

ELECTRONIC TRANSMISSION DISCLAIMER

STRICTLY NOT TO BE FORWARDED TO ANY OTHER PERSONS

IMPORTANT: You must read this electronic transmission and the following disclaimer before continuing to access, read or make use of the attached prospectus (the “document”). The following disclaimer applies to the attached prospectus (the “document”) relating to Grupo Ecoener, S.A.U. (the “Company”) dated April 15, 2021 electronically received by you or otherwise accessed from this page or otherwise received as a result of such access. You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the document. In accessing the document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from Société Générale as sole global coordinator and bookrunner (the “Sole Global Coordinator and Joint Bookrunner”), Banco de Sabadell, S.A. (“Sabadell”), Caixabank, S.A. (“Caixabank”), Crédit Agricole Corporate and Investment Bank (“CACIB”), HSBC Continental Europe as joint bookrunners (“HSBC” and, together with the Sole Global Coordinator and Joint Bookrunner, Sabadell, Caixabank and CACIB, the “Joint Bookrunners”) and Banco Cooperativo Español, S.A. as lead manager (together with the Joint Bookrunners, the “Underwriters”), and the Company as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended only for you and **you agree you will not forward, reproduce, copy, download or publish this electronic transmission or the attached document (electronically or otherwise) to any other person.**

In making an investment decision regarding the ordinary shares of the Company (the “Offer Shares”), an investor must rely on its own examination of the Company and the terms of the Offer (as defined below), including the merits and risks involved. Investors should rely only on the information contained in the document. None of the Company or the Underwriters has authorized any other person to provide investors with different information. If anyone provides any investor with different or inconsistent information, such investor should not rely on it. The information appearing in this document is accurate only as of its date.

The document and the offer of the Offer Shares (the “Offer”) are only addressed to and are only directed at persons in member states of the European Economic Area (“EEA”) who are “qualified investors” within the meaning of Article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (including any relevant delegated regulations) (the “Prospectus Regulation”) (“Qualified Investors”). In addition, in the United Kingdom (“UK”), this document is being distributed only to, and is directed only at, qualified investors within the meaning of the Prospectus Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “UK Prospectus Regulation”) who are also persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”); (ii) who fall within Article 49(2)(a) to (d) of the Order; (iii) who are outside the UK; or (iv) other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”). This document must not be acted on or relied on (i) in the UK, by persons who are not relevant persons; and (ii) in any member state of the EEA, by persons who are not Qualified Investors. Any investment or investment activity to which this document relates is available only to (i) in the UK, relevant persons, and (ii) in any member state of the EEA, Qualified Investors, and will be engaged in only with such persons. THE DOCUMENT MAY ONLY BE PROVIDED TO PERSONS IN THE UK IN CIRCUMSTANCES WHERE SECTION 21(1) OF THE ORDER DOES NOT APPLY TO THE COMPANY.

THE OFFER SHARES REFERENCED IN THIS ELECTRONIC DISCLAIMER AND THE DOCUMENT MAY ONLY BE DISTRIBUTED IN “OFFSHORE TRANSACTIONS” AS DEFINED IN, AND IN ACCORDANCE WITH, REGULATION S UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITHIN THE UNITED STATES TO QUALIFIED INSTITUTIONAL BUYERS (“QIBs”) AS DEFINED IN AND IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”) OR PURSUANT TO ANOTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THE DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION AND THE DOCUMENT CONSTITUTES, AND MAY NOT BE USED IN CONNECTION WITH, AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE OFFER SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OR IN ANY OTHER JURISDICTION OTHER THAN THE KINGDOM OF SPAIN AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT (1) IN ACCORDANCE WITH RULE 144A TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

No action has been or will be taken in any jurisdiction by any of the Company or the Underwriters that would, or is intended to, permit a public offering of the Offer Shares, or possession or distribution of the document (in preliminary, proof or final form) or any other offering or publicity material relating to the Offer Shares, in any country or jurisdiction where action for that purpose is required. If a jurisdiction requires that the Offer be made by a licensed broker or dealer and any of the Underwriters or any of their affiliates is a licensed broker or dealer in that jurisdiction, the Offer shall be deemed to be made by the Underwriters or such affiliate on behalf of the Company in such jurisdiction.

THE DOCUMENT MAY NOT BE FORWARDED OR DISTRIBUTED ELECTRONICALLY OR OTHERWISE TO

ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THE DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO SUBSCRIBE OR PURCHASE ANY OF THE OFFER SHARES DESCRIBED IN THE DOCUMENT.

Confirmation of your representation: By accepting electronic delivery of the document, you are deemed to have represented to the Underwriters and the Company that (i) you are acting on behalf of, or you are either (a) an institutional investor outside the United States (as defined in Regulation S under the Securities Act), or (b) in the United States and a QIB that is acquiring Offer Shares for your own account or for the account of another QIB; (ii) if you are in the UK, you are a relevant person; (iii) if you are in any member state of the EEA, you are a Qualified Investor; (iv) the Offer Shares acquired by you in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may give rise to an offer of any Offer Shares to the public other than their offer or resale in any member state of the EEA to Qualified Investors (as defined in the Prospectus Regulation); (v) if you are outside the US, UK and EEA (and the electronic mail addresses that you gave us and to which the document has been delivered are not located in such jurisdictions) you are a person into whose possession the document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located; and (vi) consent to delivery by electronic transmission.

A hard copy of the document will be made available to you only upon request.

You are reminded that this document has been made available to you solely on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver this document, electronically or otherwise, to any other person. If you receive this document by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

The document has been sent to you or accessed by you in an electronic format and you are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and, consequently, none of the Company, the Underwriters, their respective affiliates, directors, officers, employees, representatives and agents or any other person controlling the Company, the Underwriters or any of their respective affiliates accepts any liability or responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the Offer, or in respect of any discrepancies between the document distributed to you in electronic format and the copy version available to you on request from the Company or the Underwriters. Please ensure that your copy is complete. By accessing the linked document, you consent to receiving it in electronic form.

Information to Distributors in the EEA

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that the Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Underwriters will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

Information to Distributors in the United Kingdom

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook ("**PROD**") (the "**UK MiFIR Product Governance Rules**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the Offer Shares which are the subject of the Offer have been subject to a product approval process, which has determined that such Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook ("**COBS**"); and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU (the "**UK Target Market Assessment**"). Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding

the UK Target Market Assessment, the Underwriters will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of COBS 9A and COBS 10A respectively; or (b) a recommendation to any investor or group of investors to invest in, or purchase or take any other action whatsoever with respect to the Offer Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

Restriction: Nothing in this electronic transmission and the document constitutes, and may not be used in connection with, an offer of securities for sale to persons other than the specified categories of institutional buyers described above and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission and the document contrary to the foregoing restrictions, you will be unable to purchase any of the Offer Shares described therein.

THE DOCUMENT CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION. NO OFFER OF OFFER SHARES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS DOCUMENT ALONE, BUT ONLY ON THE BASIS OF THIS DOCUMENT AS FINALISED AND COMPLETED BY THE RELEVANT PRICING NOTIFICATION

None of the Underwriters, or any of their respective affiliates, or any of their respective directors, officers, employees or agents accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the Offer. The Underwriters and any of their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by any of the Underwriters or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this document.

The Underwriters are acting exclusively for the Company and no one else in connection with the Offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to herein.

You are responsible for protecting against viruses and other destructive items. Your receipt of this document via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Prospectus, or as to what action you should take, you should immediately consult an appropriately authorized professional advisor.

This document constitutes a prospectus (the “**Prospectus**”) for the purposes of Articles 3 and 4 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”), relating to Grupo Ecoener, S.A.U. (the “**Company**” and, together with its subsidiaries, “**Ecoener**” or the “**Group**”). This Prospectus has been prepared in accordance with, and includes the information required by, Annexes 1 and 11 of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 supplementing the Prospectus Regulation as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) N° 809/2004. This Prospectus has been approved by and registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*, the “**CNMV**”), as competent authority under the Prospectus Regulation, on April 15, 2021. Such approval and registration relates only to the admission to trading of all the ordinary shares of the Company on the Spanish Stock Exchanges (as defined below), as a regulated market for the purposes of EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”), for trading through the SIB (as defined below). This Prospectus is available on the CNMV’s website (www.cnmv.es) and on the Company’s corporate website (www.ecoener.es).

An investment in the Shares (as defined below) involves certain risks. You should carefully read this Prospectus in its entirety and in particular the risk factors set out in the section of this Prospectus entitled “Risk Factors” before investing in the Shares.



**Between 25,075,862 and 30,813,559 ordinary shares of
GRUPO ECOENER, S.A.U.
(incorporated and registered in Spain as a public limited company (*sociedad anónima*))
at an Offering Price of between €5.90 and €7.25 per share**

This is the initial offering (the “**Offering**”) of new ordinary shares with a par value of €0.32 each in the share capital of the Company, a *sociedad anónima* incorporated under the laws of the Kingdom of Spain, made by the Company to qualified investors inside and outside of Spain.

The Company is offering between 25,075,862 and 30,813,559 of its ordinary shares, representing between 38.5% and 43.5% of its share capital following the Offering, being such number of shares as it is required, at the Offering Price, to provide the Company with gross proceeds of €181.8 million (the “**Initial Offer Shares**”). In addition, the Company will grant an option to the Underwriters, exercisable by the Stabilizing Manager (as defined in “*Plan of Distribution—Stabilization*”) (the “**Over-allotment Option**”) no later than 30 calendar days after the date on which the ordinary shares of the Company (the “**Shares**”) commence trading on the Spanish Stock Exchanges, to subscribe a number of additional Shares (the “**Over-allotment Shares**” and, together with the Initial Offer Shares, the “**Offer Shares**”) at the Offering Price representing up to 10% of the Initial Offer Shares, solely to cover over-allotments of Shares in the Offering, if any, and short positions resulting from stabilization transactions, if any.

The indicative nonbinding offering price range at which the Offer Shares are being offered in the Offering is between €5.90 and €7.25 per Offer Share (the “**Offering Price Range**”). The Offering Price Range is indicative only, it may change during the course of the Offering and the Offering Price may be set within, above or below the Offering Price Range.

The final price of the Offer Shares in the Offering (the “**Offering Price**”) and the final number of Initial Offer Shares to be subscribed will be determined by the Company after consultation with the Sole Global Coordinator and Joint Bookrunner, upon finalization of the book-building period (expected to occur on or about April 28, 2021) and will be announced by the Company through the publication of an inside information notice (*comunicación de información privilegiada*) on the CNMV’s website. No independent experts will be consulted in determining the Offering Price.

The Company will use the proceeds from the issue of Initial Offer Shares and the Over-allotment Shares in the following order, (i) to pay the Offering expenses, and (ii) to fund investments for the development and construction of the projects identified within our Pipeline in order to expand our Portfolio.

Prior to this Offering, there has been no public market for our Shares. The Company will apply to have the Shares listed on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges (the “**Spanish Stock Exchanges**”) and quoted on the Automated Quotation System (*Sistema de Interconexión Bursátil*) or “*mercado continuo*” of the Spanish Stock Exchanges (the “**SIB**”). The Shares are expected to be listed on the Spanish Stock Exchanges and quoted on the SIB on or about April 30, 2021 (“**Admission**”) under the symbol “ENER”. The Initial Offer Shares are expected to be delivered against payment of the Offering Price, through the book-entry facilities of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Sociedad Unipersonal (“**Iberclear**”) and its participating entities (*entidades participantes*), on or about May 3, 2021.

The Offering consists of an offering which is exempted from the publication of a prospectus for public offerings according to the Prospectus Regulation, as it is addressed only (i) in the United States, to persons reasonably believed to be qualified institutional buyers (“**QIBs**”) as defined in, and in reliance on, Rule 144A (“**Rule 144A**”) under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and (ii) outside the United States, in compliance with Regulation S under the U.S. Securities Act (“**Regulation S**”) to investors who, if resident in a member state of the European Economic Area (the “**EEA**”), are “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation (including any relevant implementing measure in each relevant member state of the EEA). This document is not a “prospectus” for the purposes of Section 10 of the U.S. Securities Act.

The Shares have not been and will not be registered under the U.S. Securities Act or the applicable securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or transferred within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. See “*Selling and Transfer Restrictions*” for a description of certain restrictions on the ability to offer and sell the Shares and distribute this document.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy or subscribe any of the Shares in any jurisdiction in which or to any person to whom it would be unlawful to make such an offer.

This Prospectus was approved by and registered with the CNMV on April 15, 2021. Investors may contact the CNMV at the following telephone number +34 900 535 015. As this Prospectus refers to the Offering and Admission, its validity will end upon the Admission to trading of the Company's ordinary shares if the Admission were to happen prior to the expiration of 12 months following its approval. Once this Prospectus is no longer valid, the Company will have no obligation to supplement it in case of significant new factors, material mistakes or material inaccuracies.

Sole Global Coordinator and Joint Bookrunner

SOCIÉTÉ GÉNÉRALE

Joint Bookrunners

BANCO SABADELL

CAIXABANK

**CRÉDIT AGRICOLE CORPORATE
AND INVESTMENT BANK**

HSBC

Lead Manager

BANCO COOPERATIVO ESPAÑOL, S.A.

Prospectus dated **April 15, 2021**

IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

YOU SHOULD READ THE ENTIRE PROSPECTUS AND, IN PARTICULAR, “*Risk Factors*” BEGINNING ON PAGE 15 OF THIS PROSPECTUS, WHEN CONSIDERING AN INVESTMENT IN THE SHARES.

You are deemed to agree to each of the notices set forth below by accepting delivery of this Prospectus.

This Prospectus does not constitute an offer to the public generally to subscribe for, purchase or otherwise acquire the Offer Shares.

Investors should rely only on the information contained in this Prospectus. None of us, or the Underwriters, has authorized any other person to provide investors with any information that is not contained in this Prospectus. If anyone provides any investor with different or inconsistent information, such investor should not rely on it. Neither the delivery of this Prospectus nor any sale made hereunder shall under any circumstances imply that there has been no change in our affairs and investors should assume that the information appearing in this Prospectus is accurate only as of its date. Our business, results of operations, financial condition, cash flows, prospects and the information set forth in this Prospectus may have changed since the date of this Prospectus.

The contents of our website do not form any part of this Prospectus.

In this Prospectus, “we”, “us”, “our” and “ours” refers to the Company, unless the context otherwise requires.

Investors should not consider any information in this Prospectus to be investment, legal, tax, financial or any other advice. An investor should consult its own legal counsel, financial advisor, accountant and other advisors for legal, tax, business, financial and related advice regarding subscribing for or purchasing the Offer Shares. None of us, or the Underwriters or their respective affiliates makes any representation or warranty to any offeree, subscriber or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree, subscriber or purchaser under appropriate investment or similar laws.

Investors also acknowledge that: (i) they have not relied on the Underwriters or any person affiliated with the Underwriters in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; (ii) they have relied only on the information contained in this Prospectus, and (iii) no person has been authorized to give any information or to make any representation concerning us or our subsidiaries or the Offer Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorized by us, or the Underwriters.

Solely for the purposes of the product governance requirements contained within: (a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares which are the subject of the Offering have been subject to a product approval process, which has determined that such Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Underwriters will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

In connection with the Offering, each of the Underwriters and any of their respective affiliates or any other investment vehicle, directly or indirectly connected therewith, acting as an investor for its or their own account(s) may take up a portion of our Shares in the Offering as a principal position and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities and, any of our other securities or other related investments and may offer or sell such Shares or other investments otherwise than in connection with the Offering. Accordingly, references in this Prospectus to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt with should be read as including any issue, offer, subscription, acquisition, placing or dealing by, any of the Underwriters, any of their respective affiliates or any other investment vehicle, directly or indirectly connected therewith acting in such capacity. In addition certain of the Underwriters, their affiliates or any other investment vehicle, directly or indirectly connected therewith may enter into financing arrangements and swaps with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of such securities. The Underwriters do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

This Prospectus does not constitute or form part of an offer to sell, or a solicitation of an offer to subscribe for or purchase, any security other than the Offer Shares. The distribution of this Prospectus and the offer and sale of the Offer Shares may be restricted by law in certain jurisdictions. Investors into whose possession this Prospectus comes must inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. For further information on the manner of distribution and any transfer restrictions to which they are subject see “*Selling and Transfer Restrictions*” elsewhere in this Prospectus. Any investor must comply with all applicable laws and regulations in force in any jurisdiction in which it subscribes for, purchases, offers or sells the Offer Shares or possesses or distributes this Prospectus and must obtain any consent, approval or permission required for its subscription, purchase, offer or sale of the Offer Shares under the laws and regulations in force in any jurisdiction to which such investor is subject or in which such investor makes such subscriptions, purchases, offers or sales. None of us or the Underwriters is making an offer to sell the Offer Shares or a solicitation of an offer to buy any of the Offer Shares to any person in any jurisdiction except where such an offer or solicitation is permitted or accepts any legal responsibility for any violation by any person, whether or not an investor, of applicable restrictions.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be sold within the United States, except to persons reasonably believed to be QIBs or outside the United States in offshore transactions in compliance with Regulation S. Investors are hereby notified that sellers of the Offer Shares may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A. This document is not to be treated as a “prospectus” for the purposes of Section 10 of the U.S. Securities Act.

NOTICE TO INVESTORS IN THE UNITED STATES

THE SHARES HAVE NOT BEEN REGISTERED WITH, OR APPROVED OR DISAPPROVED BY, THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED ON OR ENDORSED THE MERITS OF THE OFFERING OR THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

OFFERING RESTRICTIONS

Prospective investors should familiarize themselves with and observe the selling and transfer restrictions set out under section “*Selling and Transfer Restrictions*”, as well as the other offering restrictions set forth below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA AND THE UNITED KINGDOM

This Prospectus and the Offering are only addressed to and directed at persons in member states of the EEA who are “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation (“**Qualified Investors**”). In addition, in the United Kingdom, this Prospectus is being distributed only to, and is directed only at, qualified investors within the meaning of Prospectus Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”) who are also persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial

Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”); (ii) who fall within Article 49(2)(a) to (d) of the Order; (iii) who are outside the United Kingdom; or (iv) other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “**relevant persons**”). This Prospectus must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons; and (ii) in any member state of the EEA, by persons who are not Qualified Investors. The Offer Shares are only available to, and any investment or investment activity to which this Prospectus relates is available only to (i) in the United Kingdom, relevant persons; and (ii) in any member state of the EEA, Qualified Investors, and will be engaged in only with such persons.

In relation to each EEA Member State, with effect from and including the date on which the Prospectus Regulation entered into force, this Prospectus has been prepared on the basis that all offers of the Offer Shares in the Offering will be made pursuant to an exemption under the Prospectus Regulation, from the requirement to produce a prospectus or a supplement to the prospectus for offers of Offer Shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which are the subject of the Offering contemplated herein should only do so in circumstances in which no obligation arises for either us, the Underwriters or any other person to produce a prospectus for such offer. None of us, any member of the Group nor the Underwriters have authorized or do authorize the making of any offer of Offer Shares through any financial intermediary, other than offers made by the Underwriters which constitute the final placement of Offer Shares contemplated herein.

For the purposes of this notice to investors, the expression an “offer of Offer Shares” in relation to the Offer Shares in any EEA Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the Offer Shares to be offered so as to enable an investor to decide to purchase the Offer Shares, as envisaged in the Prospectus Regulation.

Each person in a Member State of the EEA where the Prospectus Regulation is directly applicable (each, a “**Relevant Member State**”) who receives any communication in respect of, or who acquires any Offer Shares to whom any offer is made under the Offering, will be deemed to have represented, acknowledged and agreed that it is a Qualified Investor; and in the case of any Offer Shares acquired by it as a financial intermediary as that term is used in Article 1(4) of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Offer Shares acquired by it in the Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, (i) persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of the Underwriters has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than Qualified Investors, the offer of those Offer Shares to it is not treated under the Prospectus Regulation as having been made to such persons. We, the Underwriters and their affiliates, and others will rely (and we acknowledge that the Underwriters and their affiliates and others will rely) upon the truth and accuracy of the foregoing representations, acknowledgements and agreements. Recipients must not distribute, publish, reproduce or disclose this Prospectus (in whole or in part) to any other person.

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which has been approved by the Financial Conduct Authority, except that the Shares may be offered to the public in the United Kingdom at any time (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation; (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Underwriters for any such offer; or (c) in any other circumstances falling within Section 86 of the FSMA, provided that no such offer of the Shares shall require us, any member of the Group or any Underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares. For more information of the selling restrictions in the United Kingdom see section “*Selling and Transfer Restrictions*”.

INFORMATION FOR INVESTORS IN CERTAIN COUNTRIES

For information for investors in certain other countries, see section “*Selling and Transfer Restrictions*”.

TABLE OF CONTENTS

SUMMARY	8
RISK FACTORS	15
DECLARATION OF RESPONSIBILITY AND COMPETENT AUTHORITY	37
PRESENTATION OF FINANCIAL INFORMATION AND OTHER IMPORTANT NOTICES	38
EXPECTED TIMETABLE AND OFFERING STATISTICS	43
INDUSTRY OVERVIEW	44
BUSINESS	61
REGULATION	94
REASONS FOR THE OFFERING AND USE OF PROCEEDS	112
DIVIDEND POLICY	113
CAPITALIZATION AND INDEBTEDNESS	115
SELECTED FINANCIAL INFORMATION	118
OPERATING AND FINANCIAL REVIEW	131
TAXATION	176
MANAGEMENT AND BOARD OF DIRECTORS	189
PRINCIPAL SHAREHOLDERS	213
DILUTION	214
RELATED PARTY TRANSACTIONS	215
DESCRIPTION, EVOLUTION AND FUNCTIONING OF OUR SHARE CAPITAL	218
MARKET INFORMATION	234
PLAN OF DISTRIBUTION	239
MATERIAL CONTRACTS	248
SELLING AND TRANSFER RESTRICTIONS	254
ENFORCEMENT OF CIVIL LIABILITIES	261
VALIDITY OF THE SHARES AND LEGAL MATTERS	262
INDEPENDENT AUDITORS	263
ADDITIONAL INFORMATION	264
DOCUMENTATION INCLUDED OR INCORPORATED BY REFERENCE	270
DOCUMENTS ON DISPLAY	271
SPANISH TRANSLATION OF THE SUMMARY	S-1
GRUPO ECOENER, S.A.U. AND SUBSIDIARIES' AUDITED CONSOLIDATED ANNUAL ACCOUNTS IN ENGLISH AS OF DECEMBER 31, 2020 AND FOR THE YEAR THEN ENDED, WHICH HAVE BEEN PREPARED IN ACCORDANCE WITH IFRS-EU, AND INCLUDE COMPARATIVE FIGURES AS OF DECEMBER 31, 2019 AND 2018 AND FOR THE YEARS THEN ENDED	F-1

SUMMARY

A. Introduction and Warnings

THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THIS PROSPECTUS. ANY DECISION TO INVEST IN THE SHARES OF GRUPO ECOENER, S.A.U. (THE “COMPANY” AND, TOGETHER WITH ITS SUBSIDIARIES, “ECOENER” OR THE “GROUP”) SHOULD BE BASED ON A CONSIDERATION OF THIS PROSPECTUS AS A WHOLE BY THE INVESTOR. THE INVESTOR COULD LOSE ALL OR PART OF THE INVESTMENT IN THE SHARES.

WHERE A CLAIM RELATING TO THE INFORMATION CONTAINED IN, OR INCORPORATED BY REFERENCE INTO, THIS PROSPECTUS IS BROUGHT BEFORE A COURT THE PLAINTIFF INVESTOR MIGHT, UNDER SPANISH LAW, HAVE TO BEAR THE COSTS OF TRANSLATING THIS PROSPECTUS AND ANY OTHER DOCUMENT INCORPORATED BY REFERENCE HEREIN BEFORE THE LEGAL PROCEEDINGS ARE INITIATED.

CIVIL LIABILITY ATTACHES ONLY TO THOSE PERSONS WHO HAVE TABLED THE SUMMARY, INCLUDING ANY TRANSLATION THEREOF, BUT ONLY IF THE SUMMARY IS MISLEADING, INACCURATE OR INCONSISTENT WHEN READ TOGETHER WITH THE OTHER PARTS OF THIS PROSPECTUS OR IF IT DOES NOT PROVIDE, WHEN READ TOGETHER WITH OTHER PARTS OF THIS PROSPECTUS, KEY INFORMATION IN ORDER TO AID INVESTORS WHEN CONSIDERING WHETHER OR NOT TO INVEST IN THE SHARES OF THE COMPANY.

We are a public limited company (*sociedad anónima*) operating under the commercial name of “Ecoener”. We are registered with the Commercial Registry of La Coruña, under volume 3716, sheet 40, page C-59313, holder of Spanish tax identification number (*NIF*) A-70611538 and LEI code 959800HBGZWHX69PE419. Our corporate address and phone number are: Calle Canton Grande, 6 – 6º, 15003, La Coruña, Spain; and +34 981 217 003, respectively. The ISIN code assigned to our issued share capital is ES0105548004, while the Offer Shares have the provisional ISIN code ES0105548012, and will bear the same ISIN code as our issued share capital from Admission. There will be no offering of, or application for listing for, any other class of our shares. All our shares are of the same class.

This Prospectus was approved by and registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*, the “CNMV”) on April 15, 2021. Investors may contact the CNMV at the following telephone number: +34 900 535 015. This Prospectus is available at our corporate website (www.ecoener.es) and at the CNMV’s website (www.cnmv.es). Neither our corporate website, nor the CNMV’s website or any other website referred to in this Prospectus, nor any of their contents, form part or are incorporated into this Prospectus, whether by reference or otherwise, except as otherwise provided herein. The CNMV has neither examined nor approved our corporate website nor any of its contents.

Capitalized terms not defined in the Summary have the meanings defined elsewhere in this Prospectus.

B. Key information on the issuer

B.1. Who is the issuer of the securities?

The legal name of the issuer is Grupo Ecoener, S.A.U. and its commercial name is “Ecoener”. We are incorporated as a public limited company (*sociedad anónima*) in Spain under Spanish law and, in particular, under the Spanish Companies Act. We have our registered office at Calle Canton Grande, 6 – 6º, 15003, La Coruña, Spain and our phone number is +34 981 217 003. We are incorporated for an unlimited term and holds Spanish tax identification number (*NIF*) A-70611538.

Our deed of incorporation was granted on January 28, 2020 and was registered with the Commercial Registry of La Coruña on February 28, 2020. On June 12, 2020, Ecoener, S.L.U., our sole shareholder prior to the Offering (the “**Pre-Offering Sole Shareholder**”), exercising the powers and faculties of the general shareholders’ meeting (the “**General Shareholders’ Meeting**”), approved a capital increase through in-kind contributions in consideration for the contribution to us of the shares representing controlling stakes in the share capital of our subsidiaries amounting to €500,000 by means of the issuance of 5,000 new ordinary shares with a par value of €100 each and a premium of €950 per share. On March 22, 2021, our Pre-Offering Sole Shareholder, exercising the powers and faculties of the General Shareholders’ Meeting, approved, amongst other things, (i) to transform the representation of our shares into book-entry form and designating Iberclear as the entity responsible for maintaining the corresponding accounting records, and (ii) to increase our share capital against our voluntary

reserves, from €560 thousand to €12,800 thousand, which is the amount of our share capital as of the date of this Prospectus, issuing 122,400 shares of a par value of €100, up to a total number of 128,000 shares, all of them allocated to our Pre-Offering Sole Shareholder, and subsequently split the number of shares of the Company by reducing their nominal value from €100 to €0.32 per share, at a rate of 312.5 new shares for each old share, without altering the value of the then increased share capital.

Although the Company was incorporated in 2020, Ecoener, headquartered in La Coruña, Spain, started operations in 1988, focusing first in Spain (Galicia). In 2005 we started our internationalization expansion, which has resulted in a diversified geographical presence. As of the date of this Prospectus, we are working in 11 countries in which we are either operating, constructing or developing renewable energy assets or projects. With work teams in four countries as of the date of this Prospectus, we employ 65 people.

We are an operating entity and also the holding company of the Group. As of the date of this Prospectus, our following subsidiaries have projects In Operation and Under Construction: Hidroeléctrica del Giesta, S.L., Energías de Pontevedra, S.L., Hidroeléctrica de Oourol, S.L., Sociedad Lucense de Energía Hidráulica y Eólica, S.L., Drago Renovables, S.L., Mocan Renovables, S.L., Yesquera de Aluce, S.L., Cardo de Plata, S.L., Alamillo de Doramas, S.L., Violeta de Anaga, S.L., Eólicos del Matorral, S.L., Llanos del Sur Fotovoltaica, S.A., Energías del Ocosito, S.A., Dama de Bandama, S.L., Siempreviva Gigante, S.L., Rosalito Palmero, S.L., Tabaiba Solar, S.L., Canutillo de Sabinosa, S.L., Bencomia de Risco, S.L. and EFD Ecoener Fotovoltaica Dominicana, S.R.L.

Ecoener is a global integrated experienced multi-technology company with a long-term high-quality portfolio of operating assets and with a unique positioning to deliver sustainable highly-profitable growth.

Our principal activities are divided into (i) operation of hydropower facilities, (ii) operation of wind farms, (iii) operation of solar photovoltaic (“PV”) plants, (iv) energy commercialization, and (v) other services.

Ecoener is a vertically integrated multi-technology group active with in-house resources in all of the energy value chain processes, including development, engineering, procurement and construction (“EPC”), operation and maintenance (“O&M”) of hydropower facilities, wind farms and solar PV plants and power commercialization, all of them with proven track record and with over 32 years of experience in the sector. We have our own EPC and O&M capabilities, which allows us to retain the profit margins associated with those services.

We have installed 21% of the hydropower capacity in Spain during the last 12 years. We installed in Spain the first solar PV plant using high-efficiency thin-solar panels and being the first company in Spain to install Enercon E-70 wind turbine technology. In 2017, we commissioned 30.5% of the wind capacity installed in Spain.

Our Portfolio is made up of assets “In Operation” and “Under Construction” and our Pipeline is classified among projects in “Backlog”, “Advanced Development” and “Early Stage”.

