

Audit Report on Financial Statements
issued by an Independent Auditor

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2022

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

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

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of GREENERGY RENOVABLES, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated financial position statement at December 31, 2022, the consolidated profit or loss statement, the consolidated other comprehensive income statement, the consolidated changes in equity statement, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2022 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

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

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

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

Key audit matters

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

Impairment of non-financial non-current assets

Description At December 31, 2022, the Group recognized PP&E items under non-current assets amounting to 582,149 thousand, mainly corresponding to wind farms and photovoltaic solar plants under development, construction or in operation.

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

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

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

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

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

The information related to the valuation standards and the main assumptions used by the Group's Management in determining the impairment of non-current non-financial assets, are included in Notes 3.5 and 6 of the accompanying consolidated financial statements.

Our response

Our Audit procedures included, among others, the following:

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

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

Recognition of income from construction contracts and sales of developments

Description The Grenergy Group carries out a significant part of its business through contracts for the construction of Photovoltaic solar plants and development sells to third parties. The information on the recognition of revenue from these contracts is provided in Note 3.14 of the accompanying consolidated financial statements.

Given that they represent a significant volume of the Group's revenue, we determined recognition of revenue from constructions contracts and sales of developments to be a key audit matter.

Construction contracts affect the valuation of completed work pending certification, which at December 31, 2022 amounts to 8,689 thousand euros (note 11 to the accompanying consolidated financial statements) and likewise require that Group management make significant estimates related primarily to total costs, costs incurred, completion costs, and the expected profit or loss earned upon project completion.

Sales of developments are completed when control of the over the goods and services underlying the performance obligation has been transferred to the buyer and the sale is considered legally irrevocable, taking termination clauses, among others, into account. Given the complexity of analyzing these transactions, we determined this to be a key audit matter.

Our response

Our audit procedures included, among others, the following:

- ▶ Gaining an understanding of the process used for constructions contracts to manage projects in progress. Choosing a selected sample of contracts, based on their significance, and verifying that their terms and conditions, as well as the invoiced income and related sales costs at year end, were recognized in the income statement in accordance with the input method (based on costs incurred in proportion to estimated total costs) over time, ensuring that costs are allocated at the correct amount and to the correct period, and checking against bank statements that invoiced amounts have been collected.
- ▶ Inquiring with Company Management about the development stage of the most relevant projects to ensure that there are no significant deviations between the projected and actual costs. Checking that the balances of uninvoiced completed construction recognized at December 31, 2022 from invoices issued after year-end have been billed correctly.
- ▶ Understanding the transactions carried out in connection with sales of development by analyzing the sale agreements reached and holding meetings with Company Management. Reviewing the accounting effects arising from the difference between the selling amount and the net asset transferred. Examining bank statements to verify collection of the sale of the subsidiaries in accordance with the payment schedule stipulated in the sale agreement.
- ▶ Reviewing the disclosures made in the notes to the consolidated financial statement comply with the applicable financial reporting framework.

Other information: consolidated management report

Other information refers exclusively to the 2022 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

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

- a. Checking only that the consolidated non-financial statement, certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.
- b. Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2022 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

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

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

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

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

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

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

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

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

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of GREENERGY RENOVABLES, S.A. and subsidiaries for the 2022 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of GREENERGY RENOVABLES, S.A. are responsible for submitting the annual financial report for the 2022 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Board remuneration report has been incorporated by reference in the consolidated management report.

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

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

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on February 27, 2023.

Term of engagement

The ordinary general shareholders' meeting held on May 11, 2022 appointed us as Group auditors for two years, commencing on December 31, 2022.

Previously, we were appointed as auditors by the shareholders for three year and we have been carrying out the audit of the consolidated financial statements continuously since December 31, 2019.

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

(Signed in the original version)

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

February 27, 2023



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

**CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT
REPORT FOR THE YEAR ENDED
DECEMBER 31, 2022**

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2022 AND 2021

(Thousands of euros)

ASSETS	Notes	12.31.2022	12.31.2021
NON-CURRENT ASSETS		681,842	428,450
Intangible assets	Note 7	248	81
Software		238	70
Patents, licenses, trademarks, et al.		10	11
Property, plant, and equipment	Note 6	582,149	388,783
Land and buildings		96	76
Plant and other PP&E		412,192	198,078
PP&E under construction and prepayments		169,861	190,629
Right-of-use assets	Note 8	28,175	13,072
Investments accounted for using the equity method	Note 9.1	4,515	-
Financial investments	Note 9.2	19,428	1,073
Equity instruments		40	-
Derivatives		16,444	-
Other financial assets		2,944	1,073
Deferred tax assets	Note 19	47,327	25,441
CURRENT ASSETS		205,139	176,358
Inventories	Note 10	6,611	17,347
Raw materials and other consumables		2,157	7,853
Plant under construction		100	3,892
Prepayments to suppliers		4,354	5,602
Trade and other receivables		80,049	79,693
Trade receivables	Note 11	47,880	56,261
Other accounts receivable		159	382
Receivables from employees		6	5
Current tax assets	Note 19	2,528	628
Other receivables from public administrations	Note 19	29,476	22,417
Financial investments	Note 9.2	11,972	7,961
Loans to companies		727	1,539
Derivatives		1,501	-
Other financial assets		9,744	6,422
Accruals		837	2,689
Cash and cash equivalents	Note 12	105,670	68,668
Cash in hand		105,670	68,668
TOTAL ASSETS		886,981	604,808

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of financial position for the years ended December 31, 2022 and 2021.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2022 AND 2021

(Thousands of euros)

EQUITY AND LIABILITIES	Notes	12.31.2022	12.31.2021
EQUITY		244,815	158,708
Equity attributed to the Parent company		245,053	159,323
Capital and reserves		268,257	170,666
Share capital	Note 13.1	10,714	9,774
Issued capital		10,714	9,774
Share premium	Note 13.2	198,912	109,851
Reserves	Note 13.3	68,056	52,310
(Shares and participation units of the Parent company)	Note 13.4	(19,728)	(17,577)
Profit (loss) for the year attributed to the Parent		10,303	16,308
Unrealized gains (losses) reserve	Note 14	(23,204)	(11,343)
Hedging transactions		(25,617)	(11,493)
Currency translation differences		2,413	150
Minority interests	Note 15	(238)	(615)
NON-CURRENT LIABILITIES		420,896	286,376
Provisions	Note 16	16,354	12,509
Borrowings	Note 17	384,119	259,502
Bonds and other marketable debt securities		83,231	31,223
Bank borrowings		254,229	201,905
Lease liabilities		26,073	11,051
Derivatives		20,586	15,323
Deferred tax liabilities	Note 19	20,423	14,365
CURRENT LIABILITIES		221,270	159,724
Provisions	Note 16	8,153	1,804
Borrowings	Note 17	118,612	74,165
Bonds and other marketable debt securities		34,529	32,146
Bank borrowings		46,307	34,148
Lease liabilities		1,505	1,389
Derivatives		36,141	6,326
Other financial liabilities		130	156
Trade and other payables		94,505	82,413
Suppliers		85,050	76,793
Other accounts payable		5,644	3,028
Employee benefits payable		1,745	1,180
Current income tax liabilities	Note 19	293	107
Other payables to public administrations	Note 19	1,484	1,303
Customer advances		289	2
Accruals		-	1,342
TOTAL EQUITY AND LIABILITIES		886,981	604,808

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of financial position for the years ended December 31, 2022 and 2021.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEARS
ENDED DECEMBER 31, 2022 AND 2021
(Thousands of euros)

	Notes	12.31.2022	12.31.2021
CONTINUING OPERATIONS			
Revenue	Note 4	110,584	82,506
Sale of goods		107,969	79,731
Rendering of services		2,615	2,775
Changes in inventory of finished products and work in progress		(3,792)	12,923
Work performed by the entity and capitalized	Note 4	182,423	137,648
Cost of sales	Note 20.1	(208,983)	(172,728)
Other operating income		299	683
Employee benefits expense	Note 20.2	(14,772)	(9,597)
Other operating expenses	Note 20.3	(15,671)	(10,026)
Depreciation and amortization	Notes 6, 7, and 8	(14,178)	(7,125)
Impairment and losses	Notes 6 and 24.2	(6,160)	(1,913)
Other gains or losses		66	15
OPERATING PROFIT (LOSS)		29,816	32,386
Finance income	Note 20.4	471	-
Finance costs from interest accrued on debt	Note 20.4	(19,632)	(9,321)
Other finance costs	Note 20.4	(3,022)	(4,935)
Profit (loss) for companies under the equity method	Note 9.1	(325)	-
FINANCE COST		(22,508)	(14,256)
PROFIT (LOSS) BEFORE TAX		7,308	18,130
Corporate income tax	Note 19	3,001	(2,118)
CONSOLIDATED PROFIT FOR THE YEAR		10,309	16,012
PROFIT (LOSS) ATTRIBUTED TO MINORITY INTERESTS		6	(296)
PROFIT (LOSS) FOR THE YEAR ATTRIBUTED TO THE PARENT		10,303	16,308
Earnings (losses) per share	Note 13.6	0.34	0.60

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of profit or loss for the years ended December 31, 2022 and 2021.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER
31, 2022 AND 2021

A) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Thousands of euros)

	12.31.2022	12.31.2021
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR (I)	10,309	16,012
OTHER COMPREHENSIVE INCOME RECOGNIZED DIRECTLY IN EQUITY		
Items which can be taken to profit or loss subsequently		
- Currency translation differences	2,263	2,850
- From cash flow hedges	(18,832)	(12,962)
- Tax effect	4,708	3,219
TOTAL INCOME AND EXPENSE RECOGNIZED DIRECTLY IN CONSOLIDATED EQUITY (II)	(11,861)	(6,893)
TOTAL CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD (I+II)	(1,552)	9,119
Attributable to:		
Parent company	(1,558)	9,364
Minority interests	6	(245)

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of comprehensive income for the years ended December 31, 2022 and 2021.

B) CONSOLIDATED STATEMENT OF ALL CHANGES IN EQUITY

(Thousands of euros)

	Share capital	Share premium	Reserves	(Treasury shares)	Profit for the period attributed to the Parent company	Unrealized gains (losses) reserve	Minority interests	Total
BALANCE AT DECEMBER 31, 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	-	-	-	-	10,303	(11,861)	6	(1,552)
Capital increase	940	89,061	(1,075)	-	-	-	-	88,926
Transactions with shares of the Parent company (net)	-	-	1,410	(2,151)	-	-	-	(741)
Changes in the consolidation scope, transfers, and other minor effects	-	-	(897)	-	-	-	371	(526)
Appropriation of profit from prior year	-	-	16,308	-	(16,308)	-	-	-
BALANCE AT DECEMBER 31, 2022	10,714	198,912	68,056	(19,728)	10,303	(23,204)	(238)	244,815

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of changes in equity for the years ended December 31, 2022 and 2021.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Thousands of euros)

	Notes	12.31.2022	12.31.2021
A) CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit (loss) before tax		7,308	18,130
2. Adjustments to profit		38,517	23,830
a) Depreciation and amortization (+)	6 and 7	14,178	7,125
b) Impairment and losses (+/-)	24.2	6,160	1,926
c) Changes in provisions (+/-)		71	741
e) Gains (losses) from derecognition and disposal of assets (+/-)	6 and 7	-	(13)
g) Finance income (-)		(471)	-
h) Finance costs (+)	20	19,632	9,321
i) Exchange gains (losses) (+/-)	20	(1,191)	(1,560)
j) Change in fair value of financial instruments (+/-)		(187)	6,290
k) Other income and expenses (-/+)	5	325	-
3. Changes in working capital		20,156	(22,789)
a) Inventories (+/-)	10	10,736	(24,743)
b) Trade and other receivables (+/-)	11	(356)	(36,937)
c) Other current assets (+/-)		1,852	(1,943)
d) Trade and other payables (+/-)		7,011	38,364
e) Other current liabilities (+/-)		913	1,342
f) Other non-current assets and liabilities (+/-)		-	1,128
4. Other cash flows from operating activities		(27,583)	(5,438)
a) Interest paid (-)	20	(19,632)	(1,191)
c) Interest received (+)		471	-
d) Income tax receipts (payments) (+/-)	20	(8,422)	(4,247)
5. Cash flows from operating activities (+/-1+/-2+/-3+/-4)		38,398	13,733
B) CASH FLOWS FROM INVESTING ACTIVITIES			
6. Payments on investments (-)		(200,720)	(200,647)
a) Companies consolidated using the equity method	9	(4,840)	-
b) Intangible assets	7	(195)	(24)
c) Property, plant, and equipment	6	(189,782)	(198,137)
e) Other financial assets		(5,903)	(2,486)
7. Proceeds from disinvestments (+)		1,482	16
c) Property, plant, and equipment	6	-	16
e) Other financial assets	8	1,482	-
8. Cash flows from (used in) investing activities (7+6)		(199,238)	(200,631)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
9. Proceeds from and payments on equity instruments		88,846	101,623
a) Proceeds from issuance of equity instruments (+)	13	90,001	105,000
c) Acquisition of own equity instruments (-)	13	(30,242)	(59,634)
d) Disposal of equity instruments of the Parent company	13	29,087	56,257
10. Proceeds from and payments of financial liabilities		110,893	133,697
a) Issues (+)		317,901	179,690
1. Bonds and other marketable debt securities (+)		225,836	73,720
2. Bank borrowings (+)	17	92,065	105,970
b) Repayment and redemption of:		(207,008)	(45,993)
1. Bonds and other marketable debt securities (-)	17	(171,445)	(32,000)
2. Bank borrowings (-)	17	(34,148)	(9,715)
3. Leases (-)	17	(1,389)	-
4. Other borrowings (-)	17	(26)	(4,278)
12. Cash flows from financing activities (+/-9+/-10-11)		199,739	235,320
D) Net foreign exchange difference		(1,897)	(323)
E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (+/-A+/-B+/-C+/-D)		37,002	48,099
Cash and cash equivalents at January 1	12	68,668	20,569
Cash and cash equivalents at December 31	12	105,670	68,668

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated cash flow statement for the years ended December 31, 2022 and 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

1. Group companies

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

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

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.

The breakdown of the companies which make up the Group is presented in Appendix I. In addition, the main changes in the consolidation scope corresponding to 2022 and 2021 are disclosed in Appendix II to the accompanying consolidated financial statements.

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

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

1.2. Regulatory framework

The Grenergy Group performs its activity in a regulated environment with different characteristics depending on the country in which it operates. The Group's regulatory framework is disclosed in Appendix III. No relevant matters arose in this respect during 2022 which had a significant impact on the consolidated financial statements.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

*Notes to the consolidated financial statements
for the year ended December 31, 2022*

2. Basis of presentation

2.1 True and fair view

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

The consolidated financial statements corresponding to FY 2022, which were authorized for issue by the Board of Directors of Greenergy Renovables, S.A. on February 24, 2023, as well as those of its investees, will be submitted for approval by shareholders at their respective general meetings. It is expected that they will be approved without modification.

Greenergy's annual 2022 consolidated financial statements were prepared based on the accounting records held by Greenergy Renovables, S.A. and the remaining entities which comprise the Group, in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU"), and in conformity with Regulation (EC) 1606/2002 of the European Parliament and Council.

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

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

The Group's directors have prepared the accompanying consolidated financial statements on a going-concern basis.

These consolidated financial statements give a true and fair view of Greenergy's consolidated equity and consolidated financial position at December 31, 2022, as well as the consolidated results of its operations, changes in the consolidated statement of comprehensive income, consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended.

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

2.2 Adoption of International Financial Reporting Standards (IFRS)

- a) Standards and interpretations approved by the European Union and applied for the first time during the current reporting period.

The accounting policies used to prepare the accompanying consolidated financial statements are the same as those applied 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.

- b) Standards and interpretations issued by the IASB not yet applicable in the current reporting period

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

2.3 Responsibility for the information presented and significant estimates

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

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

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

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

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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for the year ended December 31, 2022*

2.4 Comparison of information

For comparative purposes the accompanying consolidated financial statements are presented together with the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year ended December 31, 2021.

Law 18/2022, of September 28, was published on September 29, 2022, on the creation and growth of companies, including additional disclosures relating to volume and invoiced amounts paid within the established deadlines. No comparative information from the previous year is presented.

2.5 Seasonality

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

2.6 Climate change

The accompanying consolidated financial statements were prepared taking into account the provisions of the informative document issued by the International Accounting Standards Board (IASB) in November 2020, which included disclosure requirements with respect to climate change.

In February 2021 Greenergy published its ESG Action Plan 2021, including the objectives for the first phase of the ESG Roadmap 2023, affirming its commitment to informing the public on its progress on a quarterly basis.

The ESG Roadmap 2023 is a strategic plan to boost Greenergy's sustainability in five strategic areas. It is based on the results of an internal diagnostic process and a materiality analysis performed by the Group in 2020.

The Sustainability Policy, approved by the Board of Directors on December 20, 2021, is aligned with the ESG Roadmap 2023 and with the action plans defined for each of the strategic areas.

It integrates the United Nations Sustainable Development Goals into the sustainability strategy, emphasizing those we have chosen as a priority and where Greenergy's contribution can be more significant.

Sustainability permeates all of Greenergy's decisions, with special attention paid to protecting the environment, promoting biodiversity, and contributing in the fight against climate change.

Greenergy's growth contributes directly to the fight against climate change, enabling the energy transition and decarbonization of the economy. The substitution of fossil fuels with renewable energies is key to reducing society's greenhouse gas emissions and limiting global warming to below 1.5°C.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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Analysis measures:

- The scope 1, 2, and 3 emissions that Grenergy generates directly or indirectly in its activity are measured in accordance with the criteria established in the international GHG Protocol standard and the ISO 14064 standard, including emissions corresponding to all greenhouse gases relevant to Grenergy.
- Grenergy's identification of emission sources and carbon footprint calculations for 2021 have obtained independent verification for their alignment with the principles and requirements of the ISO 14064 standard.
- A plan has been drafted to implement a 55% reduction in Grenergy's emissions by 2030 and achieve net zero emissions by 2050 (Scope 1 and 2).

A summary of the main milestones achieved in 2022 is provided below.

In the second quarter, Grenergy developed an energy efficiency and emissions reduction plan establishing an ambitious program for replacing Grenergy's fossil fuel vehicles with hybrid/electric vehicles, using energy-efficient lighting fixtures, and obtaining certification of electricity supply from renewable sources, amongst others. Finally, three internal sustainability training sessions were organized for both management and key personnel to promote ESG awareness at a transversal level in the Group.

In the fourth quarter, a control system was defined with respect to implementation of the policies established within the Group's internal regulatory framework, designating a control manager to carry out each policy. Grenergy has also revised and expanded its internal ESG reporting procedure on a periodic basis, including ESG metrics that depend on financial and material criteria in accordance with the commitments established in the Sustainability Policy. Further, in parallel with the previous objectives, the employee training plan was improved during this quarter with a view to supporting professional development, improving team capabilities, and strengthening commitment to the employees.

- With a view to managing ESG risks in Grenergy's supply chain, in the fourth quarter of the year the purchasing procedure was updated by incorporating a series of ESG clauses (human rights protection, conflict minerals, zero tolerance to corruption and bribery, among others).

In addition, in terms of environmental matters, a biodiversity program will be implemented over the coming months dedicated to restoration and conservation of natural resources, while a water use program has also been designed in which the water footprint was measured based on the ISO 14046 standard, using the results obtained to identify improvements for efficient water use and management.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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2.7 War in Ukraine

The international geopolitical instability provoked by the Russian Federation's military invasion of Ukraine in February 2022 has led to inflationary pressures in the economy with significant increases for raw materials prices, the price of energy, and currency exchange rates. In light of these developments, the central banks have withdrawn most of the monetary stimulus measures while increasing interest rates in the second half of 2022.

In spite of the aforementioned uncertainty, the impact on the Group's consolidated financial statements was of little significance given that the Group does not operate in the region affected by the war.

2.8 Covid-19

Business activity gradually recovered during 2022. In addition, there were no significant impacts on the consolidated financial statements relating to Covid-19.

3. Accounting principles and policies and measurement criteria

3.1. Consolidation principles

3.1.1 Subsidiaries

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

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

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

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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

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

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

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

3.1.2 Joint arrangements

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

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

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

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

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

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

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

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

*Notes to the consolidated financial statements
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3.1.2 Associates

Associates are consolidated using the equity method.

When this method is applied for the first time, interest in the associate is measured at the amount represented by the percentage of interest held by the Group companies in the associate with respect to its equity, after adjusting assets to their fair value at the date of acquiring significant influence.

