



REPORT DRAWN UP BY GREENERGY RENOVABLES S.A.'S AUDIT COMMITTEE ON ITS OPERATIONS WITH RELATED PARTIES IN FINANCIAL YEAR 2020

I.- Introduction.

The new Code of Good Governance for Listed Companies, as approved by the *Comisión Nacional del Mercado de Valores* (Spain's Financial Market Authority) on 18 February 2015, recommends (Recommendation no. 6) listed companies to prepare and publish on their website a number of reports, including a report drawn up by the Audit Committee regarding their operations with related parties. The Group's Audit Committee, following this recommendation, has therefore prepared this report.

II.- Operations with related parties.

Section D.2. of the Annual Report on Corporate Governance deals with the Company's operations with related parties. More specifically, according to this section, the operations with related parties carried out the Greenergy Group in 2020 were limited to those concluded with the controlling shareholder, Daruan Group Holding S.L., and with natural persons or corporations related thereto. These operations are stated below:

| Name or corporate name of the significant shareholder | Name or corporate name of the Company or entity in its group | Nature of the relationship | Type of operation | Amount |
|---|--|----------------------------|-------------------|---------|
| Daruan Group Holding S.L. | Nagara Nur S.L. | Contractual | Lease | 112,844 |
| Daruan Group Holding S.L. | Daruan Group Holding S.L. | Contractual | Lease | 194,531 |
| Daruan Group Holding S.L. | Marp Marketing y Producto S.A. | Contractual | Purchase of goods | 268,034 |
| Daruan Group Holding S.L. | Marp Marketing y Producto S.A. | Contractual | Use of a licence | 13,001 |

III.- Detailed information.

1.- Lease agreement between Nagara Nur S.L. and Greenergy (office space at Rafael Botí, 2).

This lease agreement concerns the offices used by GREENERGY in Madrid, at Calle Rafael Botí 2. These offices are owned by the company Dela Patrimonio S.L., a third party neither related to Daruan Group Holding S.L. nor to its sole shareholder, Mr. David Ruiz de Andrés, and are leased by the company Nagara Nur S.L., which is owned by Mr. David Ruiz de Andrés (president and indirect majority shareholder of GREENERGY) and his spouse. The space sublet by Nagara Nur S.L.

to GREENERGY is only a fraction of the space leased by Nagara Nur S.L. from Dela Patrimonio S.L., given that Nagara Nur S.L. distributes that space among other companies related to Daruan Group Holding S.L. (Marp Marketing y Producto S.L. and Lefrik Internet Retail S.L., among others), which are unrelated to GREENERGY's subgroup. More specifically, the space leased to GREENERGY RENOVABLES S.L. has a surface area of 500 square metres, in addition to 15 parking spaces, for a total price of EUR 112,844 per year (108,000 per year for the lease, plus another 4,844 euros in respect of the passed-on costs of energy consumption). The reason for Nagara Nur S.L.'s mediation in this lease lies in the fact that the space is shared among several companies and only one sub-lessor is needed to keep a consistent relationship with the lessor. The price invoiced by Nagara Nur S.L. to Greenergy has been fixed by increasing the rent paid by Nagara Nur to the lessor by 5%, which represents a reasonable margin considering the management tasks carried out by the latter (payment of utilities, guaranteed provision of additional space if required by the Company, etc.).

2.- Lease agreement between Daruan Group Holding S.L. and GREENERGY (Office space at Rafael Botí, 26)

This agreement concerns the offices used by GREENERGY in Madrid, at Calle Rafael Botí 26. It provides for the lease of the offices located on the third floor of the building only, as well as for the right use eight parking spaces. These offices have been owned by Daruan Group Holding S.L. since 20 December 2019, and this company leases them to Greenergy. The annual rent amounts to EUR 184,207, giving a monthly rent of EUR 15,412, plus an annual amount of EUR 10,324 in respect of energy supply. The price of this lease is deemed to be a market price, as it is line with the price that was fixed when the lessor was the company Patriot Propco S.L., a company in the Blackstone group that is not linked to the Daruan group or Greenergy and from which Daruan Group Holding S.L. purchased this office space.

3.- Purchase agreement for sanitary protection material provided by Marp Marketing y Producto S.A.

This operation concerns the purchase by Greenergy from Marp Marketing y Producto S.A. (a company belonging to the same group as Daruan Group Holding S.L.) of sanitary protection material against Covid-19 (facemasks, gloves, PPEs, etc.) for a price of EUR 268,034 in March and May 2020. This material was subsequently donated by Greenergy to several local, regional or national governments in Spain, Peru, Chile and Colombia, as non-profit contributions that Greenergy deemed reasonable to make in communities where the company has interests.

This purchase from Marp Marketing y Producto S.A. is justified since a major part of this company's production activities is carried out in China, which allowed Greenergy to have privileged access to vendors of this type of materials at a time when, as is well known, they were basically out of stock. As indicated above, the purchase operations were conducted in March and May 2020. Marp Marketing y Producto S.A. did not make any profit out of this purchase.

4.- Use of a licence.

This operation concerns an annual payment of EUR 13,001 by Greenergy to Marp Marketing y Producto S.A. for the use made by Greenergy of several licences for SAGE Murano software licensed to Marp Marketing y Producto S.A. (a company belonging to the same group as Daruan Group Holding S.L.). The operation is justified since Marp Marketing y Producto S.A. is a long-time licensee of this software, which makes it easier to obtain the right to use the same. In addition, as the price paid by Greenergy is equal to the price paid by Marp Marketing y Producto S.A., this operation amounts to a passing-on of expenses incurred.

IV.- Conclusion.

The Audit Committee has issued a favourable report in respect of the operations with related parties specified above.

22 January 2021