In regards to our Portfolio, as of the date of this Prospectus, our subsidiaries own renewable energy facilities In Operation in three countries (Spain, Guatemala and Honduras), with a total capacity of approximately 141 MW (52 MW corresponding to hydropower facilities, 73 MW corresponding to wind farms and 16 MW corresponding to solar PV plants), of which 116 MW (48 MW corresponding to hydropower, 60 MW corresponding to wind farms and 8 MW corresponding to solar PV plants) are attributable to our equity interest in such projects.

As of the date of this Prospectus, we have under our Pipeline, renewable energy projects with a potential installed capacity (i.e. the output of electricity that a generator can produce under ideal conditions) of approximately 1,527 MW consisting of projects in our Backlog (284 MW), Advanced Development (64 MW) and Early Stage (1,179 MW).

The following table sets forth certain information with respect to the beneficial ownership of our ordinary shares prior to and after the Offering.

Owner	Pre-Offering		Post-Offering ⁽³⁾			
	Number of Shares	%	Over-allotment option not exercised ⁽¹⁾	%	Over-allotment option exercised in full ⁽¹⁾	%
Mr. Luis Valdivia ⁽²⁾	40,000,000	100	40,000,000	61.5	40,000,000	59.2
GAM International Management Limited	—	—	2,068,965	3.2	2,068,965	3.1
Free Float	—	—	23,006,897	35.4	25,514,483	37.8

(1) All of our shares have the same voting rights attached to each of them.

(2) Held through Ecoener, S.L.U.

(3) Assuming that the Offering Price is the upper end of the Offering Price Range.

As of the date of this Prospectus, the members of our Board of Directors are ten.

B2. What is the key financial information regarding the issuer?

Our deed of incorporation was granted on January 28, 2020 and was registered with the Commercial Registry of La Coruña on February 28, 2020.

On June 12, 2020, our Pre-Offering Sole Shareholder, Ecoener, S.L.U., exercising the powers and faculties of the General Shareholders' Meeting, approved a capital increase through in-kind contributions in consideration for the contribution to us of the shares representing controlling stakes in the share capital of our subsidiaries. Accordingly, we are an issuer of equity securities with a complex financial history for the purposes of Article 18 of the Delegated Regulation (EU) 2019/980, whereby the information prescribed by Annex 1 of Delegated Regulation (EU) 2019/980 does not represent the issuer's undertakings accurately. Consequently, the financial information included in this Prospectus, in order to accurately represent our undertaking and to allow investors to make an informed assessment on us in accordance with Article 6(1) of the Prospectus Regulation, has been derived from the audited consolidated annual accounts of Grupo Ecoener, S.A.U. and subsidiaries as of and for the year ended December 31, 2020, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and which have been audited by KPMG Auditores, S.L. These consolidated annual accounts as of and for the year ended December 31, 2020 include unaudited comparative figures for the years ending December 31, 2019 and 2018. The 2019 financial information over which there is an audit opinion is that corresponding to the Ecoener, S.L.U. (Pre-Offering Sole Shareholder) and subsidiaries audited consolidated financial statements as of and for the year ended December 31, 2019 prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the 2018 financial information over which there is an audit opinion is that corresponding to the Ecoener, S.L.U. (Pre-Offering Sole Shareholder) and subsidiaries audited consolidated annual accounts as of and for the year ended December 31, 2018 prepared in accordance with the applicable financial reporting framework in Spain.

We have followed the criterion of including within this Prospectus the unaudited financial information as of and for the years ended December 31, 2019 and 2018 as included for comparative purposes within the Company's audited consolidated annual accounts as of and for the year ended December 31, 2020, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union with the purpose of following a criterion of homogeneity and because they do not significantly differ from the Pre-Offering Sole Shareholder's financial information.

Consolidated Profit and Loss Account data

	Year ended December 31,		
	2020	2019	2018
	audited	unaudited	
	<i>(in € thousands)</i>		
Net revenues	36,897	33,736	31,167
Operating income	17,161	11,227	10,846
Net income/(loss) from continued operations	5,768	5,832	136
<i>Net income/(loss) attributed to the Parent Company</i>	<i>3,457</i>	<i>5,305</i>	<i>350</i>

	Year ended December 31,		
	2020	2019	2018
	audited	unaudited	
	<i>(in € thousands)</i>		
<i>Net income/(loss) attributed to non-controlling interest.....</i>	<i>2,311</i>	<i>527</i>	<i>(214)</i>

Consolidated Balance Sheet data

	As of December 31,		
	2020	2019	2018
	audited	unaudited	
	<i>(in € thousands)</i>		
Total assets	228,928	195,862	193,592
Total net equity	11,616	15,414	17,730
Net Financial Debt* ⁽¹⁾	182,193	123,089	122,224

(1) Net Financial Debt is an alternative performance measure.

Consolidated Cash Flows Statement data

	Year Ended December 31,		
	2020	2019	2018
	audited	unaudited	
	<i>(in € thousands)</i>		
Cash flows from consolidated operating activities (1)	9,118	14,885	13,038
Cash flows (used in) consolidated investing activities (2)	(32,668)	(9,075)	(4,141)
Cash flows from/(used in) consolidated financing activities (3)	24,547	(2,139)	(4,152)
Net increase in cash and cash equivalents (1+2+3)	997	3,671	4,745
<i>Cash and cash equivalents at the beginning of the year</i>	<i>12,684</i>	<i>9,013</i>	<i>4,268</i>
<i>Cash and cash equivalents at the end of the year</i>	<i>13,681</i>	<i>12,684</i>	<i>9,013</i>

B3. What are the key risk that are specific to the issuer?

The most material risk factors specific to the issuer are as follows:

Risks Related to Our Financial Situation

- We have substantial indebtedness and may incur substantial additional indebtedness in the future.

Risks Related to Our Business and Industry

- Our total installed capacity amounts to 141 MW for our assets In Operation (of which, 116 MW are attributable to our equity interest in such projects) and to 142 MW for our assets Under Construction attributable entirely to us. Our Pipeline projects include projects in different stage of development, “Early Stage”, “Advanced Development” and “Backlog”, for a total targeted installed capacity of 1,527 MW. From the total targeted installed capacity of our Pipeline, 1,179 MW accounts for our Early Stage projects which are the projects in its initial stage of development and, thus, with lower probability of successful completion. In this context, we may not be able to successfully accomplish our Early Stage and Advanced Development projects and complete the development of our Pipeline, which is subject to unexpected adjustments and cancellations and is therefore not an accurate indicator of our future revenue or earnings. Constraints in the availability of the electricity grid, including our inability to obtain access to transmission/distribution lines or control of suitable sites in a timely and cost-efficient manner could adversely affect our business, growth strategy, results of operations, financial condition and prospects.
- Our operations require us to obtain licenses, authorizations, concessions and permits for our projects, which may entail a long and complex process. Any failure to obtain or renew such approvals, licenses, concessions and permits or to comply with the terms of such approvals, licenses and permits

may have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

- Our off-take arrangements, including our regulated remuneration, our Power Purchase Agreements, as well as our operations under merchant remuneration systems, may expose us to certain risks which may affect our business, growth strategy, results of operations, financial condition and prospects. Our revenues and profits are exposed to electricity prices.

Legal and Regulatory Risks

- We operate in a highly regulated sector and are exposed to regulatory changes across the multiple jurisdictions in which we operate.

C. Key information on the securities

C1. What are the main features of the securities?

The Shares are ordinary shares of nominal value of €0.32 each.

The ISIN code assigned to our issued share capital is ES0105548004, while the Initial Offer Shares have the provisional ISIN code ES0105548012 and will bear the same ISIN code as our issued share capital from Admission. There will be no offering of, or application for listing for, any other class of shares of in which our share capital is divided. All our shares are of the same class.

The Initial Offer Shares will be created pursuant to the Spanish Companies Act and rank *pari passu* in all respects with the previously existing shares, including with respect to the right to vote and the right to receive all dividends and other distributions declared, made or paid on our share capital. Each Share, including the Offer Shares, carries one vote at our General Shareholders' Meeting. There are no restrictions on the voting rights of the Shares.

Holders of Shares are entitled to the rights and subject to the obligations set forth in the Bylaws. In particular, the following rights are inherent to the condition of shareholder:

- Right to attend the general shareholders' meeting with voting rights.
- Pre-emptive rights in share capital increases via monetary contributions and for any new bonds convertible into shares.
- Right to exercise shareholder actions.
- Information rights.
- Dividend and liquidation rights.

We do not anticipate to distribute dividends in the next three years following the Offering. After that period, we will reassess our dividend policy which will be based, among other things, on our financial performance and business prospects.

C2. Where will the securities be traded?

Application will be made for the admission to listing of our ordinary shares on the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges (the "**Spanish Stock Exchanges**") and to have them quoted through the SIB (*Sistema de Interconexión Bursátil* or *Mercado Continuo*) of the Spanish Stock Exchanges. We expect our ordinary shares to be listed and quoted on the Spanish Stock Exchanges on or about April 30, 2021 under the symbol "ENER".

C3. Is there a warranty attached to the securities?

Not applicable.

C4. What are the key risk that are specific to the securities?

The most material risk factors specific to the securities are as follows:

- Following the Offering, our majority shareholder will continue to be able to exercise significant influence over us, our management and our operations, and its interests may not be aligned with the interests of our other shareholders.
- Trading risks and other external factors may affect our Shares.
- There can be no assurance that we will be able to pay dividends in the future and we do not anticipate paying any dividends for the three years following the Offering.

D. Key information on the admission to trading on a regulated market

D1. Under which conditions and timetable can I invest in this security?

We expect that the tentative calendar of the Offering would be as follows:

Event	Date⁽¹⁾
Approval and registration of this Prospectus with the CNMV	April 15, 2021
Commencement of the Book-building period in which proposals are made by Qualified Investors	April 15, 2021
Finalization of the Book-building period	April 28, 2021
Execution of the Underwriting Agreement	April 28, 2021
Publication of an inside information notice (<i>comunicación de información privilegiada</i>) with setting of the Offering Price and the number of Initial Offer Shares	April 28, 2021
Selection of offers to subscribe Offer Shares	April 28, 2021
Final allocation of the Offer Shares	April 28, 2021
Prefunding of Initial Offer Shares by the Sole Global Coordinator and Joint Bookrunner	No later than 9:00 am (CET) on April 29, 2021
Granting of the public deed of share capital increase	April 29, 2021
Filing and registration of the public deed of share capital increase with the Commercial Registry	April 29, 2021
Expected Transaction Date of the Offering and publication of an “other relevant information notice” (<i>comunicación de otra información relevante</i>)	April 29, 2021
Expected Admission and commencement of Stabilization Period (on or about)	April 30, 2021
Settlement Date (on or about)	May 3, 2021
End of Stabilization Period (no later than)	May 30, 2021

(1) Each of the dates included in the above tentative calendar is subject to change without prior notice. Any change, including in particular any lengthening or shortening of the tentative calendar, will be made public by publishing the corresponding other relevant information notice (*comunicación de otra información relevante*) with the CNMV.

Assuming that the Initial Offer Shares are entirely subscribed in the Offering at an Offering Price which is the upper end of the Offering Price Range and that the Over-allotment Option is not exercised, the stake of the Pre-Offering Sole Shareholder would represent approximately 61.47% of the total number of ordinary shares following the Offering.

Under such assumptions, if the Initial Offer Shares are subscribed in full at an Offering Price which is the upper end of the Offering Price Range and the Over-allotment Option is exercised in full, the stake of the Pre-Offering Sole Shareholder would represent approximately 59.19% of the total number of ordinary shares following the Offering.

Due to the difficulty in determining the expenses incurred as of the date of this Prospectus, for purely informational purposes, the estimated expenses payable by us in relation to the Offering amount to approximately €11.2 million (excluding any applicable VAT) if the Over-allotment Option is not exercised, and to approximately €11.9 million (excluding any applicable VAT) if the Over-allotment Option (up to 10% of the Initial Offer Shares) is exercised in full.

Subscribers of Offer Shares may be required to pay stamp taxes and other charges in compliance with the laws and practices of their country of purchase in addition to the Offering Price.

In addition, purchasers will have to bear the commissions payable to the financial intermediaries through which they will hold the Offer Shares, including those commissions related to administration and security custody which are freely set by the relevant financial intermediaries and notified to CNMV or Bank of Spain (*Banco de España*), as the case may be.

D2. Who is the offeror and/or the person asking for admission to trading?

The offeror of the Initial Offer Shares is the Company (see section “B. Key information on the issuer” of this Summary). The offeror of the Over-allotment Shares if the Over-allotment Option is exercised, in whole or in

part, will be the Company too. The Over-allotment Option will be exercisable, in whole or in part, by Société Générale in its capacity as stabilizing manager, acting on behalf of the Underwriters, for a period of 30 calendar days from the date on which our ordinary shares commence trading on the Spanish Stock Exchanges through the SIB.

D3. Why is this prospectus being produced?

This Prospectus constitutes a prospectus relating to us for the purposes of Articles 3 and 4 of the Prospectus Regulation. This Prospectus has been approved as a prospectus by the CNMV in its capacity as competent authority under the Securities Market Act and relevant implementing measures in Spain for the admission of our ordinary shares on the Spanish Stock Exchanges.

The Company expects to raise gross proceeds of approximately €181.8 million, through the offering of between 25,075,862 and 30,813,559 Initial Offer Shares, representing between 38.5% and 43.5% of its share capital following the Offering, being such number of Initial Offer Shares as it is required, at the Offering Price, to provide the Company with the abovementioned gross proceeds of €181.8 million. We expect to pay fees and expenses of the Initial Offer Shares in the Offering amounting to approximately €11.2 million (excluding any applicable VAT), out of such gross proceeds raised in the Offering. Accordingly, we expect to raise net proceeds of approximately €170.6 million through the issue of the Initial Offer Shares in the Offering.

If the Over-allotment Option is exercised in full, the Company will issue the Over-allotment Shares and would raise additional net proceeds of up to approximately €17.5 million after deduction of €0.7 million in additional fees and expenses.

We will use the proceeds from the issue of the Initial Offer Shares and the Over-allotment Shares in the following order, (i) to pay the Offering expenses, and (ii) to fund investments for the development and construction of the projects identified within our Pipeline in order to expand our Portfolio. In particular, we expect to use (i) around €11.9 million to pay the Offering expenses if the Over-allotment Option is exercised in full; and (ii) around €188.1 million to fund investments for the development and construction of the projects identified within our Pipeline in order to expand our Portfolio.

The proceeds of the Offering will not be used to repay our €130 million green bond issued on September 10, 2020 or any other financial indebtedness.

RISK FACTORS

An investment in the Shares involves a high degree of financial risk. You should carefully consider all information in this Prospectus, including the risks described below, before you decide to subscribe or buy the Shares. This section addresses both general risks associated with, among others, the industry in which we operate and the specific risks associated with its business. If any such risks were to materialize, our business, growth strategy, results of operations, financial condition and/or prospects could be materially and adversely affected, resulting in a decline in the value of the Shares and a loss of part or all of your investment. Further, this section describes certain risks relating to the Offering and the Shares which could also adversely impact the value of the Shares. You should carefully consider the following risk factors and the other information contained in this Prospectus before making an investment decision. The risks described below are not the only ones we face. Additional risks not presently known to us, that we currently believe to be immaterial or other risks that can be considered generic but not specific to us, may also adversely affect our business. For example, accidents or other general country, political or economic risks may affect us, but have not been included herein below in accordance with Regulation (EU) 2017/1129 of the Parliament and of the Council of 14 June 2017.

This Prospectus also contains forward-looking statements that involve risks and uncertainties. The actual results could materially differ from those anticipated in such forward-looking statements as a result of certain factors, including the risks faced by us, described below and elsewhere in this Prospectus. You should carefully review this entire Prospectus and should reach your own views and decisions on the merits and risks of investing in our Shares. Moreover, you should consult your financial, legal and tax advisors to carefully review the risks associated with an investment in our Shares.

Risks Related to Our Financial Situation

We have substantial indebtedness and may incur substantial additional indebtedness in the future

We have required a significant level of investment to grow our business and consolidate our business lines in the past years. Amongst our financing resources, as of December 31, 2020, 2019 and 2018 the following needs to be highlighted:

- (i) a €130 million non-recourse senior debt, issued on September 10, 2020, by Ecoener Emisiones, S.A.U., a company that belongs to the Group (the “**Bond Issuer**”), and guaranteed by the Bond Guarantors (as this term is defined in section “*Material Contracts—Green Project Bond*”) (the “**Senior Bond**” or the “**Green Project Bond**”). See section “*Material Contracts—Green Project Bond*” for more information;
- (ii) a non-recourse project finance granted by Banco Atlántida, S.A. (“**Banco Atlántida**”) to Llanos del Sur Fotovoltaica, S.A. in Honduras, which outstanding figure amounted to €13,421 thousand as of December 31, 2020, €15,548 thousand as of December 31, 2019 and €16,137 thousand as of December 31, 2018. See sections “*Material Contracts—Non-Recourse Finance Agreements*” and “*Operating and Financial Review—Liquidity and Capital Resources*” for more information;
- (iii) a non-recourse project finance granted by Banco de Desarrollo Rural, S.A. (“**Banrural**”) to Energías del Ocosito, S.A. in Guatemala, which outstanding figure amounted to €28,769 thousand as of December 31, 2020, €32,007 thousand as of December 31, 2019 and €33,307 thousand as of December 31, 2018. See section “*Material Contracts—Non-Recourse Finance Agreements*” for more information; and
- (iv) a financing structure in the Canary Islands which allows us to raise funds from private investors, which amounted to €12,650 thousand as of December 31, 2020 and €7,375 thousand as of December 31, 2019. See section “*Material Contracts—Financing in the Canary Islands*” for more information.

Our Net Financial Debt* (see section “*Presentation of Financial Information and Other Important Notices—Non-IFRS Measures—Alternative Performance Measures*” for the use of the asterisk to identify alternative performance measures throughout this Prospectus to allow investors to identify each APM, as well as for additional information and the calculation of this APM) as of December 31, 2020 amounted to €182,193 thousand (€123,089 thousand as of December 31, 2019 and €122,224 thousand as of December 31, 2018). Our financial expense for the year ended December 31, 2020 amounted to €10,299 thousand (€6,122 thousand for the year ended December 31, 2019 and €7,422 thousand for the year ended December 31, 2018). Additionally, our total net equity as of December 31, 2020 amounted to €11,616 thousand (€15,414 thousand as of December 31, 2019 and €17,730 thousand as of December 31, 2018). For further details on our indebtedness, see section “*Operating and Financial Review—Liquidity and Capital Resources*”.

Our financing arrangements abovementioned include different security interests. In particular, the Green Project Bond is secured by pledges granted over, among other assets, the shares of the Bond Issuer and the Bond Guarantors. A promissory first ranking security over certain assets is also contemplated (i.e. a promissory mortgage over any lands and properties included in the project companies' assets, a promissory chattel mortgage over any machinery included in the project companies' assets and a promissory first ranking pledge without transfer of possession over any machinery included in the project companies' assets (together, the "**Promissory First Ranking Security Interests**"). The Promissory First Ranking Security Interests needs to be executed in the event that (i) the historic debt service cover ratio (Historic DSCR) falls below 1.10:1; or (ii) the occurrence of an event of default pursuant to the Green Project Bond documentation. For additional information, see section "*Material Contracts—Green Project Bond*" for further details.

As of December 31, 2020, as a result of the issuance of the Green Project Bond, and in the context of the security package agreed, we had assets pledged with a net carrying amount of €98,225 thousand.

In the context of the non-recourse project finance agreements in Honduras and Guatemala, certain securities (*fideicomisos de garantía*) have been granted over (i) Llanos del Sur solar PV plant, in Honduras; and (ii) Las Fuentes II hydropower facility, in Guatemala.

Furthermore, during the first quarter of 2021, we entered into three credit facility agreements with Banco de Sabadell, S.A. ("**Banco de Sabadell**") for the financing, construction and operation of the wind farms of Lomo del Moral and Arcos del Coronadero in Spain, twelve solar PV plants in the Canary Islands and one wind farm in the Canary Islands for a total maximum amount of €39,660 thousand (altogether referred to as the "**2021 Credit Facility Agreements in Spain**"). See section "*Operating and Financial Review—Recent Developments—2021 Credit Facility Agreements in Spain*" for more information. Our 2021 Credit Facility Agreements in Spain are secured by (i) pledges over the 100% of the shares of the project companies (SPVs) (ii) pledges over the credit rights arising from bank accounts related to the projects; and (iii) pledges over the credit rights arising from the agreements entered into by the project companies (SPVs). A promissory first ranking security over certain assets is also contemplated as further described in section "*Operating and Financial Review—Recent Developments*". The initial amount drawn under the 2021 Credit Facility Agreements in Spain amounts to €7,108 thousand.

Most of our indebtedness, this is, our Green Project Bond, our non-recourse project finance in Honduras, our financing structure in the Canary Islands and the 2021 Credit Facility Agreements in Spain, also contain change of control provisions. These change of control provisions are provided at the Company level as well as at its subsidiaries level. Such change of control provisions could trigger their acceleration. In particular:

- (i) under the provisions of the Green Project Bond, if a direct or indirect change of control at the Company level occurs, bondholders may exercise the Change of Control Put Option (as defined in section "*Material Contracts—Green Project Bond*") to require the Bond Issuer to redeem or, at the option of the Bond Issuer, purchase or procure the purchase of all or part of its Senior Bond;
- (ii) under our non-recourse project finance in Honduras, if a change of control occurs at the level of Llanos del Sur Fotovoltaica, S.A., Banco Atlántida would be entitled to accelerate the facility if it considers that such change of control could impact the conduct of the business activity and the debt repayment under the facility;
- (iii) under our financing in the Canary Islands, the Loans (as this term is defined in section "*Material Contracts*") provided that in the event of a change of control, the Investors may require Ecoener Inversiones to repay the Loans in full, together with the ordinary and default interest, if such change of control takes place without their prior authorization. The transfer of shares among Group companies will not trigger this change of control provision. For the purposes of this provision, "change of control" means the direct or indirect transfer (partial or total), of the shareholder's stake in Ecoener Inversiones and Ecoener Inversiones in the relevant Canary Islands SPV, resulting in the shareholder or Ecoener Inversiones ceasing to own directly a stake in Ecoener Inversiones or the Canary Islands SPVs of at least 75%. As a result of the Offering, the Pre-Offering Shareholder (defined as the shareholder under the Loans) will cease to have at least 75% of Ecoener Inversiones and the Canary Islands SPVs, while we will continue owning directly 100% of Ecoener Inversiones and Ecoener Inversiones 100% of the Canary Islands SPVs. In light of such provisions, we have requested such prior consent from the Investors. As of the date of this Prospectus, we have gathered the formal authorization of Investors who in aggregate hold €11,525 thousand, representing 91% of the total outstanding balance of the Loans, Investors who in aggregate hold €900 thousand, representing 6% of the total outstanding balance stated that a prior authorization is not required in this case, and the remaining Investors (who in aggregate hold €225 thousand, representing around 2% of the total outstanding balance) have not formally replied nor opposed to the potential change of control. As of the date of this Prospectus, given the outstanding authorizations

to be formally received, in case any investor who has not answered to us on time, considered that its prior authorization is required and was to enforce the repayment under the Loan, the maximum aggregate amount that we will have to repay would be €225 thousand; and

- (iv) in respect of the 2021 Credit Facility Agreements in Spain, in the event of a change of control, i.e. the Company ceases to own 100% of the share capital, directly or indirectly of the project companies (SPVs) under the 2021 Credit Facility Agreements in Spain during the construction of the facilities or 50.01% during its operation, Banco de Sabadell shall be entitled to terminate the agreement and claim the payment of the outstanding debt, interests and other expenses set forth in the agreement. See section “*Operating and Financial Review—Recent Developments—2021 Credit Facility Agreements in Spain*” for more information.

Under our Green Project Bond, the Bond Obligors agreed to certain restrictive covenants and operating and financial restrictions. In particular, on each payment date (semi-annually), the Bond Obligors shall ensure that: (i) the Debt-Service Coverage Ratio is at least 1.05x, (ii) the Project-Life Coverage Ratio is at least 1.10x and (iii) the Debt-Service Coverage Ratio lock-up is at least 1.15x.

Likewise, under our non-recourse project finance from Banco Atlántida in Honduras, we shall ensure, in order to make any distributions, that the Debt-Service Coverage Ratio is at least 1.2x. Unless expressly authorized by the bank, we shall be compliant with the following: (i) that the total solvency ratio (total liabilities/total assets) is below 75%, and (ii) that the leverage ratio (total liabilities/total equity) is 2.0x.

The 2021 Credit Facility Agreements in Spain also contain certain restrictive covenants and restrictions on our business. In particular, for the 2021 Credit Facility Agreements relating to Lomo del Moral and Arcos del Coronadero and for the wind farm to be developed by Oilean Telde Eólica Energy, S.L., we shall ensure that the Debt-Service Coverage Ratio is at least 1.05x. For the 2021 Credit Facility Agreements in Spain for the financing of the construction and operation of the solar PVs to be developed in San Bartolomé de Tirajana, we shall ensure that the leverage ratio (Outstanding debt/Equity plus debt amount to be paid in that period) is always below 56%. Furthermore, cash distributions are restricted and subject to the fulfillment of some requirements, including, among others, the Debt-Service Coverage Ratio shall be at least 1.20x and the payment of the first instalment has been done.

There are other terms and conditions under our financings, such as, limitations on the disposal of assets, payment restrictions, limits on additional indebtedness and additional investments or restrictions on operations with subsidiaries. Besides, if our covenants related to our indebtedness associated with the Green Project Bond and with our non-recourse project finance in Honduras are not being met, we may be restricted to make distributions.

All the above restrictions do not apply at the Group level but only to the debtors under such financings.

As of the date of this Prospectus, we are in compliance with all of our debt covenants, as defined and established in the respective contracts. See “*Operating and Financial Review—Financial Covenants*”. However, we cannot assure that in the future we will be able to generate enough cash flow from operations to support the repayment of our indebtedness and comply with the other covenants.

Our inability to satisfy the covenants assumed under our financing may:

- i. limit cash distributions to our shareholders;
- ii. force to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing our indebtedness or seeking equity capital; and/or
- iii. result in an event of default which, if not cured or waived, may entitle the related creditors to accelerate the relevant indebtedness and, if applicable, enforce the relevant security interests granted to secure the obligations assumed under such financings.

Although all the above events could have a negative impact on our business, growth strategy, results of operations, financial condition and prospects, the enforcement of the abovementioned security interests would entail the loss of a significant part of our production capacity and therefore would have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

For further details, see sections “*Material Contracts – Green Project Bond*”, “*Material Contracts – Non-recourse Finance Agreements*” and “*Operating and Financial Review—Recent Developments—Credit facility agreements with Banco de Sabadell*”.

In addition, our substantial indebtedness may have an impact on our business and financial condition as: (i) we may be required to devote a significant portion of our cash flows to repay our debt, and therefore not be able to use such resources for other purposes, including the funding of our project under the Pipeline or new projects which may be included in the future; (ii) our flexibility to react to changes in the business or the industry in which we operate may be limited; (iii) our ability to undertake other corporate transactions may be limited; (iv) we may be at a competitive disadvantage compared with our competitors, which may have access to greater funds on more favorable terms; or (v) the covenants of our indebtedness could limit our ability to plan for or react to market conditions or to meet our capital needs in a timely manner and complying with these covenants may require us to curtail some of our operations.

Our ability to arrange financing at favorable or competitive economic conditions are dependent on numerous factors, including: (i) general economic outlook and capital markets conditions; (ii) credit availability from the banks and other financial institutions; or (iii) our financial performance. We may not be successful in obtaining additional funds for these or other reasons. Our failure to enter into a new or replacement financing agreements or to obtain additional capital may have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

Although as of the date of this Prospectus our exposure to the interest rate risk is limited due to the structure of our financings, which are at a fixed interest rate, we cannot guarantee that our future financing may benefit from the same favorable conditions in the future.

On the other hand, our vulnerability to adverse economic and market conditions globally and/or on the sectors where we conduct our business may impact our ability to incur into new indebtedness or to do so on favorable or competitive economic conditions such as interest rates.

Risks Related to Our Business and Industry

Our total installed capacity amounts to 141 MW for our assets In Operation (of which, 116 MW are attributable to our equity interest in such projects) and 142 MW attributable to us for our assets Under Construction. Our Pipeline projects include projects in different stage of development, “Early Stage”, “Advanced Development” and “Backlog”, for a total targeted installed capacity of 1,527 MW. From the total targeted installed capacity of our Pipeline, 1,179 MW accounts for our Early Stage projects which are the projects in its initial stage of development and, thus, with lower probability of successful completion. In this context, we may not be able to successfully accomplish our Early Stage and Advanced Development projects and complete the development of our Pipeline, which is subject to unexpected adjustments and cancellations and is therefore not an accurate indicator of our future revenue or earnings. Constraints in the availability of the electricity grid, including our inability to obtain access to transmission/distribution lines or control of suitable sites in a timely and cost-efficient manner could adversely affect our business, growth strategy, results of operations, financial condition and prospects

We have established certain criteria and procedures for classifying our projects. These criteria and procedures are used for internal planning purposes and they have not been verified or reviewed by third parties. Under our internal methodology, a potential project is classified based on its stage of analysis and/or development and the probability of successful completion which means that the project starts its commercial operation. The categories within our potential Pipeline are “Early Stage”, “Advanced Development” and “Backlog” (all together, the “**Pipeline**”). Our assets “In Operation” and “Under Construction” are considered as our current portfolio (the “**Portfolio**”).

Our definitions of “Early Stage”, “Advanced Development”, “Backlog”, “Under Construction” and “In Operation” may not necessarily be the same as those used by other companies engaged in activities similar to ours. As a result, the targeted installed capacity of our Pipeline may not be comparable to the Pipeline reported by such other companies. Our projects are classified based on its stage of analysis and/or development and the probability of successful completion, representing our Pipeline projects our future investments.

As of the date of this Prospectus, we have a total installed capacity of 141 MW for our assets In Operation (of which, 116 MW are attributable to our equity interest in such projects) and a targeted installed capacity of 142 MW in our assets Under Construction. Additionally, our Pipeline projects are expected to have a total targeted installed capacity of 1,527 MW, which may be differentiated between (a) Backlog (accounting for 284 MW); (b) Advanced Development (accounting for 64 MW); and Early Stage (accounting for 1,179 MW).