The difference between the carrying amount of the interest held as recognized in the separate financial statements and the amount referred to in the previous paragraph represents goodwill, which is recognized as an investment consolidated under the equity method.

In general, except when a negative difference arises upon acquisition of significant influence, the investment is initially measured at cost.

Results generated by entities consolidated under the equity method are recognized from the date on which significant influence was acquired.

The carrying amount of the interest held is modified (upwards or downwards) in the proportion corresponding to the Group companies and in connection with the changes to the equity of the investee subsequent to initial measurement, once the share of unrealized gains (losses) generated in transactions between said entity and Group companies have been eliminated.

The greater value attributed to the investment as a consequence of applying the acquisition method is reduced in subsequent periods, with a charge against consolidated results or another corresponding equity item, to the extent the investment is amortized/depreciated or the corresponding equity items are derecognized or disposed of to third parties. Likewise, a charge against consolidated results is recognized when impairment losses arise on equity items of the investee, with a limit up to the capital gains assigned to them at the date of first consolidation under the equity method.

Changes in the value of the investment corresponding to results for the year from the investee form a part of consolidated results, recognized under "Share in profit (loss) of companies consolidated using the equity method." However, if the associate incurs losses, the reduction in the carrying amount of the investment will be limited to the carrying amount calculated under the equity method. If the interest held is reduced to zero, the additional losses and the corresponding liability are recognized to the extent that legal, contractual, implicit or tacit obligations have arisen, or if the Group has made payments on behalf of the investee.

Changes in the value of the investment corresponding to other changes in equity are shown in the corresponding headings under equity in accordance with their nature.

Associated investments are harmonized in terms of measurement standards and reporting periods in the same way as for subsidiaries.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

*Notes to the consolidated financial statements
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3.1.3 Prior standardization of the balances recognized in the separate financial statements

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

The financial statements of the companies included in the consolidation scope and used for consolidation purposes correspond to the financial year ended December 31, 2022.

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

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

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

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

3.1.5 Goodwill on consolidation or negative consolidation difference

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

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

3.1.6 Transactions between companies included in the consolidation scope

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

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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3.2. Business Combinations

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

- the fair values of the transferred assets;
- liabilities incurred with previous owners of the acquired business;
- equity interests issued by the Group;
- the fair value of any asset or liability resulting from a contingent consideration arrangement; and
- the fair value of any prior interest held in the equity of the subsidiary.

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

Acquisition-related costs are expensed as incurred.

The excess amount of:

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

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

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

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

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

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3.3. Intangible assets

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

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

Licenses and trademarks

Trademarks and licenses have a finite useful life and are carried at cost less accumulated amortization and impairment. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives.

Software

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

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

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

3.4. Property, plant, and equipment

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

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

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

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

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

The acquisition cost of PP&E items which require a period of more than one year to be readied for use includes those financial expenses accrued before being readied for use in accordance with the criteria described in IAS 23. In contrast, finance interest accrued subsequent to said date, or related to financing acquisition of the remaining PP&E items, does not increase the acquisition cost and is recognized in the consolidated statement of profit or loss for the year in which said interest accrues.

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

Plant and PP&E under construction include the cost of the operating licenses acquired as a consequence of the business combinations, depreciated over their useful life (25-30 years).

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

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

	Years of useful life
Machinery and technical installations	5-12
Solar and wind parks	25-30
Transport equipment	5-10
Furniture and fixtures	10
Data processing equipment	4
Other PP&E items	6-8

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

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

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

3.5. Impairment

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

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

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

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

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

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

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3.6. Leases

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

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

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

Lessee

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

Lessor

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

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

- Operating Leases: Payments for operating leases are recognized as income in the income statement of the lessor on a straight-line basis over the term of the contract, except when a different distribution more faithfully reflects the pattern in which the profits deriving from use of the underlying leased asset are distributed.
- Finance leases: Greenergy recognizes the assets it holds in connection with a finance lease as a receivable balance in the consolidated statement of financial position, at an amount equal to the net investment in the lease, utilizing the implicit interest rate of the lease agreement for its valuation.

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

3.7. Right-of-use assets

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

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

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

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

The main leases contracted by the Group and which are subject to this regulation correspond to offices and the land where the different solar parks are located. In the case of land where the solar and wind parks are located, the right-of-use asset is recognized as soon as construction of the park commences, given that this is when all the rights and obligations relating to the leased land are obtained. The lease duration ranges between 25 and 30 years for land.

3.8. Financial instruments

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

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

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

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

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

*Notes to the consolidated financial statements
for the year ended December 31, 2022*

a) Financial assets

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

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

This category includes "Trade and other receivables" which are measured at the moment of their recognition in the statement of financial position at market value and subsequently at amortized cost utilizing the effective interest rate. The Group recognizes the corresponding impairment provisions for any differences between the recoverable amount of its accounts receivable and the carrying amounts at which they are recognized in accordance with the previous paragraph. Said provisions are recognized in accordance with the expected losses. The Group has carried out an analysis of expected losses and concluded that this IFRS does not have any significant effect on the annual consolidated financial statements for the years 2022 and 2021.

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

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

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

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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b) Financial liabilities

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

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

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

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

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

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

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

c) Own equity instruments

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

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

Share capital

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

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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for the year ended December 31, 2022*

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

Treasury shares

Transactions involving treasury shares in 2022 and 2021 are summarized in Note 13.4. They are deducted from equity in the accompanying consolidated statements of financial position for the years ended December 31, 2022 and 2021.

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

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

Share options (Note 3.18)

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

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

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

d) Cash and cash equivalents

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

3.9. Lease liabilities

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

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

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

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

3.10. Derivative financial instruments and hedge accounting

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

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

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

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

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

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

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

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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

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

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

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

3.11. Inventories

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

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

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

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

3.12. Foreign currency translation**Functional and presentational currency**

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

Foreign currency transactions and balances

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

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

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

The exchange rates with respect to the euro of the main currencies used by the Group companies at December 31, 2022 and 2021 were as follows:

	December 31, 2022		December 31, 2021	
	Closing rate	Average accumulated rate	Closing rate	Average accumulated rate
US dollar (USD)	1.07	1.05	1.13	1.18
Peruvian sol (PEN)	4.09	4.02	4.52	4.55
Chilean peso (CLP)	915.95	913.59	955.64	901.75
Mexican peso (MXN)	20.72	21.07	23.20	24.07
Pound sterling (GBP)	0.86	0.85	0.84	0.86
Colombian peso (COP)	5,147.88	4,487.87	4,596.75	4,456.80
Polish zloty (PLN)	4.68	4.69	-	-

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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3.13. Income tax

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

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

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

Deferred tax liabilities are recognized for all taxable temporary differences except for those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that is not a business combination and affects neither taxable profit nor accounting profit. Deferred tax assets are recognized when it is probable that the Group will generate sufficient taxable profit in the future against which the deductible temporary differences or the unused tax loss carryforwards or tax assets can be utilized.

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

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

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

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

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The Parent has been filing its tax returns under a consolidated tax regime since 2021 together with the remaining Spanish companies included in the Grenergy Group, the identification number of which is 429/21. The remaining Group companies file their tax returns under an individual tax regime in accordance with the prevailing legislation applicable in their respective jurisdictions (Note 19.1).

3.14. Recognition of income and expenses

a) General

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

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

A five-step model is established for recognizing revenue:

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

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

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

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

b) Income from construction contracts

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

- The client simultaneously receives and consumes the benefits generated by the entity's activity over the course of the service being rendered.
- The asset has no alternative use for the Group.

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- The Group has the enforceable right to payment for activities already completed to date. For these purposes, the existence of resolutive clauses is also taken into account.

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

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

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

c) Income from the sale of solar parks

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

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

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

d) Income from sale of energy

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

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e) Income from the rendering of services

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

3.15. Provisions and contingencies

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

- Provisions: existing obligations at the reporting date arising from past events that are uncertain as to amount or timing but for which it is probable that the Group will suffer an outflow of resources which can be reliably estimated (Note 16).
- Contingent liabilities: possible obligations arising as a consequence of past events, materialization of which is conditional upon one or more events occurring in the future not entirely within control of the Group and which do not meet the requirements for recognition as provisions. At 2022 and 2021 year end there were no contingent liabilities other than those disclosed in Note 16.

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

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

Provisions for dismantling

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

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

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

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

3.16. Environmental assets and liabilities

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

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

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

3.17. Employee benefits expense

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

a) Short-term employee benefits

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

b) Termination benefits

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

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

3.18. Share-based payments

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

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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

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

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

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

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

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

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

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

At December 31, 2022 and 2021, the Parent had granted various incentive plans to its employees consisting of a share option plan on its shares. Said plan establishes that the transactions shall be settled via delivery of equity instruments (Note 13.5).

3.19. Related-party transactions

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

3.20. Earnings per share

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

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

4. Segmented financial reporting

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

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

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

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The distribution of revenue and EBITDA amongst the three business segments at the closing of 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
Income		
Development and Construction	232,613	197,475
Energy	57,779	19,904
Services	2,615	2,775
Total income (*)	293,007	220,154

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

	Thousands of euros	
	2022	2021
EBITDA		
Development and Construction	22,127	33,135
Energy	36,064	13,267
Services	471	354
Corporate	(8,508)	(5,319)
Total (*)	50,154	41,437

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

The income shown in the above table includes the following headings in the accompanying consolidated statement of profit or loss: "Revenue" and "Work performed by the entity and capitalized." Likewise, the income presented in the above table includes an amount of 182,423 thousand euros for 2022 and 137,648 thousand euros for 2021, representing unrealized income from third parties and recognized under "Work performed by the entity and capitalized" in the accompanying consolidated statement of profit or loss.

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

The total amount of income in 2022 and 2021, broken down by geographical location, is as follows:

	2022	2021
Chile	164,791	98,755
Spain	64,297	102,251
Peru	15,339	2,195
Argentina	8,163	3,435
Colombia	36,566	12,410
Mexico	2,875	1,108
Other	976	-
Total (thousands of euros)	293,007	220,154

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

Year ended December 31, 2022

ASSETS	Spain	Chile	Mexico	Peru	Colombia	Italy	United Kingdom	Poland	Argentina	Total 12.31.2022
NON-CURRENT ASSETS	229,303	249,033	27,408	65,276	51,026	2,039	1,125	398	56,234	681,842
Intangible assets	248	-	-	-	-	-	-	-	-	248
Property, plant, and equipment	185,481	208,758	26,192	57,548	49,172	2,031	1,118	389	51,460	582,149
Right-of-use assets	8,324	16,835	555	1,470	974	-	-	-	17	28,175
Investments accounted for using the equity method	4,515	-	-	-	-	-	-	-	-	4,515
Financial investments	13,761	5,627	3	13	-	8	7	9	-	19,428
Deferred tax assets	16,974	17,813	658	6,245	880	-	-	-	4,757	47,327
CURRENT ASSETS	72,455	91,014	6,971	6,791	22,678	698	239	105	4,188	205,139
Inventories	2,349	979	59	202	2,981	31	-	-	10	6,611
Trade and other receivables	35,255	28,443	4,381	4,281	4,513	218	23	62	2,873	80,049
Financial investments	10,103	1,785	-	-	84	-	-	-	-	11,972
Accruals	696	-	6	40	66	-	8	9	12	837
Cash and cash equivalents	24,052	59,807	2,525	2,268	15,034	449	208	34	1,293	105,670
TOTAL ASSETS	301,758	340,047	34,379	72,067	73,704	2,737	1,364	503	60,422	886,981

EQUITY AND LIABILITIES	Spain	Chile	Mexico	Peru	Colombia	Italy	United Kingdom	Poland	Argentina	Total 12.31.2022
EQUITY	255,433	12,927	(4,962)	(9,936)	(5,584)	(159)	(193)	(157)	(2,554)	244,815
Share capital	10,714	-	-	-	-	-	-	-	-	10,714
Share premium	198,912	-	-	-	-	-	-	-	-	198,912
Reserves	77,711	7,091	(4,527)	(5,709)	(805)	(29)	(42)	-	(5,634)	68,056
Profit (loss)	13,606	4,578	(121)	(4,585)	(5,448)	(130)	(153)	(155)	2,711	10,303
Treasury shares	(19,728)	-	-	-	-	-	-	-	-	(19,728)
Unrealized gains (losses) reserve	(25,617)	1,257	(254)	372	669	-	2	(2)	369	(23,204)
Minority interests	(165)	1	(60)	(14)	-	-	-	-	-	(238)
NON-CURRENT LIABILITIES	221,189	131,476	1,008	9,625	25,718	-	-	-	31,880	420,896
Provisions	2,560	2,525	333	5,141	478	-	-	-	5,317	16,354
Borrowings	213,429	119,835	534	1,027	25,240	-	-	-	24,054	384,119
Deferred tax liabilities	5,200	9,116	141	3,457	-	-	-	-	2,509	20,423
CURRENT LIABILITIES	157,846	28,132	17,579	8,364	3,947	94	47	29	5,232	221,270
Provisions	-	510	-	6,054	-	-	-	-	1,589	8,153
Borrowings	87,826	10,945	16,404	98	420	-	-	-	2,919	118,612
Trade and other payables	70,020	16,677	1,175	2,212	3,527	94	47	29	724	94,505
Accruals	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY AND LIABILITIES	634,468	172,535	13,625	8,053	24,081	(65)	(146)	(128)	34,558	886,981

The Group initiated its activity in Poland and Germany during 2022.

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

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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

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

5. Business Combinations

No business combinations occurred in 2022.

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

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

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

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

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6. Property, plant, and equipment

The breakdown and movements in this heading of the accompanying consolidated statement of financial position during 2022 and 2021 were as follows:

	Land and buildings	Parks in operation	Other PP&E items	PP&E under construction	TOTAL
COST					
Balance at 12.31.2020	17	60,344	3,721	84,562	148,644
Business combinations	-	-	-	3,447	3,447
Currency translation differences	-	5,071	68	6,310	11,449
Additions	59	1,131	258	193,242	194,690
Transfers	-	128,259	-	(93,352)	34,907
Provision for dismantling	-	7,756	-	-	7,756
Disposals, derecognitions, and reductions	-	-	(32)	-	(32)
Balance at 12.31.2021	76	202,561	4,015	194,209	400,861
Currency translation differences	-	11,017	61	958	12,036
Additions	20	5,433	1,332	182,997	189,782
Transfers	-	204,723	-	(204,723)	-
Provision for dismantling	-	4,409	-	-	4,409
Balance at 12.31.2022	96	428,143	5,408	173,441	607,088
DEPRECIATION					
Balance at 12.31.2020	-	-	(2,172)	-	(2,172)
Currency translation differences	-	-	36	-	36
Allowance for the year	-	(6,065)	(276)	-	(6,341)
Decreases	-	-	29	-	29
Balance at 12.31.2021	-	(6,065)	(2,383)	-	(8,448)
Currency translation differences	-	380	-	-	380
Allowance for the year	-	(12,710)	(531)	-	(13,241)
Balance at 12.31.2022	-	(18,395)	(2,914)	-	(21,309)
IMPAIRMENT					
Balance at 12.31.2020	-	-	(50)	(1,654)	(1,704)
Allowance for the year	-	-	-	(1,926)	(1,926)
Balance at 12.31.2021	-	-	(50)	(3,580)	(3,630)
Allowance for the year	-	-	-	-	-
Balance at 12.31.2022	-	-	(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 12.31.2022	96	409,748	2,444	169,861	582,149

The integration of the solar and wind parks reflected under "Parks in operation" and "PP&E under construction" in the consolidated figures is at the construction cost for the Group.

The useful lives and depreciation criteria used for these items are disclosed in Note 3.4.

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 2022 and 2021 year end is as follows:

Name of park	Technology	Country	Status	Capacity (MW)	Start-up	2022				2021			
						Cost	Accumulated depreciation	Impairment	Net carrying amount	Cost	Accumulated depreciation	Impairment	Net carrying amount
Kosten	Wind	Argentina	Finished	24	2020	54,928	(3,404)	-	51,524	52,082	(1,138)	-	50,944
Duna & Huambos	Wind	Peru	Finished	36	2021	57,780	(3,809)	-	53,971	52,759	(1,671)	-	51,088
Quillagua	Solar	Chile	Finished	103	2021	78,610	(6,010)	-	72,600	72,892	(2,765)	-	70,127
San Miguel de Allende	Solar	Mexico	Finished	35	2021	27,748	(1,609)	-	26,139	25,564	(491)	-	25,073
Escuderos	Solar	Spain	Finished	200	2022	123,621	(3,424)	-	120,197	116,733	-	-	116,733
PMGDs Chile	Solar	Chile	Finished	66	2022	45,539	-	-	45,539	34,432	-	-	34,432
PMGDs Colombia	Solar	Colombia	Finished	60	2022	39,917	(139)	-	39,778	12,409	-	-	12,409
PMGDs Chile	Solar	Chile	In progress	120	-	49,685	-	-	49,685	4,107	-	-	4,107
PMGDs Colombia	Solar	Colombia	In progress	12	-	5,212	-	-	5,212	-	-	-	-
Belinchón	Solar	Spain	In progress	150	-	42,201	-	-	42,201	-	-	-	-
Gran Teno	Solar	Chile	In progress	240	-	26,866	-	-	26,866	-	-	-	-
Tamango	Solar	Chile	In progress	48	-	6,009	-	-	6,009	-	-	-	-
Other developments	Solar	Miscellaneous	In progress	-	-	43,468	-	(3,580)	39,888	25,792	-	(3,580)	22,212
TOTAL						601,584	(18,395)	(3,580)	579,609	396,770	(6,065)	(3,580)	387,125

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Significant movements

The main additions during 2022 and 2021 correspond to parks constructed during both years for operation and projects under development.

The transfers in 2022 from "PP&E under construction" to "Parks in operation" correspond to the net carrying amounts for the Escuderos parks (Spain) and various small parks (PMGDs) in Chile and Colombia which became operational over the course of 2022.

Impairment losses

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

Since all the solar plants and wind parks which the Group owned at December 31, 2022 were obtaining revenue and reasonably complying with the business plans, the directors consider there are no indications of any impairment except in the case of the Kosten (Argentina), Duna and Huambos (Peru), and San Miguel de Allende (Mexico) wind parks for which the Group performed an impairment test given the situation of the respective countries, the increases in interest rates, and the current international environment.

In addition, in 2021 the Group recognized an impairment loss on its PP&E amounting to 1,926 thousand euros, corresponding to a project in progress in Chile as it decided to discontinue said project given that the minimum requirements for profitability established by the Group were not met.

Impairment test for Kosten (Argentina)

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

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

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- Operation and maintenance costs: these were determined based on the contracts signed and experience of the markets where Greenergy operates.
- In addition, the after tax discount rate used was 10.5% (2021: 9.30%).

Test result

The recoverable amount calculated as value in use of the CGU is 44,885 thousand euros, greater than the net carrying amount of the CGU assets, so that it was not necessary to recognize any impairment losses.

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

- an increase in the discount rate by 100 basis points would result in additional impairment losses of 845 thousand euros;
- a decrease of 5% in electricity produced would result in additional impairment losses of 1,071 thousand euros;
- a 5% increase in operating and maintenance costs would not result in any impairment losses being recognized.

Impairment test for Duna & Huambos (Peru)

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

- Electricity produced: the production performance was estimated based on a study carried out by an independent expert.
- Price of electricity: energy prices were determined based on the expected performance of price curves and experience of the markets where Greenergy operates.
- Operation and maintenance costs: these were determined based on the contracts signed and experience of the markets where Greenergy operates.
- In addition, the after tax discount rate used was 7.94% (2021: 6.20%).

Test result

The recoverable amount calculated as value in use of the CGU is 48,767 thousand euros, greater than the net carrying amount of the CGU assets, so that it was not necessary to recognize any impairment losses.

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

- an increase in the discount rate by 100 basis points would result in additional impairment losses of 2,063 thousand euros;

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- a decrease of 5% in electricity produced would result in additional impairment losses of 1,194 thousand euros;
- a 5% increase in operating and maintenance costs would not result in any impairment losses being recognized.

Impairment test for San Miguel de Allende (Mexico)

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

- Electricity produced: the production performance was estimated based on a study carried out by an independent expert.
- Price of electricity: the energy prices were determined based on a fixed price obtained when the long-term energy sales contract was awarded.
- Operation and maintenance costs: these were determined based on the contracts signed and experience of the markets where Greenergy operates.
- In addition, the after tax discount rate used was 7.25%.

Test result

The recoverable amount calculated as value in use of the CGU is 26,280 thousand euros, greater than the net carrying amount of the CGU assets, so that it was not necessary to recognize any impairment losses.

