capital Increase from the perspective of the corporate interest.

(ii) Proportionality of the exclusion of the pre-emptive subscription rights

In the opinion of the Board of Directors, the exclusion of pre-emptive subscription rights complies with the due proportionality that must exist between the advantages obtained for the Company and the disadvantages that could eventually be caused to any

shareholders whose expectations would be reduced as a result of the political dilution that any issue of shares without pre-emptive subscription rights necessarily entails. This is justified by: (i) the advantages that accelerated bookbuild offering has over other alternatives for raising capital in order to ensure, to the greatest extent possible, the purposes of corporate interest sought with the Capital Increase, as explained in the section above; and (ii) the fact that by issuing the shares at their fair value (as explained below) this does not imply, a priori, an economic dilution or economic detriment for shareholders.

In view of the above, the Company's Board of Directors considers that the exclusion of pre-emptive subscription rights in the Capital Increase referred to herein is justified for reasons of corporate interest, insofar as the advantages of the accelerated bookbuild offering for the Company in terms of price, structuring and outcome, compensate, justify and require, in the current market situation, this type of placement in the interest of all its shareholders.

(b) Issue price of new shares

The Joint Stock Companies Act makes the resolution to increase capital with exclusion of pre-emptive subscription rights by the Board of Directors conditional upon the nominal value of the shares to be issued plus, if applicable, the amount of the issue premium, corresponding to the fair value resulting from the report by the independent expert, other than the Company's auditor, appointed for this purpose by the Company Registry. In this respect, the Joint Stock Companies Act provides that, in listed companies, fair value shall be taken to be the market value which, unless otherwise justified, shall be as per established by reference to the stock market price.

In view of the above, it is proposed that the issue price of the new shares (nominal value plus premium) should be the price resulting from sounding out demand in the accelerated bookbuild offering of the new shares to be issued under the Capital Increase by the underwriters (see section 4 of this report). The Board of Directors considers that fair value reflects the fair value resulting from the process described above as it measures the intensity of demand among the most qualified segment of investors (who are able to very quickly assess the offer and determine the amount and price at which they are willing to purchase the shares) and therefore properly and accurately expresses what the market is willing to pay for the Company's new shares.

Therefore, the method of establishing the issue price (nominal value plus issue premium) proposed for the Capital Increase means that it corresponds to the fair value of the Company's shares, as provided in section 506(4) of the Joint Stock Companies Act, *in fine*.

However, as an additional precaution, the Board of Directors has opted to establish a minimum issue price equivalent to the price resulting from applying a discount of 16% on the closing price of the Company's shares on the Spanish Stock Exchange Interconnection System (SIBE) of the Spanish Stock Exchanges on the last closed trading session prior to the Board of Directors adopting the resolution approving the Capital Increase, rounded up to a full number of euro cents, and under no circumstances may such minimum issue price (nominal value plus premium) be less than 28.56 euros

per share (the "Minimum Issue Price"). Therefore, the minimum rate at which the new shares of the Company may be issued is 28.56 euros, of which 0.35 euros corresponds to their nominal value and 28.21 euros to the issue premium.

The Minimum Issue Rate proposed by the Board of Directors corresponds to the price decided by the Company following discussions with the underwriters, acting freely as well-informed and independent parties, on the price per share at which the underwriters, prior to sounding out demand among qualified investors and taking into account the market conditions existing at the time when this report is issued, consider that there may be interest among investors to cover the Capital Increase.

This Minimum Issue Rate is in line with the discounts that are customary in recent experience in capital increases of similar characteristics to the one envisaged in terms of absolute value and the security's historical daily trading volume.

In addition, the issue of shares with a maximum discount such as the one resulting from the Minimum Issue Rate is fully justifiable from the supply and demand perspective that governs the operation of securities markets. In this regard, the price of a share, i.e. its market value, is determined by the crossover between supply and demand, and represents the value at which market participants are willing to buy and sell a non-significant number of shares of an entity. The placement of a significant package of shares (such as that envisaged to be issued in the Capital Increase) implies that the supply of shares in the market is much greater than it was prior to the placement (resulting in a shift of the supply curve), which leads to a downward trend in the share price, which will be greater depending on the relative volume of new shares to be placed in circulation.

Notwithstanding the above, in accordance with the provisions of the Joint Stock Companies Act, Auren, acting as an independent expert other than the auditor of the Company's accounts appointed for these purposes by the Register of Companies, must issue a report, under its responsibility, on the fair value of the Company's shares, on the theoretical value of the pre-emptive subscription rights whose exercise is proposed to be waived or limited and on the fairness of the data contained in this report. As mentioned above, that report, together with this report, shall be made available to the shareholders and notified to the shareholders at the first general meeting to be held after the resolution regarding the Capital Increase referred to herein.

(c) Target Market of the Capital Increase

As mentioned above, the underwriters shall carry out an accelerated bookbuild offering of the new shares exclusively among persons who hold the status of qualified investors.

In this respect, the new shares will be aimed exclusively at qualified investors: (i) in the European Union, as defined in article 2 (e) of Regulation 2017/1129; and (ii) in the remaining countries, considering as such those investors having such status or equivalent category, in accordance with the applicable regulations in each jurisdiction so that, pursuant thereto, the Capital Increase does not require any registration or approval before the competent authorities. The new shares have not been and will not be registered under the securities laws of the United States of America (the "U.S. Securities

Act of 1933"), or with any securities regulatory authority of any state or other jurisdiction of the United States of America. The new shares may only be offered, sold or transferred outside the United States of America through "offshore transactions", as defined in, and in accordance with, "Regulation S" of the U.S. Securities Act of 1933 and within the United States of America only to qualified institutional buyers, as defined in Rule 144A of the U.S. Securities Act of 1933 or pursuant to another exemption from the registration requirements, or in transactions not subject to the U.S. Securities Act of 1933.

17 March 2021

The Board of Directors of
GREENERGY RENOVABLES S.A.