From the date of this Prospectus to the end of the year 2023, we intend to accomplish investments to develop the projects within our Pipeline that enable us to reach a targeted operating installed capacity of 679 MW by the end of 2023. From the total 679 MW of targeted installed capacity expected by the end of 2023, 140 MW refers to Early Stage projects in respect of which the probabilities of successful completion are lower. Considering our total installed capacity as of the date of this Prospectus, this would represent a capacity increase of (i) x4.82 per MW already installed and In Operation; or (ii) x2.40 per MW installed if we take into account, in addition to the capacity installed In Operation (i.e. 141 MW), that 142 MW are already Under Construction.

The associated total planned investment to develop the projects under our Pipeline by 2023 is targeted to amount to €380,000 thousand, considering an average cost per MW for each technology based on our previous experience, the current market conditions and assuming a targeted equity of 30-35% (approximately a targeted amount of €125 million) and 65-70% of external financing (approximately a targeted amount of €255 million).

For the financing of our investments we will rely on (i) the net Offering Proceeds of €170.6 million (amount without considering the potential exercise of the Over-allotment Option); and (ii) (a) our external financing; and (b) the proceeds from our assets in operation. To the extent that we are able to obtain external financing from the sources described below and with the targeted proportion (65-70%), the excess of net Offering Proceeds may be used to develop the projects under our Pipeline beyond 2023.

In respect of the debt, in light of the current market conditions and our own experience in respect of different sources of financing, we would expect to obtain such financing from financial entities, joint ventures and others (as, for example, the SICAV structure in the Canary Islands). The total expected financing from external sources (debt) to accomplish our assets Under Construction and the projects within our Pipeline until 2023 is targeted to amount to €310 million (i.e. €55 million for our assets Under Construction and €255 million for assets within the Pipeline).

The Projects are classified in accordance with procedures and criteria which have been designed to be as objective as possible but such classification has not been validated by a third-party expert. We estimate the rate of success of our Backlog projects around 90%, but we cannot determine the rate of success of our Advanced Development and Early Stage projects as it depends on a variety of matters that are not under our control. There can be no assurance that our assessment of a project's likelihood of success will be accurate, which may have a negative impact on our growth prospects and, therefore, in our business, growth strategy, results of operations, financial condition and prospects. In any case, there are various outstanding matters that impact a potential project being classified as a success, many of which are subject to uncertainties and outside of our control such as securing final permits, off-take arrangements on feasible terms, access to project finance and equity.

We estimate the likelihood of project success based on the following two factors: first, on the status of completion of key project milestones, as outlined above, and, second, on our development experience of different types of assets. Given the initial stage of their assessment, our Early Stage and Advanced Development projects may not be fully accomplished or may never translate into Backlog. Besides, our Backlog may not be fully accomplished due to unexpected reasons or may never translate into Under Construction assets. Moreover, the amount of our Pipeline that is subject to delay or cancellation at any given time is largely a reflection of project and market specific risks as well as broad global economic trends and, as of any date, may not be indicative of actual results of operations in any succeeding period.

Overall, Pipeline figures are based on a number of assumptions and estimates, including estimates of the amount of additional work and cost overruns for which we are able to claim payment from off-takers under our contracts, estimates of the percentage of completion of contracts and models for long-term trends. Contingencies that could affect the realization of our near-term Pipeline as future revenue or cash flows include failure to execute construction contracts, cancellation, termination, delay, scope reduction or adjustments, increased time requirements to complete the work, delays in commencing work, disruption of work, lack or reduction in public funds, disputes with customers or other counterparties, our default or other unforeseen events.

Additionally, we have been granted, from various financial entities and insurance companies, certain bonds, guarantees and surety certificates to ensure compliance with our obligations or commitments with third parties. For further details, see *“–We may be unable to acquire or maintain the performance guarantees, sureties and bonds necessary to complete our ongoing projects or to obtain new contracts”* and *“–Our off-take arrangements, including our regulated remuneration, our Power Purchase Agreements, as well as our operations under merchant remuneration systems, may expose us to certain risks which may affect our business, growth strategy, results of operations, financial condition and prospects. Our revenues and profits are exposed to electricity prices”*.

Moreover, within developing countries in which we have projects under Pipeline stages (amounting to 1,356 MW), we may not be able to successfully realize those and complete the development of our Pipeline projects as relationship with indigenous communities for the land property goes beyond government permits and approvals. That is the reason why we historically had and will still have negotiations and provide social compensations to mitigate this social environmental risk, such as support on infrastructures improvement and contributions for water supply in Guatemala, however the risk cannot be eliminated in full. For example, in 2008 we started the development of a renewable energy project on the Canbalam river in Guatemala, which in 2016 we finally decided not to complete due to the controversy generated from a social point of view. Although all authorizations, licenses and permits were obtained, a minority of the communities in the area opposed to the construction of this project and we decided to abandon its development as we considered that we cannot develop projects that are not sustainable also from a social standpoint.

Besides, the availability of land and the urban plans regulations and restrictions in the regions in which we develop our projects, could affect our availability to accomplish our Pipeline.

In terms of investment, as of December 31, 2020, we recorded €20.1 million in combined investments in our Early Stage, Advanced Development and Backlog projects under development. We periodically re-evaluate our Pipeline and adjust it for counterparty risk, previously undetected environmental or technical issues, additional work to be performed or costs incurred.

Other factors that may affect the successful accomplishment of our Pipeline are: (i) the interconnection to the electricity grid, and (ii) the development and reliability of the electricity grid.

Distribution of power generated to the electrical grid is critical to ensuring feasibility of an interconnected renewable project. To interconnect our projects to electrical systems, we rely on existing electrical infrastructure that is owned and operated by third parties (either the government, public entities or private companies).

The physical infrastructure, including the electricity grid, in the jurisdictions in which we operate other than Spain, or where we plan to operate in the future, may be less developed and reliable than that of many developed countries. As a result of grid constraints, such as grid congestion and restrictions on transmission/distribution capacity of the grid, the transmission/distribution and dispatch of the full output of our projects may be curtailed, particularly if we are required to distribute power to customers across long distances from our project sites. We may have to stop producing electricity during the period when electricity cannot be transmitted. Although we have not had to materially curtail output for our projects because we routinely target non-congested areas of the national electrical grid, there is always a risk that factors outside the control (such as grid outages affecting transmission) of the project developer will still impact grid congestion.

Further, in seeking out non-congested grid areas, even when we have identified a desirable site for a renewable project, our ability to obtain site control with respect to the site is subject to competition from other renewable developers and alternative potential uses of the land which may be interested in the same area, especially in our projects under Early Stage. In the event we do not gain control of the site for the renewable project, as it is in certain cases where we lease but do not own the land on which our projects are built (representing such projects 41% of our portfolio as of the date of this Prospectus), we may not be able to further secure site control throughout the whole life of the generation facilities on favorable terms, if at all. If construction of renewable energy projects outpaces the transmission/distribution capacity of electricity grids, we may be dependent on the construction and upgrade of grid infrastructure by the relevant third-party, government or public entities.

Any of the foregoing factors could impair our ability to successfully grow our Pipeline and/or compete in our industry, which could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

Our operations require us to obtain licenses, authorizations, concessions and permits for our projects, which may entail a long and complex process. Any failure to obtain or renew such approvals, licenses, concessions and permits or to comply with the terms of such approvals, licenses and permits may have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects

We are required to obtain various interconnection, environmental, construction and other administrative approvals in connection with our operations in the countries in which we operate. It typically takes between one to three years to obtain all the necessary permits for a project, when referring to the “development from the beginning” phase, mainly linked to site control, public domain concessions, environmental authorisations, interconnection and building permits. The permit process varies across geographies, and in most cases requires interaction with different public and private entities for approvals. Although we are actively pursuing the necessary licenses,

authorizations, concessions and permits required to carry out the construction works in our development phase projects, we cannot ensure we will be successful in the future. We may be unable to obtain all licenses, authorizations, concessions and permits required for the projects that we are planning in time or at all. Procedures for obtaining authorizations vary from country to country and requests may be rejected by the relevant authorities for many reasons, or they may be approved, but with significant delays. The process of obtaining permits can be further delayed or hindered by changes in national or other legislation or regulation or by opposition from communities in the areas affected by a project. Moreover, certain permits that have been granted to us could be contested or revoked, affecting our ability to develop the project. For example, in Spain (specifically in the Canary Islands), we have experienced delays in the development process of our wind farms awarded through an auction. In particular, some bidders appealed the auction awarded in 2007 and the relevant court agreed to adopt precautionary measures suspending the auction process and, thus, suspending the development of the wind farm projects which were awarded in such auctions. As a consequence, we were not able to start the construction of our wind projects (i.e. Llanos de la Aldea and San Bartolomé wind farms) until 2016 and to reach its commissioning up to 2017.

In addition, failure to comply with applicable laws, regulations or recognized international standards or to obtain or renew the necessary permits and approvals (including the threat of issued but contested and revoked permits) may result in (1) the loss of the right to operate our facilities or continue our operations; (2) the imposition of significant administrative liabilities or costly compliance procedures; or (3) other enforcement measures that could have the effect of closing or limiting production from our operations. For example, if we were to fail to meet environmental requirements or have a major accident or disaster, we could also be subject to administrative, civil or criminal proceedings by governmental authorities as well as civil proceedings by environmental groups or other individuals. Such events could result in substantial fines, penalties and damages against us as well as orders that could limit, halt, or even cause the closure of our operations, any of which could impair our ability to successfully compete in our industry, which could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

Our projects may be delayed or exceed their budget. The delay between making significant upfront investments in our hydropower, wind or solar PV projects and receiving revenue could materially and adversely affect our liquidity, business, growth strategy, results of operations, financial condition and prospects

A large-scale development and construction project entails certain risks, such as interruptions, delays and shortages or increased costs of materials, machinery and labor. Any failure by us, our contractors or sub-contractors to meet the agreed budgets and deadlines may cause excess construction costs and delays. Although we usually develop the construction of the projects in-house, most construction agreements we enter into with contractors and sub-contractors typically include contractor and sub-contractor liability clauses to cover the failure to meet agreed budgets and deadlines but may not entirely cover any or all of the losses we may incur. For larger projects, the risks associated with agreed milestones for the performance and completion of services are inherently greater. Furthermore, any delay or underperformance in our projects may lead to conflicting demands on resources allocated for use in other projects. These factors could increase our expenses and reduce our income. Therefore, any failure to meet contractual deadlines or quality and quantity benchmarks may have a materially adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

There is a range of approximately 1 to 3 years between the start of project analysis and feasibility studies and development of a renewable project and the date on which we begin to recognize revenue from the sale of electricity generated by such projects. Our initial investments include, without limitation, legal, accounting and other third-party fees, costs associated with project analysis and feasibility studies, payments for land rights, payments for interconnection and grid connectivity arrangements, government permits, engineering and procurement of equipment, balance of system costs or other payments, which may be non-refundable, in addition to the time dedicated by our team of project developers and supporting engineers. The initial investment in our Projects mainly related to the initial development and analysis phase before construction is due to start, is financed with our own resources. Such initial investment represents around 10-15% of the total investment for hydropower facilities and 5-10% for wind farms and solar PV facilities. However, investments in projects may not lead to revenues if we are not able to successfully build the assets Under Construction and, thus, they do not achieve operational status, so we may lose the costs of our initial investment upfront.

Between our initial investment in the development of permits for renewable projects and their connection to the transmission/distribution grid, there may be adverse developments, such as unfavorable environmental or geological conditions, labor strikes, panel shortages or adverse weather. Furthermore, we may not be able to obtain all the required permits, permits obtained may expire or become ineffective and we may not be able to obtain the necessary financing.

In addition, the timing gap between our upfront investments and actual generation of revenue, specifically in respect of hydropower facilities, or any added delay in between due to unforeseen events, could impair our ability to successfully compete in our industry, and have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

Our success depends on the continued service of certain key personnel

Our ability to operate our business and implement our strategies depends mainly on the continued contributions of our founder and CEO (*Chief Executive Officer*), our senior management, engineers and other personnel, as well as our business development team. In the event that Mr. Luis Valdivia or certain members of our senior management ceases to actively participate in the management of our entity, it may impair our ability to successfully compete in our industry maintaining our culture and identity, which is what differentiate us from other competitors. Additionally, and at lower degree, the unplanned loss of one or more of our key personnel, or our failure to attract and retain additional key personnel, could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

In addition, our future growth and success is based on our ability to attract, recruit, develop and retain skilled managerial, administration, operating and technical personnel. In general, the recruitment of personnel with degrees in mechanical and electrical engineering, project management skills and others in the field of alternative energy is highly competitive due to a scarcity of people with the appropriate training and experience. We will continue to review and, where necessary, strengthen our senior management as the needs of the business develop, including through internal promotion and external hires.

The unplanned loss of the services of any members of our senior management may adversely affect our business and result in a delay in the administration or decision-making processes until a suitable replacement can be found. The loss of any of our key project managers, engineers or developers may also have a material adverse effect on our business, since it could result in delays in our projects' completion, unless and until we find a qualified replacement.

There may be a limited number of persons with the requisite competencies to serve in these positions and we cannot assure you that we would be able to locate or employ such qualified personnel on terms acceptable to us, or at all, which may impact our relationships with customers and/or suppliers.

On the other hand, as we were founded as a family-owned business by Mr. Luis Valdivia, and the values that nourish the management of our organization are based in the strong culture mainly built by him, we may lose attractiveness as an organization seeking to hire key personnel. His specific management style and the way he leads our organization may not necessarily suit all managers or personnel.

Part of our revenues and profits are concentrated in our operations in Spain and any changes in regulations, increases in costs or reduction in demand in this jurisdiction may materially affect our business, growth strategy, results of operations, financial condition and prospects

Although the projects within our Pipeline are diversified in several countries (see section “*Business*”), the majority of our projects In Operation are currently located in Spain. Spain is currently our largest market, having 111 MW installed, representing 78% of the total installed capacity of our assets In Operation as of the date of this Prospectus (141 MW), and comprising 236.37 GWh of our total electricity production for the year ended on December 31, 2020, which means a 79.28% of our total production and a 66.4% of our consolidated net revenues for the year ended on December 31, 2020. As of the date of this Prospectus, 16% of our assets' In Operation's installed capacity is exposed to market electricity prices.

Among other factors, any material regulatory issues or unfavorable changes in regulations, consumer acceptance, increases in costs or reduction in demand in this particular jurisdiction may significantly limit our ability to generate revenue and could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

Our off-take arrangements, including our regulated remuneration, our Power Purchase Agreements, as well as our operations under merchant remuneration systems, may expose us to certain risks which may affect our business, growth strategy, results of operations, financial condition and prospects. Our revenues and profits are exposed to electricity prices

We generate the majority of our revenue selling electricity through a variety of remuneration schemes, including: (i) regulated remuneration systems (such as the “Specific Remuneration” in Spain); (ii) the execution of power

purchase agreements (“PPAs”); and (iii) other regulatory frameworks, including merchant systems (i.e. the sale of our energy through the production market) (collectively “off-take arrangements”).

- In Spain, we have in place the following remuneration schemes:

(i) Specific Remuneration (regulated remuneration); and

(ii) Merchant.

Under both remuneration schemes (i.e. Specific Remuneration and merchant) we must participate in the Spanish generation market or production market (“Pool”) managed by OMIE for the sale of our electricity. The Market Operator (*Operador del Mercado- Polo Español- OMIE*) is the company that manage the Pool settlements. We sell our electricity production in the Pool through a representative or market agent (Axpo Iberia, S.L.U., “Axpo”), although our final counterparty is OMIE for our sales through the Pool. On the basis of the final price for each market, OMIE determines the amounts payable if any by each purchaser and payable to each seller in the daily and intra-daily markets.

On top of the proceeds obtained from the settlements made by OMIE for our sales in the Pool and services rendered, our proceeds are supplemented for our assets In Operation in Spain (except for our assets In Operation as of the date of this Prospectus, El Rodeo, La Caleta, Las Casillas I, Arcos del Coronadero and Lomo del Moral) by the Specific Remuneration.

The purpose of the Specific Remuneration is to allow a “well-run and efficient” energy generation facility that use renewable sources to cover the costs that are necessary to compete in the market on equal conditions with the rest of technologies (as nuclear, coal or gas combined cycles) and to obtain a reasonable rate of return (“Reasonable Rate of Return”) on investment throughout the legal regulatory operating life of the project (i.e. the standard operating life set out by regulations during which the renewable facilities are entitled to receive the Specific Remuneration). The basic parameters to calculate the Specific Remuneration of each renewable facility are: (i) a return to the investment (*retribución a la inversión*) per unit of installed capacity; and (ii) a return to the operation (*retribución a la operación*).

Some adjustments may be also applicable (i.e. adjustment on the basis of the minimum and standard equivalent hours of operation, market price deviations and coefficient by technology). Regarding the market prices deviations, the return to the investment takes into account the estimated sales proceeds of the renewable facilities at electricity Pool prices over the three years of each regulatory half-period. Taking into account that the sales price projections are based on forecasts, adjustments need to be made as a function of actual Pool prices. If the real annual average hourly wholesale market prices in the daily and intra-day wholesale market prices actually achieved deviate significantly from the estimated wholesale market prices in a given statutory half-period, the remuneration per investment to be received by the corresponding facilities are adjusted upwards or downwards as the case may be. This adjustment does not imply that the Specific Remuneration is affected by the fluctuation of market prices on global terms.

Furthermore, to give us predictable cash flows in respect of the proceeds resulting from the Pool price settlement made by OMIE and applicable to all of our Assets In Operation in Spain (regardless of their remuneration scheme), we have executed an agreement with our market representative (Axpo) for 2020 and 2021 whereby a fixed amount was received for each MWh produced for the year ended December 31, 2020 (regardless of the Pool prices determined by OMIE) and a price per MWh within a band agreed is to be received in 2021 for each MWh produced (or to be produced) for the year ended December 31, 2021. For our assets In Operation in Spain subject to the Specific Remuneration (all of our Assets In Operation as of the Date of this Prospectus except for El Rodeo, La Caleta, Las Casillas I, Arcos del Coronadero and Lomo del Moral), such price settlement is on top of the Specific Remuneration.

For our assets In Operation as of the date of this Prospectus subject to a merchant scheme (El Rodeo, La Caleta, Las Casillas I, Arcos del Coronadero and Lomo del Moral), such agreement guarantees stable cash flows.

For further information see section “Regulation” and “Material Contracts”.

- In Honduras and Guatemala, the PPAs are the remuneration scheme under which we sell our electricity. In Honduras, the entire production of the Planta Solar Fotovoltaica Llanos del Sur plant is sold under a PPA. Likewise, in Guatemala, the production of the Las Fuentes II hydropower facility is sold within the framework of PPA contracts.

Therefore, as of the date of this Prospectus, 84% of the installed capacity of our assets In Operation, generated revenues under regulated remuneration (in Spain, all of our assets except for El Rodeo, La Caleta, Las Casillas I, Arcos del Coronadero and Lomo del Moral are entitled to receive the Specific Remuneration) or PPAs (Honduras and Guatemala) as defined above, and 16% of the installed capacity of our assets In Operation generated revenues under merchant remuneration schemes (in Spain, El Rodeo, La Caleta, Las Casillas I, Arcos del Coronadero and Lomo del Moral, although such plants are entitled to receive the Canary Island Incentive), and in Guatemala, any potential surplus of electricity produced by Las Fuentes II Hydropower facility not covered under the PPA agreement) and, thus, are subject to market prices fluctuations.

In respect of our assets In Operation and Under Construction, in the year ended December 31, 2021, 71% of the targeted installed capacity it is expected that will generate revenues under regulated remuneration or PPAs, and 29% of the targeted installed capacity of our assets Under Construction will generate revenues under merchant remuneration schemes plus the Canary Island Incentive.

In terms of off-takers, as of the date of this Prospectus, our top power generation segments' off-takers are OMIE, as responsible for the Spanish *Pool*'s settlement and Axpo, as our market representative in the Spanish *Pool*; the CNMC, as responsible for the settlement of the Specific Remuneration; Energuate/EEGSA in Guatemala, as our counterparty for the PPA in Guatemala; and Empresa Nacional de Energía Eléctrica and Electricidad de Occidente, S.A., as our counterparties under the PPAs in Honduras. See "*Regulation*" for more details.

Any defaults, tariff revisions or changes resulting from our off-take arrangements will therefore have a direct impact on our profitability which directly depends on cash-flow visibility from our off-take arrangements, and our ability to operate our renewable power projects at optimal levels.

Under a PPA or a regulated remuneration scheme, we typically sell power generated from a power plant to the electricity system (such as in Spain), distribution companies or power consumers at pre-determined tariffs or prices. Such remuneration schemes are generally not subject to downward revisions unless, in some cases, energy supply falls below a certain level during a specific period of time. Accordingly, we only partially hedge our downward risk; however, if there is an industry-wide increase in tariffs, we may not be able to renegotiate the terms of the PPA to take advantage of the increased tariffs.

In respect of our PPA arrangements, to the extent that the pre-determined tariffs are well above market prices, our counterparties may seek termination of their PPAs to take advantage of the lower market prices. In addition, as our PPA arrangements do not cover 100% of the energy produced in some of the jurisdictions in which we operate (for example, as of the date of this Prospectus, in the case of Guatemala for a residual amount), we are exposed to variable spot price risk in the general market for the remainder of the energy produced. In the event we default in fulfilling our obligations under the PPA arrangements, such as supplying the minimum amount of power specified in some of the PPA arrangements, achievement of the minimum operating hours as stated in regulations or failing to obtain regulatory approvals, licenses and clearances with respect to our renewable projects, we may be liable for penalties and in certain specified events, to the termination of such PPA arrangements.

In certain instances, the terms of some of our future PPA arrangements may also require us to enter into other types of off-take arrangements or seek renewals or extensions of PPA arrangements, for the balance of the life of those renewable power projects in the scenario in which the initial term of such PPA agreement is shorter than the operating life of the project. Moreover, there are often other restrictions on our ability to, among other things, sell power to third parties mainly due to the fact that a specific license or governmental authorization is usually required in the jurisdictions where we operate to carry out the wholesale supply activity may be required. Failure to enter into or renew PPA arrangements in a timely manner and on terms that are acceptable to us could adversely affect our business, growth strategy, results of operations, financial condition and prospects. There could also be negative accounting consequences if we are unable to extend or replace expiring PPA arrangements, including writing down the carrying value of assets at such power project sites.

Additionally, under the PPA arrangements, our remedies in case of delays in payment by our customers may also be limited. We are generally exposed to credit risk from our customers and the electricity system. Although we manage credit risk through diversification and other measures, our risk management strategy may be not successful in limiting our exposure to credit risk. As well, there is a risk of contract termination or breach of contract by a counterparty in the event they find the terms of the PPA arrangement onerous due to, for example, bankruptcy. Any of the foregoing factors including client delay or default on payment, or our failure to otherwise make timely collection of our revenues, could impair our ability to successfully compete in our industry, and have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

For example, we executed a PPA in Honduras under which the price was set out initially at \$130 per MW/h. Under such agreement, it was agreed that such price would be increased to \$165 if we achieved the commercial operation date (“COD”) by a specific deadline. However, although we achieved the COD deadline on time and, therefore, the price should have been increased to \$165, we are still receiving the original agreed price of \$130 (currently, \$132 due to indexation). We are currently discussing and disputing the price difference that was agreed. Besides, we are experiencing some delays in respect of the payment under the relevant PPA and the related amount receivable, which as of December 31, 2020, amounted to \$1,460 thousand. For further details see “–Our projects may be delayed or exceed their budget. The delay between making significant upfront investments in our hydropower, wind or solar PV projects and receiving revenue could materially and adversely affect our liquidity, business, growth strategy, results of operations, financial condition and prospects” and section “Business– We have an attractive and low-risk Pipeline and Portfolio with assets that provide sustained income and predictable returns”.

We are also exposed to the risk that part of our PPAs arrangements and regulated remuneration schemes will turn into merchant remuneration systems in the future, for example, if the PPAs we have already executed with private contractors are not renewed under the same conditions. Currently this potential risk is associated with our PPAs in Guatemala and Honduras and with our assets in Spain under the Specific Remuneration scheme at the end of their regulatory operating life, which is set up between 2022 and 2037 (i.e. (i) 2022 for our San Bartolomé hydropower facility with 1.20 MW capacity (*versus* 2025 as the end of its operating life); (ii) 2025 for our Ciervas hydropower facility with 5.0 MW capacity (*versus* 2045 as the end of its operating life); (iii) 2027 for our Oulol wind facility with 18.0 MW capacity (*versus* 2025 as the end of its operating life); (iv) 2028 for our Lalin wind facility with 3.0 MW capacity (*versus* 2048 as the end of its operating life), our Peneda hydropower facility with 10.0 MW capacity (*versus* 2038 as the end of its operating life) and our Arnoya hydropower facility with 10.0 MW capacity (*versus* 2038 as the end of its operating life); (v) 2033 for our Landro hydropower facility with 9.2 MW capacity (*versus* 2048 as the end of its operating life) and our Xestosa hydropower facility with 2.9 MW capacity (*versus* 2058 as the end of its operating life); (vi) 2035 for our Llanos del Sur solar PV plant with 16.2 MW capacity (*versus* 2035 as the end of its operating life); (vii) 2037 for our Llanos de la Aldea and San Bartolomé wind farms with 20.0 MW and 9.2 MW capacity, respectively); and (viii) 2031 for our Las Fuentes II hydropower facility with 14.2 MW (*versus* 2061 as the end of its operating life).

We generate our remaining revenue selling electricity through merchant remuneration systems, therefore selling power generated from a power plant to the electricity market. As of the date of this Prospectus, the remaining 16% of our installed capacity was generated through projects under merchant remuneration, with an expected operating life for such assets until 2050 or 2051.

Tariffs or prices at which we supply power through merchant remuneration may have little or no relationship with the costs incurred in generating power, which may lead to fluctuations in our margins. Our assets operating under merchant remuneration (29% of our assets, representing, as mentioned above, a 16% of our installed capacity as of the date of this Prospectus), mostly those installed in the Canary Islands, are exposed to market price risk.

The profitability of our merchant power plants depends to a large extent on the sales price of the electricity produced. Electricity prices depend on a number of factors including, but not limited to, availability and costs of primary energy sources (including oil, coal, natural gas and uranium), the average of hydraulicity for the period and the development in cost, efficiency and equipment investment needed for other electricity producing technologies, including other renewable energy sources.

A decline in the costs of other sources of electricity, such as fossil fuels or nuclear power, could reduce the wholesale price of electricity. A significant amount of new electricity generation capacity becoming available could also reduce the wholesale price of electricity. Broader regulatory changes to the electricity production market (such as changes to integration of transmission allocation and changes to energy trading and transmission charging) could have an impact on electricity prices. A decline in the market price of electricity could materially adversely affect the financial attractiveness of new projects.

There cannot be assurance that market prices will remain at levels which enable us to maintain profit margins and desired rate of return for investment. Assuming all variables remain constant, and taking into account a particular foreign currency exchange rates differences, a change of 100 basis points in prices would have increased or decreased our energy sales by €316 thousand for the year ended December 31, 2020 (€290 thousand for the year ended December 31, 2019 and 2018). A decline in market prices below anticipated levels could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

Our business is subject to the risks generally associated with businesses that involve international operations, particularly in emerging markets, that could be subject to economic, social and political uncertainties

Our assets In Operation and Under Construction are located in various countries, such as Spain, Honduras, Guatemala and Dominican Republic. Additionally, we have identified projects classified under different stages of our Pipeline in Panama, Colombia, Chile, Nicaragua, Kenya, Georgia and Serbia. As of December 31, 2020, 66.4% of our consolidated revenues were generated from our projects located in Spain and the remaining 33.6% from projects outside Spain (specifically, 22.0% in Guatemala and 11.6% in Honduras). As for the geographical distribution of our assets In Operation, as of the date of this Prospectus, our 116 MW of total installed capacity attributable to our proportional equity interests in these projects are divided as follows: 97 MW in Spain, 11 MW in Guatemala and 8 MW in Honduras (141 MW attributable to the total installed capacity in these projects are split as 111 MW in Spain, 14 MW in Guatemala and 16 MW in Honduras). In respect of the geographical distribution of our assets Under Construction, as of the date of this Prospectus, our 142 MW attributable to the total installed capacity in these projects are split as 92 MW in Spain and 50 MW in Dominican Republic. Additionally, as of the geographical distribution of the projects under our Pipeline, (i.e. Backlog, Advanced Development and Early Stage), as of the date of this Prospectus, the targeted 1,527 MW of installed capacity, are split as 171 MW in Spain, 100 MW in Dominican Republic, 248 MW in Chile, 160 MW in Colombia, 162 MW in Kenya, 145 MW in Panama, 305 MW in Nicaragua, 146 MW in Georgia and 90 MW in Serbia.

Our business is therefore continually subject to the general global risks associated with an international business, and based on our expansion plan and the location of our projects under the Pipeline we expect a major exposure, including:

- fluctuations in local economic growth;
- high inflation;
- devaluation, depreciation, excessive valuation of local currencies, or translation accounting exposure (due to fluctuations in currency exchange rates);
- transportation delays;
- significant amendments to, or changes in, local regulations relevant to the power and infrastructure industry activities; and
- changes in tax laws and regulations and other general laws and regulations.

In addition, we are exposed to the risk of transactional exchange rate to the extent that we carry out transactions in currencies other than the functional currencies of the different subsidiaries of the Group. The main functional currency of the Group companies is the Euro. Nonetheless, there are certain subsidiaries that operate with currencies other than Euro, especially the U.S. Dollar, Quetzal and Lempira. For the year ended December 31, 2020, our net revenues generated in currencies other than the Euro amounted to €10,243 thousand (€8,101 thousand in Quetzals and €2,142 thousand in Lempiras).

Relating to our operations in emerging markets such as Kenya, Guatemala and Honduras, we may also be exposed to risks relating to:

- political instability;
- blackouts or temporary reductions in power or other public services;
- variations in codes of business conduct;
- changes in local employment conditions;
- nationalization and expropriation of private property;
- payment collection difficulties;
- unpredictability of enforcement of contractual provisions; and

- local restrictions on the repatriation of dividends or profits.