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

- an increase in the discount rate by 100 basis points would result in additional impairment losses of 1,230 thousand euros;
- a decrease of 5% in electricity produced would result in additional impairment losses of 83 thousand euros;
- a 5% increase in operating and maintenance costs would not result in any impairment losses being recognized.

For the remainder of the Group's assets recognized under PP&E, there are no indications of impairment other than that already recognized at December 31, 2022 and 2021.

Fully depreciated assets

At 2022 year end, the Group held fully depreciated assets still in use under "Property, plant, and equipment" totaling 189 thousand euros (2021: 28 thousand euros).

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Firm purchase and sale commitments

In 2022 the Group made an advance payment amounting to 2,492 thousand euros (Note 9.2) when purchasing 11 companies in Chile for the construction of 11 solar plants. Since at December 31, 2022 the suspensive contractual conditions had not been fulfilled, they were not included in the consolidation scope.

In 2021 the Group made an advance payment amounting to 974 thousand euros (Note 9.2) when purchasing 9 companies in Chile for the construction of 9 solar plants. Since at December 31, 2021 the suspensive contractual conditions had not been fulfilled, they were not included in the consolidation scope. In 2022 the suspensive clauses for 5 of them were fulfilled and they entered the consolidation scope.

Guarantees

At December 31, 2022, the Kosten, Duna & Huambos, Quillagua, Escuderos and other parks under construction were guaranteeing "Project finance" debts with financial institutions whose pending balance amounts to 270,669 thousand euros (2021: 226,680 thousand euros) (Note 17.2).

PP&E - Items not used in operations

At December 31, 2022 and 2021, the Group did not have any significant PP&E items not being used in its operations.

Insurance

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

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7. Intangible assets

The breakdown and movements in this heading of the accompanying consolidated statement of financial position during 2022 and 2021 were as follows:

	Patents, licenses, trademarks, et al.	Software	TOTAL
COST			
Balance at 12.31.2020	9,066	120	9,186
Additions	8	16	24
Transfers	(9,343)	-	(9,343)
Currency translation differences	281	1	282
Balance at 12.31.2021	12	137	149
Additions	-	195	195
Currency translation differences	-	-	-
Balance at 12.31.2022	12	332	344
AMORTIZATION			
Balance at 12.31.2020	-	(44)	(44)
Allowance for the year	(1)	(23)	(24)
Disposals, derecognitions, and reductions	-	-	-
Balance at 12.31.2021	(1)	(67)	(68)
Allowance for the year	(1)	(27)	(28)
Disposals, derecognitions, and reductions	-	-	-
Balance at 12.31.2022	(2)	(94)	(96)
Balance at 12.31.2021	11	70	81
Balance at 12.31.2022	10	238	248

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

The transfers in 2021 correspond to the fair value of the developments acquired in the purchase of Parque Eólico Quillagua, SpA and Kosten, S.A., transferred to "Property, plant, and equipment" (Note 6).

Impairment losses

The directors of the Group consider that there are no indications of any impairment losses on its intangible assets at 2022 and 2021 year end, consequently not recognizing any impairment loss allowances for either year.

Fully amortized assets

At 2022 and 2021 year end the Group's intangible assets included fully amortized assets still in use amounting to 8 thousand and 6 thousand euros, respectively.

Firm sale and purchase commitments

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

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8. Right-of-use assets

The breakdown for right-of-use assets as well as their movements for the years ended December 31, 2022 and 2021 are as follows:

Year ended December 31, 2022

	Land	Offices	Other	Total
Balance at 12.31.2021	10,305	1,393	1,374	13,072
Additions	15,350	439	-	15,789
Currency translation differences	180	43	-	223
Depreciation allowance	(441)	(279)	(189)	(909)
Balance at 12.31.2022	25,394	1,596	1,185	28,175

Year ended December 31, 2021

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

"Land" includes the rental contracts for the land where the following parks are located: Kosten (Argentina), Duna & Huambos (Peru), Quillagua (Chile), San Miguel de Allende (Mexico), Escuderos (Spain), and various small-sized parks (PMGDs) in Chile and Colombia.

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

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

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

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

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

*Notes to the consolidated financial statements
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9. Financial assets**9.1 Investments accounted for using the equity method**

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 movement for this item during the year was as follows:

	2022
Balance at January 1	-
Investment	4,468
Share of profit (loss)	(325)
Currency translation differences	372
Balance at December 31	4,515

The breakdown for assets, liabilities, income, and results of the associate accounted for under the equity method is as follows:

(Thousands of euros)	Sofos Harbert Renewable Energy, LLC (40%)
2022	
Financial information	
Total non-current assets	77
Total current assets	4,093
Total non-current liabilities	-
Total current liabilities	14
Equity	4,156
Carrying amount of investment	4,515
Statement of profit or loss	
Operating income	1,004
Operating expenses	(1,848)
Operating profit (loss)	(844)
Finance cost	31
Profit (loss) before tax	(813)
Income tax expense	-
Profit (loss) for the year	(813)
Share of the Group in the consolidated entity	(325)

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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9.2 Financial investments

The movements during 2022 and 2021 in the different balances recognized under the headings for financial investments in the accompanying statement of financial position are as follows:

	Balance at 12.31.2020	Additions	Decreases	Balance at 12.31.2021	Additions	Decreases	Balance at 12.31.2022
Non-current investments							
Equity instruments	-	-	-	-	40	-	40
Derivatives (Note 17)	-	-	-	-	16,444	-	16,444
Other financial assets	-	974	-	974	2,504	(670)	2,808
Security deposits and guarantees	87	12	-	99	37	-	136
	87	986	-	1,073	19,025	(670)	19,428
Current investments							
Loans to companies	-	1,539	-	1,539	-	(812)	727
Derivatives (Note 17)	-	-	-	-	1,501	-	1,501
Other financial assets	6,461	6,320	(6,359)	6,422	8,641	(5,319)	9,744
	6,461	7,859	(6,359)	7,961	10,142	(6,131)	11,972
Total	6,548	8,845	(6,359)	9,034	29,167	(6,801)	31,400

Non-current equity instruments

The balance recognized in connection with non-current equity instruments corresponds to a minority financial stake in an entity.

Other non-current financial assets

This item mainly corresponds to an advance payment made when purchasing companies in Chile for the construction of solar plants, which at December 31, 2022 had not fulfilled the suspensive contractual conditions and were therefore not included in the consolidation scope (Note 6).

Current loans to companies

The purchase contract for Parque Fotovoltaico Nuevo Quillagua SpA establishes that the amount equivalent to the costs incurred for adaptation of the substation in order to deliver energy to the standardized network tap-off will be discounted from the price up to a maximum amount of 1,850 thousand euros. This work is being carried out at present and is expected to end over the course of 2023. It does not interrupt the normal operations of the park as it only involves a legal requirement. Current loans to companies amounting to 727 thousand euros correspond to the amounts pending collection by the former shareholders for the work being carried out. These amounts are being collected to the extent said work is being executed.

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Other current financial assets

The breakdown for this item is as follows:

	Thousands of euros	
	2022	2021
PPA Escuderos	7,892	-
Fixed-term deposits	640	6,422
Bank guarantees	1,125	-
Other	87	-
Total	9,744	6,422

- The balance recognized in connection with PPA Escuderos corresponds to a part of the payment made to the counterparty in a long-term purchase-sale contract for energy (PPA) which at December 31, 2022 was being disputed in the amount of 7,892 thousand euros (Note 17.5). At December 31, 2022 recovery of this amount is considered probable.
- Fixed-term deposits at financial entities which bear interest at market rates.
- Bank guarantees for obtaining the permits required for carrying out different projects in Chile.

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

Year ended December 31, 2022

	Equity instruments	Loans, derivatives, and other	Total
Non-current investments			
Financial assets at amortized cost	-	136	136
At cost	40	19,252	19,292
	40	19,388	19,428
Current investments			
Financial assets at amortized cost	-	727	727
At cost	-	11,245	11,245
	-	11,972	11,972
Total	40	31,360	31,400

Year ended December 31, 2021

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

The Group did not reclassify any financial assets to different categories, nor did it assign or transfer any financial assets during 2022 or 2021.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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At December 31, 2022 and 2021, the maturities of financial assets that are fixed or determinable by residual amounts have a duration of more than five years.

At December 31, 2022 and 2021, the Group had not delivered or accepted any financial assets as guarantees for transactions.

10. Inventories

The breakdown of inventories at December 31, 2022 and 2021 is as follows:

	12.31.2022			12.31.2021		
	Cost	Impairment losses	Balance	Cost	Impairment losses	Balance
Raw materials and other consumables	2,157	-	2,157	7,853	-	7,853
Plant under construction	100	-	100	3,892	-	3,892
Prepayments to suppliers	4,354	-	4,354	5,602	-	5,602
Total	6,611	-	6,611	17,347	-	17,347

At December 31, 2022 and 2021, the Group recognized materials yet to be used in the solar parks under "Raw materials and other consumables" in the respective amounts of 2,157 and 7,853 thousand euros.

The movements in inventories of plant under construction during 2022 and 2021 are broken down as follows:

	12.31.2022	12.31.2021
Opening balance	3,892	16,533
Changes in inventory of plant under construction	(3,792)	12,923
Transfers (Note 6)	-	(25,564)
Closing balance	100	3,892

"Plant under construction" presents a balance of 100 thousand euros at December 31, 2022, which includes the construction costs for various parks in Chile which will subsequently be sold to third parties (2021: 3,892 thousand euros). At December 31, 2021, this heading includes the construction costs for a photovoltaic plant located in Mexico (San Miguel de Allende), which was initially meant to be sold. In 2021 the Group decided to maintain this park in its portfolio and transferred it to "PP&E" (Note 6).

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

At December 31, 2022 and 2021, there were no inventories encumbered in guarantee of debts.

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11. Trade receivables

"Trade receivables" in the accompanying consolidated statement of financial position presents receivable balances from construction and sales of photovoltaic solar plants, sales of energy, as well as income from operating and maintenance services rendered for photovoltaic solar plants. The breakdown of this item at December 31, 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
Receivable from sale of energy	7,976	5,591
Receivable for construction and operation & maintenance services	31,215	34,956
Contract assets	8,689	15,714
Total	47,880	56,261

"Receivable from sale of energy" includes an amount of 3,481 thousand euros corresponding to "energy produced pending invoice" (2021: 3,546 thousand euros) (Note 3.12).

"Contract assets" in the above table corresponds to invoices pending issue in connection with "production executed pending invoice" as a consequence of the positive difference between income recognized for each construction project and the amount invoiced for each such project.

The breakdown of sales to external clients who were invoiced amounts equal to or greater than 10% of net turnover for the years ended December 31, 2022 and 2021 is the following:

Clients	Thousands of euros	
	2022	2021
CARBONFREE CHILE, SPA	-	4,752
NEXTENERGY CAPITAL GROUP	14,107	55,264
Total	14,107	60,016

At 2022 and 2021 year end, none of the receivable balances were considered doubtful.

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

	Thousands of euros	
	2022	2021
Euros	1,079	1,555
US dollars	39,703	49,857
Chilean pesos	3,816	3,382
Mexican pesos	208	46
Peruvian soles	1,094	211
Colombian pesos	750	0
Argentinean pesos	1,230	1,210
Total	47,880	56,261

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.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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12. Cash and cash equivalents

The breakdown for this heading at 2022 and 2021 year end is as follows:

	12.31.2022				12.31.2021			
	Corporate treasury	Project treasury		TOTAL	Corporate treasury	Project treasury		TOTAL
		Recourse	Unsecured			Recourse	Unsecured	
Cash in hand	61,142	3,652	40,876	105,670	52,222	2,673	13,773	68,668
Total	61,142	3,652	40,876	105,670	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 (Note 17.2).

At December 31, 2022, availability of the balances relating to "Corporate treasury" or "Recourse project treasury" was not restricted (2021: 1,518 thousand euros in compliance with interest payments on the loan which the Group company Kosten, S.A. was granted by the financial entity KFW (Note 17.2)).

The amounts presented for "Unsecured project treasury" are subject to restricted availability as a guarantee for servicing bank debt.

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

Year ended December 31, 2022

	12.31.2022									
	Equivalent value in thousands of euros									
	Euros	US Dollars	Chilean pesos	Peruvian soles	Mexican pesos	Argentinean pesos	Pound Sterling	Polish zloty	Colombian pesos	Total
Cash in hand	16,635	75,314	5,047	1,630	470	17	208	34	6,315	105,670

Year ended December 31, 2021

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

13. Capital and reserves**13.1. Share capital**

At December 31, 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 33.17 euros each. The costs incurred for carrying out the capital increase amounted to 1,075 thousand euros (net of the tax effect), recognized as a decrease in voluntary reserves.

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

At December 31, 2022 and 2021, the following shareholders of the Parent held a direct stake of more than 10% of share capital:

Shareholder	2022	2021
Daruan Group Holding, S.L.	54%	58%

13.2. Share Premium

The share premium amounts to 198,912 thousand euros at December 31, 2022 (2021: 109,851 thousand euros). This balance can be used for the same purposes as the voluntary reserves of the Parent, including conversion to capital.

13.3. Reserves

The consolidated statement of changes in equity which forms a part of these consolidated financial statements provides the breakdown for aggregate balances and movements during 2022 and 2021. The breakdown and movements of the different balances comprising reserves are shown below:

	Balance at 12.31.2020	Increase	Decrease	Balance at 12.31.2021	Increase	Decrease	Balance at 12.31.2022
Parent company reserves:							
<u>Restricted reserves</u>							
Legal reserve	1,447	254	-	1,701	254	-	1,955
Capitalization reserve	778	743	-	1,521	-	-	1,521
<u>Unrestricted reserves:</u>							
Voluntary reserves	33,930	21,035	(1,138)	53,827	25,996	(1,075)	78,748
Total reserves of the Parent	36,155	22,032	(1,138)	57,049	26,250	(1,075)	82,224
Reserves in consolidated companies	(4,243)	-	(496)	(4,739)	-	(9,429)	(14,168)
Total	31,912	22,032	(1,634)	52,310	26,250	(10,504)	68,056

Legal reserve

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

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

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Voluntary reserves

These reserves are freely distributable.

The gains or losses obtained on the purchase-sale of treasury shares are recognized directly under voluntary reserves. The increase in voluntary reserves in connection with this item recognized in 2022 totals 996 thousand euros (2021: 6,085 thousand euros).

Capitalization reserve

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

This reserve will be restricted for a period of 5 years. No movements were recognized under this reserve during 2022 (2021: an increase of 743 thousand euros).

13.4. Own equity instruments

At 2022 and 2021 year end the portfolio of own equity instruments is broken down as follows:

	Balance at 12.31.2022	Balance at 12.31.2021
Number of shares in treasury share portfolio	611,148	580,588
Total treasury share portfolio	19,728	17,577
Liquidity Accounts	540	485
Fixed Own Portfolio Account	19,188	17,092

During 2022 and 2021, the movements in the treasury share portfolio of the Parent were as follows:

Year ended December 31, 2022

	Treasury shares		
	Number of shares	Nominal amount	Average acquisition price
Balance at 12.31.2021	580,588	17,577	30.27
Acquisitions	939,492	30,242	32.19
Disposals	(908,932)	(28,091)	30.91
Balance at 12.31.2022	611,148	19,728	32.28

Year ended December 31, 2021

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

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

At December 31, 2022, treasury shares represent 2.0% (December 31, 2021: 2.1%) of all the Parent's shares.

13.5. Incentive plans for employees

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

Incentive plan	Grant date	Date of approval	Number of shares designated at 12.31.2022	Exercise price per share (euros)
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	7.73
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
Incentive Plan II	Options granted 4	11/16/2022	226,086	29.18

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.
- 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.

The fair value of the equity instruments granted was determined at the grant date utilizing a Black Scholes valuation model based on the share price at the grant date.

As a consequence of accruals with respect to the estimated fair value of the equity instruments granted during the lifetime of the plan, a balance of 410 thousand euros was recognized under "Employee benefits expense" in the consolidated statement of profit or loss with a credit to "Reserves" in the consolidated statement of financial position.

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Earnings (losses) per share**Basic**

The basic earnings (losses) per share from continuing operations corresponding to the years ended December 31, 2022 and 2021 were as follows:

	12.31.2022	12.31.2021
Profit attributable to the shareholders of the Parent (thousands of euros)	10,303	16,308
Weighted average number of ordinary shares outstanding	30,016,043	27,394,445
Basic earnings (losses) per share (euros)	0.34	0.60

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

Diluted

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

14. Unrealized gains (losses) reserve**Hedging transactions**

These transactions correspond to the fair value at December 31, 2022 and 2021 of hedging instruments contracted by the Group to cover changes in interest rates and energy prices (Note 17.5).

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Currency translation differences

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

	Original currency	12.31.2022	12.31.2021
GR RENOVABLES MEXICO S.A. DE C.V.	Mexican peso (MXN)	82	225
GREENERGY GREENHUB S.A. DE C.V.	Mexican peso (MXN)	(306)	(56)
GREENERGY PERU SAC	US dollar (USD)	(110)	(39)
GR PAINO SAC	US dollar (USD)	235	(59)
GR TARUCA SAC	US dollar (USD)	247	(73)
GREENERGY RENOVABLES PACIFIC, LTDA.	Chilean peso (CLP)	331	59
FAILLO 3, LTDA.	Mexican peso (MXN)	-	1
GR COLOMBIA, SAS	Colombian peso (COP)	614	18
PARQUE FOTOVOLTAICO NUEVO QUILLAGUA SpA	US dollar (USD)	877	(222)
GR PACIFIC OVALLE, LTDA.	Chilean peso (CLP)	(40)	(40)
ORSIPO 5 SOLAR	Mexican peso (MXN)	(19)	6
MESO 4 SOLAR	Mexican peso (MXN)	(2)	1
ASTILO 1 SOLAR	Mexican peso (MXN)	(3)	1
GREENERGY OPEX, SpA	Chilean peso (CLP)	(29)	(73)
GREENERGY PALMAS DE COCOLÁN, SpA	US dollar (USD)	131	63
CE CENTINELA SOLAR SPA	US dollar (USD)	(8)	(7)
CE URIBE DE ANTOFAGASTA SOLAR SPA	US dollar (USD)	(8)	(1)
GREENERGY POWER, SpA	US dollar (USD)	(3)	(4)
GREENERGY RENEWABLES UK LIMITED	Pound sterling (GBP)	2	(1)
GREENERGY ATLANTIC S.A.	US dollar (USD)	(85)	144
KOSTEN S.A.	US dollar (USD)	453	207
GR RUIL, SPA	US dollar (USD)	(5)	-
GR LLEUQUE, SPA	US dollar (USD)	(11)	-
GR TORRES DEL PAINA SPA	US dollar (USD)	(2)	-
GR ALARCE ANDINO SPA	US dollar (USD)	(2)	-
PARQUE SOLAR TANGUA	Chilean peso (CLP)	20	-
GREENERGY POLSKA S.P.Z.O.O	Polish zloty (PLN)	(2)	-
GR CABO DE HORNO, SPA	US dollar (USD)	1	-
GR SOL DE BAYUNCA SAS	Colombian peso (COP)	161	-
CERRITOS SOLAR S.A.S	Colombian peso (COP)	(19)	-
MONTELIBANO SOLAR, S.A.S	Colombian peso (COP)	1	-
GR PARQUE SOLAR LA MEDINA SAS	Colombian peso (COP)	(39)	-
GR PARQUE SOLAR LOS CABALLEROS SAS	Colombian peso (COP)	(49)	-
KOSTEN S.A.	US dollar (USD)	-	-
Total		2,413	150

15. Minority interests

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

Year ended December 31, 2022

	12.31.2021	Transfers	Profit (loss)	Currency translation differences	12.31.2022
GR. Renovables Mexico, S.A.	(43)	-	-	(3)	(46)
Grenergy Perú SAC	(22)	-	8	-	(14)
GR Paino, SAC	(212)	212	-	-	-
GR Taruca, SAC	(163)	163	-	-	-
Grenergy Renovables Pacific, Ltda.	(1)	-	-	1	-
Faillo 3, Ltda.	(8)	-	(1)	(2)	(11)
Level Fotovoltaica S.L.	(164)	-	-	-	(164)
Meso 4 Solar	(1)	-	-	-	(1)
Astilo 1 Solar	(1)	-	(1)	-	(2)
Total	(615)	375	6	(4)	(238)

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Year ended December 31, 2021

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

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

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

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

16. Provisions and contingencies

The movements in this heading during 2022 and 2021 were as follows:

	Provision for penalties	Provision for delays	Provision for guarantees	Provision for dismantling	Total
Balance at 12.31.2020	2,513	480	359	908	4,260
Amounts provisioned	3,195	34	391	7,737	11,357
Currency translation differences	239	42	34	113	428
Finance costs	-	-	-	175	175
Amounts applied	(940)	(556)	(411)	-	(1,907)
Balance at 12.31.2021	5,007	-	373	8,933	14,313
Amounts provisioned	6,054	-	126	4,410	10,590
Currency translation differences	286	-	21	510	817
Finance costs	-	-	-	284	284
Amounts applied	(1,497)	-	-	-	(1,497)
Balance at 12.31.2022	9,850	-	520	14,137	24,507

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Provision for penalties

Kosten (Argentina)

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 1,497 thousand euros was applied via payment of said amount.