Our activities in emerging market countries therefore engage a number of risks that are more prevalent than in developed markets.

The geographic location of the assets under our Portfolio and projects under our Pipeline exposes us to risk of global economic conditions. The interplay between the foregoing global and local economic risks exposes us to increased uncertainties. The occurrence of one or more of these risks in a country or region in which we operate could impair our ability to successfully compete in our industry, which could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

Among those global economic conditions, it is worth mentioning those conditions that may result from the global pandemic crisis caused by the spread of COVID-19 and which has been referred to as “COVID-19”. In this respect, although the COVID-19 had not a material adverse effect in our business for the year ended December 31, 2020 and the renewable energy industry is expected to remain strong in the long term, the final magnitude of the impact of the COVID-19 pandemic on our business, growth strategy, results of operations, financial condition and prospects will depend on future and uncertain events, including the intensity and persistence over time of the consequences arising from the COVID-19 pandemic worldwide. We cannot assure you that our internal or external estimates, forecasts and judgements contained herein will occur, and they may abruptly change depending on the spread of the coronavirus. Moreover, our inability to reduce the impact of the foregoing could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

The sites in which we operate, including our power generation facilities, involve significant risks and hazards that could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects. We may not have adequate insurance to cover these risks and hazards and if we fail to maintain safe work environments, we can be exposed to significant financial losses, as well as civil and criminal liabilities

Power generation involves hazardous activities, including delivering electricity to transmission and distribution systems. In addition to natural risks such as earthquake (for example, in Guatemala, we operate in a seismic zone), flood, lightning, hurricane and wind, other hazards such as fire, structural collapse and machinery failure are inherent risks in our operations. These and other hazards can cause significant personal injury or loss of life, severe damage to and destruction of property, plant and equipment and contamination of, or damage to, the environment and suspension of operations.

The occurrence of any one of these events may result in our being named as a defendant in lawsuits asserting claims for substantial damages, including for environmental cleanup costs, personal injury and property damage, and fines and/or penalties. We maintain an amount of insurance protection, contracted with insurers of recognised solvency, that we consider adequate and in line with industry practice, but we cannot provide any assurance that our insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which we may be subject (for further details see section “*Business—Insurance*”). Furthermore, our insurance coverage is subject to deductibles, caps, exclusions and other limitations. As of December 31, 2020, our insurance expenses totaled €578 thousand. A loss for which we are not fully insured could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects. Further, due to rising insurance costs and changes in the insurance markets, we cannot provide any assurance that our insurance coverage will continue to be available at all, or at rates or on terms similar to those presently available. Any losses not covered by insurance could impair our ability to successfully compete in our industry, which could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

Further, the projects we undertake often put our employees and others in close proximity to large pieces of mechanized equipment, moving vehicles, manufacturing or industrial processes and also hazardous and other highly regulated materials, which, if improperly handled or disposed of, could subject us to civil and criminal liabilities. On most projects, we are responsible for safety, being subject to regulations dealing with occupational health and safety. For this reason, we maintain personnel whose primary purpose is to ensure we implement effective health, safety, and environmental work procedures throughout our organization (including construction sites and maintenance sites). If we fail to comply with such regulations or to implement such procedures (or if the procedures implemented are ineffective) our employees and others may be seriously or fatally injured, which could subject us to liability. Additionally, unsafe work sites also have the potential to increase employee turnover, the cost of a project to our customers or the cost of operation of a facility, raising our operating costs, which, together with the abovementioned, could result in financial losses, which may materially adversely affect our business, growth strategy, results of operations, financial condition and prospects or affect our reputation.

We depend on a limited number of suppliers for materials and components and various third-party contractors to construct, operate and maintain our projects

If we are not able to obtain the necessary materials and components for our projects that meet our quality, quantity and cost standards on time, our capacity to construct or develop a project could be interrupted and our production costs could be increased. As a result, we are exposed to third-party risk with respect to suppliers and/or contractors who may be engaged to construct, operate or maintain our projects. In the case of suppliers, we may, for example, not be able to identify new suppliers or approve their products for use in our projects in a timely manner and on commercially reasonable terms. It is part of our culture to maintain lasting relationships with the same suppliers (e.g. Voith regarding hydropower facilities, Enercon regarding wind farms and Longi regarding solar PV plants). Therefore, this strategy may result in the future in a risk of supplier concentration regarding wind turbines and solar PV modules if we are not able to select other suppliers with equivalent technical expertise. Regarding the operation and maintenance of some of the components of our wind farms entering into operation in 2020 and 2021, the majority of our wind turbines are to be maintained by the same supplier (Enercon); thus, as of December 31, 2021, 75% of the O&M services regarding our wind turbines are expected to be rendered by Enercon. Besides, as of December 31, 2021, 100% of our solar panels are expected to be supplied by Longi.

All our facilities are subject to unexpected upgrading and improvement. Any unexpected operational or mechanical failure, including failure associated with breakdowns and forced outages, and any decreased operational or management performance, could reduce our facilities' generating capacity below expected levels and reduce our revenues as a result of generating and selling less power. Degradation of the performance of our facilities may also reduce our revenues. Unanticipated capital expenditures associated with maintaining, upgrading or repairing our facilities may also reduce profitability.

Furthermore, even well-maintained high-quality renewable power plants may from time to time experience technical problems or breakdowns as a result of various factors including erroneous installation or malfunction of components, which may require extensive repair projects. Depending on the component that fails and the design of the plant parts, production capacity may be impacted. For example, the wind turbines in certain of our wind assets suffered some technical defaults affecting their continuing generation capacity and we had to repair and, in certain cases, to replace them by other turbines. This is the case, for example, of the Ourol wind farm in which certain components of the turbine (gearboxes) had to be replaced by new components in 2014. Since then, we have replaced two gearboxes with the same type of turbines with a total cost of approximately €75,000 and repaired another eleven gearboxes with a total cost of around €45,000. There is a risk that if the appropriate spare parts are not readily available, production may be delayed. Materials and components from new suppliers may also be less suitable for our technology and result in lower efficiency that may materially adversely affect our business, growth strategy, results of operations, financial condition and prospects.

Additionally, changes in technology or disruptive technology outbreaks in the industry in which we operate, may require us to make additional capital expenditures to upgrade our facilities. The development and implementation of such technology entails technical and business risks and significant costs of employee implementation. These factors could impair our ability to successfully compete in our industry, which could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

We operate in a highly volatile industry; the renewable energy industry is characterized by intense competition, a regulated environment and trade barriers

We face intense competition in most of the markets in which we are present. We have in the past been able to enter new markets before other peers and then been able to complete the execution of our projects with good margins, *inter alia* in the Canary Islands or Guatemala. Due to increasing competition, we may not be able to develop projects with similar margins. We compete against various groups and companies in the hydropower, wind or solar PV sector, including large groups that may possess greater financial resources, technical capabilities or local awareness than we do, or may require a lower return on their investments and be able to present better technical or economic bids. For example, in 2019, pursuant to the data published by the CNMC¹ regarding generation quotas for non-large hydropower facilities: Iberdrola had a quota around 5%, Naturgy 10% and Acciona around 10%. For the wind technology such quotas were: Iberdrola 22%, Endesa 8%, EDP 10% and Acciona around 20%. This competition could intensify because of new companies, and private equity investors, entering the market as well as the consolidation of the industries in which we operate.

¹ https://www.cnmc.es/sites/default/files/3073098_0.pdf.

Our ability to successfully compete in these markets depends on our ability to foresee and react to various factors that affect competition in the industry, including those resulting from economic conditions. These factors include the identification of competitors as well as their strategies and their ability to conduct business, prevailing market conditions at a given time, rules applicable to new market participants and us and the efficacy of our efforts to prepare for and confront competition. If we are not able to react to changes in the factors that affect competition in our industries, we may be unable to be awarded in tenders for projects or may be forced to develop projects under less favorable financial conditions than in the past to be still competitive in such tender process.

We are exposed to challenges due to rapid changes coming from technological innovations, industry standards, regulations, customer requirements and the economic environment. New technology or changes in industry and customer requirements may render existing products or services obsolete, excessively costly or otherwise unmarketable. As a result, we must continuously enhance the efficiency and reliability of our project developments and existing services and seek to adopt new industry procedures and technologies in order to remain at the forefront of industry standards and customer requirements.

As our competitors grow in scale, they may establish in-house EPC, O&M capabilities, which may offset any current advantage we may have over them being a vertically-integrated player. Moreover, suppliers or contractors may merge with our competitors, which may limit our choices of suppliers or contractors and hence the flexibility of our overall project execution capabilities. As the renewable energy industry grows and evolves, we will also face new competitors who are not currently in the market. There can be no assurance that our current or potential competitors will not win bids for hydropower, wind or solar PV projects or offer services comparable or superior to those that we offer at the same or lower prices or adapt to market demand more quickly than we do. Increased competition may result in price reductions, reduced profit margins and profitability and loss of market share.

In addition, we face competition from developers of other renewable energy facilities, including solar thermal or biomass. If these renewable sources become more efficient from a financial perspective, our business, growth strategy, results of operations, financial condition and prospects could be adversely affected. Competition from such producers may increase if the technology used to generate electricity from these other renewable energy sources becomes more sophisticated. As we also compete with utilities generating power from conventional fossil fuels, a reduction in the price of coal, natural gas or diesel would make the development of hydropower, wind or solar PV assets less economically attractive and we would be at a competitive disadvantage.

We believe that our key competitors are mainly companies classified as (i) independent renewable energy producers (IPPs), such as ourselves; (ii) large vertically integrated groups of electric power or utilities, positioned in all subsectors; and (iii) investment funds that have invested large amount of funds within the sector in both assets under development and under operation increasing the competition in the renewables sector, reducing opportunities and then affecting the profitability of the projects. For further details on our main competitors, see section “*Business–Competition*”.

Any of the foregoing factors could impair our ability to successfully compete in our industry, which could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

In some circumstances, we operate through strategic partnerships, including joint ventures, and are exposed to risks associated with such partnerships

We have made investments in certain strategic development projects with third parties in order to take advantage of certain business opportunities and make current and future projects viable. For example, as of December 31, 2020, our assets In Operation representing 57% of our total installed capacity were owned under joint ventures with third parties. As of the date of this Prospectus, out of a total installed capacity In Operation of 141 MW, 116 MW are attributable to our equity interest in such projects, out of a total capacity Under Construction of 142 MW, 142 MW are attributable to our equity interest in such projects and out of a total targeted installed capacity of our Pipeline of 1,527 MW, 1,421 MW are attributable to our equity interest in such projects. This represents that out of a total targeted installed capacity of 1,821 MW, 93% of such targeted installed capacity is expected to be attributable to our equity interest in such projects. See “*Business – Activities along the value chain*” for further details on the equity interests owned by us in each project. Our partners may be unable, or unwilling, to fulfill their obligations under the relevant consortium or joint venture agreement or may experience financial or other difficulties that may adversely impact our investment in a particular consortium or joint venture. Our partners may also have different strategies or priorities in executing projects than we do, and as a result their interests may not be aligned with your or our interests. If a partner does not fulfill its obligations, we may be subject to unexpected costs, project delays or other losses.

Furthermore, as our activities are in many circumstances conducted through joint ventures, associated companies and/or companies where we are not the sole shareholder, our ability to receive dividends and other payments from such companies depends not only upon such companies' cash flows and profits, but also upon the terms of agreements with the shareholders of such companies and subject to the approval of the majority shareholders. Conflict or disagreement with such shareholders may lead to deadlock and result in our inability to pursue our desired strategy and/or force us to exit from such companies. Also, as we are not the sole shareholder in such companies, this may restrict our freedom to carry out its business. For example, in the company Llanos del Sur, S.A. we hold a stake of 50% without any particular protections either by contract or contained in its Bylaws. Additionally, in our companies Drago Renovables, S.L., Mocan Renovables, S.L. and Energías del Ocosito, S.A. there are shareholders with a minority stake of 25% in each of them and in Hidroeléctrica de Ourol, S.L. there is a shareholder with a minority stake of 30%. For more information on the minority interests that represent 25% or more of the share capital, see section "*Additional Information*".

In certain of our consortium and joint ventures, we may also be reliant on the particular expertise of our partners and, as a result, any failure to perform their obligations in a diligent manner could adversely impact the consortium or joint venture. As part of our international growth strategy, we may execute joint venture agreements with local companies whose experience, knowledge and history in the given market where we wish to develop is greater than our own. Notwithstanding our internal control protocols for the search and selection of appropriate partners, we cannot guarantee that the partners chosen for these joint venture agreements will be the most appropriate or qualified for the market in question. In the event that any of these partners turn out to be inadequate, our consortia and joint ventures may not be successful. Moreover, in pursuing future business opportunities through strategic partnerships, we may not be able to form new consortium and joint ventures on satisfactory terms, if at all, which could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

The generation of electricity from natural sources depends heavily on suitable meteorological conditions. If these natural conditions are unfavorable, our electricity generation, and therefore revenue from our projects, may be substantially below our expectations

The electricity produced and revenues generated by our renewable projects are highly dependent on suitable water resources available, wind and solar conditions and associated weather conditions, which are beyond our control. Furthermore, components of our projects, such as hydropower turbines or generators, wind turbines and solar panels and inverters could be damaged by severe weather, such as, for example, hailstorms, tornadoes, lightning strikes, earthquakes or floods. Although we have a diversified Portfolio by technology, unfavorable weather and atmospheric conditions could impair the effectiveness of our assets or reduce their output beneath their rated capacity or require shutdown of key equipment, impeding operation of our hydro, wind and solar assets. Sustained unfavorable weather could also unexpectedly delay the installation of renewable energy systems, which could result in a delay in us deploying new projects or reduce the competitiveness of such projects.

Unfavorable meteorological conditions, such as the ones described in the previous paragraph, could also impair our ability to achieve certain performance guarantees pursuant to our PPAs, the minimum equivalent hours under regulated remuneration as well as forecasted revenues and cash flows. Renewable project investment decisions are generally based on performance forecasts that are inherently subject to uncertainties that can result in lower than projected production levels and power generation revenues.

We base our investment decisions with respect to each renewable project on the findings of related hydric resources, solar and wind studies conducted on-site prior to construction. However, actual climatic conditions and potential future adverse changes at a project site may not conform to the findings of these studies and therefore our facilities may not meet anticipated production levels, which could impair our ability to successfully compete in our industry and which could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects. We may not be successful in future public or private bids if we underestimate production levels.

Furthermore, risks from earthquakes (for example, in our plant in Guatemala due to the natural characteristics of the area) as well as climate change, including but not limited to, increased runoff and earlier spring peak discharge in many glacier and snow fed rivers, warming of lakes and rivers, an increase in sea level, changes and variability in precipitation or sun exposure and in the intensity and frequency of extreme weather events, may affect our facilities or operations or those of our customers. Physical impacts resulting from earthquakes or climate change effects may have the potential to significantly affect our business and operations. For example, extreme weather events could result in increased downtime and operation and maintenance costs at our renewable power plants. Variations in weather conditions, primarily temperature and humidity, also would be expected to affect the energy needs of customers. A decrease in energy consumption could impair our ability to successfully compete in our

industry, which could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

We may be unable to acquire or maintain the performance guarantees, sureties and bonds necessary to complete our ongoing projects or to obtain new contracts

In the ordinary course of our business and, in particular, in order to participate in competitive tenders, start the development of a renewable proceeding or to enter into off-take arrangements, specifically in Spain, we may be required to provide with bank guarantees and insurance bonds (including bid, advance payment, performance or guarantee bonds). Our ability to secure such guarantees and bonds from banks and insurance companies depends on such institutions' assessment of our overall financial condition and, in particular, the financial condition of the project company concerned, the risks of the project, whether we are entering a new jurisdiction that requires us to secure an interregional credit arrangement, and the experience and competitive positioning that we have in the sector in which we operate. If we are unable to secure new guarantees and bonds or if we renegotiate existing guarantees and bonds on less favorable economic terms, our ability to carry out new projects could be impaired or become significantly more costly, which could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

As of December 31, 2020, we had outstanding commercial guarantees and bonds in the aggregate amount of €22,338 thousand, which are off-balance sheet items. For further details, see section "*Operating and Financial Review—Off-Balance Sheet Arrangements*". In the event of cancellation, expiration or non-renewal of guarantees and bonds relating to on-going projects or if we are unable to obtain new guarantees and bonds, we may be unable to meet the terms and conditions of such ongoing contract, thereby losing the contract and adversely impacting our business, growth strategy, results of operations, financial condition and prospects. These guarantees and bonds are typically issued on a "first demand basis" and, therefore, may be paid on demand without conditions, without prejudice to the possibility of recourse in the event of willful misconduct, or fraud. If called upon, we would be required to reimburse the entity issuing the performance bond immediately or risk default under the relevant agreement.

Notwithstanding the above, although as of the date of this Prospectus none of our guarantees or surety certificates have been executed, we cannot rule out that any of them may be executed in the future which would involve a corresponding increase in our outstanding indebtedness (see section "*Risk factors—We have substantial indebtedness and may incur substantial additional indebtedness in the future*"). Our inability to fulfil our contractual obligations could lead to the enforcement of such guarantees and bonds, which would also affect our ability to obtain new guarantees or bonds or to renew the existing ones, which could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

Legal and Regulatory Risks

We operate in a highly regulated sector and are exposed to regulatory changes across the multiple jurisdictions in which we operate

We operate in a highly regulated sector and are subject to numerous laws and regulations in each of the countries and segments in which we operate. We operate our activities in a range of international jurisdictions, including emerging markets and markets with political uncertainties. We are unable to predict future changes to any of the laws or regulations applicable to our business or to their interpretation. For example, among key regulations to which we are subject in the jurisdictions in which we have assets In Operation and Under Construction (i.e. Spain, Guatemala, Honduras and Dominican Republic) are: in Spain, the Act 24/2013, of December 26, 2013, on the Electricity Sector (the "**2013 Electricity Act**"), Royal Decree-Law 9/2013 which establishes the remuneration principles to be applied to existing renewable energy facilities; in Honduras, the General Law of the Electricity Industry ("**LGIE**") approved by Decree 404-2013, in Guatemala, the General Electricity Law ("**GEL**"), and in Dominican Republic the Law No. 57-07 on Development Incentive of Renewable Energy Sources and its Special Regime. For further details, see section "*Regulation*". These regulations relate to the construction of power plants (including obtaining building permits and other administrative authorizations), the operation of plants, protection of the environment, including laws and regulations regarding protection of the landscape and noise pollution. These regulations across multiple jurisdictions (including also jurisdictions where we are analyzing or developing our Pipeline such as Chile, Kenya, Panama, Colombia, Georgia, Nicaragua and Serbia) significantly affects the manner in which we carry out our business, including our expansion plan.

The regulatory framework for electrical power production from renewable resources varies from country to country and is subject to changes that are difficult to foresee. Therefore, certain amendments in applicable energy laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance

costs or the need for additional capital expenditures or may have a negative effect on us. In the event that more restrictive or unfavorable laws or regulations, including more burdensome requirements applying to existing assets such as additional mandatory control procedures, or moratoria on the development of certain sites or certain technologies, are adopted in any of the countries in which we operate, such new requirements may give rise to increased investments and production costs, may slow business development and may have an adverse effect on our business, growth strategy, results of operations, financial condition and prospects. For example, the moratorium approved by the Spanish Government in 2012 by virtue of Royal Decree-Law 1/2012, temporarily suspending the development of new renewable facilities, affected negatively our capacity to develop new projects in Spain until 2016.

Furthermore, national and local laws and regulations in the renewable energy sector are often complex and fragmentary, and their application and interpretation by the relevant authorities is sometimes unpredictable and inconsistent. We may therefore be subject to claims or proceedings and regulatory enforcement actions raised by a legal or regulatory authority in the ordinary course of our business or otherwise. Such proceedings may include, in some cases, inspection proceedings, for example, in respect to the compliance of our assets with environmental regulations and the conditions of our authorizations as well as in respect of compliance with the sectorial regulations. The results of legal and regulatory proceedings, and any applicable fines or sanctions if any violations were detected as a result of such proceedings, cannot be predicted with certainty.

Moreover, the difficulty to anticipate and respond appropriately to changes in law or regulatory schemes in jurisdictions where we operate could adversely affect our business, including, but not limited to:

- (i) changes in law regarding the determination, definition or classification of costs to be included as reimbursable or pass-through costs to be included in the rates we charge our customers, including but not limited to costs incurred to upgrade our hydropower facilities, wind farms or solar PV plants to comply with more stringent environmental regulations;
- (ii) changes in regulations regarding the determination of what is a reasonable rate of return on invested capital, standard costs or other remuneration parameters, or a determination that a utility's operating income or the rates it charges customers is too high, resulting in a reduction of rates or consumer rebates. For example, in Spain, changes in the wholesale electricity pool market price and its settlement may have a negative impact on our business;
- (iii) adverse changes in tax law;
- (iv) changes in the definition of events which may or may not qualify as changes in economic equilibrium;
- (v) changes in import tariffs of the main equipment used in hydropower, wind or solar PV assets and sourced from specific countries, such as PV modules, inverters, wind turbines as is the case in Europe, which would increase the investments costs of our future projects; and
- (vi) other changes related to licensing or permitting which increase our capital or operating costs or otherwise affect our ability to conduct business.

Any of the above events may result in lower margins for the affected businesses, which can adversely affect our results of operations.

For example, if tariff deficit appears again in the Spanish electricity system and exceeds certain thresholds (See section "*Regulation – Spain*") (and it cannot be compensated with previous surplus or via the national budget), the Spanish government shall increase the access tolls and could decide to revise the remuneration parameters applicable to renewable energy facilities and other regulated assets as a way to reduce the impact of raising access tolls to electricity consumers in the country. For further details on the tariff deficit regime in the Spanish electricity system, see section "*Regulation – Spain*".

Any of the foregoing risks could impair our ability to successfully compete in our industry, which could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

Additionally, we are subject to environmental, health and safety laws and regulations, as well as the conditional requirements imposed by independent government agencies as part of their project financing. We are also required to obtain and maintain environmental permits, licenses and approvals for the operation of our facilities, construction of new facilities or the installation and operation of new equipment required for our businesses. Permits, licenses and approvals are generally subject to periodic renewal and challenge from third parties.

Government environmental agencies, and in some jurisdictions environmental advocacy groups and/or other private parties, could take enforcement actions against us for any failure to comply with applicable laws and regulations or environmental permits. Such enforcement actions could include, among other things, the imposition of fines, liabilities or capital improvements, revocation of licenses, suspension of operations or imposition of criminal liability for non-compliance and any of the foregoing environmental issues could result in the dismantling of our plants. Environmental laws and regulations can also impose joint, several and strict liability for the environmental remediation of releases and discharges of hazardous materials and wastes (as designated in the relevant legislation) at our currently and formerly owned, leased and operated sites and at third-party sites to which we have sent waste, and could require us to incur significant costs to investigate or remediate resulting contamination or to indemnify or reimburse third parties for the same. The costs to comply with environmental, health and safety laws, regulations and requirements and any related liabilities may not be recoverable from our counterparties or customers and may consequently divert funds away from planned investments in a manner that could adversely affect our business, growth strategy, results of operations, financial condition and prospects.

Finally, doing business on a worldwide basis requires us to comply with the laws and regulations of various jurisdictions (including, without limitation, Spain, Honduras and Guatemala in which we have assets In Operation and other jurisdictions where we are working to expand our operations in the future, such as Chile, Kenya, Panama, Colombia, Georgia, Nicaragua and Serbia, jurisdictions where we have projects within our Pipeline. As we intensify our continued expansion and operations in various international geographies, including in developing countries, the implementation of joint venture relationships worldwide and the employment by us of local agents in such jurisdictions, the potential compliance risk with respect to anti-bribery and anti-corruption laws and sanctions regulations is increased.

However, there can be no assurance that any policies and procedures established by us will allow us to effectively detect and prevent all violations of the applicable laws and regulations in every jurisdiction in which one or more of our employees, consultants, agents, commercial partners, contractors, sub-contractors or joint venture partners are located. As a result, we could be subject to penalties and reputational damage if our employees, agents, suppliers or business partners take actions in violation of the compliance systems as well as violate any anti-corruption or anti-bribery laws, which may also lead to other consequences such as civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licenses, as well as possible criminal fines and imprisonment. All of the above could materially and adversely affect our business, prospects, financial conditions, results of operations and/or cash flows. As of date of this Prospectus, we have not been subject of any anti-bribery or anti-corruption sanction.

We are in the process of creating an internal control unit and approving a risk control and management policy

According to the Code of Good Corporate Governance approved by the board of the CNMV on February 18, 2015, as amended in June 2020, it is recommended that listed companies have a specific internal control unit in charge of, amongst others, ensuring that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified. As of the date of this Prospectus, we do not have yet in place such internal control unit, but we undertake to have it in place before September 30, 2021, in accordance with Recommendation 45 and 46 of the Code of Good Corporate Governance.

We also intend to adopt policies and develop procedures and systems to implement the best practices in the market to control the Group's financial information, taking into account the recommendations and procedures regarding control of financial information set by the CNMV (*Sistema de Control Interno de Información Financiera or SCIIF*). These policies and systems of internal control have not been approved yet and therefore we are not in compliance with the related corporate governance recommendations, see "*Corporate Governance*". We expect to approve these policies by September 30, 2021.

Risks Relating to the Offering and the Shares

Following the Offering, our majority shareholder will continue to be able to exercise significant influence over us, our management and our operations, and its interests may not be aligned with the interests of our other shareholders

Once the Offering is completed, Mr. Luis Valdivia, as the sole shareholder of Ecoener, S.L.U., the sole shareholder of the Company (the "**Pre-Offering Sole Shareholder**"), will directly or indirectly hold up to, in the less dilutive scenario for the Pre-Offering Sole Shareholder, approximately 61.47% of our issued share capital (assuming that the Initial Offer Shares are sold in full at the upper end price of the Offering Price Range and the Over-allotment Option is not exercised) or approximately 59.19% (assuming that the Initial Offer Shares are sold in full at the

upper end price of the Offering Price Range and the Over-allotment Option is exercised in full) (the “**Majority Shareholder**”). As a result, our Majority Shareholder will continue to be in a position to effectively control, directly or indirectly, matters requiring shareholders’ approval, including, among other significant corporate actions, the appointment and dismissal of the members of our Board of Directors, the payment of dividends, changes in our issued share capital, the adoption of amendments to our bylaws, the execution of mergers or other business combinations and the acquisition or disposal of substantial assets (see section “*Description, Evolution and Functioning of our Share Capital – Shareholders’ Meetings and Voting Rights*”). Our Majority Shareholder will therefore have the ability to, among other things, strongly influence and modify, directly or indirectly, our legal and capital structure, our management, and our business and day-to-day operations. We cannot assure you that the interests of our Majority Shareholder will be aligned with the interests of purchasers of the Shares.

Additionally, our Green Project Bond, our non-recourse project finance in Honduras and our financing structure in the Canary Islands, include “change of control” provisions. For instance, under the provisions of the Green Project Bond, if a direct or indirect change of control at the Company level occurs, bondholders may exercise the Change of Control Put Option (as defined in section “*Material Contracts—Green Project Bond*”) to require the Bond Issuer to redeem or, at the option of the Bond Issuer, purchase or procure the purchase of all or part of its Senior Bond. Additionally, under our non-recourse project finance in Honduras, if a change of control occurs at the level of Llanos del Sur Fotovoltaica, S.A., Banco Atlántida would be entitled to accelerate the facility if it considers that such change of control could impact the conduct of the business activity, and the debt repayment under the facility. Finally, under the provisions of the financing structure in the Canary Islands, in the event of a change of control at Ecoener Inversiones or the Canary Islands SPVs level, the Investors (as these terms are defined in section “*Business – Activities along the value chain*” and in “*Material Contracts*”) may require Ecoener Inversiones to repay the full outstanding debt, together with the ordinary and default interest. In light of such provisions, we have requested such prior consent from the Investors. As of the date of this Prospectus, we have gathered the formal authorization of Investors who in aggregate hold €11,525 thousand, representing 91% of the total outstanding balance of the Loans, Investors who in aggregate hold €900 thousand, representing 6% of the total outstanding balance stated that a prior authorization is not required in this case, and the remaining Investors (who in aggregate hold €225 thousand, representing around 2% of the total outstanding balance) have not formally replied nor opposed to the potential change of control. As of the date of this Prospectus, given the outstanding authorizations to be formally received, in case any investor who has not answered to us on time, considered that its prior authorization is required and was to enforce the repayment under the Loan, the maximum aggregate amount that we will have to repay would be €225 thousand.

While the intention of our Pre-Offering Sole Shareholder is to maintain its post-Offering stake, whether directly or indirectly, in our share capital, and not to alter its interest in a way that might trigger a “change of control”, we do not have a right to require our Pre-Offering Sole Shareholder to do so and any action carried out by our Pre-Offering Sole Shareholder which triggers a “change of control”, unless cured by us or a waiver thereof is obtained, could give rise to an event of default or an optional early redemption, and an acceleration of the related indebtedness. We can provide no assurance that we would have the necessary funds on hand to repay any acceleration of this indebtedness, or be able to refinance any acceleration of this indebtedness, if it were to become due and payable as a result of a “change of control” or otherwise. As a result, any such acceleration would likely have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects and liquidity, and could affect our ability to continue as a going concern.

Furthermore, our Pre-Offering Sole Shareholder’s significant ownership may delay or deter a change of control of our Company (including deterring a third-party from making a takeover offer for our Company), depriving our shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company, and affect the liquidity of the Shares, each of which could have a material adverse effect on the market price of the Shares.

Trading risks and other external factors may affect our Shares

Currently there is no public trading market for our ordinary shares prior to the Offering, and Admission should not be taken as implying that there will be a liquid market for the Shares. Our Pre-Offering Sole Shareholder will maintain a significant stake in our share capital following Admission, therefore reducing the number of Shares publicly traded and potentially hindering the creation of a liquid market of the Shares. There can be no assurance that an active trading market will develop or, if one does develop, that it will be maintained. The failure of an active trading market to develop may affect the liquidity of the Shares. Our ordinary shares may therefore be difficult to sell compared to the shares of companies with more liquid trading markets and the share price may be subject to greater fluctuation than might otherwise be the case.

Following the Offering, the price of our ordinary shares may not always accurately reflect the underlying value of our business. The price and value of our ordinary shares may decrease as well as increase, and investors may

realize less than the original sum invested. The value of our ordinary shares may, in addition to being affected by our actual or forecast operating results, fluctuate significantly as a result of a large number of factors, some which are specific to our operations and some, such as those which may affect renewable energy companies, which are outside our control.

There can be no assurance that we will be able to pay dividends in the future and we do not anticipate paying any dividends for the three years following the Offering

Our ability to pay any future dividends and their amount depend on, among other factors, our future business performance, the income from our subsidiaries, achieving sufficient distributable profits, our working capital requirements, compliance with certain covenants included in our debt and financing agreements, our planned investments and any applicable legal restrictions. In particular, there are specific distributions limitations under the Green Project Bond, related to compliance with financial covenants. For further details see section “*Material Contracts – Green Project Bond*”.

Additionally, we are prohibited by law from distributing dividends until the balance of our legal reserve is equivalent to at least 20% of our issued share capital. As of the date of this Prospectus, the legal reserve amounts to €2,560 thousand, which is equivalent to 20% of our share capital as of the date of this Prospectus. We also might not pay dividends if our Directors believe this may result in any Group company being inadequately capitalized or if, for any other reason, our Directors conclude it would not be in our best interests. In particular, in the near term, we intend to devote our generated cash flows to continue growing our business and executing our business plan, including capital expenditures at various assets and projects. We do not anticipate paying any cash dividends on the Shares for the three years following the Offering. After the third anniversary of the Offering, we will reassess our dividend policy and the payment of future cash dividends, based on our business prospects and financial performance. The amount of future dividends we decide to pay, if any, and our future dividend policy will depend on a number of factors, including, but not limited to, our earnings, financial condition, debt service obligations, cash requirements (including capital expenditure and investment plans), prospects, market conditions and such other factors as may be deemed relevant at the time. For further details see section “*Dividend Policy*”.

Furthermore, our ability to pay dividends may be subject to certain limitations, including provisions contained in the agreements governing our indebtedness that could restrict the ability to distribute dividends or make any other payment or distribution to shareholders and thus our ability to pay dividends on our Shares. In particular, in many cases we obtain project-level financing for our subsidiaries which includes DSRAs or MRAs (as these terms are defined in section “*Capitalization and Indebtedness*”). The covenants in the project financing arrangements of our subsidiaries typically restrict the ability of our project subsidiaries to distribute funds to us unless specific financial thresholds are satisfied on specified dates. Without access to funds from our projects, we may lack the liquidity to pay dividends on the Shares.

Shareholders in certain jurisdictions other than Spain may not be able to exercise their pre-emptive rights

Under Spanish corporate law and our bylaws, holders of our Shares generally have the right to subscribe and pay for a sufficient number of Shares to maintain their relative ownership percentages and avoid the dilution of their stakes prior to the issuance of any new Shares in exchange for cash consideration or the issuance of convertible securities, unless such right is explicitly excluded under special circumstances by a resolution passed by the General Shareholders’ Meeting or by our Board of Directors with the prior delegation of the General Shareholders’ Meeting, in accordance with Royal Decree 1/2010, of July 2, approving the reinstated text of the Spanish Companies Act (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*), as amended (the “**Spanish Companies Act**”).

Shareholders in certain jurisdictions other than Spain may not be able to exercise pre-emptive rights, even if the right is not excluded and therefore is exercisable, unless applicable securities laws have been complied with in such jurisdictions with respect to such rights and the related Shares, or an exemption from the requirements of the securities laws of these jurisdictions is available, although the option provided under applicable European regulations to passport a prospectus into other member states of the EEA may facilitate the exercise of such rights for residents in the EEA. We may determine it is not in our best interest to comply with such formalities, and there can be no assurance that such exemptions will be available. Any affected shareholder may lose its pre-emptive rights and as a result, the proportionate interest of such shareholder in our capital may be diluted. In particular, holders of our Shares resident in the United States may not be able to exercise any future pre-emptive rights in respect of our Shares they hold unless a registration statement under the U.S. Securities Act of 1933, as amended (the “**Act**” or the “**U.S. Securities Act**”) is effective or an exemption from the registration requirements is available. We have no intention to file any such registration statement and there can be no assurance that any exemption

from such registration requirements would be available to allow for the exercise of the pre-emptive rights of U.S. holders or that we would utilize an exemption if one were available.

The issue of additional Shares or other equity or equity-linked securities may dilute the ownership interest of shareholders

In the future, we may seek to raise additional funds from further equity or debt financings, including sales of preferred shares or convertible debt, which would (if made on a non-pre-emptive basis or, if made on a pre-emptive basis, where shareholders elect not to take up their pre-emptive rights) result in the dilution of the ownership interests of purchasers of our Shares in the Offering. We cannot predict the size of future issuances of shares or the effect, if any, that future issuances and sales of shares would have on their market price. As of the date of this Prospectus, apart from the delegation approved by our Pre-Offering Sole Shareholder, exercising the powers and faculties of the General Shareholders' Meeting, in favor of our Board of Directors to carry out the Offering, no other delegation has been granted to the Board of Directors to carry out capital increases in the following five years.

We may be classified as a passive foreign investment company ("PFIC"), which could result in adverse U.S. federal income tax consequences to U.S. Holders of Shares

A non-U.S. corporation will be classified as a passive foreign investment company (a "PFIC") for any taxable year if either: (a) at least 75% of its gross income is "passive income" for purposes of the PFIC rules or (b) at least 50% of the value of its assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. For this purpose, passive income generally includes net gains from the sale of commodities, subject to certain exceptions. Based on our historic and anticipated operations, composition of income and assets and the expected price of the Shares in the Offering, we do not expect that we will be classified as a PFIC for the current taxable year or for the foreseeable future. However, the determination of whether we are a PFIC is a factual determination that is made annually, after the close of the relevant taxable year. Therefore, it is possible that we could be classified as a PFIC for the current taxable year or in future years due to changes in our methods of operation or in the composition of our assets or income, as well as changes in our market capitalization. In particular, fluctuations in the market price of our Shares may cause us to become a PFIC for the current or future taxable years because the aggregate value of our assets for purposes of the asset test, including the value of our goodwill and unbooked intangibles, generally will be determined by reference to the market price of the Shares from time to time (which may be volatile). Following the Offering, we will have a substantial balance of cash and other liquid investments, which are passive assets for purposes of the PFIC determination, and the composition of our income and assets will be affected by how, and how quickly, we use our liquid assets and the cash raised in any future equity offering. Accordingly, if our market capitalization declines significantly, it may make our classification as a PFIC more likely for the current or future taxable years. Moreover, the application of the PFIC rules is unclear in certain respects, including if or to what extent our and our subsidiaries' gross income from energy sales would meet an exception from passive income treatment. The U.S. Internal Revenue Service or a court may disagree with our determinations with respect to our PFIC status for any taxable year, including the manner in which we determine the value of our assets and the percentage of our assets that are passive assets under the PFIC rules. Therefore, there can be no assurance that we will not be classified as a PFIC for the current taxable year or for any future taxable year. If we were a PFIC for any taxable year during which a U.S. Holder (as defined in section "Taxation—Certain U.S. federal income tax considerations") holds our Shares, certain adverse U.S. federal income tax consequences could apply to such U.S. Holder. See section "Taxation—Certain U.S. federal income tax considerations—Passive foreign investment company".

DECLARATION OF RESPONSIBILITY AND COMPETENT AUTHORITY

Declaration of Responsibility

Mr. Luis Valdivia Castro, acting in our name and on our behalf, in his capacity as our Chief Executive Officer (*Consejero Delegado*) and acting under a special power of attorney granted by the Board of Directors, accepts responsibility for the information contained in this Prospectus. Having taken all reasonable care to ensure that such is the case, to the best of his knowledge, the information contained in this Prospectus is, as of the date of this Prospectus, in accordance with the facts and contains no omissions likely to affect its content.

For the avoidance of doubt, none of Société Générale as sole global coordinator and bookrunner (the “**Sole Global Coordinator and Joint Bookrunner**”), Banco de Sabadell, S.A. (“**Sabadell**”), Caixabank, S.A. (“**Caixabank**”), Crédit Agricole Corporate and Investment Bank (“**CACIB**”), HSBC Continental Europe as joint bookrunners (“**HSBC**” and, together with the Sole Global Coordinator and Joint Bookrunner, Sabadell, Caixabank and CACIB, the “**Joint Bookrunners**”) and Banco Cooperativo Español, S.A. as lead manager (“**Banco Cooperativo Español**” and, together with the Joint Bookrunners, the “**Underwriters**”), or their respective affiliates (or any entity through which the Underwriters may offer and sell the Shares) makes any representation or warranty, express or implied, or accepts any responsibility whatsoever, with respect to the content of this Prospectus, including the accuracy, completeness or verification of any of the information in this Prospectus, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect whether as to the past or the future. Each of the Underwriters accordingly disclaims, to the fullest extent permitted by applicable law, all and any liability whether arising in tort or contract or otherwise which they might otherwise have in respect of this Prospectus or any information contained herein. This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of us or the Underwriters (or any of their respective affiliates or any entity through which the Underwriters may offer and sell the Shares) that any recipient of this Prospectus should subscribe for or purchase the Offer Shares. Each subscriber or purchaser of Offer Shares should determine for itself the relevance of the information contained in this Prospectus, and its subscription or purchase of Offer Shares should be based upon such investigation, as it deems necessary, including the assessment of risks involved and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors that may be relevant to such investor in connection with the subscription or purchase of the Offer Shares.

Competent Authority

- a) This Prospectus has been approved by and registered with the CNMV on April 15, 2021, as competent authority under the Prospectus Regulation, the consolidated text of the Securities Market Act approved by Royal Legislative Decree 4/2015 of October 23 (*texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) (the “**LMV**”) and relevant implementing measures in Spain.
- b) The CNMV only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.
- c) Such approval should not be considered as an endorsement of the Company and/or the quality of the Shares.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER IMPORTANT NOTICES

Historical financial information

We are a public limited company (*sociedad anónima*) incorporated under the laws of Spain on January 28, 2020 for an unlimited period of time. See sections “*Business*” and “*Description, Evolution and Functioning of our Share Capital*” for details regarding our business and our capital structure since the Group’s inception, as well as “*Operating and Financial Review — Main Factors Affecting the Comparability of the Group’s Financial Condition and Results of Operations*” for information regarding our corporate reorganization carried out in 2020.

On June 12, 2020, our Pre-Offering Sole Shareholder, Ecoener, S.L.U., exercising the powers and faculties of the General Shareholders’ Meeting, approved a capital increase through in-kind contributions in consideration for the contribution to us of the shares representing controlling stakes in the share capital of our subsidiaries. Accordingly, we are an issuer of equity securities with a complex financial history for the purposes of Article 18 of the Delegated Regulation (EU) 2019/980, whereby the information prescribed by Annex 1 of Delegated Regulation (EU) 2019/980 does not represent our undertakings accurately. Consequently, the financial information included in this Prospectus, in order to accurately represent our undertaking and to allow investors to make an informed assessment on us in accordance with Article 6(1) of the Prospectus Regulation, derives from the audited consolidated annual accounts as of and for the year ended December 31, 2020 of the Company and its subsidiaries, which have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted by the European Union (“**IFRS-EU**”) and include unaudited comparative figures for the years ended December 31, 2019 and 2018 (the “**2020 Audited Consolidated Annual Accounts**”).

The 2019 financial information over which there is an audit opinion is that corresponding to the Pre-Offering Sole Shareholder, Ecoener, S.L.U. and its subsidiaries audited consolidated financial statements as of and for the year ended December 31, 2019 prepared in accordance with IFRS-EU (the “**Sole Shareholder 2019 Audited Consolidated Financial Statements**”) and the 2018 financial information over which there is an audit opinion is that corresponding to the Pre-Offering Sole Shareholder, Ecoener, S.L.U. and its subsidiaries audited consolidated annual accounts as of and for the year ended December 31, 2018 prepared in accordance with the applicable financial reporting framework and the generally accepted accounting principles in Spain (*Plan General Contable*, hereinafter “**Spanish GAAP**”) (the “**Sole Shareholder 2018 Audited Consolidated Annual Accounts**”).

We have followed the criterion of including within this Prospectus the unaudited financial information as of and for the years ended December 31, 2019 and 2018 as included for comparative purposes within the 2020 Audited Consolidated Annual Accounts as defined above for homogeneity purposes and because they do not significantly differ from the Pre-Offering Sole Shareholder’s financial information.

For the purpose of duly exhibit, we present the main differences between the consolidated balance sheet information, the consolidated profit and loss account information and the consolidated cash flow statement information of the Pre-Offering Sole Shareholder and its subsidiaries included in the Sole Shareholder 2019 Audited Consolidated Financial Statements and our 2019 consolidated balance sheet information, consolidated profit and loss account information and consolidated cash flow statement information included in our 2020 Audited Consolidated Annual Accounts for comparative purposes, in this Prospectus within “*Selected Financial Information – Financial Condition, Results of Operations and Cash Flows’ comparative analysis for the year ended December 31, 2019 within the Corporate Reorganization framework*”. Additionally, see “*Selected Financial Information – Financial Condition, Results of Operations and Cash Flows as of and for the year ended December 31, 2018 prepared under Spanish GAAP*”, where the consolidated profit and loss account data, consolidated balance sheet data and consolidated cash flows statement data derived from the Sole Shareholder 2018 Audited Consolidated Annual Accounts are included for further information.

The 2020 Audited Consolidated Annual Accounts, the Sole Shareholder 2019 Audited Consolidated Financial Statements and the Sole Shareholder 2018 Audited Consolidated Annual Accounts have been audited by KPMG Auditores, S.L. The audit reports on the 2020 Audited Consolidated Annual Accounts, the Sole Shareholder 2019 Audited Consolidated Financial Statements and the Sole Shareholder 2018 Audited Consolidated Annual Accounts either included or incorporated by reference in this Prospectus are unqualified.

No pro forma financial information including the requirements set forth under Annex 20 of Delegated Regulation 2019/980 has been elaborated in accordance with the provisions established under item 18.4.1 of Annex 1 of Delegated Regulation 2019/980 given that no ‘significant gross change’, as defined under Article 1 (e) of Delegated Regulation 2019/980, has taken place within the Group’s business environment in the period covered in this Prospectus.

Pursuant to Spanish regulatory requirements, the consolidated management report must accompany the 2020 Audited Consolidated Annual Accounts and is included in this Prospectus only in order to comply with such regulatory requirements (the “**2020 Consolidated Management Report**”). Any information contained in such report shall be deemed to be modified or superseded by any information included elsewhere in this Prospectus that is subsequent to or inconsistent with it. Investors are strongly cautioned that the consolidated management reports contain information as of various historical dates and do not contain a full description of our business, affairs or results. The information contained in the 2020 Consolidated Management Report has not been prepared for the specific purpose of this Offering. Accordingly, the 2020 Consolidated Management Report should be read together with the other portions of this Prospectus, and in particular the sections of this Prospectus entitled “*Risk Factors*” and “*Operating and Financial Review*”. Furthermore, the 2020 Consolidated Management Report includes certain forward-looking statements that are subject to inherent uncertainty (see “*Forward-Looking Statements*” below).

See section “*Documents on Display*” for further information on certain documents of the Company. The Group’s segment information included in the 2020 Audited Consolidated Annual Accounts is presented in accordance with the disclosure requirements set forth in IFRS 8, *Operating Segments*.

Operating Segment Reporting

The reportable segments for the years ended December 31, 2020, 2019 and 2018 included in the 2020 Audited Consolidated Annual Accounts, are formed by (i) operation of hydropower facilities, (ii) operation of wind farms, (iii) operation of solar PV plants, (iv) energy commercialization, and (v) other services. In identifying the power plants operation segments, we distinguish among the technologies used to generate renewable energy in the facilities owned by the Group and the content of the activities we carry out. The “Energy Commercialization” segment refers to transactions regarding purchase and sale of electricity both produced by us and by third party generators, as well as the sale of surpluses of production of the facilities owned by us. Energy commercialization of the electricity produced by third party generators is only carried out in Guatemala by the group company Comercializadora Centroamericana de Energía La Ceiba, S.A. (“**La Ceiba**”). Conversely, the “Other Services” segment includes the operation and management of facilities owned by third parties and promotion and development of our own renewable generation projects, together with the debt associated to those projects and the financing of the Senior Bond. See section “*Business-Value Chain*” for a description of the main characteristics of our hydropower, wind and solar PV segments. Additionally, within the “Other Services” segment, we include the Group’s corporate management expenses, including the personnel dedicated to the operation of the generation facilities.

The operating segments, except for the specific technology used in each of them, are jointly managed. For management purposes, we use the same valuation and accounting policies as those indicated in our 2020 Audited Consolidated Annual Accounts. Operating segments are presented net of consolidation adjustments.

Non-IFRS Measures - Alternative Performance Measures

In addition to the financial information presented herein and prepared under IFRS-EU, we have included in this Prospectus certain alternative performance measures (the “**APMs**”) as defined in Commission Delegated Regulation (EU) 2019/979 of March 14, 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal. Such measures include Management EBITDA*, Management EBITDA Margin*, Adjusted Management EBITDA*, Adjusted Management EBITDA Margin*, Working Capital* and Net Financial Debt* at a consolidated basis and Management EBITDA*, Management EBITDA Margin*, Adjusted Management EBITDA* and Adjusted Management EBITDA Margin* both by operating segment and by geography. The Group believes that the presentation of the APMs included herein complies with the guidelines issued by the ESMA on June 30, 2015 on alternative performance measures and the “Q&A on Alternative Performance Measures Guidelines” published in April 17, 2020.

We have presented these APMs, which are unaudited, as supplemental information because they are used by the Group’s management in making financial, operational and planning decisions and provide useful financial information that it believes should be considered in addition to the 2020 Audited Consolidated Annual Accounts in assessing the Group’s performance. In addition, we believe that the APMs presented herein may contribute to a better understanding of its results of operations by providing additional information on what we consider to be some of the drivers of its financial performance and because certain of these APMs are believed to be in line with indicators commonly used by analysts covering our industry and investors in the capital markets.

These APMs are not defined under, and have not been prepared in accordance with, IFRS-EU. They should only be considered together with the 2020 Audited Consolidated Annual Accounts and may be presented on a different basis than the financial information included in the 2020 Audited Consolidated Annual Accounts. In addition, the APMs, as calculated by us, may differ significantly from similarly titled information reported by other companies, and therefore may not always be comparable.

Prospective investors are cautioned not to place undue reliance on these measures, which should be considered as supplemental to, and not a substitute for, the financial information prepared in accordance with IFRS-EU included herein. The APMs included herein have not been audited by our auditors or by any independent expert and, for clarification purposes, they appear with an asterisk (*) along this Prospectus to allow investors to identify each APM. The definitions and determination of the APMs included herein are disclosed in the section entitled “*Operating and Financial Review—Analysis of unaudited Alternative Performance Measures*”.

Rounding

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables or elsewhere contained in this Prospectus may not conform exactly to the total figure given for that tables or elsewhere.

Market, Economic and Industry Data

In this Prospectus, we rely on, and refer to, information regarding our business and the markets in which we operate and compete. The market data and certain economic and industry data and forecasts used in this Prospectus were obtained from internal surveys, market research, governmental and other publicly available information, independent industry publications and reports prepared by industry consultants and other third parties (including, among others, Baringa Services Ltd. and Grupo Mercados Energéticos Consultores). Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We believe that these industry publications, surveys and forecasts are reliable, but we have not independently verified them, and there can be no assurance as to the accuracy or completeness of the included information. Certain of this information, including market studies, is based on information and assumptions that may not be accurate and whose methodology is by nature forward-looking and speculative.

Elsewhere in this Prospectus, statements regarding our position in the industries and geographies in which we operate are based both on our experience, internal studies, estimates, our own investigation of market conditions and the information provided by specialized market advisors such as Baringa Services Ltd. and Grupo Mercados Energéticos Consultores, among others.

All of the information set forth in this Prospectus relating to the operations, financial results or market share of our competitors has been obtained from information made available to the public in such companies’ publicly available reports and independent research, as well as from our experience, internal studies, estimates and investigation of market conditions.

All third-party information, as outlined above, has to our knowledge been accurately reproduced and, as far as we are aware and are able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading, but there can be no assurance as to the accuracy or completeness of the included information. Where information in this Prospectus has been sourced from third parties, the source of such information has been stated adjacent to the reproduced information.

Certain market information and other statements presented herein regarding our position relative to our competitors are not based on published statistical data or information obtained from independent third parties, but reflect our best estimates. We have based these estimates upon information obtained from our customers, trade and business organizations and associations and other contacts in the industries in which we operate. While we believe that these estimates of our competitive position and market share are helpful in order to give investors a better understanding of our position within the industry in which we operate, in many cases there is no publicly available information supporting these estimates. Although we believe that our internal market observations are reliable, our own estimates are not reviewed or verified by any external sources. Accordingly, investors are cautioned not to place undue reliance on such estimates. We are not aware of any misstatements regarding the industry, market share or similar data presented in this Prospectus, but such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under the heading “*Risk Factors*” in this Prospectus.

Forward-Looking Statements

This Prospectus includes forward-looking statements that reflect the Group's intentions, beliefs or current expectations and projections about the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans, opportunities, trends, future developments and the markets the Group serves or intends to serve. The Group has tried to identify these and other forward-looking statements by using the words "may", "could", "will", "would", "should", "expect", "intend", "estimate", "anticipate", "guidance", "project", "future", "potential", "believe", "seek", "plan", "aim", "expect", "objective", "goal", "project", "strategy", "target", "continue" and similar expressions or their negatives. These forward-looking statements are based on numerous assumptions regarding the Group's present and future business and the environment in which the Group expects to operate in the future. Forward-looking statements may be found in the sections of this Prospectus entitled "*Risk Factors*", "*Operating and Financial Review*", "*Industry Overview*" and "*Business*" and elsewhere in this Prospectus.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions and other factors that could cause the Group's actual results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies, plans or opportunities, as well as those of the markets we serve or intend to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Investors should read the section entitled "*Risk Factors*" and the description of the Group's segments in the section entitled "*Business*" for a more complete discussion of the factors that could affect the Group.

In light of these risks, uncertainties and assumptions, the forward-looking events described in this Prospectus may or may not occur in the future. Additional risks that the Group may currently deem immaterial or that are not presently known to the Group could also cause the forward-looking events discussed in this Prospectus not to occur. These forward-looking statements speak only as of the date of this Prospectus. Except as otherwise required by Spanish, U.S. federal and other applicable securities laws and regulations and by any applicable stock exchange regulations, the Group undertakes no obligation to update publicly or revise publicly any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason after the date of this Prospectus. Given the uncertainty inherent in forward-looking statements the Group cautions prospective investors not to place undue reliance on these statements.

This Prospectus does not contain any profit estimates or a profit forecast as defined in the Commission Delegated Regulation (EU) 2019/980 of March 14, 2019.

Non-Financial Key Operational Data

Certain key performance indicators and other non-financial operational data included in this Prospectus, such as the classification of our projects in "Early Stage", "Advanced Development", "Backlog", "Under Construction" and "In Operation" categories, or projects under O&M services, are derived from, as applicable, management procedures and criteria and our management reporting system, are not part of our financial statements or financial accounting records, and have not been audited or otherwise reviewed by external auditors, consultants or experts. Our use or computation of these terms may not be comparable to the use or computation of similarly titled measures reported by other companies. Any or all of these terms should not be considered in isolation or as alternative measures of performance under IFRS.

Currency References

In this Prospectus, unless otherwise indicated, all references to "euro" and "€" are to the single currency of the Member States of the European Union participating in European Monetary Union and references to "\$" or "U.S.\$" are to United States dollars, the legal currency of the United States of America. Unless otherwise indicated, our financial information is presented in euro.

Trademarks

We own or have rights to certain trademarks, trade names, service marks or applicable copyright notices that it uses in connection with the operation of our business. We assert to the fullest extent under applicable law, its rights to its trademarks, trade names, service marks and applicable copyright notices. Solely for convenience, the trademarks, trade names, service marks or applicable copyright notices appearing in this Prospectus are listed without the applicable ®, © or ™ symbols.

Legislation

This Prospectus refers to various statutes, directives and other legislation and regulations. Unless the contrary is specified or the context otherwise requires, all such references are to the laws of Spain. Additionally, the financial information included in this Prospectus is not intended to comply with the reporting requirements of the U.S. Securities and Exchange Commission.

EXPECTED TIMETABLE AND OFFERING STATISTICS

Expected Timetable of Principal Events

We expect that the tentative calendar of the Offering would be as follows:

Event	Date⁽¹⁾
Approval and registration of this Prospectus with the CNMV	April 15, 2021
Commencement of the Book-building period in which proposals are made by Qualified Investors	April 15, 2021
Finalization of the Book-building period	April 28, 2021
Execution of the Underwriting Agreement	April 28, 2021
Publication of an inside information notice (<i>comunicación de información privilegiada</i>) with setting of the Offering Price and the number of Initial Offer Shares	April 28, 2021
Selection of offers to subscribe Offer Shares	April 28, 2021
Final allocation of the Offer Shares	April 28, 2021
Prefunding of Initial Offer Shares by the Sole Global Coordinator and Joint Bookrunner	No later than 9:00 am (CET) on April 29, 2021
Granting of the public deed of share capital increase	April 29, 2021
Filing and registration of the public deed of share capital increase with the Commercial Registry	April 29, 2021
Expected Transaction Date of the Offering and publication of an “other relevant information notice” (<i>comunicación de otra información relevante</i>)	April 29, 2021
Expected Admission and commencement of Stabilization Period (on or about)	April 30, 2021
Settlement Date (on or about)	May 3, 2021
End of Stabilization Period (no later than)	May 30, 2021

- ⁽¹⁾ Each of the dates included in the above tentative calendar is subject to change without prior notice. Any change, including in particular any lengthening or shortening of the tentative calendar, will be made public by publishing the corresponding other relevant information notice (*comunicación de otra información relevante*) with the CNMV.

Offering Statistics

The table below includes the Offering statistics assuming the sale of all the Offer Shares in the Offering.

	<u>The Company</u>
Offering Price Range.....	Non-binding range of between €5.90 and €7.25 per share
Initial Offer Shares ⁽¹⁾	Between 25,075,862 and 30,813,559
Over-allotment Shares ⁽²⁾	Up to 3,081,355
Estimated gross proceeds of the Initial Offer Shares	c. €181.8 million
Estimated gross proceeds of the Over-allotment Shares ⁽²⁾	c. €18.2 million
Estimated total fees and expenses of the Offering (Over-allotment Option exercised in full).....	c. €11.9 million
Estimated total fees and expenses of the Offering (Over-allotment Option not exercised)	c. €11.2 million
Underwriting commissions ⁽³⁾	c. €8 million
Estimated net proceeds receivable by us if the Over-allotment Option is exercised in full.....	c. €188.1 million
Estimated net proceeds receivable by us if the Over-allotment Option is not exercised	c. €170.6 million
Our expected market capitalization following the Offering ⁽⁴⁾	Between €418 and €472 million
CNMV fee ⁽⁵⁾	€54 thousand
Iberclear fee ⁽⁵⁾	€45 thousand
Spanish Stock Exchanges fee ⁽⁵⁾	€24 thousand

- ⁽¹⁾ The number of Initial Offer Shares will be the number required in order to raise gross proceeds of approximately €181.8 million in the Offering at the Offering Price. The share capital increase resolution contemplates the possibility of incomplete subscription, in which case the number of Initial Offer Shares could be lower.
- ⁽²⁾ Refers to the Over-allotment Shares under the Over-allotment Option assuming the Over-allotment Option is exercised in full (10% of the Initial Offer Shares, which would represent approximately €18.2 million). The number of Over-allotment Shares would be up to 3,081,355 Over-allotment Shares if the Offering Price is the lower end of the Offering Price Range or up to 2,507,586 Over-allotment Shares if the Offering Price is the upper end of the Offering Price Range.
- ⁽³⁾ Assuming payment of the maximum amount of the discretionary commission of the Underwriters excluding VAT, and assuming full exercise of the Over-allotment Option.
- ⁽⁴⁾ Assuming the Offering Price is the lower end of the Offering Price Range or the upper end of the Offering Price Range, and no exercise of the Over-allotment Option.
- ⁽⁵⁾ Assuming the Over-allotment Option is exercised in full, therefore raising gross proceeds of approximately €200 million.

INDUSTRY OVERVIEW

In this Prospectus, statements regarding the industry in which we operate and our position in this industry are based on publicly available third-party sources and our experience, internal studies, estimates and surveys, and our own investigation of market conditions, including review of press reports and other publicly available data regarding our competitors. Press reports do not always indicate the date on which the information is current; therefore, there can be no assurance that we have a consistent data set for making comparisons. We believe that the sources of such information in this Prospectus are reliable and generally reflective of industry and market conditions as we understand them, but there can be no assurance that any of these assumptions are accurate or correctly reflect our position in our industry. None of our internal surveys or information has been verified by any independent sources. Our internal estimates or judgments and those contained in this Prospectus, particularly as they relate to expectations about our market and industry, involve risks and uncertainties and are subject to change based on various factors, including those discussed under “Risk Factors” and “Forward-Looking Statements” or elsewhere in this Prospectus. The projections and other forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See “Risk Factors” and “Presentation of Financial Information and Other Important Notices – Forward-Looking Statements”.

This work is partially based on “IRENA (2019), Global energy transformation: A roadmap to 2050 (2019 edition), International Renewable Energy Agency, Abu Dhabi”, developed by the International Renewable Energy Agency (“IRENA”), “2020 Hydropower Status Report: Sector trends and insights (2020 Edition)”, developed by the International Hydropower Association (“IHA”), IHS Market publications, publications on installed capacity developed by Red Eléctrica de España (“REE”), International Energy Agency (“IEA”) data, Operador del Mercado Ibérico de Energía (“OMIE”) publications, Energy Information Administration (“EIA”) statistics and reports prepared by Fitch Solutions. However, the resulting work has been prepared by us and does not necessarily reflect the views of IRENA, IHA, IHS Markit, REE, IEA, OMIE, EIA nor Fitch Solutions. Neither IRENA IHA, IHS Markit, REE, IEA, OMIE, EIA nor Fitch Solutions which have not verified the accuracy of the information presented herein, accepts any responsibility or liability for this work. Such data and statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. In addition, the value of comparisons of statistics for different markets is limited by many factors, including that (i) the markets are defined differently, (ii) the underlying information was gathered by different methods and (iii) different assumptions were applied in compiling the data. Accordingly, the market statistics included in this Prospectus should be viewed with caution and no representation or warranty is given by any person, including us or the Underwriters, as to their accuracy².