Duna y Huambos (Peru)

This provision corresponds to the penalties recognized in 2022 amounting to 6,160 thousand euros in connection with the start-up of commercial operations at the Duna y Huambos wind park (Note 24.2).

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 December 31, 2022 and 2021, 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 plants ends. This provision is calculated by estimating the present value of the obligations assumed in connection with dismantling or retirement and other associated obligations, such as restoration costs for the location on which the solar plants were constructed. At December 31, 2022 and 2021, this provision corresponds to the operational parks (Note 6).

Legal proceedings and/or claim litigation underway

During 2022 and 2021, with the exception of the arbitration proceedings disclosed in Note 24.2, the Group was not party to any legal proceedings involving significant amounts for which the risk qualification regarding an outflow of resources was considered either probable or possible. Both the Group's legal advisers as well as the Parent's directors believe that the finalization of said proceedings and claim litigation will not have a significant effect on the consolidated financial statements and notes thereto for the year ended December 31, 2022. Consequently, no provision was allocated in this respect.

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17. Non-current and current borrowings

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

	Non-current borrowings	Current borrowings	Total at 12.31.21	Non-current borrowings	Current borrowings	Total at 12.31.22
Bonds and other marketable debt securities	31,223	32,146	63,369	83,231	34,529	117,760
Bank borrowings	201,905	34,148	236,053	254,229	46,307	300,536
Loans	201,905	34,148	236,053	254,229	44,101	298,330
Foreign financing - current	-	-	-	-	2,206	2,206
Other financial liabilities	-	156	156	-	130	130
Derivatives	15,323	6,326	21,649	20,586	36,141	56,727
Lease liabilities	11,051	1,389	12,440	26,073	1,505	27,578
Total	259,502	74,165	333,667	384,119	118,612	502,731

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

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

At December 31, 2022 and 2021, the breakdown of borrowings by type of guarantee is as follows:

Year ended December 31, 2022

	2022						Total
	Corporate debt		Project debt				
			Secured		Unsecured		
	Non-current	Current	Non-current	Current	Non-current	Current	
Bonds and other marketable debt securities	83,231	34,529	-	-	-	-	117,760
Bank borrowings	8,267	6,829	-	16,352	245,962	23,126	300,536
Loans	8,267	4,623	-	16,352	245,962	23,126	298,330
Foreign financing - current	-	2,206	-	-	-	-	2,206
Other financial liabilities	-	130	-	-	-	-	130
Derivatives	-	-	-	-	20,586	36,141	56,727
Lease liabilities	26,073	1,505	-	-	-	-	27,578
Total	117,571	42,993	-	16,352	266,548	59,267	502,731

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Year ended December 31, 2021

	2021						Total
	Corporate debt		Project debt				
			Secured		Unsecured		
	Non-current	Current	Non-current	Current	Non-current	Current	
Bonds and other marketable debt securities	31,223	32,146	-	-	-	-	63,369
Bank borrowings	6,712	2,661	18,960	16,279	176,233	15,208	236,053
Loans	6,712	2,661	18,960	16,279	176,233	15,208	236,053
Other financial liabilities	-	156	-	-	-	-	156
Derivatives	-	-	-	-	15,323	6,326	21,649
Lease liabilities	11,051	1,389	-	-	-	-	12,440
Total	48,986	36,352	18,960	16,279	191,556	21,534	333,667

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

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

At December 31, 2022 and 2021, the breakdown of borrowings by residual maturities is as follows:

Year ended December 31, 2022

	Bonds and other marketable debt securities	Bank borrowings	Other borrowings	Derivatives	Leases	Total
Until 12.31.2023	34,529	46,307	130	36,141	1,505	118,612
Until 12.31.2024	9,846	20,796	-	22,009	1,383	54,034
Until 12.31.2025	21,450	33,652	-	9,612	1,285	65,999
Until 12.31.2026	-	17,611	-	510	1,285	19,406
Until 12.31.2027	51,935	17,089	-	(843)	829	69,010
More than 5 periods	-	165,081	-	(10,702)	21,291	175,670
Total	117,760	300,536	130	56,727	27,578	502,731

Year ended December 31, 2021

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

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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 consolidated financial statements the Group was in compliance with all its corresponding obligations.

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

	Balance at 12.31.2022	Balance at 12.31.2021
Euros	118,223	96,721
US dollars	157,627	139,332
Colombian pesos	24,686	-
Total	300,536	236,053

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

	Balance	One year	More than one year
At December 31, 2022			
Borrowings from credit entities at variable interest rates	108,045	23,885	84,160
At December 31, 2021			
Borrowings from credit entities at variable interest rates	27,018	15,638	11,380

The movement in financial debt during 2022 and 2021, presenting the changes which generate cash flows separately from those which do not, is as follows:

Year ended December 31, 2022

	12.31.2021	Generate cash flows		Do not generate cash flows		12.31.2022
		Increase	Decrease	Currency translation differences	Other	
Bonds and other marketable debt securities	63,369	225,836	(171,445)	-	-	117,760
Bank borrowings	236,053	92,065	(34,148)	6,566	-	300,536
Loans	236,053	89,859	(34,148)	6,566	-	298,330
Foreign financing - current	-	2,206	-	-	-	2,206
Other financial liabilities	156	-	(26)	-	-	130
Derivatives	21,649	-	-	-	35,078	56,727
Lease liabilities	12,440	-	(1,389)	-	16,527	27,578
TOTAL	333,667	317,901	(207,008)	6,566	51,605	502,731

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Year ended December 31, 2021

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

17.1. Bonds and other marketable debt securities

The breakdown for this heading is as follows:

Program	Date of program	Nominal amount	Amount issued	Issue date	Interest rate	Maturity date	Balance at 31.12.2022		Balance at 12.31.2021		2022	2021
							Non-current	Current	Non-current	Current	Finance costs	Finance costs
Green Bond program (MARF) (*)	Mar-22	100,000	52,500	April-22	4%	5 years	21,415	445	21,450	293	1,288	1,197
Green commercial paper program (MARF)	Sept-21	100,000	60,916	Sept-21	0.7%-2.5%	5 years	9,846	32,539	9,773	31,853	758	86
Green Bond program (MARF) (*)	Oct-19	50,000	22,000	Nov-19	4.75%	5 years	51,970	1,545	-	-	1,546	-
TOTAL							83,231	34,529	31,223	32,146	3,592	1,283

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

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 Greenergy, as well as its alignment with international standards.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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17.2. Bank borrowings

The breakdown of loans subscribed and their main contractual conditions at December 31, 2022 and December 31, 2021 is as follows:

Year ended December 31, 2022

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	24,055	2,880	26,935
Banco Security, Banco del Estado de Chile, and Penta Vida Compañía de Seguros de Vida	11/8/2036	Project guarantee	Semi-annual	46,202	3,362	49,564
Sinia Renovables	11/8/2036	Project guarantee	Semi-annual	8,604	4,923	13,527
Banco Sabadell (ICO)	4/30/2025	Corporate	Monthly	1,027	752	1,779
Bankinter (ICO)	4/30/2025	Corporate	Monthly	2,615	1,793	4,408
BBVA (ICO)	5/13/2025	Corporate	Monthly	174	124	298
Bankia (ICO)	4/30/2025	Corporate	Monthly	795	544	1,339
Banco Santander (ICO)	4/30/2025	Corporate	Monthly	435	301	736
Caixabank (ICO)	4/30/2025	Corporate	Monthly	387	250	637
Banco Santander (ICO)	9/1/2025	Corporate	Monthly	446	249	695
Abanca	2/28/2027	Corporate	Monthly	2,388	610	2,998
CIFI Latam	12/30/2021	Project guarantee	Semi-annual	-	16,352	16,352
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	21,022	1,843	22,865
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	21,100	1,663	22,763
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	21,017	1,810	22,827
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	21,001	1,841	22,842
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,978	531	3,509
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,978	531	3,509
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,978	531	3,509
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,978	531	3,509
Natixis	12/31/2027	Project guarantee	Semi-annual	32,012	2,260	34,272
Bancolombia	12/31/2036	Project guarantee	Semi-annual	24,266	420	24,686
Toesca	5/1/2025	Project guarantee	Held to maturity	14,771	-	14,771
NordLB and Bankinter	12/31/2042	Project guarantee	Semi-annual	-	-	-
NordLB and Bankinter	12/31/2042	Project guarantee	Semi-annual	-	-	-
NordLB and Bankinter	12/31/2042	Project guarantee	Semi-annual	-	-	-
Total				254,229	44,101	298,330

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

Year ended December 31, 2021

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

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

Project finance

At December 31, 2022, the Group had subscribed 12 project finance arrangements:

- (i) a project finance arrangement granted by KFW Bank to the subsidiary GR Kosten, S.A.U. for construction and operation of the Kosten wind park (24 MW) in Argentina;
- (ii) 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;
- (iii) a project finance arrangement granted by CIFI Latam to the subsidiary Green Hub for construction and operation of the San Miguel de Allende solar park in Mexico with a capacity of 30 MW;
- (iv) another 4 project finance arrangements granted by KFW Bank, Bankinter, and FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. to the subsidiaries GR Aitana, S.L., GR Bañuela, S.L., GR Aspe, S.L., and GR Turbón, S.L. for construction and operation of the Escuderos solar park in Spain with a capacity of 200 MW;
- (v) a project finance arrangement granted by Natixis for the construction and operation of 14 solar parks in Chile, corresponding to PMGDs and PMGs;

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- (vi) a project finance arrangement granted by Bancolombia for the construction and operation of 6 solar parks in Colombia with a capacity of 72 MW; and
- (vii) another 3 project finance arrangements granted by NordLB and Bankinter (Axis) to the subsidiaries GR Eugaba, S.L., GR Take, S.L., and GR Eugaba, S.L. for the construction and operation of the Belinchón solar park in Spain with a capacity of 150 MW.

Further, the 2 project finance arrangements associated with the Duna y Huambos solar park (Peru) were canceled in 2022.

At December 31, 2022 and 2021, the companies related to the project finance arrangements were complying with their contractual obligations. Each project finance arrangement has a series of positive/negative obligations, standard for this type of financing.

17.3. Credit facilities and discount lines

At December 31, 2022 and 2021, the Group had subscribed credit facilities and credit financing for foreign operations with various financial entities. The breakdown of the credit drawn at said dates together with the corresponding contractual terms is as follows:

Year ended December 31, 2022

Financial entity	Maturity date	Thousands of euros		
		Credit limit granted	Amount drawn	Amount available
SANTANDER	5/23/2023	650	-	650
BANKINTER	3/25/2023	500	-	500
BBVA	4/29/2023	500	-	500
BANCO SABADELL (VISA)	(*)	119	-	119
Total credit facilities		1,769	-	1,769
SABADELL	(*)	11,500	-	4,588
SANTANDER	(*)	30,000	-	-
CAIXABANK	(*)	25,000	-	4,702
BANKINTER	(*)	15,500	-	1,149
BBVA	(*)	40,000	252	1,217
ABANCA	2/9/2023	6,000	-	411
CAJAMAR	9/6/2023	30,000	-	30,000
CAJA RURAL DEL SUR	12/16/2023	5,500	-	5,500
UNICAJA	9/13/2023	11,000	-	10,000
BANCO COOPERATIVO ESPAÑOL	5/23/2023	10,000	-	7,725
SCOTIABANK	7/26/2023	25,000	-	23,660
Total foreign financing		209,500	252	88,952
Total		211,269	252	90,721

(*) Tacit annual renewal

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Year ended December 31, 2021

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

(*) Tacit annual renewal

The credit facilities accrue interest at market rates.

17.4. Other borrowings

At December 31, 2022 and 2021, the breakdown for other borrowings held by the Group was as follows:

Year ended December 31, 2022

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

Year ended December 31, 2021

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	-	156	156
Total					-	156	156

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."

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17.5. Derivative financial instruments

The Group recognizes the fair value of the interest rate hedges and price hedges (financial PPA) contracted at December 31 under this heading:

	Non-current	Current	Total at 12.31.22	Non-current	Current	Total at 12.31.21
<u>Derivative financial assets</u>						
IRS Escuderos	12,059	843	12,902	-	-	-
IRS Quillagua	1,973	658	2,631	-	-	-
Total interest rate hedges	14,032	1,501	15,533	-	-	-
PPA Belinchón	2,412	-	2,412	-	-	-
Total energy price hedges	2,412	-	2,412	-	-	-
Total	16,444	1,501	17,945	-	-	-
<u>Financial liabilities - derivatives</u>						
IRS Quillagua	-	-	-	1,511	36	1,547
IRS PMGDs Chile	1,941	-	1,941	-	-	-
Total interest rate hedges	1,941	-	1,941	1,511	36	1,547
PPA Escuderos	18,645	36,141	54,786	13,812	6,290	20,102
Total energy price hedges	18,645	36,141	54,786	13,812	6,290	20,102
Total	20,586	36,141	56,727	15,323	6,326	21,649

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 17.2).

The derivative financial instruments for hedging interest rates which the Group contracted, in force at December 31, 2022 and 2021, are recognized in the accompanying consolidated statement of financial position at their market value, as per the following breakdown:

	Date granted	Maturity date	Variable rate	Financial entity	Fixed rate
Quillagua hedge	2020	2036	6-month Libor	Banco Security and Banco del Estado de Chile	6.45%
Escuderos hedge	2021	2038	6-month Euribor	KFW and Bankinter	0.32%
Hedges for 14 PMGDs Chile	2021	2027	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.

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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)	2020	8/1/2021	7/30/2033	360,000	30-40
PPA Belinchón (3 contracts)	2022	1/1/2025	12/31/2036	200,000	40-50

The power purchase agreements for the Escuderos and Belinchón projects 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 and January 1, 2025, respectively. 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.

As a consequence of the delay in starting up operations at the Escuderos project parks, the coverage provided by these financial instruments was ineffective in 2021, and therefore the Group recognized an expense of 6,290 thousand euros under "Other finance costs" in the consolidated statement of profit or loss.

Considering the average price of the last 12 months, Management's estimate for said ineffectiveness at December 31, 2022 amounts to 10,690 thousand euros, of which 4,400 thousand euros were recognized in the consolidated statement of profit or loss at said date.

A dispute arose with the counterparties of the contracts during 2022 regarding an estimated amount of 18,582 thousand euros in connection with the annual settlement of August 1, 2022.

On August 4, 2022, Grenergy 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, Grenergy Management decided to recognize an expense of 10,690 thousand euros (6,290 thousand euros were recognized in 2021 and the remaining 4,400 thousand euros were recognized at December 31, 2022). The difference (7,892 thousand euros) was paid to the counterparty of the contract and recognized as a recoverable balance under "Other financial assets" in the consolidated statement of financial position (Note 9) given that Grenergy Management decided not to recognize any type of provision as the associated risk was qualified as not probable and consequently there would be no impact on the condensed consolidated financial statements.

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17.6. Lease liabilities

Commencing January 1, 2019, due to the application of IFRS 16 "Leases," lease liabilities are treated as financial debt. The main liabilities recognized at December 31, 2022 and 2021 under this heading in the consolidated statement of financial position are as follows:

Year ended December 31, 2022

	Land	Offices	Other	Total
Non-current lease liabilities	24,265	935	873	26,073
Current lease liabilities	731	620	154	1,505
TOTAL (thousands of euros)	24,996	1,555	1,027	27,578

Year ended December 31, 2021

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

"Land" includes the lease liabilities from the rental contracts for the land upon which the solar and wind parks are located which were operational at December 31, 2022 and 2021 (Note 8).

"Offices" includes the lease liabilities from the rental contracts for the office space in Spain and Chile (Note 8).

"Other" includes the lease liabilities from the lease contracts for certain transportation items and installations (Note 8).

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

The finance cost recognized in the consolidated statement of profit or loss corresponding to this item amounted to 383 thousand euros in 2022 and 185 thousand euros in 2021.

18. Joint operations

At December 31, 2022, the Group only participates in various joint operations which fulfill the conditions indicated in Note 3.1.2 with a view to constructing an electricity substation for use by the partners in various solar parks.

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

	12.31.2022	12.31.2021
Non-current assets	5,012	2,693
Property, plant, and equipment	5,012	2,693
Current assets	844	431
Trade and other receivables	422	158
Cash and cash equivalents	422	273
Current liabilities	(2,158)	(258)
Trade and other payables	(2,158)	(258)
Net assets (thousands of euros)	3,698	2,866

	12.31.2022	12.31.2021
Revenue		-
Other operating expenses	(84)	40
Depreciation and amortization	(82)	-
OPERATING PROFIT (LOSS)	(166)	40
PROFIT (LOSS) BEFORE TAX	(166)	40
CONSOLIDATED PROFIT (thousands of euros)	(166)	40

All the assets contributed to A.I.E. (Economic Interest Grouping) were done so based on the percentage of investment. Likewise, the Group does not hold any other assets or liabilities and neither has it incurred expenses in addition to those incurred together with the partners of A.I.E.

19. Public administrations and tax matters

The breakdown of balances with public administrations at December 31, 2022 and 2021 is as follows:

Receivable from public administrations	Non-current	Current	Balance at 12.31.22	Non-current	Current	Balance at 12.31.21
Deferred tax assets	47,327	-	47,327	25,441	-	25,441
Current income tax assets	-	2,528	2,528	-	628	628
Other receivables from public administrations	-	29,476	29,476	-	22,417	22,417
Tax refunds receivable from the tax authorities	-	2,839	2,839	-	243	243
VAT receivable from the tax authorities	-	26,637	26,637	-	22,174	22,174
Total	47,327	32,004	79,331	25,441	23,045	48,486

Payable to public administrations	Non-current	Current	Balance at 12.31.22	Non-current	Current	Balance at 12.31.21
Deferred tax liabilities	20,423	-	20,423	14,365	-	14,365
Current income tax liabilities	-	293	293	-	107	107
Other payables to public administrations	-	1,484	1,484	-	1,303	1,303
VAT payable to the tax authorities	-	950	950	-	875	875
Payable to the tax authorities for withholdings	-	243	243	-	251	251
Social security agencies	-	291	291	-	177	177
Total	20,423	1,777	22,200	14,365	1,410	15,775

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Tax matters

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

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

19.1 Corporate income tax

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

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

Year ended December 31, 2022

	Statement of profit or loss		Total
	Increase	Decrease	
Accounting profit before tax for individual companies	2,744	-	2,744
Margins eliminated in the consolidation process (*)	4,564	-	4,564
Consolidated accounting profit (loss) before tax			7,308
Permanent differences (**)	115	(10,157)	(10,042)
Temporary differences (***)	5,892	(9,372)	(3,480)
Taxable income (Tax results)			(6,214)

Year ended December 31, 2021

	Statement of profit or loss		Total
	Increase	Decrease	
Accounting profit before tax for individual companies	14,997	-	14,997
Margins eliminated in the consolidation process (*)	3,133	-	3,133
Consolidated accounting profit (loss) before tax			18,130
Permanent differences (**)	-	(29,897)	(29,897)
Temporary differences (***)	17,441	(29,628)	(12,187)
Taxable income (Tax results)			(23,954)

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

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

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

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

	2022	2021
Tax payable	2,506	-
Change in deferred taxes	(1,739)	3,708
Current foreign tax	4,724	6,001
Adjustments to fixed assets - functional currency (IAS 12)	(2,959)	212
Tax loss carryforwards	(5,623)	(7,082)
Consolidation adjustments	90	(643)
Other	-	(78)
Income tax expense (refund)	(3,001)	2,118

While the theoretical tax rates vary depending on the different locations, the main rates applied for both FY 2022 and FY 2021 were as follows:

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

Deferred tax assets and liabilities

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

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The movements in these headings in the accompanying consolidated statement of financial position at December 31, 2022 and 2021 are as follows:

Year ended December 31, 2022

	12.31.2021	Additions	Currency translation differences	Derecognitions	12.31.2022
Deferred tax assets	25,441	25,818	784	(4,716)	47,327
Tax loss carryforwards	11,283	6,733	636	(1,110)	17,542
Tax deductions pending application	19	1,137	-	-	1,156
Unrealized internal margins	5,697	934	-	-	6,631
Capitalization reserve	735	-	-	-	735
Other temporary differences	3,504	4,105	105	(2,179)	5,535
Derivatives	3,456	10,238	-	(1,143)	12,551
Adjustments to fixed assets - functional currency (IAS 12)	747	2,671	43	(284)	3,177
Deferred tax liabilities	(14,365)	(9,737)	(545)	4,224	(20,423)
Temporary differences	(12,680)	(5,910)	(449)	3,652	(15,387)
Derivatives	-	(3,827)	-	-	(3,827)
Adjustments to fixed assets - functional currency (IAS 12)	(1,685)	-	(96)	572	(1,209)
Total	(11,076)				26,904

The deferred tax assets and liabilities shown in the above table corresponding to derivatives are recognized directly in equity and are not taken to the consolidated statement of profit or loss.