Electricity Sector Overview

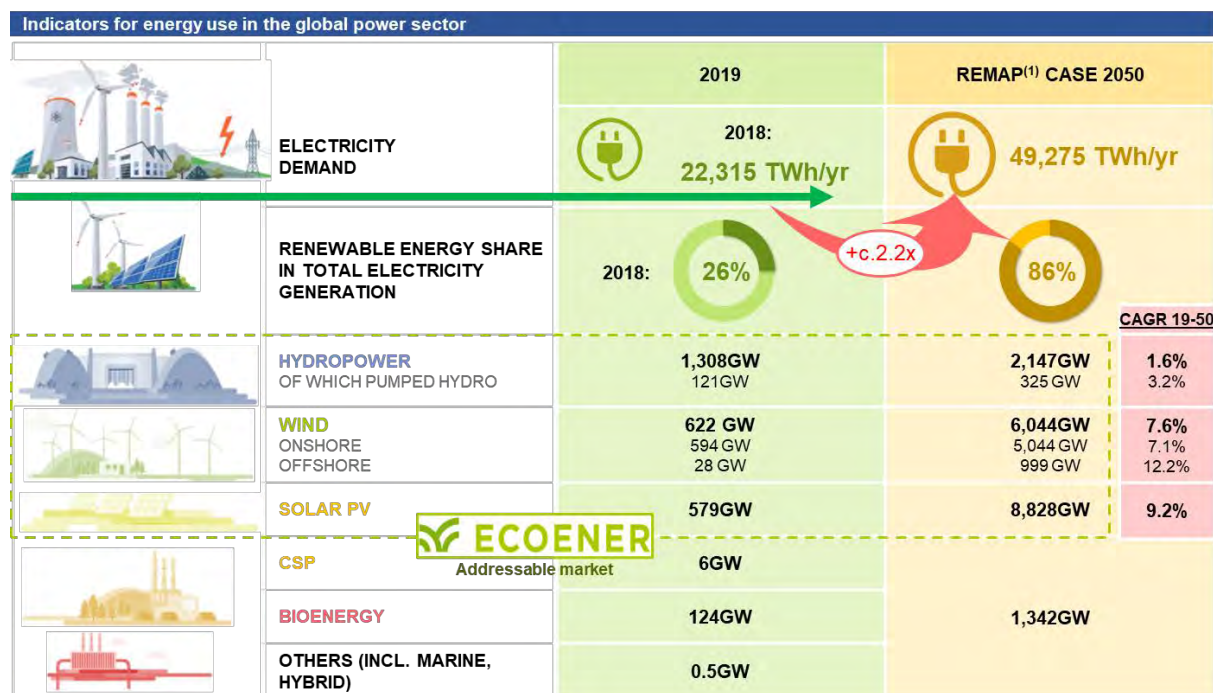
By 2050 electricity could become the primary energy carrier worldwide, increasing its share of final consumption to an almost 50% share – and, as a result, gross electricity consumption would be more than double coming from 22.3 TWh in 2018 to reach 49.2 TWh in 2050. Besides, by 2050 the renewable energy share in power generation could represent 86% of global power demand. (Source: IRENA (2019), *Global energy transformation: A roadmap to 2050 (2019 edition)*). The main drivers for this increase in electricity demand would be: (i) the use of electric vehicles (over one (1) billion); (ii) the increased consumption of electricity for heating; and (iii) the new development of renewable hydrogen which is also electricity intensive.

According to IRENA, the renewable energy sector increased its worldwide generation capacity by 176 GW (+7.4%) in 2019. Solar power continued to lead capacity growth, with an increase of 98 GW (+20%), followed by wind power with 59 GW (+10%) and hydropower facilities, whose capacity increased by 12 GW (+1%); compared to the previous year (2018).

At the end of 2019, hydropower accounted for the largest share of the global total. However, solar and wind power continued to drive the renewable capacity growth, jointly accounting for 90% of all net renewable capacity additions in 2019.

² Grupo Ecoener, S.A.U., has engaged Baringa Services Ltd. to provide energy sector advisory and analytical services.

Figure: Indicators for energy use in the power sector



(Source: IRENA (2019), *Global energy transformation: A roadmap to 2050 (2019 edition)*, International Renewable Energy Agency, Abu Dhabi) REMAP CASE 2050 is IRENA’s roadmap for rapid scale up of renewables. The “REmap Case 2050” represents a set of decarbonisation options to generate a transformation of the global energy system in order to meet the Paris Agreement.

The main global trends in the industry are, among others: (i) cost-efficiency increase due to continuous technological improvements; (ii) local renewable targets worldwide to accelerate decarbonisation; (iii) high growth coming both from emerging countries and undeveloped regions; (iv) improved financial conditions boosted by new financing schemes; and (v) growing investors’ appetite for long-term contracted low-risk assets.

Figure: Key energy system indicators to achieve the global energy transformation

Below figure outlines the key indicators that are needed to move the world from where it is today to where it should be in 2050, as detailed in the previous figure. The indicators show that significant acceleration is needed across a range of sectors and technologies, ranging from deeper end-use electrification of transport and heat powered by renewables, to direct renewable use, energy efficiency and infrastructure investment.



(Source: IRENA (2019), *Global energy transformation: A roadmap to 2050* (2019 edition))

Trends by technology

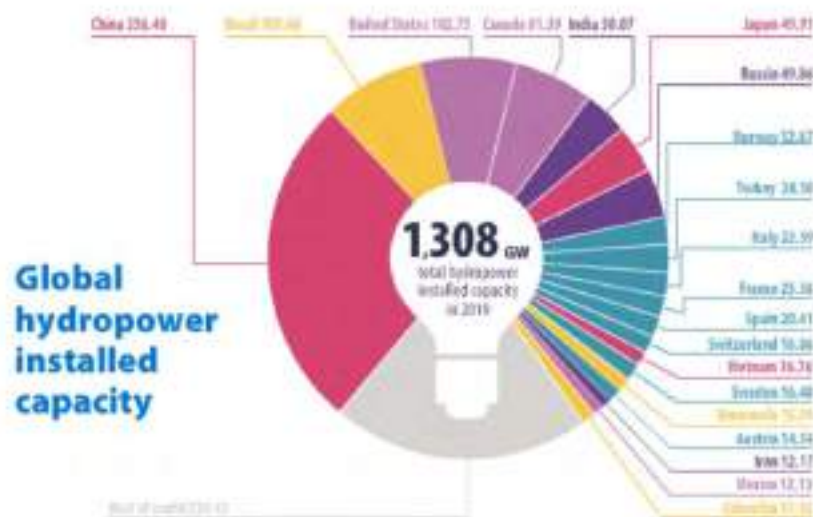
Hydropower

Some governments are currently encouraging the implementation of hydropower technology, to ensure grid stability and as a technological alternative for areas in which distribution grids are located far from the electrical generation centers, which is common on end-of-grid and wide regions in developing countries.

According to the International Hydropower Association (IHA)'s (<https://www.hydropower.org/>) report on the global hydropower sector status (seventh edition), hydropower generation worldwide reached a record of 4,306 terawatt per hour (TWh) in 2019, which is the largest contribution from a renewable energy source in history.

The 2.5% annual increase (106 TWh) in hydropower generation, equivalent to Pakistan's total electricity consumption, contributed to preventing an additional 80 to 100 million metric tons of greenhouse gas emissions last year. Global installed hydropower capacity reached 1,308 gigawatts (GW) in 2019, as 50 countries completed new and upgraded projects, including pumped storage. The global country ranking is led by China, with an installed hydropower capacity in 2019 of 356.4 GW, followed by Brazil with 109 GW and the United States with 102.7 GW. Spain ranks 12th in terms of installed capacity with a total of 20.4 GW installed.

Figure: Global hydropower installed capacity



(Source: IHA (2020 Edition), 2020 Hydropower Status Report – Sector trends and insights)

Overall, a total of 15.6 GW in installed capacity was added worldwide in 2019, below the 21.8 GW registered in 2018. This represents an increase of 1.2%, which is below the estimated 2% growth rate required for the globe to meet the Paris Agreement’s carbon reduction objectives. India has overtaken Japan as the world’s fifth largest hydropower producer with a total installed capacity of more than 50 GW. The countries with the largest additions were Brazil (4.92 GW), China (4.17 GW) and Laos (1.89 GW).

Around 60% of all renewable electricity worldwide is generated by hydropower. The sector generates about 16% of total electricity production from all sources including nuclear and fossil fuels. No country is close for achieving 100% renewables generation without hydropower as part of the energy mix.

Renewable hydropower is a reliable, versatile source of both clean electricity generation and responsible water management. Modern hydropower facilities are helping to accelerate the clean energy transition, providing essential power, storage, flexibility and climate mitigation services. Hydropower projects can be used to regulate and store water to mitigate the impacts of extreme weather events such as floods and drought, which are on the rise due to climate change.

There are four types of hydropower facilities: (i) run-of-river, (ii) storage, (iii) pumped storage, and (iv) offshore hydropower. Only a small minority of the world’s dams are built for hydropower, with the majority used for irrigation, water supply for homes, industry and agriculture, flood control and other purposes such as recreation and transportation services. We only design and construct the run-of-river storage which has no impact on the environment, according to our high standard water preservation policy. In the future, we pretend to also develop pumped hydro projects, in particular, in Kenya.

Hydropower is the ideal complement to variable renewables like wind and solar, thanks to its flexibility and energy storage facilities. Hydropower is able to meet electricity demand when these intermittent sources are unavailable. Pumped storage hydropower, operating like a green, rechargeable battery, absorbs energy when there is surplus of electricity generation over demand. Hydropower provides low cost electricity over its long lifetime, despite relatively high upfront construction costs. Some of our hydropower facilities have been In Operation for more than 20 years, with a current perfect stage of conservation, allowing us to reach the seventy years operating life goal with low impact replacements.

Hydropower projects of all sizes can result in net-benefits to communities and the environment, as long as they have a strategic fit in a river basin and are responsibly developed and operated.

Wind

Wind accounts as the second renewable technology by capacity, production and by growth. 2019 happens to be the fourth consecutive year in which more wind and solar capacity has been installed globally than coal, gas and nuclear. Thus, with new 60.4 GW installed in 2019, wind power covers more than 5% of electricity demand

worldwide. Top-tier wind resources are critical to achieve the low energy prices demanded by the market as observed during wind peaks.

China, United States, UK, India and Spain are the countries that have installed more renewable power facilities during 2020 and which continue to have a leading position in the world.

Among the objectives and trends in the sector, the following can be grouped together:

1. **Turbine durability:** Focus has been made on wind turbine durability with the objective of increasing their operating life from 25 to 40 years.
2. **Reduction of the cost of producing energy:** The blades concentrate most of the innovation in the sector. Blades are constantly being increased in size to boost production and reduce the cost of generation, affecting design, the use of new materials and the introduction of new manufacturing processes. The defects observed in blade manufacturing are minimal now despite of the fact that it is still a process with a strong manual work required. In addition, there is a growing interest in manufacturing blades with lighter mixed materials.
3. **Hybridizations:** integrated/mixed electricity generation systems that optimize generation at the same location as well as the connection to the grid by using the same interconnection infrastructures.
4. **Towers and foundations:** The challenges introduced in recent years refer to: modularity, weight reduction and ease of assembly. Towers and foundations account for more than 30% of the total cost of the wind turbine. Although there is a tendency to stabilize in height as the blade size increases, cost reduction and ease of assembly and installation are still relevant targets.
5. **Repowering:** repowering of existing wind facilities by improving its efficiency and capacity, offers the perfect solution to increase capacity without having to increase the available surface area.

Our position in relation to market trends reflects our investment and operation and maintenance policies. The installation of first-class equipment and the adoption of comprehensive maintenance plans at our facilities, greatly contribute to extending the operating life of our assets. Additionally, we are considering the implementation of specific plans to extend the operating life of our wind assets, with the advice of specialized firms, in order to reach 40 years of operation compared to the 25 initially certified by the manufacturer. In our case, this extension focuses on certain components that may suffer accelerated wear. In any case, high life expectancy above 40 years has been revealed as possible in our wind assets, taking into account our O&M policies.

Solar PV

Solar PV is the key player in the renewable space, and although it is the third largest technology within the power capacity mix, it is expected to be the largest by 2050 (*Source: IRENA*), due to its technological evolution, the unlimited availability of its resources, its technical simplicity, the continuous drop in investment costs, and the stability and daily predictability of its production. However, despite of its evolution in terms of energy storage, it is very difficult to overcome its main weakness: it only generates energy during sunlight hours.

Among the main trends for the coming years in the solar PV energy sector:

1. **Cost savings:** Solar PV has become a highly competitive energy source, as the average price of a solar panel has fallen by more than 80% in the last decade. Additionally, this cost decrease has been favored by continuous improvements in cell and module efficiency, which have increased by approximately 25% over the same period.
2. **Storage:** The quota of solar PV systems supported by energy storage will exceed 30% by 2025. With the increased uptake of new energy resources, electricity grids will have more demanding requirements in terms of frequency regulation and peak shaving. Meanwhile, battery costs are decreasing in line with advances in technology deployment. Energy storage is expected to work in line with PV systems and become a critical component. As of early 2018, 420 MW of batteries had been installed worldwide with the technology known as large-scale solar or grid-scale battery storage and 40% of the total energy storage portfolio is composed of solar PV plants integrating also storage projects. Between 20 and 26 GWh are expected to be installed by 2025.
3. **Technological evolution of the panels:** The technology of solar PV panels is undergoing a continuous evolution, especially in recent years, in which competition between the most well-known manufacturers

in the sector is constantly increasing in the attempt to identify the most efficient module that allows to take advantage of the solar resource, either by increasing the performance of the cells with new materials such as the use of perestroika or graphene, or by increasing the collector surface area, as is the case of bifacial modules. Bifacial modules are now one of the most advanced developments in solar panel technology. Thanks to their low Light-Induced Degradation (“**LID**”) and high efficiency, they are on their way to be the latest trend to conquer the photovoltaic industry and will soon become the benchmark. The bifacial module has two layers of PV cells with Passivated Emitter and Rear Contact (“**PERC**”) technology. The top layer is designed to capture direct solar irradiation, while the bottom layer is designed to capture diffuse and reflected solar irradiation from other surfaces to generate more electricity, which results in an increased energy yield depending on factors such as ground reflectance. Due to their special construction characteristics, which provide greater durability, some manufacturers offer a power guarantee of 30 years, which is a 20% longer guaranteed lifetime compared to other technologies. Global module demand is expected to grow strongly in 2021, from 121 GW in 2020 to more than 135 GW next year. However, demand for n-type modules (made of cells that use phosphorus instead of boron, therefore immune to boron-oxygen defects) will grow only slightly from 6 GW to around 8 GW. In the period 2020-21, demand for this specific solar PV panel (p-type mono PERC modules) is expected to grow from 89 GW to 110 GW, bringing the market share to a new high of 80%.

4. **Refurbishment and repowering:** The concept of refurbishment and repowering is one of the new trends in the sector. In light of the installed PV systems age, upgrading and improving operational plants is becoming increasingly important for both solar PV plant manufacturers and asset managers. More than 40 GW of solar PV systems in Europe over 100 kW are more than five years old, and could be subject to component changes in the coming years, including repairs, replacement, refurbishment and repowering.

Hybridization & Pumping

Solar PV and wind technologies are expected to grow massively in the forthcoming years across the world. Hydropower (including pumped storage), will become key to provide grid stability to the system, while hybridization and battery storage may play an important role on the renewable energy transition.

Hybridization (solar PV and wind)

Solar PV and wind technologies perfectly fits with hybridization. Main advantages of project hybridization are the following: (i) sharing the existing evacuation facilities reduces cost per installed MW, and also O&M costs; (ii) reduces generation intermittency at the grid connection point, and increases power plant’s flexibility; (iii) increases grid security and blackout avoidance; (iv) Deferral of new investments in the grid transmission system; (v) increases energy yield; and (vi) optimize power forecasting;

Pumping

Backed up by our hydro know-how, we will carefully consider and evaluate existing and new projects where pumping could be implemented. Pumped-storage hydropower (PSH) is a type of hydroelectric energy storage. Its design includes two water reservoirs at different elevations that can generate power (discharge) as water moves down through a turbine; this draws power as it pumps water (recharge) to the upper reservoir.

Sustainable Development Goals (SDGs)

Sustainable renewable energy supports the achievement of the United Nations Agenda for Sustainable Development, as well as the Paris Agreement on climate change.

The seventeen Sustainable Development Goals were adopted by all member governments of the United Nations and provide a blueprint of priorities for national governments, multilateral organizations, business and civil society.

When responsibly developed and operated, hydropower projects can directly support the achievement of SDGs 6, 7, 9 and 13, while wind and solar meet 7, 9 and 13.

- **Goal 6:** Ensuring availability and sustainable management of water for all.
- **Goal 7:** Providing access to affordable, reliable, sustainable and modern energy for all.
- **Goal 9:** Upgrading infrastructure with clean, environmentally sound technologies.

- **Goal 13:** Taking action to combat climate change and its impacts.

Figure: Sustainable Development Goals



(Source: United Nations (2015), *The Sustainable Development Agenda*).

Renewable Energy in the principal markets in which we operate

Spain

Spanish Electricity Market

The demand for electricity in Spain during 2019 showed a decrease of 1.6% with respect to the previous year, reaching a total demand of 264.6 TWh, being the first decrease since 2014. Pursuant to the provisional data published by REE, during 2020 the electricity demand was 249.7 TWh which represents a decrease of 5.6% with respect to 2019 (Source: REE). The historical evolution of electricity demand reflects three underlying drivers:

- (i) Variations in economic growth, especially related to the effects of the economic crisis in the early years of the past decade, with a minimum of 244 TWh reached in 2014. Since 2015, electricity demand has recovered, growing by 0.7% in 2016 and then by a further 1.2% in 2017, reaching 253 TWh (with a similar annual demand registered for 2018). 2019 and 2020 show again a decrease in the electricity demand due to the COVID crisis (i.e. the demand dropped 5.6% in 2020).
- (ii) Reduction in the level of electro intensive consumption as our economy has shifted to less energy-intensive activities (in line also with other European economies).
- (iii) Introduction of improved energy efficiency measures, in particular installation of more efficient lighting over the past five years.

Peak demand for electricity in Spain usually takes place during the winter months. However, due to the high temperatures (including heat waves), meaning further growth in air-conditioning use, sometimes there are exceptional peaks of electricity demand during summer months, even higher than in winter months.

Spanish energy market highlights:

- Electricity consumption expected to grow on the back of increasing decarbonisation.
- Renewables growth driven by both, demand generation and replacement of existing conventional power capacity.
- Spain aims to have at least 70% of renewable power generation by 2030 and 100% by 2050.

Demand Forecast

Forecasted Spanish electricity demand by 2030 is on the level of 273 TWh/year, which is consistent with the scenarios reported by the European Network of Transmission System Operators for Electricity (ENTSO-E) in their 2018 Ten Year Network Development Plan (TYNDP 2018), and the scenarios included in the Spanish National Energy and Climate Plan (PNIEC, *Plan Nacional Integrado de Energía y Clima*).

Renewable energy capacity

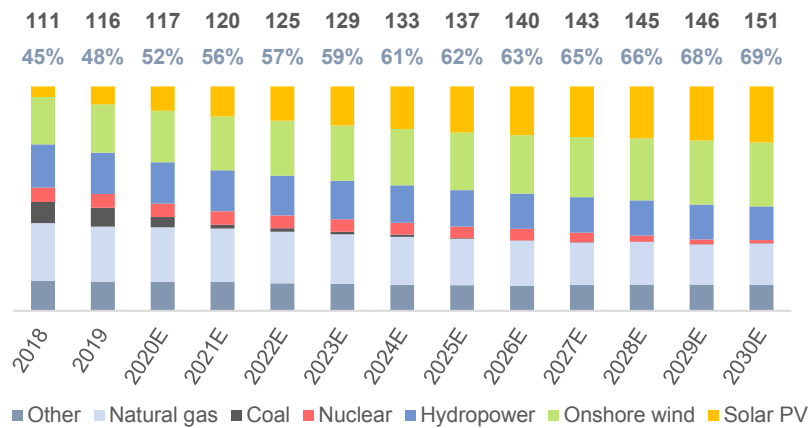
Hydroelectric power remains constant at 28 GW, but 3.5 GW of pumping capacity is planned to be added until 2030. Wind energy power capacity will grow relatively steadily, reaching up to approximately 51 GW by 2030. This forecast is based on the scenarios of the Spanish PNIEC and on the TYNDP 2018 estimations. Solar energy power capacity will grow steadily reaching up 40 GW by 2030, based on the combination of several alternative

proposed scenarios to accomplish the reduction goals in greenhouse gases emissions of the European Union by 2030, in the Spanish PNIEC and in the TYNDP 2018 forecasts. Solar capacity includes both solar PV and CSP technologies.

Nuclear capacity

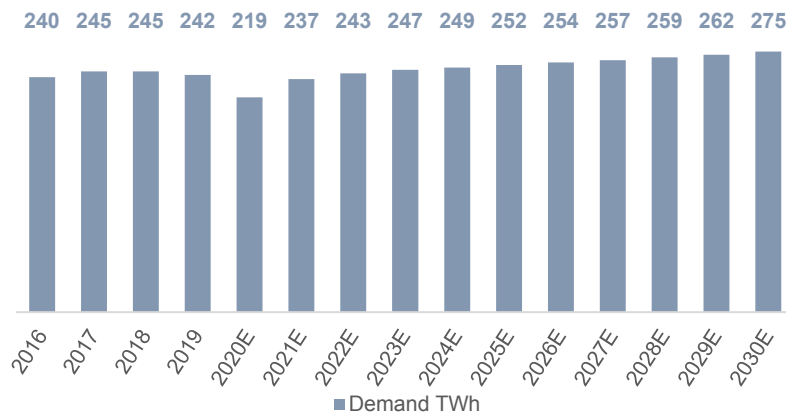
The nuclear power capacity scenario shows the scheduled nuclear power plants shutdown agreed between the nuclear power plants shareholders and Enresa, the public administrative body in charge of supervising the dismantling of the nuclear plants. The expected year of shutdown for every nuclear plant runs from 2020 to 2035, when the last two nuclear plants will be shut down.

Figure: Installed Capacity



(Sources: Public information, IHS Global Renewable Power Market Forecast, REE Reports: Avance del Informe del Sistema Eléctrico Español 2019 and Renewable Energy Report 2018: Renewable Energy Report in the Spanish Electricity System).

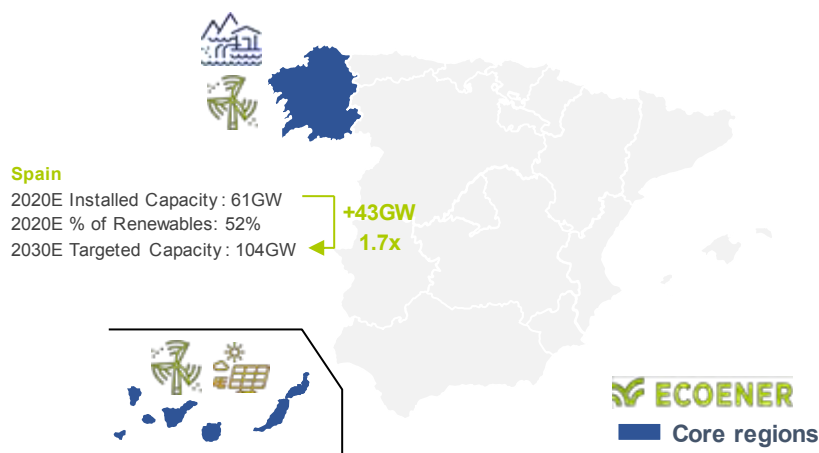
Figure: Energy demand (TWh)⁽¹⁾



(Sources: Public information, IHS Global Renewable Power Market Forecast, REE Reports: Avance del Informe del Sistema Eléctrico Español 2019 and Renewable Energy Report 2018: Renewable Energy Report in the Spanish Electricity System).

(1) Demand TWH, includes: Batteries, Biomass and waste, Ocean, Oil, Pumped Storage and Solar CSP

Figure: Map Installed Capacity / Ecoener Footprint



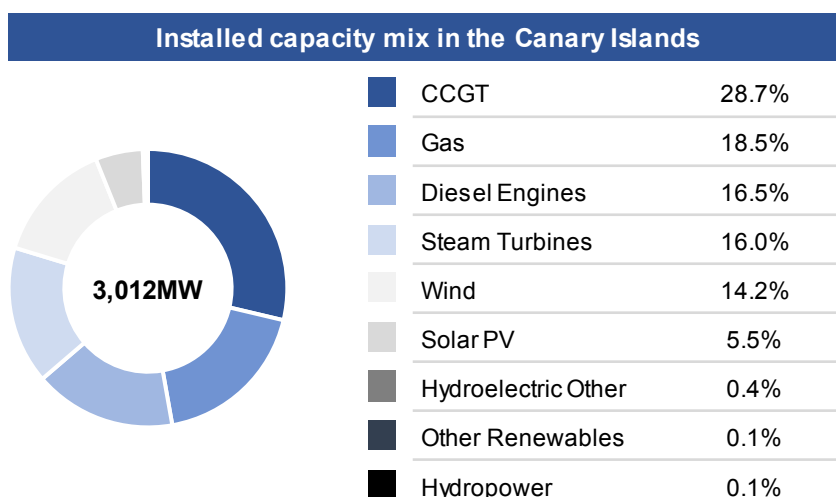
(Source: *Company*)

Expected new renewable installed Capacity

The updated draft of the National Integrated Energy and Climate Plan (see section “*Regulation*” for more details) forecasts a total installed power capacity in the electricity sector of 161 GW by 2030, of which 50 GW will be wind energy; 39 GW solar PV; 27 GW combined cycle gas; 15 GW hydropower; 9 GW pumped-storage; 7 GW solar thermoelectric; and 3 GW nuclear, alongside smaller figures for other technologies.

Canary Islands

Figure: Installed Capacity Mix

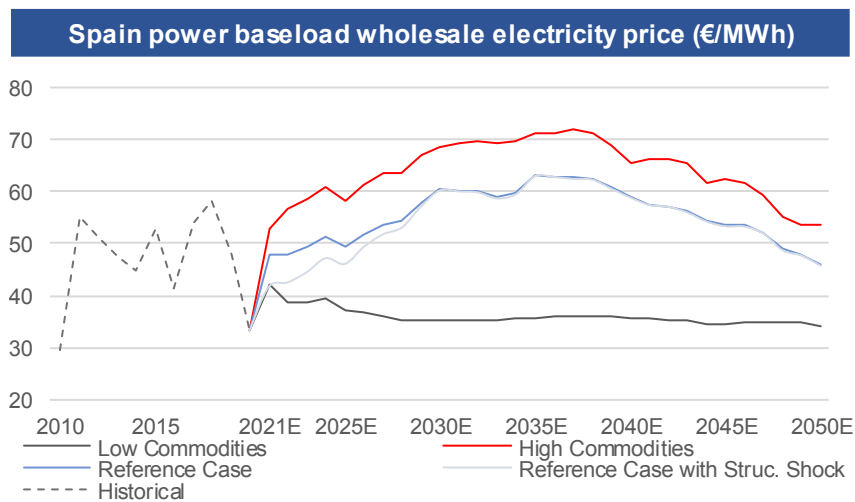


(Source: *REE, December 31, 2019*)
 Note: CCGT means combined-cycle gas turbine.

Ecoener is developing and constructing 263 MW in Spain, most of which are located in the Canary Islands, mainly focused on wind and solar PV technologies, and also hybridizing both of them in already existing plants. We are present and settled in the Canary Islands due to the following key factors: (i) the Government of the Canary Islands has set the objective of reaching c.50% of renewables share within their installed power capacity mix by 2025; (ii) wind and solar PV have gone past the grid-parity, with wind cost at €40 – 60/MWh, and the cost of PV below €100/MWh, compared to an insular average yearly generation cost of €130/MWh as of 2017; (iii) the Canary

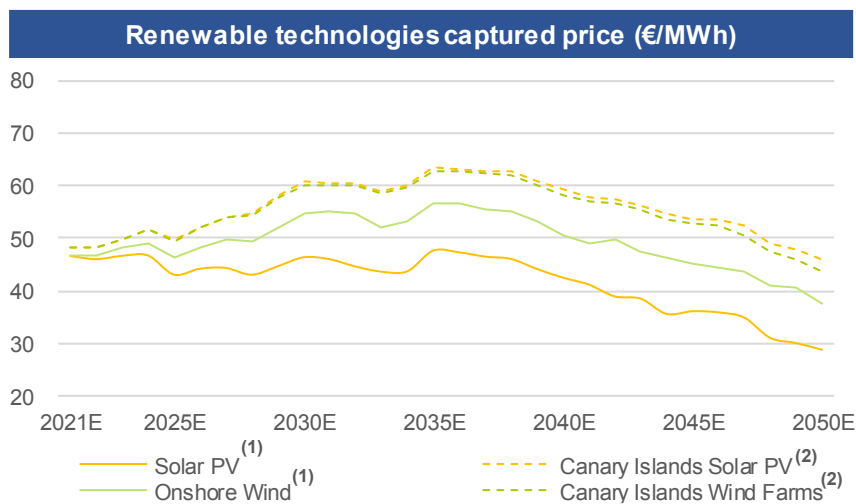
Islands experienced a 53.5% increase in installed clean energy power capacity in 2019, predominantly led by wind and solar PV; (iv) in 2019, the Canary Islands renewable electricity generation covered more than 16.3% of the local demand, which set a record to date, and a significant share for an isolated area; and (v) the Canary Islands benefit from the same renewable regulatory framework as on the Spanish mainland.

The graph below shows, differentiating between low and high commodities, the Forecasted Pricing Scenarios for the Spanish Wholesale Electricity Market up to year 2050:



(Source: Company)

The following graph shows the difference between the average captured price measured in € per MW/h for solar PV and onshore wind farms, and for the solar PV and onshore wind farms located in the Canary Islands:



(Source: Company)

(1) Reference Case; (2) Adjusted by Ecoener's Kurtosis coefficient

Central and South America

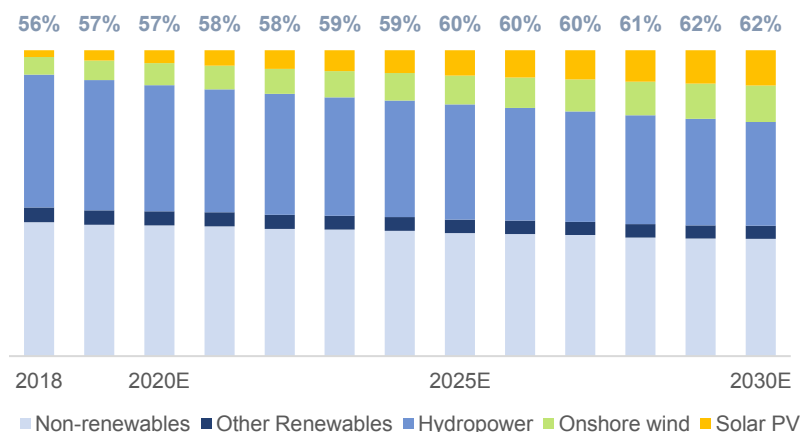
Latin American electricity markets have several similarities, since they are liberalized markets, with a significant concentration of PPAs for large consumers.

The following highlights have to be considered among the Central and South America electricity markets. First, global power demand in Central and South America is expected to grow at a compounded average annual rate of 2.3%, driven by an expanding population, larger deployment of the transmission grids, increasing consumption, and growth of the commercial and industrial sectors. Solar, wind, and biomass are expected to account for more than 33% of the electricity generation mix by 2050.

OLADE (*Organización Latinoamericana de Energía*) sets a target of at least 70% of renewable electricity generation by 2030 across Latin America. The year 2019 set a new record for PPAs, with a threefold increase over 2018, which is expected to even go higher as corporations adopt policies aligned with the Paris Agreement targets.

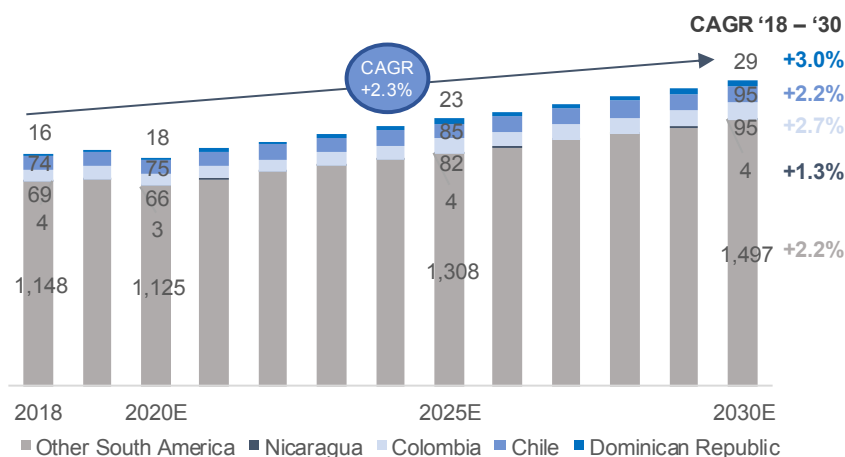
Chile, Colombia and the Dominican Republic among other countries in Latin America & Caribbean seek and pursue to develop their renewable energy industry following a set of governmental reforms to attract investment.

Figure: Installed Renewable Power Capacity Evolution (GW)



(Source: Company)

Figure: Energy demand (TWh)



(Source: Company)

The region known as Central America comprises the territory located between Guatemala and Panama, which offers a broad variety of high level renewable resources.

The electrical interconnection network system SIEPAC (*Sistema de Interconexión Eléctrica de los Países de América Central*) is a regional interconnection system, which became fully operational in 2013. Interconnection does not prevent energy transfers from representing an income for the exporting country and an expense for the importer. Due to that fact, all countries are trying to become energetically self-sufficient, with opportunities arising in all the countries within the region. Guatemala is the main energy supplier in the system.

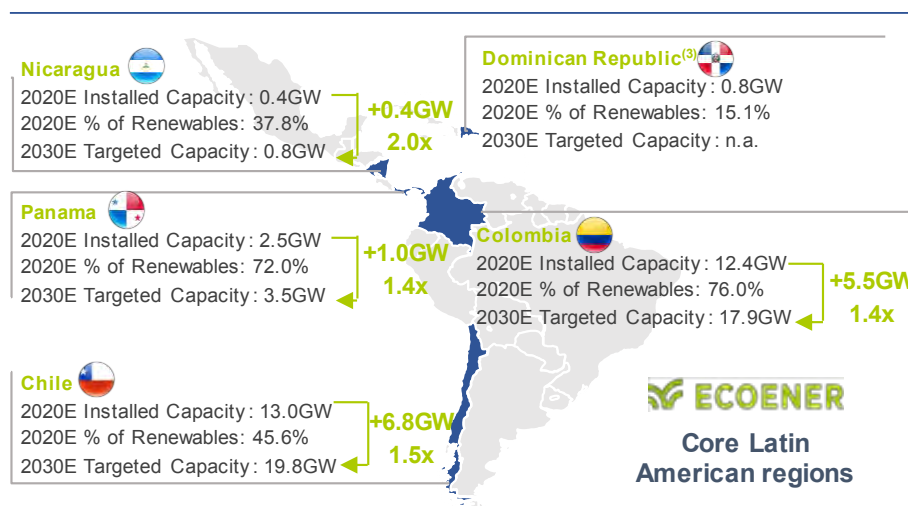
Between 2005 and 2015 Ecoener undertook an intense development and construction activity in Central America, which is a region with relevant energy imbalances and, at the same time, with outstanding natural resources for the installation of renewable energy facilities. At that time important supporting regulations came into force in several countries, with feed-in-tariff systems and Corporate Income Tax exemptions up to 100% for 10 years. Our

presence in the region gives us an overall vision, which together with our multi-technology platform, allows us to detect new profitable business opportunities in different areas of this geography.

Local partners in Honduras and Guatemala supported us to develop our business in these countries, and that previous experience in the area allowed us to access the Dominican Republic market by our own resources and capabilities with a significant amount of MW in solar PV technology.

On the other hand, a growing number of business opportunities have been emerging in the south of the continent, and that is the reason why we are currently developing an advanced stage portfolio in Chile.

Figure: Map Installed Capacity / Ecoener Footprint



(Source: Public information, IHS Global Renewable Power Market Forecast, IHS Latin American Power Market Fundamentals Report, Fitch Solutions, EIA. Includes Solar PV, Hydro and Onshore Wind).

Dominican Republic

Dominican Republic electricity generation market has an installed power capacity of 4.483 GW, with current renewable energy assets accounting for 1.037 GW. The share of electricity production is distributed as follows: 40% (coal), 30% (natural gas), 10% (oil products), 8% (hydro), 8% (wind), 3% (solar PV) and 1% (biomass). Renewable electricity generation accounts for 20% of the total share. The national grid operator considers the transmission system can easily hold 6% of additional electricity production in the mix coming from renewable energy units.

The following aspects may be considered among the Dominican Republic energy market highlights:

- Liberalized wholesale spot market, mature public PPA market, with an active and liquid corporate PPA market for large consumers.
- Track record of high electricity prices in the spot market. Mature market with a diversified portfolio of players.
- Increase in gross domestic product (GDP) in recent years has been at the level of +4%, and the adjusted net national income per capita is one of the largest in the Caribbean region.
- Renewable regulations in place since 2007, with a clear and fairly smooth process for obtaining all the necessary permits and licenses.

Dominican Republic is a key country for us, where we have one PV asset under construction of 50 MW of nominal capacity and a pipeline of two additional projects of 100 MW of nominal capacity (50 MW each) in the Backlog stage. The following aspects are taken into consideration:

- Belongs to the Latin American hub, where operations are simple, and we are able to carry-out our business and projects without joint-ventures, and therefore, holding the 100% ownership.

- We have in-house professionals with proven experience in the Dominican Republic renewable market, having led until successful completion the first operational wind farm in the island financed 100% by local banks under a project finance scheme.
- Solid and robust transmission system. The country is located in a region with high solar irradiation and not extremely high temperatures throughout the year, which contributes to obtain quite high performance ratios in the solar PV assets.

Chile

Just like the rest of Latin America, Chile has an electricity system strongly reliant on renewables (including large hydropower facilities) accounting around 50% of the total generation mix. Chile has a total installed capacity of 25,997 MW, with a current renewable installed capacity of 12,915 MW (*Source: IRENA*). At the same time, all the conventional electricity generation is based on imported fossil fuels.

However, in order to reach net zero emissions in light of the proposed new regulations, Chile needs a significant increase in solar PV and wind capacity.

The country has a significant wind resource in some areas and one of the best solar worldwide PV load factors³ in the Atacama Desert, reaching 30%.

We are currently in the process of developing 248 MW in the 3 technologies, with a significant number of projects in Backlog stage, in wind and solar PV technologies.

Under the special remuneration PMGD regime (*Small Distribution Generation Means, Pequeños Medios de Generación Distribuidos* or “PMGD” by its acronym in Spanish), introduced by the Government Decree 101 and provided for projects with installed capacity up to 9 MW, there is a targeted price of \$55 per MWh for projects under such remuneration.

Panama

Panama accounts for a total installed capacity of 3,204 MW, with a current renewable installed capacity of 2,115 MW. The declared objective for 2030 is as follows: 886 MW in wind energy and 705 MW in solar PV energy (*Source: IRENA*).






The following aspects may be considered among the Panama’s electricity market highlights:

- Stability in the regulation of renewables since 2004.
- Dispatch priority for electricity produced from renewable energy sources.
- Only a bit more than 2% of the installed generation capacity corresponds to solar PV, despite having a powerful resource.
- Wholesale liberalized market. Very mature market in corporate PPAs execution with large consumers.

We are currently developing 145 MW of solar PV in Panama.

³ Load factor is a measure of productivity, with respect to the capacity of a plant, measured as the total energy output of a power plant divided by the gross capacity and the number of hours during a period of time.

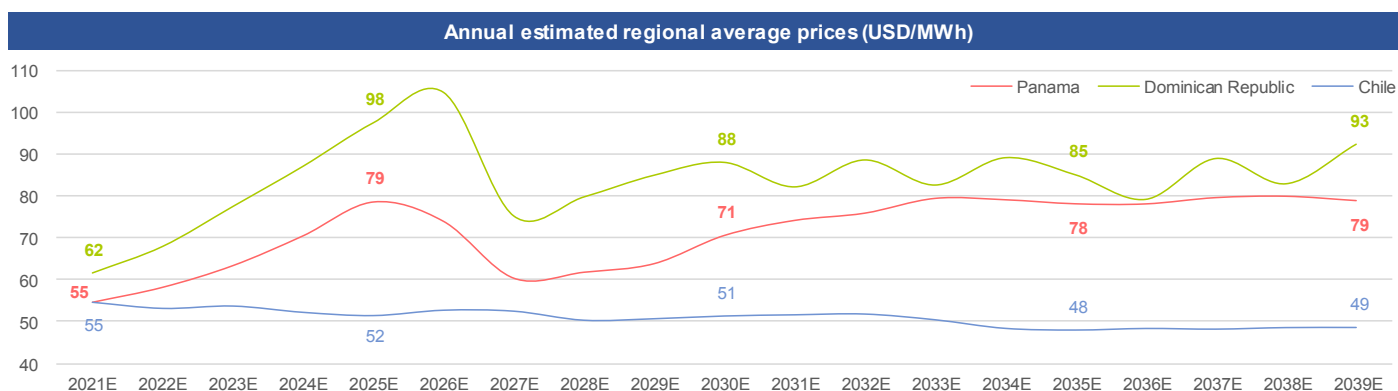
Figure: Market Dynamics

	Pricing	Regulation
Dominican Republic 	<ul style="list-style-type: none"> Liberalized wholesale spot market, public and corporate PPA market Track record of high electricity prices in the spot market 	<ul style="list-style-type: none"> Renewable regulations in place since 2007 through a 100% tax exemption schemes for imported equipment used for the production and distribution of renewables energy Moreover, there are tax exemption schemes for taxable income tax and external financing among other incentives
Chile 	<ul style="list-style-type: none"> Since 2014, the introduction of a new tender design favouring renewable projects Supply to deregulated customers are bilateral contracts 	<ul style="list-style-type: none"> New laws promoting distributed renewable generation and electric vehicles have passed. A law currently under debate for electricity distribution could change the tariff structure Special remuneration for installations up to 9MW (PGMCD)
Colombia 	<ul style="list-style-type: none"> Freely operated according to supply and demand. Players and unregulated users trade energy blocks through the grid Colombia is planning a power reform to target power mix diversification; new compensation mechanisms and development of bilateral contracts, including the standardization of PPAs 	<ul style="list-style-type: none"> Developments of renewable energy result of the Law 1715 of 2014, which aims to promote the development and use of renewable energy, in the national energy system Law 1715 sets out fiscal, customs and accounting incentives in the forms of income tax and machinery customs exemptions
Panama 	<ul style="list-style-type: none"> Daily liberalized market Very mature market in the signing of private PPAs 	<ul style="list-style-type: none"> Stability in the regulation of renewables since 2004 Delivery priority for electricity produced from renewable energy sources
Nicaragua 	<ul style="list-style-type: none"> The cost increase in power generation in recent years was passed on to tariffs: tariffs for all consumption sectors increased 7% y-o-y The government ensured in 2018 the maintenance of subsidies 	<ul style="list-style-type: none"> On September, 2020, a law for the promotion of electricity generation with renewable sources has been approved Tax incentives given to electricity generation projects from renewable sources have been extended

(Sources: Public Information, IHS Country Reports, IHS Latin American Power Market Fundamentals Report, IEA Country Overviews).

For clarification purposes, although the energy market is not liberalized in Nicaragua, and therefore, the prices are established under current regulations, agreements between the government and the electricity producer can be executed.

The following graph shows, for our LatAm core regions, the annual estimated average process in U.S. Dollar per MW/h, which represents different pricing scenarios from 2021 to 2039:



(Source: IHS, Grupo Mercados Energéticos).

Africa

Kenya

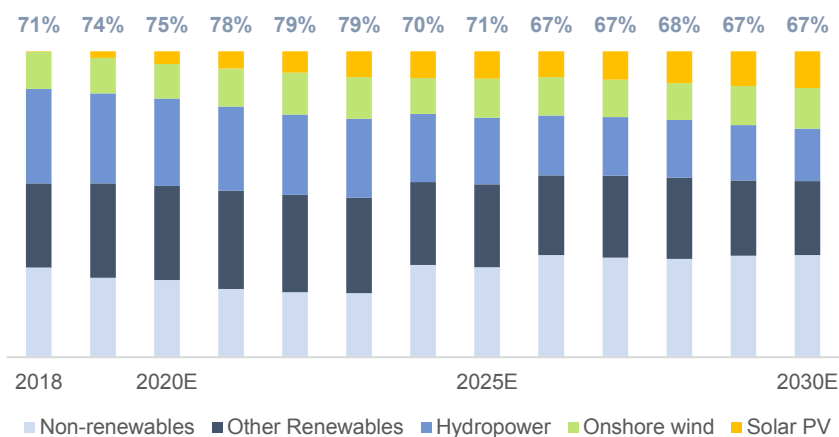
Sources: Public information, IHS Global Renewable Power Market Forecast, IHS Kenya Country Report, Fitch Solutions, IEA Kenya. Includes Solar PV, Hydro and Onshore Wind:

Kenya currently has a power generation installed capacity of 2,877 GW with a renewable installed capacity accounting for 2,044 GW. Kenya has emerged as a regional economic power in East Africa and this will boost electricity demand in the country in the long run. As of 2019, 71% of the electricity was generated through renewable energy sources with fossil fuels providing 29% of the total share. Local partners in Kenya supported us to develop our business in this country.

The following aspects may be considered among the Kenya energy market highlights:

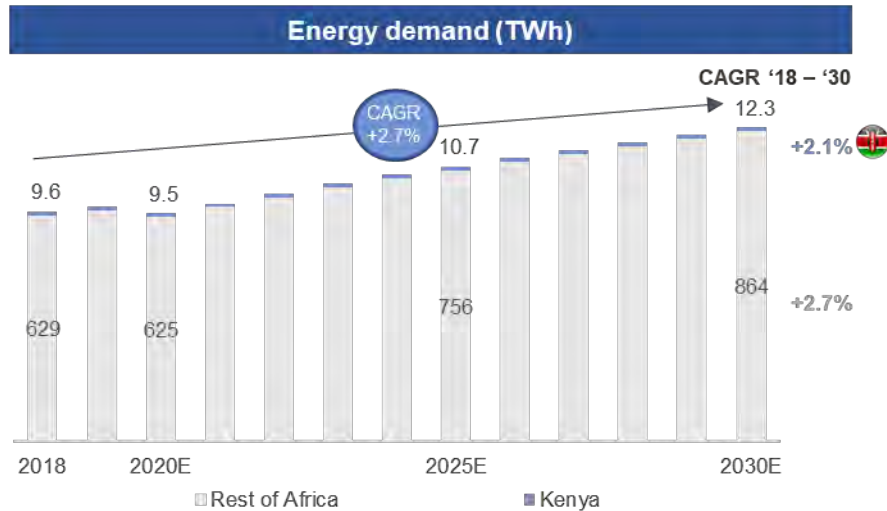
- Annual average GDP growth of 5.9% between 2010 and 2018.
- State Government has put in place several reforms in the legislation to attract private investment and reduce public contribution to infrastructure projects.
- In the period from 2012 to 2019, independent power producers increased their share in the installed power capacity from 21% to 35%. In the same period the electricity demand increased by 32% as consequence of the State Policy with targets to provide population’s universal access to the electricity supply.
- Dispatch priority for generated electricity coming from renewable energy sources.
- It is estimated that, at least, 3,000 MW of potential SHP capacity exists in Kenya. However, only c. 32 MW is currently installed representing approximately 1% of potential hydro capacity. By the end of 2019, there were 829 MW of hydro power plants up and running, accounting for 29% of the total installed capacity, and 99% of that hydro power capacity belongs to the public utility.
- Wind and solar contributed 16% and 2%, respectively, to the renewable energy installed capacity in 2019. These sources represent a considerable investment from private sector as a result of Government’s adoption of a Feed-in-Tariff (FiT) regime.
- The current installed capacity for wind energy is 336.1 MW. Kenya is expected to achieve a wind power installed capacity of 1,150 MW by 2035.
- Currently, the FiT regime is established for a term of 20 years, at \$85 per MW/h for hydro, \$70 per MW/h for wind and \$75 per MW/h for solar PV.

Figure: Installed Capacity– Kenya



(Sources: Public information, Company)

Figure: Energy Demand– Kenya

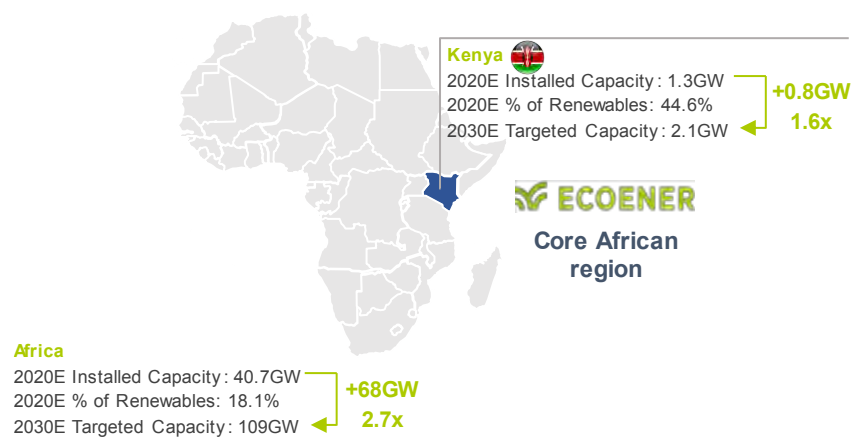


(Sources: Public information, Company)

Kenya is a particularly interesting jurisdiction for us, in which we currently have a 162 MW pipeline of projects in hydropower, wind and solar technologies at different stages, due the following factors:

- The Government has commissioned a national resource assessment for small hydropower facilities alongside conducting feasibility studies for potential sites in order to attract private sector investment. It is expected that sites with confirmed technical and financial viability will be offered to private investors through public auctions for development.
- To attract private sector capital in small hydropower resource electricity generation, the public authorities established in 2012 a FiT regime for small hydropower resources generating facilities.
- The lack of appropriate technical skills in the region has been also a barrier to investment in hydropower, which is a strength for us.
- The industry is receiving support from development banks and international finance institutions, which contributes to minimizing financing risks.

Figure: Map Installed Capacity / Ecoener Footprint



(Sources: Public information, Company)

East Europe

Georgia

Georgia has a current power generation installed capacity of 4,179 MW with a renewable installed capacity of 3,253 MW. 3,760 MW of hydropower capacity is expected to be installed from 2020 to 2029. Georgia has established a regulated system which combines public PPA and premium-tariffs. Regarding public PPA, the government offers for wind farms in early stage, the possibility of signing a PPA for 15 years at \$60 per MW/h during 8 months and at \$47.93 per MW/h for the rest of the year, considering the 2016-2021 average spot price.

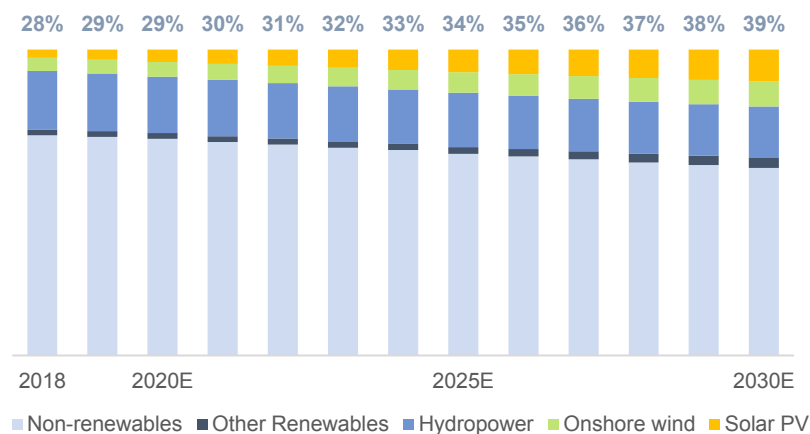
The key highlights regarding renewable sector are, among others, the following:

- Supply and demand imbalances increased net import in past years.
- Economic growth with a transparent and investor friendly environment, attracts foreign investments in the sector.
- The wind potential in Georgia is world class.

We are developing 146 MW in both hydropower and wind technologies.

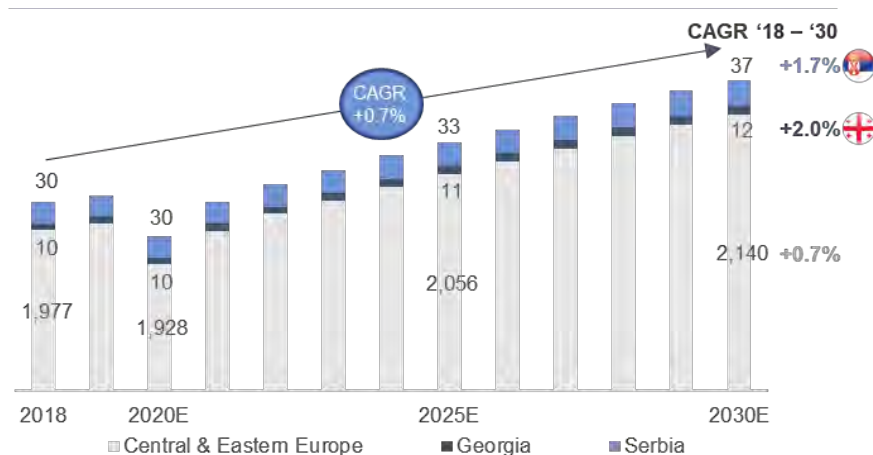
Sources: Public information, IHS Global Renewable Power Market Forecast, Fitch Solutions, EIA, IEA

Figure: Installed Renewables Evolution (GW)⁽¹⁾



(1) Includes all scope of renewables.

(Source: Company)



(Source: Company)

BUSINESS

Business Vision

Introduction

We are a vertically integrated multi-technology company with a clear international vocation, characterized by the construction and operation of long-term renewable energy facilities and the identification of new opportunities to expand our business. Our mission is to efficiently and effectively build plants of sustainable renewable energy, positively impacting the economic, social and environmental aspects of its surroundings and creating value for our shareholders. Our culture is based on a corporate identity that sets us apart from our competitors and on which we work to contribute to the promotion of social and environmental sustainability of the communities with which we interact.

Headquartered in La Coruña, Spain, we have been active since 1988 although the Company was incorporated in 2020, as a consequence of a corporate reorganization within the Group, being since then the holder of the renewable energy facilities and O&M, promotion and development businesses. We now have a diversified geographical presence, having renewable energy assets In Operation in three countries (Spain, Guatemala and Honduras) and Under Construction in two countries (Spain and Dominican Republic). As of the date of this Prospectus, we are working in 11 countries in which we are either operating, constructing or developing renewable energy assets or projects (Spain, Honduras, Guatemala and Dominican Republic being the countries where we have In Operation or Under Construction assets, and Panama, Colombia, Chile, Nicaragua, Kenya, Georgia and Serbia, being the countries where we are developing projects classified under different stages of our Pipeline). With work teams in four countries as of the date of this Prospectus, we employ 65 people.

The following table shows in detail the 11 countries in which we carry out our activities, as mentioned above:

	Country	MW	%	Portfolio ⁽¹⁾	Pipeline ⁽²⁾
1	Spain	374	21%	✓	✓
2	Honduras	16	1%	✓	
3	Guatemala	14	1%	✓	
4	Dominican Republic	150	8%	✓	✓
5	Chile	248	14%		✓
6	Colombia	160	9%		✓
7	Kenya	162	9%		✓
8	Panama	145	8%		✓
9	Nicaragua	305	17%		✓
10	Georgia	146	8%		✓
11	Serbia	90	5%		✓
	TOTAL	1,811 MW	100%	4	9

(1) Including assets In Operation and Under Construction

(2) Including assets in Backlog, Advanced Development and Early Stage (ordered depending on the targeted COD).

We have proven throughout our history that we are able to operate as an integrated company with its own resources in the process of development, construction and operation of hydropower, wind and solar PV generation plants, as well as their evacuation facilities. Our accumulated experience in the development and construction of projects, together with our internal capacity for operation, maintenance and asset management, as well as our energy commercialization activity, and an efficient financial strategy, allow us to offer sustainable, innovative and profitable renewable energy solutions. Developing renewable energy projects that are socially and environmentally sustainable requires in-depth knowledge of the value generation cycle necessary to carry out a project from its conception to its implementation. Over the last 30 years we have analyzed an extensive number of projects, developing only those with sustainable margins and located in ideal places to build and operate plants with hydro, wind and solar PV technology.

Our deep knowledge and experience in three renewable energy types of technology (hydropower, wind and solar PV), as well as our vertical integration strategy gives us a unique ability to leverage the value chain, differentiates us from our competitors and allows us to maximize margin capture. In addition, our stable renewable energy sales offer reliable and highly predictable cash flows that allows us to optimize our Portfolio and finance the development of future projects.

Our entire integrated value chain which gives us a high degree of understanding and control over the development, financing, construction and operation of projects. We undertake directly and entirely, with our own personnel, the identification, analysis, design, development, financing, construction and O&M of our renewable energy projects for their commissioning, as well as the subsequent active and optimized management of energy sales from our facilities.

Our operating segments are: (i) operation of hydropower facilities; (ii) operation of wind farms; (iii) operation of solar PV plants; (iv) energy commercialization; and (v) other services (see “–Value Chain”).

As of the date of this Prospectus, our subsidiaries own renewable energy assets In Operation in three countries (Spain, Guatemala and Honduras), with their respective delegations, with a total capacity of approximately 141 MW (52 MW corresponding to hydropower facilities, 73 MW corresponding to wind farms and 16 MW corresponding to solar PV plants), of which 116 MW (48 MW corresponding to hydropower facilities, 60 MW corresponding to wind farms and 8 MW corresponding to solar PV plants) are attributable to the equity interest we own in such projects.

Our Portfolio is made up of assets “In Operation” and “Under Construction”. Our Pipeline is classified among projects in “Early Stage”, “Advanced Development” and “Backlog” (for further details on our Portfolio, see “We have an attractive and low-risk Pipeline and Portfolio with assets that provide sustained income and predictable returns”).

The following table shows the total installed or targeted capacity of our projects and facilities as of the date of this Prospectus:

	Portfolio & Pipeline											
	Assets				Pipeline						Total	
	Operation		Under Construction		Backlog		Advanced Development		Early Stage		MW	MIX ⁽²⁾
	N# ⁽¹⁾	MW	N# ⁽¹⁾	MW	N# ⁽¹⁾	MW	N# ⁽¹⁾	MW	N# ⁽¹⁾	MW		
Hydro	7	52	1	3	0	0	1	11	14	455	522	29%
Wind	9	73	8	47	3	60	2	21	6	328	529	29%
Solar PV	1	16	19	91	31	224	6	32	11	396	760	42%
TOTAL	17	141	28	142	34	284	9	64	31	1,179	1,811	100%
AC ⁴	17	141	45	283	79	567	88	631	119	1,810	1,811	100%

(1) N#, means number of projects.

(2) MIX means the percentage that each technology represents in our total targeted installed capacity.

Our expertise in the three main renewable energy technologies (hydro, wind and solar PV), our growing presence in different regions of the world and our organic and sustainable growth, is possible thanks to our own culture and our target to look for sustainability, as well as our vertically integrated management carried out by the people who make up the Company.