Year ended December 31, 2021

	12.31.2020	Additions	Business Combinations	Currency translation differences	Derecognitions	12.31.2021
Deferred tax assets	10,217	15,454	-	361	(591)	25,441
Tax loss carryforwards	3,888	7,082	-	313	-	11,283
Tax deductions pending application	-	19	-	-	-	19
Unrealized internal margins	5,085	612	-	-	-	5,697
Capitalization reserve	198	537	-	-	-	735
Other temporary differences	1,046	3,001	-	48	(591)	3,504
Derivatives	-	3,456	-	-	-	3,456
Adjustments to fixed assets - functional currency (IAS 12)	-	747	-	-	-	747
Deferred tax liabilities	(5,591)	(7,984)	(862)	(189)	261	(14,365)
Temporary differences	(4,921)	(7,025)	(862)	(133)	261	(12,680)
Derivatives	-	-	-	-	-	-
Adjustments to fixed assets - functional currency (IAS 12)	(670)	(959)	-	(56)	-	(1,685)
Total	(4,626)					11,076

The deferred tax assets and liabilities shown in the above table corresponding to derivatives are recognized directly in equity and are not taken to the consolidated statement of profit or loss.

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

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

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

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

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

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

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

Tax loss carryforwards pending offset

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

At 2022 and 2021 year end the breakdown of tax loss carryforwards recognized but pending offset, by company, is as follows:

Thousands of euros	12.31.2022	12.31.2021
GR RENOVABLES MEXICO S.A.	-	277
PARQUE EÓLICO QUILLAGUA, SpA	18,551	16,589
KOSTEN SA	10,909	7,862
GREENERGY RENOVABLES PACIFIC	1,335	4,495
GR TARUCA, SAC	7,010	4,747
GR PAINO, SAC	5,171	3,826
GREENERGY RENOVABLES, S.A.	-	135
GR LLEUQUE, SPA	5,237	-
GR RUIL, SPA	6,119	-
GREENERGY PALMAS DE COCOLÁN, SPA	9,210	-
GR POWER CHILE, SPA	838	-
Other	662	-
Total	65,042	37,931

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

The limits to their application are broken down as follows:

Country	
Chile	No limit
Spain	No limit
Peru	No limit
Argentina	4 years
Mexico	No limit

Deductions

At 2022 and 2021 year end, there were deductions pending application in the amounts of 1,191 thousand and 55 thousand euros, respectively. These deductions mainly correspond to international double taxation relief generated in 2022 in connection with tax borne in Peru. Said amount can be applied in the tax returns filed for the tax periods which conclude during the 15 subsequent and consecutive years following the tax period of generation.

20. Income and expenses**20.1 Cost of sales**

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

	12.31.2022			12.31.2021		
	Purchases	Changes in inventories	Total consumption	Purchases	Changes in inventories	Total consumption
Consumption of goods for resale	203,125	5,696	208,821	180,046	(7,334)	172,712
Work performed by third parties	162	-	162	16	-	16
Total	203,287	5,696	208,983	180,062	(7,334)	172,728

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

	12.31.2022	12.31.2021
Spain	63,785	86,999
Imports	139,502	93,063
Total	203,287	180,062

20.2 Employee benefits expense

The breakdown of this heading in the consolidated statement of profit or loss for 2022 and 2021 is as follows:

	12.31.2022	12.31.2021
Wages and salaries	12,211	8,056
Social security payable by the company	2,129	1,454
Other social security expenses	432	87
Total	14,772	9,597

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The average number of employees, by professional category, in 2022 and 2021, was as follows:

Category	2022	2021
Directors and Senior Management	13	11
Managers	10	8
Department heads	32	22
Technical staff	150	92
Laborers	98	83
Total	303	216

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

Category	12.31.2022			12.31.2021		
	Men	Women	Total	Men	Women	Total
Directors and Senior Management	7	6	13	7	6	13
Managers	9	1	10	9	1	10
Department heads	27	10	37	20	5	25
Technical staff	104	80	184	64	43	107
Laborers	95	15	110	74	8	82
Total	242	112	354	174	63	237

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

20.3 External services

The breakdown of this heading in the consolidated statement of profit or loss for 2022 and 2021 is as follows:

Type	2022	2021
Leases	593	337
General repairs and maintenance	580	294
Park maintenance	8,159	5,010
Professional services	4,467	2,281
Insurance	534	258
Bank services	235	349
Advertising and publicity	250	216
Supplies	366	183
Other	113	343
Other taxes	303	14
Losses on, impairment of, and changes in trade provisions	71	741
Total	15,671	10,026

"Leases" corresponds to the rental expenses relating to low value contracts or contracts for a duration of less than one year.

"Park maintenance" at December 31, 2022 presents all the operating costs for the parks which were in operation during 2022 and 2021 (Note 6).

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

20.4 Finance income and expenses

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

	12.31.2022	12.31.2021
Income	471	-
Interest from other financial assets	471	-
Investments in equity instruments		
Expenses	(19,632)	(9,321)
Interest on borrowings	(19,632)	(9,321)
Exchange gains (losses)	1,191	1,560
Change in fair value of financial instruments	(4,400)	(6,290)
Profit (loss) on investments under the equity method (Note 9.1)	(325)	-
Impairment of and gains (losses) on disposal of financial instruments	187	(205)
Impairment and losses	187	(205)
Finance cost	(22,508)	(14,256)

The breakdown for exchange gains (losses) by currency at December 31, 2022 and 2021 is as follows:

	Thousands of euros	
	2022	2021
US dollar (USD)	5,697	3,719
Argentine peso (ARS)	(1,425)	(1,098)
Peruvian sol (PEN)	(4)	(34)
Chilean peso (CLP)	(5)	6
Mexican peso (MXN)	2,199	(660)
Colombian peso (COP)	(5,271)	(373)
Total	1,191	1,560

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21. Foreign currency

The breakdown of transactions carried out in foreign currency during 2022 and 2021 is as follows:

Year ended December 31, 2022

12.31.2022									
Equivalent value in thousands of euros									
	US Dollars	Chilean pesos	Peruvian soles	Mexican pesos	Argentinean pesos	Pound Sterling	Polish zloty	Colombian pesos	Total
Sale of goods	61,772	22,284	4,837	2,875	8,163	-	-	1,926	101,857
Services rendered	-	2,331	-	-	-	-	-	-	2,331
Total	61,772	24,615	4,837	2,875	8,163	-	-	1,926	104,188
Purchases	(78,783)	(44,401)	(295)	(153)	-	-	-	(16,075)	(139,707)
Work performed by third parties	-	(162)	-	-	-	-	-	-	(162)
Receipt of services	(5,289)	(2,774)	(264)	(288)	(120)	(131)	(127)	(608)	(9,601)
Total	(84,072)	(47,337)	(559)	(441)	(120)	(131)	(127)	(16,683)	(149,470)

Year ended December 31, 2021

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

22. Environmental disclosures

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

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

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

23. Related-party transactions

23.1. Balances and transactions with related parties

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

At December 31, 2022, a balance of 71 thousand euros was recognized as payable to the majority shareholder of the Parent as a consequence of the rental contract for offices in Madrid. At December 31, 2021, the Group held no balances with related parties.

The breakdown of transactions performed with related parties in 2022 and 2021 is as follows:

	12.31.2022		12.31.2021	
	Parent company	Other related parties	Parent company	Other related parties
Income	28	-	-	-
Other current management income	28	-	-	-
Expenses	(658)	-	(482)	(52)
Leases	(658)	-	(482)	(46)
Services received	-	-	-	(6)

The transactions with related parties carried out during 2022 and 2021 relate to the normal course of the Group's business and were generally carried out on an arm's length basis:

- Renting of the offices at Rafael Botí 26 by Daruan Group Holding, S.L.U. for an amount of 688 thousand euros in 2022 (2021: 482 thousand euros).
- Re-invoicing costs to Daruan Group Holding, S.L.U. in the amount of 39 thousand euros in 2022.

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23.2. Disclosures relating to the directors and senior management

During 2022 and 2021 the Parent did not extend any advances or credit to its directors, nor did it assume any obligations on their behalf by way of guarantees extended. Likewise, the Parent has no pension or life insurance commitments for any of its current or former directors.

The amounts accrued by members of the Board of Directors during 2022 and 2021 were as follows:

Type of remuneration	2022	2021
Remuneration for membership of Board and/or Board committees	280	133
Salaries	90	155
Variable remuneration in cash	84	139
Share-based remuneration schemes	39	165
Other	42	50
TOTAL	535	642

The directors of the Parent are covered by a civil liability insurance policy for which it settled a premium amounting to 25 thousand euros in 2022 (2021: 25 thousand euros).

The amounts accrued by senior management corresponding to fixed remuneration, variable annual remuneration, and other items, amounted to 742 thousand euros in 2022 (2021: 829 thousand euros).

23.3. Other disclosures relating to the directors

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

The directors did not carry out any related-party transactions outside the ordinary course of activities or transactions which were not carried out on an arm's length basis with the Company or Group companies during the years 2022 and 2021.

24. Other disclosures**24.1. Risk management policy**

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

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

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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Market risk

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

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

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

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

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

Credit risk

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

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

The percentage of allowances for insolvencies was zero during 2022 and 2021.

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Exchange rate risk

The Group performs a large part of its economic activities abroad and outside the European market, specifically, in Chile, Peru, Argentina, Mexico, and Colombia. At December 31, 2022, a large part of Group revenue, realized with respect to third parties, was denominated in currencies other than the euro (mainly the US dollar). Likewise, a large part of the expenses and investments, mainly corresponding to expenses incurred for consumables required in construction activities and investments in development projects, were also denominated in US dollars. Thus, the currency used in the normal course of the Group's corporate activity in LATAM is the local currency or the US dollar.

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

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

If at December 31, 2022 the euro had been devalued/revalued by 10% with respect to all the other functional currencies, with the remaining variables constant, equity would have been 29,346 thousand euros more or 24,005 thousand euros less, respectively (2021: 14,929 thousand euros more or 12,214 thousand euros less, respectively) due to the effect of the equity contributed by the subsidiaries who operate with a functional currency other than the euro. The breakdown by currency is as follows:

	Thousands of euros			
	12.31.2022		12.31.2021	
	10%	-10%	10%	-10%
US dollars (USD)	(18,432)	22,530	(10,210)	12,479
Chilean peso (CLP)	(525)	643	(71)	87
Other	(5,048)	6,173	(1,933)	2,363
Total	(24,005)	29,346	(12,214)	14,929

If the average exchange rate of the euro during 2022 had been devalued/revalued by 10% with respect to the other functional currencies, with the remaining variables constant, profit before taxes for the period would have been 1,903 thousand euros less or 1,557 thousand euros more, respectively (2021: 788 thousand euros less or 644 thousand euros more, respectively), mainly due to the result of converting the profit or loss statement to euros. The breakdown by currency is as follows:

	Thousands of euros			
	12.31.2022		12.31.2021	
	10%	-10%	10%	-10%
US dollars (USD)	(1,198)	980	(602)	492
Chilean peso (CLP)	165	(135)	115	(94)
Other	(870)	712	(301)	246
Total	(1,903)	1,557	(788)	644

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Liquidity risk

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

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

However, and with a view to guaranteeing liquidity should there be an additional deterioration in the generation of cash by the businesses, the sources for liquidity were expanded, ensuring that even in an environment of low liquidity the Group would receive support from banking entities and investors. Evidence of this was the capital increase carried out in the month of March for an amount of 90,001 thousand euros (Note 13.1) and the issuing of a Green Bond program (Note 17.1).

At December 31, 2022, the Group's liquidity position was sound, including sufficient cash and available credit lines to cover its liquidity requirements comfortably even in the case of a major contraction of markets.

Interest rate risk

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

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

Not only Spain experienced a sharp increase in inflation during 2022 but also the remaining countries where the Group operates.

This scenario is leading central banks to raise official interest rates as a measure to reduce the high inflation rates.

If during 2022 and 2021 the average borrowings referenced to variable rates had been 10 basis points higher/lower, with the remaining variables constant, profit after tax for the corresponding period would not have experienced significant changes given that most of the Group's borrowings are referenced to a fixed rate. Thus, the Group considers that exposure to interest rate risk is not great.

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24.2. Guarantee commitments to third parties

At 2022 year end, the Group had provided guarantees to third parties in the amount of 160,723 thousand euros (2021: 56,067 thousand euros), which were chiefly arranged for presentation in public renewable energy tenders and auctions.

Given that the aforementioned guarantees were basically granted with a view to ensuring compliance with contractual obligations or investment commitments, the events which could lead to their execution, and thus a cash outflow, would be non-compliance on the part of Grenergy with regard to its obligations related to the ordinary course of its activities, which is considered unlikely. Grenergy considers that any unforeseen liabilities at December 31, 2022 that may arise in connection with the aforementioned guarantees would in any case not be significant.

Duna and Huambos wind parks

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

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

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

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

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

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

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

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

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

In 2023 the Arbitration Court ruled that the RES Supply Contract was void. With respect to execution of the Guarantees, the Arbitration Court decided to execute 50% of said guarantees. The Group recognized a provision for this item in the amount of 6,160 thousand euros, presented under "Impairment and losses" in the accompanying consolidated statement of profit or loss.

24.3. Audit fees for the auditors and related entities

The fees accrued for professional services rendered by Ernst & Young, S.L. during 2022 and 2021 are broken down as follows:

Categories	2022		2021	
	Services rendered by the auditor of accounts and related companies	Services rendered by other auditors of the Group	Services rendered by the auditor of accounts and related companies	Services rendered by other auditors of the Group
Audit services (1)	112	111	101	77
Limited review (2)	38	25	32	13
Other assurance services (3)	26	3	25	-
Total audit and related services	176	139	158	90
Other	-	-	-	-
Total other professional services	-	-	-	-
Total professional services	176	139	158	90

- (1) Audit services: this heading includes services rendered for performance of the statutory audits of the Group's annual financial statements.

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- (2) Limited review: corresponds to work performed for the limited review of the interim consolidated financial statements.
- (3) Other audit-related assurance services: these services mainly correspond to the assurance work related to compliance with financial covenants and the report on agreed-upon procedures for reviewing the Internal Control System for Financial Reporting.

In addition, other audit firms rendered audit services amounting to 16 thousand euros to various Group companies in 2022 (2021: 18 thousand euros).

24.4. Information on average payment periods to suppliers

In accordance with the stipulations of the third additional provision ("Disclosure requirements") of Law 15/2010, of July 5, modified by Law 18/2022, of September 28 ("On creation and growth of companies"), the information relating to the average supplier payment period is as follows:

	2022	2021
	Days	Days
Average supplier payment period	56.54	56.01
Ratio of payments made	58	58
Ratio of transactions pending payment	49	51
	Amount	Amount
Total payments made	118,293	161,604
Total pending payments	22,814	64,179

	2022
(Invoicing volume)	
Total invoices payable during the current year	3,831
Number of invoices paid within deadline	3,716
Paid within deadline (%)	97
(Thousands of euros)	
Total invoices payable during the current year	229,993
Total amount of payments within deadline	223,093
Paid within deadline (%)	97

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

25. Events after the reporting date

On February 3, 2023, the Group acquired 60% of the US solar project developer Sofos Harbert Renewable Energy, LLC (Note 9.1).

Apart from this matter, no additional significant events occurred after the reporting period.

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Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2022			Thousands of euros				
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee
GREENHOUSE SOLAR FIELDS, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	(1)	-	-	2
GREENHOUSE SOLAR ENERGY, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	(1)	-	-	2
GREENHOUSE RENEWABLE ENERGY, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	(1)	-	-	2
GUIA DE ISORA SOLAR 2, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	2	-	2	3	(7)	-	-	(4)
GR SOLAR 2020, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(2)	-	10	11
GR SUN SPAIN, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(3)	-	-	-
GR EQUITY WIND AND SOLAR, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	287	-	-	290
LEVEL FOTOVOLTAICA S.L.	Spain	Production of renewable electric energy (Inactive company)	50%	0%	50%	2	-	2	3	(328)	-	-	(325)
GR BAÑUELA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	968	-	968	3	(1,161)	(5,982)	438	(6,702) (**)
GR TURBON RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	968	-	968	3	(1,153)	(6,009)	666	(6,494) (**)
GR AITANA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	968	-	968	3	(1,110)	(6,063)	691	(6,480) (**)
GR ASPE RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	968	-	968	3	(1,178)	(5,982)	293	(6,864) (**)
VIATRES RENEWABLE ENERGY, S.L.	Spain	Production of renewable electric energy (Inactive company)	40%	0%	40%	1	-	1	3	-	-	-	3
EIDEN RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	-	-	2
CHAMBO RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	-	-	2
MAMBAR RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	-	-	2
EL AGUILA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	-	-	2
EUGABA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	406	-	406	3	(1)	403	(7)	398
TAKE RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	426	-	426	3	(1)	423	(8)	417
NEGUA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	398	-	398	3	(1)	395	(8)	389

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			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee
GR SISON RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR PORRON RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR BISBITA RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR AVUTARDA RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR COLIMBO RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR MANDARIN RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR DANICO RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR CHARRAN RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR CERCETA RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR CALAMON RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR CORMORAN RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR GARCILLA RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR LAUNICO RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR MALVASIA RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR MARTINETA RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR FAISAN RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GREENERGY OPEX, S.L	Spain	Operation and maintenance of renewable electric energy installations (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GREENERGY EPC EUROPA, S.L.	Spain	Construction of electric energy installations	100%	0%	100%	3 (3)	-	-	-	-	-	2,245	2,245
GR POWER COMERCIALIZACION, S.L	Spain	Commercialization of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR LA PARED 2, SL	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-

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			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee
GR LA PARED 3, SL	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR LA PARED 4, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR LA PARED5, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR LA PARED 6, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR LA PARED 7, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR ARLANZON RENOVABLES, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR ANDALUCIA 1 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR CARIÑEN RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR CANTABRIA 5 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR ASTURIAS 1 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR CANTABRIA 3, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR VALENCIA 3 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR MADRID 2 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR CANTABRIA 4 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR MADRID 1, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR VALENCIA 2, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR VALENCIA 1, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GREENERGY PACIFIC LTDA	Chile	Promotion and construction of electric energy installations	99.9%	0%	100%	43	-	43	39	4,972	-	(476)	4,535 (*) (**)
GR PEUMO, S.P.A.	Chile	Production of renewable electric energy	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR QUEULE, S.P.A.	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)

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Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2022			Thousands of euros				
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee
GR MAITEN, S.P.A.	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR ALGARROBO S.P.A	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR PACIFIC CHILOE SPA	Chile	Production of renewable electric energy (Inactive company)	-	98%	98%	1 (1)	-	-	-	-	-	-	- (*) (***)
GR PACIFIC OVALLE, SPA	Chile	Production of renewable electric energy (Inactive company)	-	98%	98%	1 (1)	-	-	890	(883)	-	-	7 (*) (***)
GR PIMIENTO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR CHAÑAR, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR LÚCUMO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR LLEUQUE, SPA	Chile	Production of renewable electric energy	-	100%	100%	-	-	-	1	42	-	767	810 (*) (****)
GR NOTRO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR LENGUA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR TEPÚ, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR PACAMA,S PA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR TEMO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR RUIL, SPA	Chile	Production of renewable electric energy	-	100%	100%	-	-	-	1	36	-	450	487 (*) (****)
GR POLPAICO PACIFIC, SPA	Chile	Production of renewable electric energy (Inactive company)	-	98%	98%	1 (1)	-	-	-	-	-	-	- (*) (***)
GR Manzano SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR Naranjillo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR Mañío SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR Tara SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR Hualo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)

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Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2022			Thousands of euros				
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee
GR Corcolén SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR Luma SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR Fuinque SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR Queñoa SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR Tayú SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR Petra SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR Corontillo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR Liun SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR Kewiña SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR Frangel SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR Maqui SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR Petrillo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR Tepa SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
Grenergy OPEX SpA	Chile	Operation and maintenance of renewable electric energy installations	100%	0%	100%	1	-	1	1	1,129	-	1,275	2,405 (*) (**)
Parque Fotovoltaico Nuevo Quillagua SpA	Chile	Production of renewable electric energy	100%	0%	100%	15,210	-	15,210	20,583	2,053	-	1,161	23,797 (*) (**)
GR CORCOVADO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR YENDEGAIA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR KAWESQAR	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR ALARCE ANDINO SPA	Chile	Production of renewable electric energy	0%	100%	100%	1 (1)	-	-	1	-	-	122	123 (*) (****)
GR ALERCE COSTERO SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)

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			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee
GR TORRES DEL PAINE SPA	Chile	Production of renewable electric energy	0%	100%	100%	-	-	-	1	3	-	183	187
GREENERGY PALMAS DE COCOLÁN, SPA	Chile	Holding company	100%	0%	100%	12,356	-	12,356	9,903	(180)	(1,456)	(1,105)	7,162
GR LA CAMPANA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-
GR VOLCAN ISLUGA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-
GR LAUCA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-
GR PAN DE AZUCAR, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-
GR MORRO MORENO, SPA	Chile	Production of renewable electric energy	100%	0%	100%	(1)	-	-	-	-	-	-	-
GR NEVADO TRES CRUCES, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-
GR LLULLAILLACO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-
GR SALAR HUASCO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-
GR RAPANUI, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-
GR PUYEHUE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-
GR CABO DE HORNOS, SPA	Chile	Production of renewable electric energy	100%	0%	100%	(1)	-	-	1	-	-	(6)	(5)
GR CERRO CASTILLO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-
GR PALI AIKE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-
GR RADAL SIETE TAZAS, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-
GR ISLA MAGDALENA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-
GREENERGY LLANOS CHALLE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-
GR LAGUNA SAN RAFAEL, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	(1)	-	-	-	-	-	-	-
GR POWER CHILE, SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	1	-	1	1	(191)	-	(648)	(838)

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December 31, 2022

Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2022			Thousands of euros				
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee
CE CENTINELA SOLAR SPA	Chile	Commercialization of renewable electric energy	0%	100%	100%	-	-	-	22	-	-	141	163 (*) (****)
CE URIBE DE ANTOFAGASTA SOLAR SPA	Chile	Commercialization of renewable electric energy	0%	100%	100%	-	-	-	2	-	-	403	405 (*) (****)
CHAPIQUINA SOLAR SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	1	-	1	1	-	-	3	4 (*)
MAITE SOLAR SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	-	-	-	1	-	-	-	1 (*)
MIGUEL SOLAR SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	-	-	-	1	-	-	-	1 (*)
PARQUE SOLAR TANGUA	Chile	Commercialization of renewable electric energy	100%	0%	100%	913	-	913	-	-	-	-	- (*)
MANZANO SOLAR SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	20	-	20	-	-	-	-	- (*)
ECOGREENERGY TRANSMISIÓN SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	1	-	-	-	-	-	-	- (*)
PLANTA SOLAR LA PAZ II SPA	Chile	Commercialization of renewable electric energy	0%	100%	100%	(1)	-	-	-	-	-	-	- (*) (****)
PLANTA SOLAR PEÑAFLORES II SPA	Chile	Commercialization of renewable electric energy	0%	100%	100%	-	-	-	-	-	-	-	- (*) (****)
PLANTA SOLAR LO MIGUEL II SPA	Chile	Commercialization of renewable electric energy	0%	100%	100%	-	-	-	-	-	-	-	- (*) (****)
PLANTA SOLAR SANTA TERESITA II SPA	Chile	Commercialization of renewable electric energy	0%	100%	100%	-	-	-	-	-	-	-	- (*) (****)
PFV EL LORO CHOROY	Chile	Commercialization of renewable electric energy	100%	0%	100%	363	-	363	-	-	-	-	- (*)
GREENERGY PERU SAC	Peru	Promotion and construction of electric energy installations	99%	0%	99%	1	-	1	1	(1,077)	-	807	(269) (*)
GR JULIACA, S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR HUAMBOS, S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR APORIC, S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR CORTARRAMA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR GUANACO S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR TARUCA S.A.C.	Peru	Production of renewable electric energy	90%	0%	90%	4,932	(4,079)	853	5,764	(1,858)	-	(2,593)	1,313 (*) (**)

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			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR PAINO S.A.C.	Peru	Production of renewable electric energy	90%	0%	90%	5,011	(4,080)	931	5,866	(2,329)	-	(2,796)	741	(*) (**)
GR PAICHE S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	278 (278)	-	-	-	-	-	-	-	(*)
GR LIBLANCA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	278 (278)	-	-	-	-	-	-	-	(*)
GR ANDINO S.A.C.	Peru	Production of renewable electric energy	100%	0%	100%	-	-	-	-	-	-	(5)	(5)	(*)
GR CAOBA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR CEIBO S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR CHABARBAMBA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR MITOCONGA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR RENOVABLES MÉXICO	Mexico	Promotion and construction of electric energy installations	98%	0%	98%	3	-	3	2	(996)	-	(6)	(1,000)	(*) (**)
GREENHUB S.L. DE C.V.	Mexico	Production of renewable electric energy	20%	80%	100%	20	-	20	109	(2,429)	-	(66)	(2,386)	(*) (**) (*****)
FAILO 3 SACV	Mexico	Production of renewable electric energy (Inactive company)	-	50%	50%	-	-	-	2	(18)	-	(3)	(19)	(*) (***)
ASTILO 1 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3 (3)	-	-	2	(31)	-	(12)	(41)	(*) (***)
CRISON 2 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3 (3)	-	-	2	(4)	-	(16)	(18)	(*) (***)
MESO 4 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3 (3)	-	-	2	(28)	-	(4)	(30)	(*) (***)
ORSIPO 5 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3 (3)	-	-	2	(14)	-	(10)	(22)	(*) (***)
MIRGACA 6 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3 (3)	-	-	2	(2)	-	(5)	(5)	(*) (***)
GREENERGY COLOMBIA S.A.S.	Colombia	Promotion and construction of electric energy installations	100%	0%	100%	270	-	270	187	(686)	-	(4,515)	(5,014)	(*) (**)
GR PARQUE BRISA SOLAR 2	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE BRISA SOLAR 3	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE PRADO SOLAR 1	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)

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			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee
GR PARQUE SOLAR SANDALO 2	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
SAN AGUSTIN SOLAR S.A.S	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
SANTAMARTA SOLAR S.A.S	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR SOL DE BAYUNCA SAS	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	-	(66)	-	(1,767)	(1,833) (*) (**)
CERRITOS SOLAR S.A.S	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	-	-	-	153	153 (*) (**)
CENTRO SOLAR, S.A.S	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
MONTELIBANO SOLAR, S.A.S	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	-	-	-	(5)	(5) (*)
GREENERGY GESTIÓN E INFRAESTRUCTURA S.A.S.	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE SOL DE AYAPEL S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE CENTRO SOLAR 2 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE BRISA SOLAR 4 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE GALAPA SOLAR 2 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE CAMPO DE LA CRUZ S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE TUCANES 3 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE NUEVA MONTERIA SOLAR 1 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE NUEVA BARRANQUILLA 2 SOLAR S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE SAN JUAN SOLAR 1 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE SAN JUAN SOLAR 2 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE BREZO SOLAR 1 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE BREZO SOLAR 2 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)

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			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee
GR PARQUE GUACAMAYAL SOLAR S.A.S E.S. P	Colombia	Production of renewable electric energy (inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE SOL DE ZAWADY S.A.S E.S. P	Colombia	Production of renewable electric energy (inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE SINCE SOLAR S.A.S E.S. P	Colombia	Production of renewable electric energy (inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE LOS CABALLEROS 2 S.A.S E.S. P	Colombia	Production of renewable electric energy (inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE SOLAR TUCANES 2 S.A.S E.S. P	Colombia	Production of renewable electric energy (inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE NUEVA BARRANQUILLA 1 SOLAR S.A.S E.S. P	Colombia	Production of renewable electric energy (inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR SOL DE SANTANDER S.A.S E.S.P.	Colombia	Production of renewable electric energy (inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE SOLAR SOL DEL MAR II S.A.S. E.S.P.	Colombia	Production of renewable electric energy (inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE SOLAR SANDALO II S.A.S E.S.P.	Colombia	Production of renewable electric energy (inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR PARQUE SOLAR LA MEDINA SAS	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	-	-	-	304	304 (*) (**)
GR PARQUE SOLAR LOS CABALLEROS SAS	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	-	-	-	382	382 (*) (**)
GREENERGY RINNOVABILI ITALIA SRL	Italy	Promotion and construction of electric energy installations	100%	0%	100%	350	-	350	350	(32)	-	(130)	188
GR RINNOVABILI 1 SRL	Italy	Production of renewable electric energy (inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 2 SRL	Italy	Production of renewable electric energy (inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 3, SRL	Italy	Production of renewable electric energy (inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 4 SRL	Italy	Production of renewable electric energy (inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 5 SRL	Italy	Production of renewable electric energy (inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 6 SRL	Italy	Production of renewable electric energy (inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 7 SRL	Italy	Production of renewable electric energy (inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 8 SRL	Italy	Production of renewable electric energy (inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10

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			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee
GR RINNOVABILI 9 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 10 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GREENERGY RENEWABLES UK LIMITED	UK	Promotion and construction of electric energy installations	100%	0%	100%	-	-	-	-	(42)	-	(153)	(195) (*)
GR RENEWABLES 1 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR RENEWABLES 2 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR RENEWABLES 3 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR RENEWABLES 4 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GR RENEWABLES 5 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	- (*)
GREENERGY POLSKA, S.P.Z.O.O	Poland	Promotion and construction of electric energy installations	100%	0%	100%	3	-	3	1	-	-	(156)	(155)
GREENERGY ERNEUERBARE ENERGIEN GMBH	Germany	Promotion and construction of electric energy installations	100%	0%	100%	25	-	25	25	-	-	-	-
GREENERGY RENEWABLES USA LLC	USA	Promotion and construction of electric energy installations	100%	0%	100%	-	-	-	-	-	-	-	- (*)
SOFOS HARBERT RENEWABLE	USA	Promotion and construction of electric energy installations	0%	40%	40%	-	-	-	6,450	(1,275)	-	(1,018)	4,157 (*) (****)
GREENERGY ATLANTIC, S.A.U.	Argentina	Promotion and construction of electric energy installations	100%	0%	100%	402	-	402	227	(245)	-	(138)	(156) (*)
KOSTEN S.A.	Argentina	Operation and maintenance of renewable electric energy installations	100%	0%	100%	8,159	(5,536)	2,623	5,272	(4,788)	-	1,691	2,175 (*) (**)

(*) Exchange rate at closing of 12.31.2022 applied, with average rates applied to the 2022 income statement.

(**) Audited financial statements

(***) Indirect ownership via GR Equity Wind and Solar

(****) Indirect ownership via GR Las Palmas de Cocalán

(*****) Indirect ownership via GR Renovables México

(*****) Indirect ownership via Grenergy Renovables USA

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

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

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

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

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GR Petrillo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
GR Tepa SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	- (*)
Grenergy OPEX SpA	Chile	Operation and maintenance of renewable electric energy installations	100%	0%	100%	1	-	1	1	259	-	873	1,133 (*) (**)
Parque Fotovoltaico Nuevo Quillagua SpA	Chile	Production of renewable electric energy	100%	0%	100%	15,211	-	15,211	19,471	(3,679)	-	3,645	19,437 (*) (**)
GR CORCOVADO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR YENDEGAIA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR KAWESQAR	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR ALARCE ANDINO SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR ALERCE COSTERO SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR TORRES DEL PAINE SPA	Chile	Production of renewable electric energy	0%	100%	100%	-	-	-	1	(1)	-	3	3 (*) (****)
GR NAHUEL BUTA SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR CONGUILLO SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GREENERGY PALMAS DE COCOLÁN, SPA	Chile	Holding company	100%	0%	100%	2,190	-	2,190	2,259	-	(182)	(163)	1,914 (*) (**)
GR LA CAMPANA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR VOLCÁN ISLUGA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR LAUCA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR PAN DE AZÚCAR, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR MORRO MORENO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR NEVADO TRES CRUCES, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)
GR LLULLAILLACO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	- (*)

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

APPENDIX I

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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

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

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

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

37,446

(*) Exchange rate at closing of 12.31.2021 applied, with average rates applied to the 2021 income statement.

(**) Audited financial statements

(***) Indirect ownership via GR Equity Wind and Solar

(****) Indirect ownership via GR Las Palmas de Cocolán

(****) Indirect ownership via GR Renovables México

All the companies are consolidated under the full consolidation method.

APPENDIX II

Changes in the consolidation scope

The main changes to the consolidation scope corresponding to 2022 were as follows:

New inclusions in the consolidation scope during 2022:

- Acquisition of the following companies: Parque Solar Tangua, SpA; Manzano Solar, SpA; Planta Solar La Paz II, SpA; Planta Solar Peñaflor II, SpA; Planta Solar Lo Miguel II, SpA; Planta Solar Santa Teresita II, SpA; and PFV El Loro Choroy for amounts totaling 913; 20; 1,833; 156; 1,735; 1,711; and 363 thousand euros, respectively.
- Incorporation of the following English companies: GR Renewables 1 Limited; GR Renewables 2 Limited; GR Renewables 3 Limited; GR Renewables 4 Limited; GR Renewables 5 Limited; the following Colombian companies: Grenergy Gestión e Infraestructura S.A.S.; GR Parque Sol de Ayapel S.A.S E.S.P; GR Parque Centro Solar 2 S.A.S E.S.P; GR Parque Brisa Solar 4 S.A.S E.S.P; GR Parque Galapa Solar 2 S.A.S E.S.P; GR Parque Campo de la Cruz S.A.S E.S.P; GR Parque Tucanes 3 S.A.S E.S.P; GR Parque Nueva Montería Solar 1 S.A.S E.S.P; GR Parque Nueva Barranquilla 2 Solar S.A.S E.S.P; GR Parque San Juan Solar 1 S.A.S E.S.P; GR Parque San Juan Solar 2 S.A.S E.S.P; GR Parque Brezo Solar 1 S.A.S E.S.P; GR Parque Brezo Solar 2 S.A.S E.S.P; GR Parque Guacamayal Solar S.A.S E.S.P; GR Parque Sol de Zawady S.A.S E.S.P; GR Parque Since Solar S.A.S E.S.P; GR Parque los Caballeros 2 S.A.S E.S.P; GR Parque Solar Tucanes 2 S.A.S E.S.P; GR Parque Nueva Barranquilla 1 Solar S.A.S E.S.P; GR Sol de Santander S.A.S E.S.P.; GR Parque Solar Sol del Mar II S.A.S. E.S.P.; GR Parque Solar Sándalo II S.A.S E.S.P.; the following Spanish companies: GR Andalucía 1 Renovables, SLU; GR Cariñen Renovables, SLU; GR CANTABRIA 5 Renovables, SLU; GR Asturias 1 Renovables, SLU; GR Cantabria 3, SLU; GR Valencia 3 Renovables, SLU; GR Madrid 2 Renovables, SLU; GR Cantabria 4 Renovables, SLU; GR Madrid 1, SLU; GR Valencia 2; SLU; GR Valencia 1, SLU; the Germany company Grenergy Erneuerbare Energien GMBH; and the North American company GREENERGY Renovables USA LLC.

Exclusions from consolidation scope during 2022:

- Sale of the interests held by the Parent in the following companies: GR Nahuelbuta, SpA; GR Conguillio, SpA; La Cuesta Solar, SpA; GR Bayovar, SAC; and GR Vale, SAC.

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

New inclusions in the consolidation scope during 2021:

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

GREENERGY RENEWABLES, S.A. AND SUBSIDIARIES

APPENDIX II

Changes in the consolidation scope

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

Exclusions from consolidation scope during 2021:

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

APPENDIX III

Regulatory framework

Sector regulation in Europe

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

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

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

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

Spain

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

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

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

APPENDIX III

Regulatory framework

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

- standard revenues from the sale of energy valued at the market price;
- standard operating costs; and
- the standard value of the original investment.

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

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

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

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

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

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

It is worth highlighting that at December 31, 2022 the Group does not own any assets in Spain which could be classified as a renewable energy plant or installation whose remuneration is determined by the aforementioned regulatory framework.

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

- It establishes the reasonable return for renewable energy, cogeneration, and waste, and the financial remuneration rate for production in territories outside the Iberian Peninsula for the 2020-2025 period. The rate is updated to 7.09% vs 7.398% or 7.503%, depending on the type of installations.
- It establishes that before February 29, 2020 the Government will establish the remaining remuneration parameters which will be applicable from 2020 to 2025, which previously requires the definition of the related reasonable return.
- It incorporates a mechanism which the installations that had already been granted prime remuneration when Royal Decree Law 9/2013 became effective can avail themselves of: the option for the owners to maintain a reasonable return of 7.398% for their installations until 2031. This measure will not be applicable when there is a right to receive indemnities as a consequence of a firm court sentence or definitive arbitration ruling, or if judicial or arbitration proceedings are ongoing, unless the irrevocable renunciation of said compensation, continuation or re-initiation of said proceedings is officially accredited. In addition, the installations can renounce the remuneration framework which is regulated by this Royal Decree Law and avail themselves of the ordinary framework, subject to a review every six years.

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

- Introduce a law in parliament which guarantees that zero net emissions be achieved at the latest by 2050, implementing a 100% renewable electricity system, private and commercial vehicles with 0 grammes of CO₂ emissions per kilometer, an agricultural system neutral in equivalent CO₂ emissions, as well as a tax, budget, and financial system compatible with the necessary decarbonization of the economy and society.
- Define the path to decarbonization in the long term for our country, ensuring the objective of climate neutrality at the latest by the year 2050.
- Present the second National Plan for Adaptation to Climate Change.
- Boost the transformation of our industrial model and services sector via collective agreements for a Fair Transition together with accompanying measures.

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

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

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

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

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

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

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

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

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

On May 6, 2021, the CNMC Resolution was published approving the operating rules applicable to the daily and intra-day electricity markets for their adaptation to maximum European clearing price limits.

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

Given the current situation with high energy prices, the Government approved Royal Decree 17/2021 and Royal Decree 23/202, thereby establishing compensatory measures to help mitigate the impact.

On December 16, 2021, the CNMC Resolution was published establishing the electricity transmission and distribution grid access tolls, applicable from January 1, 2022.

It is worth highlighting the following laws which became effective during 2022: (i) Royal Decree-Law 6/2022, of March 29, adopting urgent measures in the framework of the National Response Plan for the economic and social consequences of the war in Ukraine, which amongst other matters includes energy measures, such as reducing taxes for electricity bills and supporting competitiveness in electro-intensive industries, with an 80% reduction in tolls until the end of the year, direct aid to gas-intensive companies in sectors such as those of paper and cardboard or glass and ceramics, as well as acceleration of renewable energy projects; (ii) Royal Decree-Law 10/2022, of May 13, which establishes a temporary production cost adjustment mechanism to reduce the price of electricity in the wholesale market, consisting of an adjustment to the production cost of marginal fossil fuel technologies, equal for all of them. Said adjustment is established as the difference between a reference gas price and the effective spot market price for natural gas each day in order to achieve a reduction in the marginal market price by the amount of the adjustment in those cases where this margin is set by the technologies affected by this mechanism, recovering all their costs without altering their merit order when they receive the amount of the adjustment together with the new reduced marginal price. This law also includes measures to modify the method for calculating the PVPC tariff (or Voluntary Price for Small Consumers) and the method for calculating the specific remuneration scheme for renewable energies, cogeneration, and waste (RECORE in its Spanish acronym), with a view to encouraging the exposure of RECORE energy to the forward markets; (iii) Royal Decree-Law 14/2022, of August 1, on measures for energy saving, energy efficiency, and reduction of energy dependence on natural gas, which amends Royal Decree 413/14 and the definition of type 3 hybridizations to incorporate storage facilities, thus clarifying the obligation related to the metering equipment necessary to determine the energy generated and allowing for appropriate remuneration of the applicable economic regimes, as well as the consequences of non-compliance; iv) Royal Decree-Law 17/2022, of September 20, which adopts urgent measures in the field of energy; v) Royal Decree-Law 18/2022, of October 18, approving measures to reinforce protection for energy consumers and contribute to the reduction of natural gas consumption in application of "Plan + seguridad para tu energía (+SE)," which, amongst other measures, modifies access and connection regulations and allows for extension of the gas cap mechanism until 12/31/23; and vi) Royal Decree-Law 20/2022, of 27 December, on measures in response to the economic and social consequences of the war in Ukraine, which establishes an abbreviated procedure for the administrative processing of renewable installations, extends the abolition of the 7% tax throughout 2023, and eliminates the exemption of bilateral contracts from application of the gas cap mechanism.

Italy

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

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

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

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

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

APPENDIX III

Regulatory framework

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

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

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

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

United Kingdom

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

Regulatory authorities

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

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

General view of the permits, licenses, and authorizations

- Licenses for generation, transmission, distribution, and supply: these licenses are necessary for each individual activity (subject to exemptions) by virtue of article 6 of the Electricity Act of 1989, including the generation activities. Normally, a photovoltaic project (provided its declared net capacity is less than 100 MW) is exempt from the obligation to obtain a generation license.
- Planning permit or development consent order: The construction of a photovoltaic plant and any associated infrastructure will require a planning permit or development consent order (for larger projects) in England and Wales. The authorization procedures for obtaining a planning permit or development consent order will vary based on the location of the project (i.e., in England or Wales) and the installed generation capacity. In order to obtain the planning permit, an *Environmental Impact Assessment* ("**EIA**") may have to be performed depending on how much the projects may have a significant effect on the environment.

Electricity market and sources of income

- Power Purchase Agreement (PPA): the energy of a photovoltaic project is usually sold via a PPA with an authorized supplier. Some projects do not dispatch to the British grid but sell the energy to a host or neighbor via a private cable. The PPAs tend to be long-term agreements which permit the financing of the project. However, as the market has been developing, more projects are opting for short-term PPAs.
- Smart Export Guarantee: The new solar photovoltaic solar energy projects can avail themselves of a Smart Export Guarantee ("**SEG**"). The purpose of the SEG regime is to support the generation of small quantities (up to 5 MW) with low carbon emissions via the SEG payments from authorized suppliers (agreed upon with the corresponding supplier). It must be taken into account that the *Feed-in Tariffs* ("**FiT**") and the *Renewables Obligation Certificates* ("**ROC**") are no longer available for new solar projects.
- Contract for Difference ("**CfD**"): Support for solar energy prices may be in the form of a CfD granted by the government between a generator and a *Low Carbon Contracts Company* (a private limited company which is owned by the Secretary of State for the BEIS department, which is the counterparty in the CfD). Photovoltaic solar assets with a capacity exceeding 5 MW compete with other established technologies in an auction and the generators who win receive CfDs. A generator sells its electricity in the market but receives a complementary amount (above the market price for electricity) corresponding to a "strike price" previously agreed upon within the framework of the CfD for the electricity produced over a 15-year period (or, if the market price for electricity is higher than the exercise price, the generator will pay the difference between the strike price and the market price to the Low Carbon Contract Company).
- Renewable Energy Guarantee of Origin ("**REGO**"): The REGOs are certificates which demonstrate that the electricity was produced based on renewable sources. The REGO system is designed to offer the consumers transparency when determining what portion of their electricity comes from renewable sources. The OFGEM issues a REGO certificate to the generators of renewable electricity for each mega watt hour of renewable production. The REGOs are usually sold to the energy supplier who makes use of the energy generated by the project with a minimum value attributed to them, though a market is in development for said certificates.

Poland

Electricity mix Poland

At present Poland has a total population of 38 million inhabitants and generates 174 TWh of electricity. Growth expectations amount to 262 TWh by 2050.

Given its historical dependence, the Polish electricity mix is mainly dominated by coal and natural gas. Both account for 80% of total generation.

The delivery of the European Funds for the National Recovery Plan (KPO) is expected to boost and facilitate the development of renewable energy sources with a total amount of approximately 100 billion euros. However, in October 2022 the European Commission blocked the release of these funds since Poland had failed to meet objectives previously agreed upon, including reform of the justice system and liberalization of the so-called "10h rule" for onshore wind energy development. The Polish government has committed itself to fulfilling these objectives as soon as possible.

In addition, the rising costs of CO₂ emissions (under the EU ETS scheme), the post-COVID economic situation, and the invasion of Ukraine have led to a sharp increase in electricity prices, with more pronounced growth starting mid-2021. Thus, in October 2022 the government introduced price caps for coal and electricity that have not only generated effects at the merchant level but also with respect to PPAs (virtual PPA vs. physical PPA). There is a lot of uncertainty with respect to this matter since the rules to be applied for making the necessary adjustments to contracts are not clear, which greatly affects offtakers.

In recent months there has been talk about the possible introduction of new laws that would allow for cable pooling (connecting two or more energy sources with the same infrastructure), direct wire contracts (to become independent from the grid which has become saturated in recent years), and commercial connection procedures in which operators propose the scope of work on their infrastructure along with the price, delivering more connection volumes if both parties agree.

Poland offers the CfD scheme after the annual auctions, the stable 15-year duration scheme for operation, supplemented by the PPA/CPPA market which is experiencing very dynamic growth.

Legislative framework

The most important laws regulating the RES environment in Poland are as follows:

- Law on renewable energy sources of February 20, 2015 / Ustawa o odnawialnych źródłach energii z dnia 20 lutego 2015
 - Definition of renewable sources
 - Guarantee of origin instrument
 - Auction mechanism (CfD).
- Energy law of April 10, 1997 / Prawo energetyczne z dnia 10 kwietnia 1997
 - Regulation of energy policy in Poland
 - National grid system (definition of transportation operators, distribution operators)
 - Energy sales concessions, registries, tariffs.

- Law on information related to the environment and its protection, public participation in environmental information and environmental impact studies of October 3, 2008 / Ustawa o udostępnianiu informacji o środowisko i jego ochronie, udziale społeczeństwa w ochronie środowiska oraz ocenach oddziaływania na środowisko z dnia 3 października 2008.
 - Definition of the investments which may have a significant environmental impact
 - The rules and procedures for the administrative processing of environmental matters based on the type of project together with the scope of environmental monitoring.
- Law on construction of July 7, 1994 / Ustawa prawo budowlane z dnia 7 lipca 1994
 - Administrative procedure for construction permits
 - Construction work process, participants, and operating permits.
- Law on land-use planning of March 27, 2003 / Ustawa o planowaniu i zagospodarowaniu przestrzennym z dnia 27 marca 2003 / Regulation of urban development process based on category of investments

A number of important changes were recently proposed in legislative matters, of which the following are noteworthy:

1. Changes to the "Special Purpose Act on Energy Transmission" - this amendment seeks to broaden the definition of construction work, including 110kV and 220kV distribution networks to decongest the grid.
2. The "network package," a proposal made by the Ministry of Climate and Environment which will regulate and involve changes to the Energy Act with respect to the following:
 - a. Cable pooling - the shared use of energy infrastructure amongst installations which avail themselves of various RES technologies
 - b. Changes in the capacity threshold to which the preferential connection tariff is applied
 - c. Changes in the amount of the grid application advance (the aim is to discourage developers with less economic strength from applying for the grid)
 - d. Regulation that will allow for release of the volumes blocked by projects which are not viable.

Germany

Electricity mix Germany

Renewable energy generation during 2022 in Germany rose by 9% as compared to 2021, reaching a total of 256 Terawatt-hours as per the provisional data provided by the German Federal Environment Agency's Working Group on Renewable Energy Statistics (AGEE-Stat). This figure corresponds to 46% of electricity demand in Germany, below the objectives set by the German Renewable Energy Sources Act (EEG) for 2022, which include a target for generating renewable energies in the amount of 269 Terawatt-hours.

Photovoltaic generation experienced a considerable increase of 23% up to 62 Terawatt-hours due to very favorable weather conditions and the increase in installed photovoltaic solar capacity. Data published by the German Federal Network Agency ("Bundesnetzagentur") indicate that 7,181 Megawatts of photovoltaic power were installed in Germany during 2022, of which approximately 2,677 Megawatts correspond to ground-mounted installations.

Legislative framework

On January 1, 2023, the so-called "EEG-Osterpaket" ("Easter package" of the Renewable Energy Source Act or "EEG") came into force, which includes a series of measures to accelerate the implementation of renewable energies in the German electricity sector and thus reduce dependence on natural gas imports from Russia as well as progress in the decarbonization of Germany's energy sector. The legislative package includes a series of measures designed to increase renewable energy generation via the use of wind, photovoltaic, and hydroelectric technologies up to a level of 80% by 2030. The law grants renewable energy projects the status of public interest projects, thereby simplifying the administrative process required for new solar photovoltaic projects. It eliminates the electricity surcharge ("EEG Umlage") in the electricity tariff. In addition, the legislative package also includes both a considerable increase in the objectives set for 2030 and 2035 with respect to installed photovoltaic and wind power capacity as well as the volumes to be assigned under the regular auctions for photovoltaic and wind power capacity. The EEG 2023 includes an objective for installed solar photovoltaic capacity which increases the current level of approximately 66 GW up to 215 GW in 2030. The objectives for annual solar photovoltaic installations gradually increase from 9 GW in 2023 to 22 GW per year in 2026, to be kept constant subsequently until 2030. Finally, the EEG 2023 eases restrictions on available areas for ground-mounted photovoltaic installations by, for example, increasing the width of available areas adjacent to highways and railway lines from 200 to 500 meters.

On January 23, 2023, the German Federal Network Agency ("Bundesnetzagentur") raised the maximum price for eligible bids to 73.7 euros/MWh within the framework of the auctions for ground-mounted photovoltaic systems to be held over the course of 2023. The maximum bid size for ground-mounted photovoltaic systems was increased from 20 MW to 100 MW.

The Russian invasion of Ukraine and interruption of natural gas supplies from Russia led the European Council to adopt Regulation (EU) 2022/1854 on October 6, 2022, obliging Member States to carry out emergency interventions that address high energy prices and increase security for the European Union's energy supply. Germany implemented the measures provided for in said Regulation within its own national legal framework by passing the law known as "Gesetz zur Einführung einer Strompreismbremse- StromPBG" (Electricity Price Cap Regulation) on December 24, 2022. This law establishes a maximum electricity price of 40 euro cents per kilowatt hour to be applied to 80% of domestic client consumption. The measures allow for the surplus revenue arising from application of the cap on market revenue for electricity generators to be passed on to the final customers in the electricity market. Said cap is defined for solar photovoltaic installations not covered by the Renewable Energy Source Act (EEG) as 100 euros per megawatt hour generated plus a supplement of 30 euros per megawatt hour, i.e., a total maximum revenue cap of 130 euros per megawatt hour for this type of installation. Further, 90% of revenue obtained which exceeds the revenue cap will be passed on to the final customers. The "StromPBG" law and resulting market revenue cap will apply from December 1, 2022 until June 30, 2023. The law provides for the possibility of extending the application period until April 30, 2024.

On January 4, 2023, the law known as "Gesetz zur sofortigen Verbesserung der Rahmenbedingungen für die erneuerbaren Energien im Städtebaurecht" came into force. This law introduces a number of amendments to clauses in the German Building Code ("Baugesetzbuch"), allowing for solar photovoltaic installations on non-developable rural land within an area of 200 meters adjacent to highways and double-track railway lines without requiring an urban rezoning process. These measures potentially shorten the administrative processing period required to obtain a construction permit for solar photovoltaic installations in said areas.

Sector regulation in Latin America

Chile

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

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

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

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

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

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

Peru

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

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

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

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

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

Colombia

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

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

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

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

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

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

Argentina

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

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

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

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

Mexico

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

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

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

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

GREENERGY RENOVABLES, S.A. and Subsidiaries

Consolidated management report for 2022

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 commercialization of energy.

Since its incorporation in 2007, the Group has seen rapid growth and changes in the planning, design, development, construction, and financial structuring of projects. It is present in Europe as well as in Latam since the year 2012. Currently, Greenergy has offices in Spain, Italy, the United Kingdom, Poland, Germany, Chile, Peru, Colombia, Argentina, and Mexico. Greenergy's overall pipeline, which includes photovoltaic solar energy installations and wind parks in different stages of development, exceeds 11.7 GW, while its storage pipeline boasts 7.7 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 2022 year end totaling 849 million euros.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Consolidated management report

for the year ended December 31, 2022

1.2 Pipeline phases

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

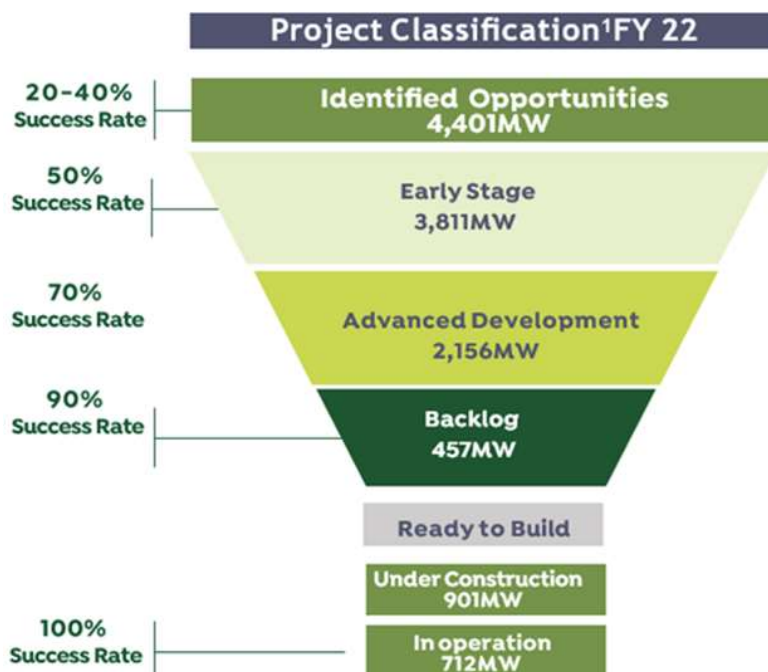
- Identified Opportunity: projects which are technically and financially feasible based on the following circumstances: (i) there is land potential; (ii) access to the electricity grid is considered operationally viable; and/or (iii) it is potentially interesting for sale to third parties.
- Early stage: 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: 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: 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: 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.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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At December 31, 2022 the Group had more than 11.7 GW in different stages of solar and wind energy development, as well as 7.7 GW in pipeline storage projects.



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 also encompasses asset management and O&M activities provided for internal IPP projects as well as those for third parties.

2. 2022 Business Performance

According to Bloomberg New Energy Finance ("BNEF"), 268GW of solar energy installations were installed globally during 2022. Installing this capacity during the year involves a 36% year on year increase in investments, up to 308 trillion euros.

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Though global cost inflation has been putting pressure on costs in 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.

BNEF expects new installed capacity of 317 GW in 2023 for solar energy at a global level, as compared to the 266 GW of installed capacity estimated for 2022.

As far as storage installations are concerned, this activity continues to grow exponentially with an estimated 48 GW installed in 2022 and 405 GW expected by 2030.

In the long term BNEF expects exponential growth in the renewable energy sector until it reaches 85% of energy supplied in 2050.

The main headings for the consolidated statement of profit or loss and the consolidated statement of financial position are explained below:

- The income reflected in the consolidated statement of profit or loss for FY 2022 represents the best results achieved by the Group to date. EBITDA totaling 50,154 thousand euros and net results amounting to 10,309 thousand euros evidence the efforts made during recent years in the process of developing and executing portfolio projects in Latin America, especially in Chile and Spain. All these efforts have translated into significant positive results for the Group, setting the foundation for continuing with the pipeline in LATAM and Europe as foreseen.
- Total revenue and EBITDA amounted to 293,007 thousand and 50,154 thousand euros, respectively. Until 2019 all the projects developed and constructed by the Group were sold to third parties. In 2020 the Group started constructing parks in order to hold them in its portfolio and operate them, starting to obtain income from the sale of energy in 2021. In coming years revenue and EBITDA from this division will progressively increase to the extent that the Group connects the projects in the different pipeline stages. The breakdown of income and EBITDA by operational division is as follows:

	Thousands of euros	
Income	12.31.2022	12.31.2021
Development and Construction	232,613	197,475
Energy	57,779	19,904
Services	2,615	2,775
Total income (*)	293,007	220,154

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

	Thousands of euros	
EBITDA	12.31.2022	12.31.2021
Development and Construction	22,127	33,135
Energy	36,064	13,267
Services	471	354
Corporate	(8,508)	(5,319)
Total	50,154	41,437

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

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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 as a consequence of (i) the solar parks of Quillagua (Chile), Duna y Huambos (Peru), Kosten (Argentina), San Miguel de Allende (Mexico), and Escuderos (Spain) having been operational for a longer period (all of them initiated operations in 2021) and (ii) the parks in Chile and Colombia having been progressively connected over the course of 2022.

Services: though income from third parties decreased, EBITDA improved with respect to 2021.

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

- Amortization/depreciation expenses, amounting to 14,178 thousand euros, experienced an increase of 7,053 thousand euros with respect to the previous year, mainly as a consequence of depreciating the parks which became operational in 2022 as well as those which became operational halfway through the previous year and which in 2022 were depreciated over the entire year.
- In 2022 an expense of 6,160 thousand euros was recognized, corresponding to the execution of guarantees for the Duna and Huambos project (Peru) due to delays in starting up commercial operations.
- Finance cost amounted to a negative balance of 22,508 thousand euros. This item encompasses four large figures:
 - Interest on debt associated with the projects: 14,067 thousand euros of expenses.
 - Interest on corporate debt and guarantees: 5,565 thousand euros of expenses.
 - Exchange gains: 1,191 thousand euros, mainly corresponding to provisions as a consequence of the US dollar recovering against the euro during 2021.
 - Change in the fair value of financial instruments amounting to -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 10,309 thousand euros.

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- With regard to the consolidated statement of financial position, the performance reflected at 2022 year end with respect to 2021 showed changes which confirmed continuity in the Group's growth, with the most important balances being strengthened. The following are especially positive aspects worth highlighting:
 - The 50% increase in PP&E, reaching 582,149 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 86,107 thousand euros in equity, which reached 244,815 thousand euros, mainly a consequence of the capital increase amounting to 90,000 thousand euros, representing great capacity for financing future developments.
 - Positive working capital, amounting to 18,509 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.
 - An improvement to the financial debt ratio, which decreased from 2.81 in 2021 to 2.62 in 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	12/31/2022	12/31/2021
Non-current bank borrowings (*)	117,573	48,986
Current bank borrowings (*)	42,863	36,196
Other non-current financial liabilities	-	-
Other current financial liabilities	130	156
Current financial investments - other financial assets	(9,744)	(6,422)
Cash and cash equivalents (*)	(61,142)	(52,222)
Net recourse corporate debt	89,680	26,694
Recourse project finance (*)	16,352	35,239
Recourse project treasury (*)	(3,652)	(2,673)
Net recourse project finance	12,700	32,566
Unsecured project finance (*)	269,086	191,441
Unsecured project treasury (*)	(40,876)	(13,773)
Net unsecured project finance	228,210	177,668
Total net debt	330,590	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 Axesior Rating (now called "Ethifinance") increased the rating for Grenergy Renovables, S.A. from "BB+" to "BBB-," while maintaining the stable trend.

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- On March 22, 2022, Greenergy 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 Greenergy, 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
 - 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%.
- On September 16, 2022, GREENERGY placed its second green commercial paper program ("Green Commercial Paper Program GREENERGY RENOVABLES 2022") on the Alternative Fixed Income Market ("MARF") with a maximum outstanding balance of 150,000,000 euros.

The program uses a financing framework aligned with the Green Loan Principles 2022 of the Loan Market Association (LMA) and with the Green Bond Principles 2022 of the International Capital Markets Association (ICMA).

- On November 24, 2022, Greenergy presented a share repurchase program. The objective of said program is to remunerate the Group's key personnel via share option plans.

The maximum number of shares to be acquired ("MNSA") under the Repurchase Program amounts to 400,000 treasury shares, representing approximately 1.3% of the Parent's share capital at the date of this report. In addition, the maximum net investment for the Repurchase Program totals 16,000,000 euros ("Maximum Investment").

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 712 MW in its own portfolio up to the date of presentation of this report, thus becoming an IPP and beginning to generate income from the sale of energy.

The Group also performed O&M and asset management services in the majority of the projects transferred to third parties, which generated additional recurring revenue from the moment the first plants were started up in Spain.

In order to complement the activity of generating solar and wind energy, the Group has initiated the process of developing storage equipment, a business based on storing energy from the photovoltaic and wind energy business models in order to engage in market arbitration and obtain income from capacity as well as seek the most efficient way to provide energy when there are no renewable resources. Thus, the Group currently boasts 1,668 MW of pipeline projects in development, equivalent to a capacity of 7,699 MWh.

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 objective included in the variable remuneration for executive 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 consolidated financial statements, indicating the positions filled by each member:

Name/corporate name	Position	Type of director	Date of first appointment	End of appointment
Mr. David Ruiz de Andrés	Chairman / CEO	Executive	5/19/2015	11/15/2023
Mr. Antonio Jiménez Alarcón	Board member	Proprietary	11/15/2019	11/15/2023
Mr. Florentino Vivancos Gasset	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 the following committees:

- Audit and Control Committee
- Appointments, Remuneration, and Sustainability Committee

These committees have been attributed legal functions as well as those established in the Code for Good Corporate Governance approved by the CNMV.

Senior executives

Steering Committee

The senior executives of the Group (understood as those who report directly to the Board of Directors and/or the CEO) at the date of preparation of these consolidated financial statements follow:

Name	Position
Mr. David Ruiz de Andrés	Chief Executive Officer (CEO)
Mr. Daniel Lozano Herrera	Strategy and Capital Markets Director
Ms. Mercedes Español Soriano	M&A Director
Ms. Emi Takehara	Financial Director
Mr. Álvaro Ruiz Ruiz	Director of Legal Area
Mr. Francisco Quintero Berganza	Generation and Equity Director

Internal Audit

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

Average workforce

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

Category	2022
Directors and Senior Management	13
Managers	10
Department heads	32
Technical staff	150
Laborers	98
Total	303

Regulatory environment

In Appendix III. The regulatory framework for consolidated financial statements includes a description of the sector regulations and functioning of the electricity systems in the markets in which Greenergy operates.

6. Risk management policy

Organizational model

Greenergy created the Internal Audit function in 2022 with a view to improving and protecting the value of the organization, providing assurance, advice and analysis based on risks, and ensuring independent and objective assurance, internal control, and consultation services that support the organization in effectively fulfilling its responsibilities.

In its Policy for Management, Risk Control and Internal Audit, the Group describes the basic principles and general framework for the control and management of the different types of risks which affect the Group in the different countries in which it operates, so that the risks are identified, quantified, and managed at all times. The macroeconomic, regulatory, and business risk factors are identified in said Policy. The Audit Committee is responsible for supervising the efficacy of the Group's internal control and risk management systems, periodically reporting to the Board of Directors on their performance. Risk control and management is carried out at the corporate level with three levels of defense involving executives as well as the compliance and internal audit functions. The latter is independent of the businesses and assesses the risk status, reporting periodically to the Board of Directors thereon.

Greenergy makes use of a risk map which identifies the main business management risks, a process in which the different corporate businesses and functions participate. Once identified, said risks are assessed in terms of probability and impact, and appropriate action plans are defined for each of them. The risk map, with its corresponding action plans, is periodically updated and presented to the Board of Directors after the Audit Committee has performed a review and determined the prioritization of the risks based on their impact on the Group's strategic objectives.

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The main ESG risks considered include, amongst others, the risk of climate change and its effects on the business, environmental risks related to the impact of projects on biodiversity, and social risks arising from the relationship with the local community. Mitigation plans for each of the ESG risks identified are also included.

Risk factors

In general, a risk is considered to be any internal or external contingency which, if it materializes, could prevent the Group from achieving its objectives and carrying out its strategy and business plans successfully, adversely affecting the results and financial position of the Group companies.

The risk factors to which the Group is generally exposed are broken down as follows:

- External risks:
 - Macroeconomic risks arising from the current economic situation and its impact on the market for renewable energies
 - Regulatory and political risk
 - Market competition risk:
 - Competitors;
 - Other sources of energy;
 - Excess demand for panels.
 - Market risk
 - Price increases for raw materials
 - Risks arising from the volatility in solar and wind energy resources due to meteorological conditions during certain periods
 - Meteorological risk, natural disasters, and vandalism or terrorist actions
 - Foreign currency risk
 - Interest-rate risk
 - Risk of restricted evacuation due to congestion of the transport node
 - Risk of climate change
 - Reputational risk in the sector (impact on biodiversity)

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- Internal risks:
 - Downward negotiation of service contracts or termination thereof
 - Dependence on a limited number of suppliers and subcontractors
 - Lack of obtaining, or losing, permits, licenses, and authorizations
 - Risk linked to the obtaining and maintenance of rights to use land and rights-of-way
 - Risk linked to the creation of temporary groupings of companies for the construction of common infrastructures
 - Necessary repairs of project components and a possible insufficiency of the contracted insurance coverage
 - Technological, operating, and/or dismantling or re-machining risk in renewable projects
 - Credit risk
 - Liquidity risk
 - Risk from the status of collateral guarantees and execution thereof
 - Reputational risk (environmental impact)
 - Reputational risk (credibility in capital markets)
 - Corporate governance risks
 - Risk of termination of energy sales contracts (PPA)
 - Risk of contractual breaches by suppliers
 - Risk of retaining and capturing talent
 - Risk of corruption
 - IT risk
 - Risk related to local community
 - Tax risks.

7. Environmental disclosures

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

Compliance with the ESG Action Plan 2022

In February 2022 the Group published its ESG Action Plan 2022, including the objectives for the first phase of the ESG Roadmap 2023, affirming its commitment to informing the public on its progress every quarter.

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In accordance with this commitment, the Group has presented the objectives reached in each of its quarterly presentations of results. A summary of the main milestones achieved in 2022 is provided below.

In reflection of the Group's commitment to equality issues, a pay gap analysis was carried out at company level during the first quarter, concluding that there were no gender-related pay differences and obtaining a positive result of 0.27% for the pay gap in 2022. Additionally, at the end of the first quarter the Group prepared and published the 2021 Sustainability Report based on the main sustainability reporting standards, the Global Reporting Initiative (GRI) in its revised version. Thus, we acted in advance of the regulatory processes.

In the second quarter, the Group developed an energy efficiency and emissions reduction plan establishing an ambitious program for replacing Grenergy's fossil fuel vehicles with hybrid/electric vehicles, using energy-efficient lighting fixtures, and obtaining certification for electricity supply from renewable sources, amongst others. Finally, 3 internal sustainability training sessions were organized for both management and key personnel to promote ESG awareness at a transversal level in the firm.

In the third quarter, a control system was defined with respect to implementation of the policies established within the Group's internal regulatory framework, designating a control manager to carry out each policy. The Company has also revised and expanded its internal ESG reporting procedure on a periodic basis, including ESG metrics that depend on financial and material criteria in accordance with the commitments established in the Sustainability Policy. Further, in parallel with the previous objectives, the employee training plan was improved during this quarter with a view to supporting professional development, improving team capabilities, and strengthening commitment to the employees.

Finally, with a view to managing ESG risks in our supply chain, in the last quarter of the year the purchasing procedure was updated by incorporating a series of ESG clauses relating to protection of human rights, conflict minerals, and zero tolerance for corruption and bribery, amongst others, while an agreement was also signed with the Achilles supplier platform for certification of suppliers and management of supplier risk based on ESG, commercial, and compliance criteria. In addition, a series of impact assessments with respect to human rights were carried out at the project level based on preliminary training for key personnel, followed by interviews with Grenergy personnel and questionnaires submitted later for obtaining a diagnosis of the situation and subsequently identifying and evaluating risks and/or abuses relating to human rights. Furthermore, in terms of environmental matters, a biodiversity program will be implemented over the coming months dedicated to restoration and conservation of natural resources, while a water use program has also been designed in which the water footprint was measured based on the ISO 14046 standard, using the results obtained to identify improvements for efficient water use and management.

Having successfully fulfilled the last objectives programmed for the fourth quarter, the Group has managed to achieve 100% of its ESG Action Plan 2022.



Table: Progress of the ESG Action Plan 2022

Greater coverage of ESG ratings and sustainability indicators

Grenergy was acknowledged as TOP ESG RATED amongst more than 15,000 companies evaluated by Sustainalytics at an industrial and regional level. These two distinctions are awarded to the companies which lead in their industry and region with the best ESG performance and lowest ESG risk. In its assessment, Sustainalytics qualifies the management as "strong" in all assessed areas: corporate governance, human capital, community relations, corporate ethics, product governance, health and safety, use of the soil and biodiversity. Likewise, Grenergy has reduced its ESG risk with respect to 2021 from 13.55 to 10.22, reaching the 5th position amongst 712 companies in the utilities sector and 4th position amongst 99 companies which represent the "Renewable Power Production" sub-sector.



Table: Distinctions awarded to Grenergy for its leadership in management of ESG risks.

Table: Comparison of Grenergy's results provided by Sustainalytics in 2022.

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Greenergy was assessed for the second time by CDP in 2022, an international non-profit organization providing the most acknowledged climate change indicator at a global level. Thus, the Company was acknowledged to have designed amongst the most ambitious roadmaps for its climate strategy, placing it in the Leadership category with a score of A-, two levels above the B- obtained in the previous year. It is worth highlighting that the CDP methodology is aligned with the recommendations of TCFD and covers the integration of climate change in areas of governance, management of risk, opportunities, and business strategy, in addition to considering the emissions calculations, the objectives for reduction, and the engagement achieved in the value chain.

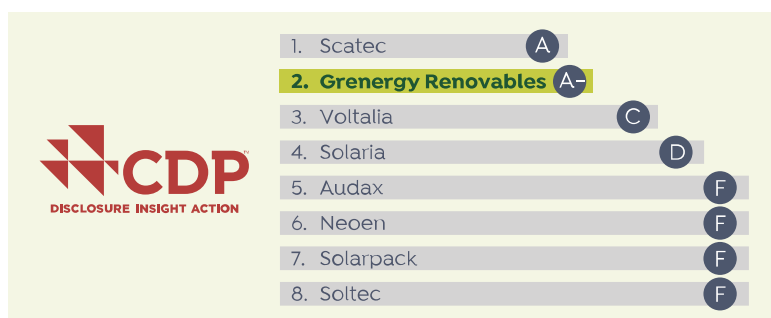


Table: CDP rating obtained by Greenergy in comparison with its peers.

The infographic shows how Greenergy has improved its positioning considerably as compared to the previous year, reflecting the work carried out in 2022 in ESG matters.

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In 2022 Greenergy expanded its coverage in other ratings, amongst which ISS ESG and Refinitiv ESG are noteworthy. Firstly, ISS ESG ranked Greenergy in first position within the renewable electricity sector, with a score of A1 and emphasizing its "very high level of transparency." As for the Refinitiv ESG index, Greenergy obtained a score of 81/100, ranking 2nd out of a total of 79 companies in the renewable energy sector submitted to the index.

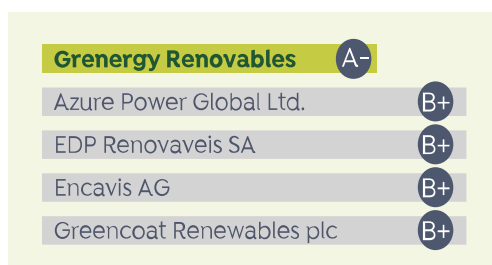


Table: ISS ESG rating obtained by Greenergy in 2022 in comparison with its peers.

9. 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.

10. Treasury shares

The treasury share portfolio at the closing of FY 2022 is comprised of the following:

	Balance at 12.31.2022	Balance at 12.31.2021
Number of shares in treasury share portfolio	611,148	580,588
Total treasury share portfolio	19,728	17,577
Liquidity Accounts	540	485
Fixed Own Portfolio Account	19,188	17,092

During FY 2022, the movements in the treasury share portfolio of the Parent were as follows:

	Treasury shares		
	Number of shares	Nominal value	Average acquisition price
Balance at 12.31.2021	580,588	17,577	30.27
Acquisitions	939,492	30,242	32.19
Disposals	(908,932)	(28,091)	30.91
Balance at 12.31.2022	611,148	19,728	32.28

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

At December 31, 2022, treasury shares represent 2% of all the Parent's shares.

11. Average supplier payment period

In compliance with Law 31/2014 of December 3, modifying the third additional provision, "Disclosure requirements," of Law 15/2010 of July 5, the Group reports that the average payment period for the Parent, Greenergy Renovables, S.A., to its suppliers was 58 days.

12. Annual Corporate Governance Report

The Annual Corporate Governance Report for 2022 is attached as an appendix to this Management Report and forms an integral part thereof, as required by article 538 of the Spanish Corporate Enterprises Act.

13. Annual Report on Remuneration for Directors

The Annual Report on Remuneration for Directors, which forms a part of this management report as required by article 538 of the Spanish Corporate Enterprises Act, is presented in a separate document that can be accessed at the website of the Spanish National Securities Market Commission (CNMV in its Spanish acronym).

14. Non-financial statement

The statement of non-financial information, referred to in article 262 of the Spanish Corporate Enterprises Act and article 49 of the Commercial Code, is presented in a separate report known as the non-financial statement. The consolidated non-financial statement for Greenergy Renovables, S.A. and its subsidiaries corresponding to FY 2022 expressly states that the information contained therein forms a part of this Consolidated Management Report. Said document will be subject to verification by an independent verification service provider and is subject to the same criteria for approval, filing, and publication as this Consolidated Management Report.

15. Events after the reporting period

On February 3, 2023, the Group acquired 60% of the US solar project developer Sofos Harbert Renewable Energy, LLC (Note 9.1).

Apart from this matter, no additional significant events occurred after the reporting period.

16. Final considerations

We would 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 listed, and especially to our Group's collaborators and employees, since without their efforts and dedication, we would find it difficult to achieve the established targets or the results obtained.

Appendix I: Glossary of alternative performance measures (APM)

This consolidated management report includes financial figures considered alternative performance measures (**APMs**), in conformity with the directives published by the *European Securities and Markets Authority* (ESMA) in October, 2015.

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

The following is an explanatory glossary of APMs utilized, including their calculation methods and definitions or relevance, as well as their reconciliation with items recorded in Grenergy's 2022 and 2021 consolidated financial statements.

ALTERNATIVE PERFORMANCE MEASURE (APM)	CALCULATION METHOD	DEFINITION/RELEVANCE
Income	"Revenue" + "Work performed by the entity and capitalized."	Indicates the total volume of income obtained from the Group's operating activities, regardless of whether it was obtained from projects constructed for third parties or own projects.
EBITDA	"Operating profit" - "Impairment and losses" - "Amortization and depreciation of assets."	Indicates profitability to evaluate the operational capacity to generate cash flows from the Group's different activities.
Net debt	"Non-current borrowings" - "Non-current derivatives" + "Current borrowings" - "Current derivatives" - "Current financial investments" - "Other financial assets" - "Cash and cash equivalents."	A measure of profitability used by Management which permits assessment of the level of net debt for the assets.
Non-current bank borrowings	"Non-current: Bonds and other marketable debt securities" + "Non-current bank borrowings" + "Non-current lease liabilities" - "Non-current project bank borrowings."	The amount of financial debt not associated with a project which the Group must settle within a period exceeding one year. The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of debt.
Current bank borrowings	"Current liabilities: Bonds and other marketable debt securities" + "Current bank borrowings" + "Current lease liabilities" - Current project bank borrowings.	The amount of financial debt not associated with a project which the Group must settle within a year. The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of debt.
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 and 2022 subject to the fulfillment of certain covenants which require this disclosure of its treasury.

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**ALTERNATIVE
PERFORMANCE MEASURE
(APM)****CALCULATION METHOD****DEFINITION/RELEVANCE**

Recourse project debt	Non-current recourse project finance bank borrowings + Current recourse project finance bank borrowings.	Indicator of project debt secured by the Parent The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of debt.
Recourse project treasury	"Cash and cash equivalents" — Cash in hand and equivalents — Unsecured project treasury	The amount held in the treasury of SPVs which owe the Parent secured debt. The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of its treasury.
Unsecured project debt	Non-current unsecured project finance bank borrowings+ Current unsecured project finance bank borrowings	Indicator of project debt not secured by the Parent The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of debt.
Unsecured project treasury	"Cash and cash equivalents" - Cash in hand and equivalents and unsecured project treasury	The amount held in the treasury by SPVs who owe debt unsecured by the Parent. The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of its treasury.
Working capital	Current assets — Current liabilities	Indicator of the Group's capacity to continue with the normal performance of its activities in the short term
Debt ratio	(Non-current liabilities + Current liabilities) / Equity	Indicator of the Group's solvency

The following is a reconciliation of the APMs used (in euros):

Income

RECONCILIATION OF INCOME	12/31/2022	12/31/2021
"Revenue"	110,584	82,506
+ "Work performed by the entity and capitalized"	182,423	137,648
Total income	293,007	220,154

EBITDA

RECONCILIATION OF EBITDA	12/31/2022	12/31/2021
"Operating profit"	29,816	32,386
- "Impairment and losses"	(6,160)	(1,926)
- "Depreciation and amortization"	(14,178)	(7,125)
Total EBITDA	50,154	41,437

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Net debt

RECONCILIATION OF NET DEBT	12/31/2022	12/31/2021
"Non-current borrowings"	384,119	259,502
- "Non-current derivatives"	20,586	15,323
+ "Current borrowings"	118,612	74,165
- "Current derivatives"	36,141	6,326
- "Current financial investments" — "Other financial assets"	9,744	6,422
- "Cash and cash equivalents"	105,670	68,668
Total Net Debt	330,590	236,928

Non-current financial debt

RECONCILIATION OF NON-CURRENT FINANCIAL DEBT	12/31/2022	12/31/2021
"Non-current: Bonds and other marketable debt securities"	83,231	31,223
+ "Non-current bank borrowings"	254,229	201,905
+ "Non-current lease liabilities"	26,073	11,051
- "Non-current project finance bank borrowings"	(245,961)	(195,193)
Total non-current financial debt	117,572	48,986

Current financial debt

RECONCILIATION OF CURRENT FINANCIAL DEBT	12/31/2022	12/31/2021
"Bonds and other marketable debt securities"	34,529	32,146
+ "Current bank borrowings"	46,307	34,148
+ "Current lease liabilities"	1,505	1,389
- "Current project finance bank borrowings"	(39,477)	(31,487)
Total current financial debt	42,864	36,196

Cash and cash equivalents

RECONCILIATION OF CASH AND CASH EQUIVALENTS	12/31/2022	12/31/2021
"Cash and cash equivalents"	105,670	68,668
- "Project treasury"	(44,528)	(16,446)
Total cash and cash equivalents	61,142	52,222

Recourse project debt

RECONCILIATION OF RECOURSE PROJECT DEBT	12/31/2022	12/31/2021
Non-current recourse project finance bank borrowings	-	18,960
+ Current recourse project finance bank borrowings	16,352	16,279
Total recourse project debt	16,352	35,239

Unsecured project debt

RECONCILIATION OF UNSECURED PROJECT DEBT	12/31/2022	12/31/2021
Non-current unsecured project finance bank borrowings	245,961	176,233
+ Current unsecured project finance bank borrowings	23,125	15,208
Total unsecured project debt	269,086	191,441

Recourse project treasury

RECONCILIATION OF RECOURSE PROJECT TREASURY	12/31/2022	12/31/2021
"Cash and cash equivalents"	105,670	68,668
- Cash in hand and equivalents	(61,142)	(52,222)
- Unsecured project treasury	(40,876)	(13,773)
Total recourse project treasury	3,652	2,673

Unsecured project treasury

RECONCILIATION OF UNSECURED PROJECT TREASURY	12/31/2022	12/31/2021
"Cash and cash equivalents"	105,670	68,668
- Cash in hand and equivalents	(61,142)	(52,222)
- Recourse project treasury	(3,652)	(2,673)
Total unsecured project treasury	40,876	13,773

Working capital

RECONCILIATION OF WORKING CAPITAL	12/31/2022	12/31/2021
"Current assets"	205,139	176,358
- Current financial investments, Derivatives	(1,501)	-
- Current liabilities	(221,270)	(159,724)
+ Current borrowings, Derivatives	36,141	6,326
Total working capital	18,509	22,960

Debt ratio

RECONCILIATION OF DEBT RATIO	12/31/2022	12/31/2021
Non-current liabilities	420,896	286,376
+ Current liabilities	221,270	159,724
/ Equity	244,815	158,708
Total debt ratio	2.62	2.81

AUTHORIZATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED DECEMBER 31, 2022

The consolidated financial statements and consolidated management report for FY 2022 were authorized for issue by the Board of Directors of the Parent, GREENERGY RENOVABLES, S.A., in its meeting on February 24, 2023, for the purpose of submission for verification by the auditors and subsequent approval by the shareholders in general meeting.

Ms. Lucía García Clavería is authorized to sign all pages comprising the consolidated financial statements and consolidated management report for FY 2022.

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)