Overview of our Portfolio of low risk assets, solid and diversified

We focus on the generation of value through the search for opportunities that, by size, technology and location, allows us to optimize profitability with an adequate control of risks, which we try to manage through a diversified Portfolio of assets, both by technology and by region. This approach allows us to specialize in certain market segments and maximize our cash flow generation.

As of the date of this Prospectus, we are experiencing considerable organic growth (i.e. through the development of a series of assets Under Construction which targeted installed capacity amounts to 142 MW compared to our

⁴ Aggregated capacity.

assets In Operation which total installed capacity amounts to 141 MW). Our assets Under Construction are located in Spain (Galicia and the Canary Islands) and the Dominican Republic. In addition, we are working on the development of projects in our traditional markets in Spain, Central and South America, and in new locations in Eastern Europe and Eastern Africa. In 2021, we have the following assets Under Construction: 18 solar PV plants, 8 wind farms and a capacity increase in 1 hydropower facility in Spain and another solar PV plant in the Dominican Republic for a total targeted capacity of 142 MW. Likewise, it is expected that a series of projects will be prepared to reach “*Under Construction*” status throughout 2021, representing a considerable part of the current business development effort.

History

Our activities started in La Coruña, Galicia (Spain), in 1988, with the founder Luis Valdivia (our current Chairperson and CEO). In our initial years, we focused our operations in Spain (particularly, in Galicia) and in 2005 we began our internationalization expansion towards Central America. However, as part of the Group’s strategy, and in the context of a corporate reorganization within the Group, the Company was incorporated in 2020 being currently the holder of the renewable energy facilities and O&M, promotion and development businesses carried out since 1988 within the Ecoener, S.L.U. group. From January, 2021 the Company is also developing the construction business.

In particular, during 2020, Ecoener, S.L.U. as Sole-Shareholder of the Group decided to spin off and transfer its renewable energy facilities and O&M, promotion and development businesses to the Company. The transfer of the business units has been carried out mainly through the transfer of entities under common control of Ecoener, S.L.U. Therefore, we have become the parent company of a group made up of subsidiaries. In this regard, the main operations carried out were the following:

- On June 12, 2020, Ecoener, S.L.U. decided to increase our share capital by €500 thousand through the creation of 5,000 new registered shares with a par value of €100 per share and an associated issue premium of €4,750 thousand associated to €950 per share, which were fully subscribed and paid up through a 100% non-monetary contribution of the subscribed capital for certain subsidiaries.
- On November 1, 2020, Ecoener S.L.U. and the Company executed a framework agreement for the sale and purchase of a business unit by virtue of which Ecoener, S.L.U. sold to the Company the O&M and promotion and development business unit.

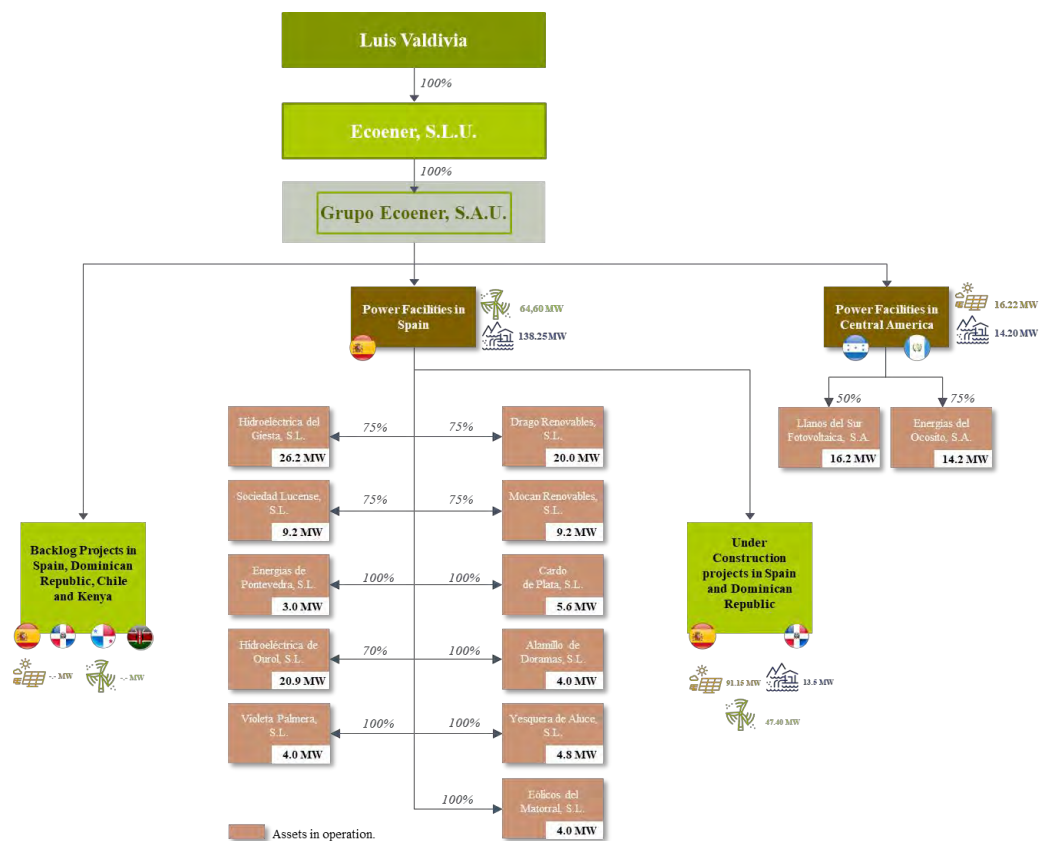
The key milestones in our history are as follows:

- 1988: Start of activity of Ecoener.
- 1988-1997: Ramp-up period of Ecoener, which led to the formation of the current Group, mainly focused on the development of hydropower renewable facilities in Spain and specifically in Galicia.
- 1997-2003: During this period, we expanded our Portfolio by 26.2 MW of hydropower facilities in Spain, consisting of the assets of San Bartolomé, Cierves, Peneda and Arnoya in Galicia.
- 2005: Internationalization to Latin America, with the development of our initial projects in Guatemala.
- 2007: Execution of the wind power tender in the Canary Islands for the allocation of power in the form of new wind farms, which will supply the Canary Islands electrical systems. Award of 38.2 MW, being the second highest awardee.
- 2008: Start of operations of: (i) the solar PV plant of Es Llobets in the Balearic Islands (1.2 MW), being the first thin-film solar PV plant in Spain; (ii) the Xestosa hydropower facility (2.9 MW), (iii) the Landro hydropower facility (9.2 MW); (iv) the Ourol wind farm (18 MW); and (v) the Lalín wind farm (3 MW).
- 2010: Wind tender for the allocation of power capacity in the modality of new wind farms in Galicia. 81 MW awarded to a consortium led by a Group subsidiary.
- 2014: Development of solar PV capacity in Honduras through the allocation of 57.5 MW in 6 projects whose production is sold under the relevant PPAs with the sovereign government of Honduras.
- 2015: Ecoener expanded its Portfolio of generation plants with the development of 16 MW of solar PV technology in Honduras (Llanos del Sur).

- 2016: Start of operations of Las Fuentes II hydropower facility in Guatemala.
- 2017: Start of operations of a 29.2 MW wind power installation in Spain; (i) Llanos de la Aldea wind farm (20MW); and (ii) San Bartolomé wind farm (9.2MW), which represented 30.5% of the total wind power installed in Spain in 2017.
- 2019: Five (5) of our wind farms in the Canary Islands received investment subsidies granted by the European Regional Development Fund (ERDF) for the construction of the assets.
- 2020: Start of operations of El Rodeo and La Caleta wind farms in the Canary Islands.
- 2020: Issuance of the first mixed green bond issued in Spain (€130 million).
- 2021: Start of operations of Las Casillas I, Lomo del Moral and Arcos del Coronadero wind farms in the Canary Islands.

Ownership structure

The following diagram shows our simplified corporate structure as of the date of this Prospectus.



Ecoener Projects Taxonomy

Our Portfolio is made up of assets “In Operation” and “Under Construction”. Our Pipeline is classified among projects in “Early Stage”, “Advanced Development” and “Backlog” (see “*We have an attractive and low-risk Pipeline and Portfolio with assets that provide sustained income and predictable returns*”).

Projects are classified in accordance with procedures and criteria which have been designed to be as objective as possible, including the following main characteristics and requirements for each phase:

(i) Pipeline:

- *Early Stage*: projects under analysis, where the suitability and viability in terms of the chosen location has been confirmed/tested, and have some possibilities, of obtaining the right to use the land and obtaining the access and connection point.
- *Advanced Development*: projects in advance stage of analysis, in respect of which there is at least a 50% chance of obtaining the right to use the land and at least a 90% chance of obtaining an access and connection point. This category also includes projects being developed by third parties in the backlog phase that will be acquired and in respect of which a memorandum of understanding has been executed or a process of due diligence has been initiated.
- *Backlog*: projects in respect of which; (i) agreements granting a right for the use of the land have been executed, there is a legal framework in place that allows such use without the need for an agreement; (ii) access and/or connection evacuation capacity have been obtained; and (iii) certain permits have been obtained and we consider that there is, in any case, a 90% chance of obtaining all permits and authorizations needed to start their construction. This category also includes projects where: (i) the basic construction permits have been obtained and further permits are required; (ii) there is a defined pricing scheme (through participation in a tender process, merchant –with the relevant research- or execution of a PPA); and (iii) the actual availability of financing sources (banking or alternative) has been designed. The assets under this category are considered to have around 90% of possibilities of completion success.

(ii) Portfolio:

- *In Operation*: these are assets in operation, functioning and producing electricity (known as “brownfield”).
- *Under Construction*: refers to projects in respect of which the agreements with the project’s main suppliers (such as the supplier under the EPC contract or the key equipment suppliers as applicable) have been entered into and/or construction activity has already started or is about to start in respect of certain project’s main features: substations, interconnection lines and generation facilities.

We have established the above classification to our best understanding, which does not prevent other companies from offering a different project taxonomy.

The total production of renewable energy (GWh) by technology and country is set out in the following table:

Electricity Generation by Region (Gw-h)					
Country	Region	Technology	2020	2019	2018
Spain	Galicia	Hydropower	92,88	101,45	107,52
Spain	Galicia	Wind	63,16	61,21	62,48
Spain	Canary Islands	Wind	80,33	81,14	82,22
Total			236,37	243,80	252,2
Guatemala	Quetzaltenango	Hydropower	35,97	31,39	27,86
Honduras	Choluteca	Solar PV	25,78	27,77	26,96
Total			298,12	302,96	307,04

For comparative purposes with the above table, see below a table detailing the total **capacity** installed for each of our assets “**In Operation**” and the “**Load Factor**” or utilization rate, as a measure of the energy generation, given an installed capacity for each asset. The Load Factor is defined as the ratio of the actual electrical energy produced over a given period of time to the maximum possible electrical energy produced pursuant to the nominal capacity of such plant indicated in the nameplate of the equipment during such period of time.

Project					
Country	Technology	Name	Capacity	Attributable Capacity ⁽¹⁾	Load Factor ⁽²⁾
Spain	Hydro	San Bartolomé	1 MW	1 MW	44%
Spain	Hydro	Cierves	5 MW	5 MW	41%
Spain	Hydro	Arnoya	10 MW	10 MW	29%

Spain	Hydro	Peneda	10 MW	10 MW	21%
Spain	Wind	Ourol	18 MW	13 MW	32%
Spain	Hydro	Xestosá	3 MW	2 MW	34%
Spain	Hydro	Landro	9 MW	9 MW	32%
Spain	Wind	Lalín	3 MW	3 MW	30%
Spain	Wind	Llanos de la Aldea	20 MW	15 MW	31%
Spain	Wind	San Bartolomé	9 MW	7 MW	34%
Spain	Wind	El Rodeo	5 MW	5 MW	37%
Spain	Wind	La Caleta	6 MW	6 MW	43%
Spain	Wind	Las Casillas I	4 MW	4 MW	44%
Spain	Wind	Lomo del Moral	4 MW	4 MW	41%
Spain	Wind	Arcos del Coronadero	4 MW	4 MW	41%
Honduras	Solar PV	Llanos del Sur	16 MW	8 MW	19%
Guatemala	Hydro	Las Fuentes II	14 MW	11 MW	29%
		TOTAL	141 MW	116 MW	

(1) Attributable capacity (AC) is the total installed or targeted capacity attributable to our equity interest in the relevant project.

(2) Total energy output of a power plant divided by the capacity and the number of hours during a period of time.

Key benefits of our integrated and multi-technological business model. Special emphasis in hydropower

We consider that our fully vertically integrated and multi-technological business model, with extensive experience in developing hydropower, wind and solar PV projects from the beginning, allows us to generate and sell the energy generated at competitive prices and take advantage of synergies between the different activities of the supply value chain.

The fact that our business model can provide comprehensive solutions (for example, from design, finance structuring, supply and construction to the operation of the plant, including the subsequent management and maintenance of the assets and other services) is an opportunity that gives us a competitive edge over other players in the market by allowing us to:

- Capture the margins associated with the different phases of the value chain that other project developers may lose by having to contract external suppliers. This is especially relevant in hydropower facilities (due to the complexity of the construction of the facility and the fact that we are able to internally perform the construction and development work, which allows us to avoid incremental costs in this phase) and, to a lesser extent, in wind and solar PV, for which construction costs are lower and more standardized.
- Monitor the project risk and the quality of the key equipment of the renewable energy facilities under construction which allows us to have control over the development of the projects in due time and form, which gives us a greater control of risks and higher flexibility in their development.

Additionally, the aforementioned features allow us to seek the most suitable projects for our future Portfolio and take advantage of market opportunities in regions or countries which only promote a specific renewable energy technology or which promote some but not all of the renewable energy technologies. We consider that our positioning in the market is based on the synergies and complementarity at different levels that occurs when we integrate our multi-technological model in our Portfolio of generation assets:

- The integration of the three technologies in our Portfolio of generation assets allows us to tackle a greater number of projects in the same territory, taking advantage of natural conditions. Thus, in Galicia, we have managed to take advantage of the two most abundant natural resources, river water and wind, and in the Canary Islands we have been doing the same with the wind and the sun. Furthermore, our penetration in a vast region like Central and South America (with assets In Operation in Guatemala and Honduras and assets Under Construction in Dominican Republic, and identified Pipeline in Panama, Colombia, Chile and Nicaragua), as well as other geographies such as Kenya, Georgia and Serbia, places us in an optimal positioning to undertake our expansion to further nearby countries and regions.

- Generation from three technologies covers different types of energy demand, corrects the eventual seasonality of production and balances the energy flow at all times at a Group level. Likewise, it improves the stability and predictability of energy production, which is key to guaranteeing the supply of renewable energy.
- At risk level, it diversifies the source of income, improving the structure of returns, while creating protection barriers against any legal or regulatory, natural or market change.

Separately, it is worth highlighting that our positioning in hydropower technology is essential to understand our competitive position, from an energy and economic perspective:

- Hydropower technology provides greater stability in energy supply and therefore in cash flow generation, while its equipment presents superior reliability, durability and greater operating life.
- The vast majority of our competitors of our size and larger, have not mastered this technology, which requires a high level of experience, technical sophistication and specialization in all phases of the value chain.
- It allows us to develop assets in regions and areas in which other technologies cannot be developed.

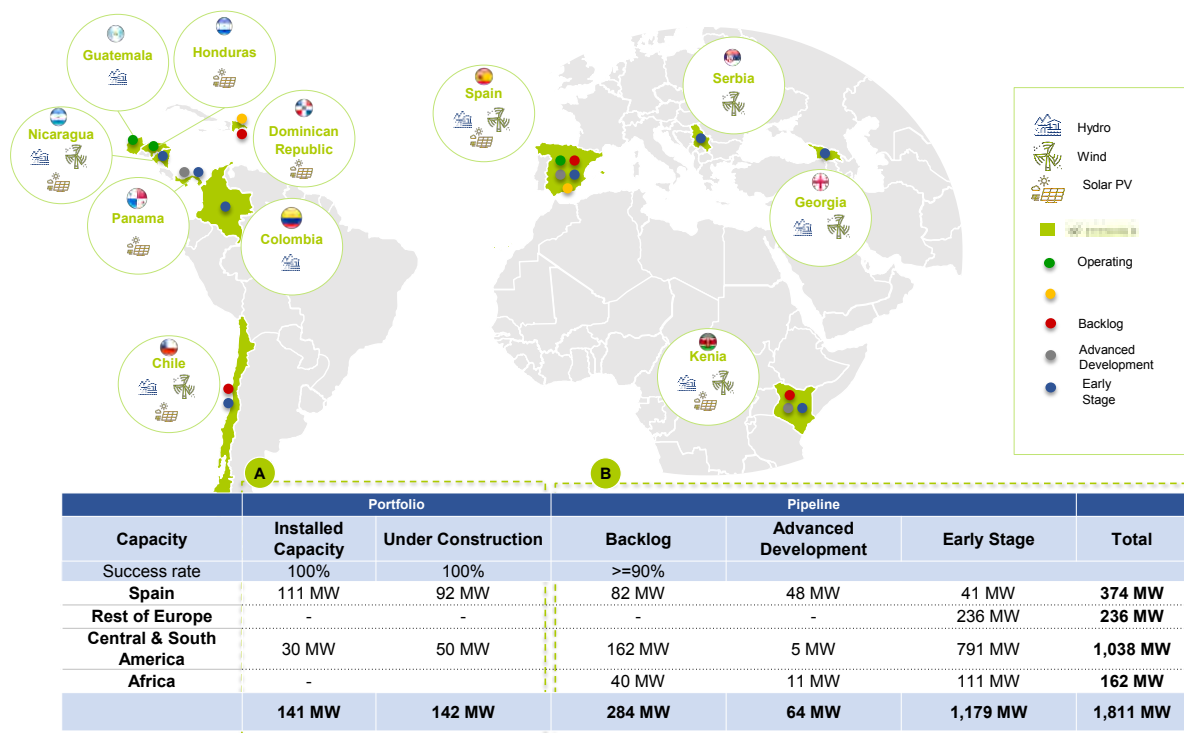
Our aim is to achieve a balanced portfolio by technology in the mid-term in which hydropower is expected to represent 30% of the total targeted installed capacity. However, in light of the higher production of the hydropower facilities as compared, for example with solar PV facilities, our hydropower facilities are expected to continue having a higher relevance in our Portfolio (i.e. 1 MW hydropower is equivalent to around 3 MWp of solar PV).

In each business phase associated with our technologies, we enjoy a strong strategic positioning with revenue generation supported by a growing and resilient market, regulatory support and renewable energy policies, as well as high natural entry barriers for potential participants. As a result of the knowledge and experience that we acquired through the development of our activities, our intention is to provide the best technology available in its class, working with the highest technical standards and first-class suppliers.

Ecoener geographical footprint: Diversified geographic presence (in markets with high potential), technologies and business activities that provide resilience during recessions

Our business is diversified across jurisdictions and regions, technologies and activities, reducing our dependence on any market, technology or business division, providing resilience during recessions and positioning us to seize opportunities in markets around the world. With activities regarding development, analysis, construction and operation in 11 countries (Spain, Honduras, Guatemala and Dominican Republic being the countries where we have In Operation or Under Construction assets and Panama, Colombia, Chile, Nicaragua, Kenya, Georgia and Serbia being the countries where we are developing projects classified under different stages of our Pipeline), our global operations cover both mature markets and growing economies, allowing us to produce energy during the year, eliminating the seasonality and therefore, as aforementioned, stabilizing the origination of cash flow from generation.

An overview of Ecoener’s geographical footprint is set out below:



(1) Source: Company filings.

This comprehensive model is complemented by the active management of energy that we carry out to optimize and guarantee the performance of income from electricity sales and minimize any impact as a consequence of factors, such as the drop in demand or the volatility of prices in the power generation market, the active search for PPAs, and other contractual solutions and the management of price hedge at certain time to manage our sales, risks and revenues more efficiently.

Territorial establishment of Ecoener and local integration of the productive force

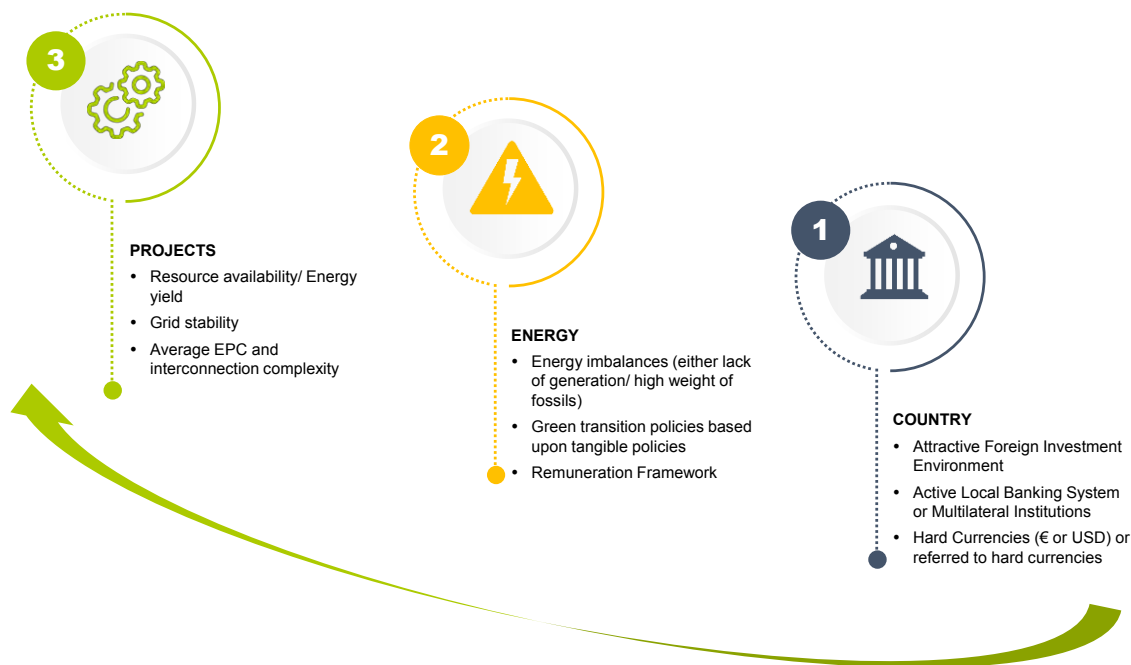
A business that requires deep relationships with landlords, administrations of all kinds, and suppliers, cannot be implemented immediately. A progressive and gradual integration in a country grants a wide knowledge of the market and enables the establishment of close relationships with all the agents of the production chain.

Over three decades, we have developed three consolidated geographic markets, with an enviable competitive position:

- *Galicia*, our place of origin, focused our first decade of work with special attention to natural water and wind resources.
- *Central America*, where the cultural affinity with Spain is indisputable, and which also has similar legal systems which meant that our first international expansion from our second decade of existence, focused on the use of water and solar resources.
- *Canary Islands*, represented our last implementation, with substantial importance in the final part of our third decade and beginning of the fourth, focused on wind and solar resources.

When considering the possibility of penetrating an additional jurisdiction and geography, we strive to have in-depth knowledge of the meteorological resources and the regulatory system from all the points of view of every business perspective: energy, society, legal, permits and licenses framework, taxation, financing, ownership or use rights, and types of suppliers, among others. In summary, knowing the idiosyncrasy and uniqueness of each market in which we establish our business, allows us to communicate with all the agents involved in each country or territory our vocation of permanence.

The following graphic illustrates the above statement:



Value Chain

Introduction

The vertical integration of the business has been a part of our corporate identity from inception.

Operations throughout the cycle of an energy facility from renewable sources are structured in three main stages, the implementation of which enables the value chain to be fully developed: (i) development phase, which includes the activities covering the identification of opportunities and development; (ii) construction phase, through the execution of EPC agreements, which includes contracting, developing and structuring long-term non-recourse financings as well as the construction activities thereafter; and (iii) operation phase, which includes the operation and maintenance of the plants as well as other management services. Besides, during all the value chain the finance department is also present in order to design the financing structure and the debt financing. As a vertically integrated platform, our business model covers the entire value chain from development and construction to continuous operation of hydropower facilities, wind farms and solar PV power plants (including management, maintenance and monitoring services within the operation and maintenance), as well as the production and sale of energy.

The functional areas of work described in this section are not isolated. The stages, although sequential, have the participation of the different work teams in each of the different phases and the different tasks needed for the completion of a project are carried out from the identification of the opportunity until its completion.

Development, construction and operation of renewable power plants

Value creation is intensive during **the development phase**, which is undertaken exclusively in-house (although specific services may be externalized with third parties). The value created will be the consequence of a significant consumption of resources and efforts, although compared to the construction phase, the financial resources used are lower. The creation of value in this phase is progressive, in line with the fulfilment of the different processing and financing milestones. It is our experience in the development of projects, together with the capabilities of our management team, what give us the ability to capture and crystallize value. During this phase, the expected remuneration scheme is also defined and the requisites allowing its entitlement identified. However, such remuneration scheme will not enter typically into force until the project starts its operation.

The costs we allocate to the development phase, financed with our own resources, which are expressed as percentages of total costs incurred until the date on which the relevant project starts its operation are: (i) between 10% and 15% for hydropower facilities; and (ii) between 5% and 10% for wind farms and solar PV.

At the beginning of the **construction phase**, risk is reduced and controlled in most cases as in this moment we have certainty about the construction of the project, although the financial needs are greater. Efficient and low-cost financing becomes a determining factor in the creation of value. An execution in cost and on time, maintaining or even improving the projected quality standards, is essential for the profitability of the project. An expert in-house team constitutes, in our opinion, the best guarantee of success. In this phase, it is expected that the financial close under the external financing arrangements takes place and all the conditions required to make the drawdown under such financing are complied with. However, in some circumstances we start the construction phase of our projects with our own resources and, after construction is finished or close to finish, we finance the funds invested. This is, for example, the case of our wind farms, Lomo del Moral and Arcos del Coronadero which financing was closed on February 23, 2021, with a 99.21% of the construction works completed.

Finally, in the **operation phase**, the commercial operation of the project reduces the risks to their lowest point, and the returns on the investment materialize, generating cash flows and profitability in a sustained and sustainable manner.

Commercialization: Sale of energy

Finally, we have an energy wholesale supplier whose main activity is the acquisition of electricity from different sources for its supply to end consumers in Guatemala (La Ceiba). La Ceiba started its operations in April 2017 to manage the excess production of our asset in Guatemala not contracted through the PPA.

La Ceiba commercializes power and electricity through thirty supply points to industrial consumers. From 2017 to 2020 the following key figures may be highlighted:

- As of December 2017: 8 industrial consumers through 12 supply points for a total volume of 977,524 kWh.
- As of December 2018: 12 industrial consumers through 24 supply points for a total volume of 2,482,906 kWh.
- As of December 2019: 14 industrial consumers through 30 supply points for a total volume of 4,258,270 kWh.
- As of December 2020: 17 industrial consumers through 39 supply points for a total volume of 4,406,455 kWh.

For the year ended on December 31, 2021, we expect to reach a volume of supply of energy beyond 56 GWh per year by contracting with around 10 new consumers.

Within our business development strategy, we expect that La Ceiba may further develop its activity of wholesale supplier using part of the relevant capacity which is expected to be generated by our future projects under the Pipeline projects in Central and South America (in particular, Chile, Colombia, Nicaragua and Panamá).

For further details, see “*Activities along the value chain*”.

Activities along the value chain

Development from the beginning (1 to 3 years)

The conception, design and development of facilities from the beginning is a crucial milestone within the activity, which allows us to increase the asset base, and that will ultimately translate into the generation of new income derived from the effective development and construction of such assets:

- **Business development:** The detection of new business opportunities is based on clear risk and profitability criteria. The projects submitted must comply with such criteria, which imply that must have a return on equity of at least double digits and adjusted according to the project’s risk, and must be undertaken in countries that offer sustainable electricity systems, with proven ability to meet payments, and access to local financing. The detection of new projects starts with the business development department which, after filtering the basic characteristics of a project, such as its location, analysis of the main technical data of the country or the region and remuneration schemes, starts the feasibility analysis. This area coordinates, as part of the project development, the preparation of the business model and the execution, where appropriate, of initial agreements. The potential project identified must have the

approval of the Senior Management team in order to initiate the feasibility study. Both the engineering and the construction and O&M areas must know the characteristics of the project and validate its viability. One of the basic principles of our culture is that the construction of an installation will only start when the persons that will be in charge of the operation of the project have visited and analyzed it in the project phase, including prior knowledge in situ of the site in order to be sure that all the key aspects of a project are known in advance and have been validated by the relevant persons.

- **Legal:** This area negotiates the agreements with the landlords to secure the rights to the land by any means legally admitted. Topography and Delineation teams collaborate in this “core” task of our business. The land constitutes, in addition to the physical location of the project, one of the main operating expenses. At the same time, the Legal team must initiate contacts and prior procedures with the public administration for efficient management of obtaining the permits, authorizations and licenses necessary to build and operate the facility. This function is of the greatest importance in countries with decentralized political administration, in which regulations of state, sectoral, regional, provincial and municipal entities sometimes overlap. In addition, the Legal team manages the contracting from the legal point of view both intra-group and with third parties. The Legal team also manages the incorporation of the legal corporate structure of each project through the corresponding special purpose vehicle holding the assets as well as its subsequent corporate compliance.
- **Engineering:** This area prepares the preliminary relevant technical projects (e.g. in Spain this document is referred to as the “*Proyecto básico*”), resource studies relying on measurement systems on site and designs the installation of the projects in the most efficient way. This work is carried out in respect of the three technologies that integrate our generation mix (hydropower, wind and solar PV) with specialized internal equipment, in each case. Environmental and social engineering analyses the eventual impact of the project and, where appropriate, its cushioning or mitigation. Topography and Delineation teams provide engineering support services.
- **Financial:** The phase of promotion, development and processing of projects involves the application of resources that must be financed and the commitment of guarantees that must be obtained and managed. Financial management also requires the optimization of our equity, an aspect for which, in addition to relying on the funds generated by our own business (i.e. the operation of our energy assets), we have carried out through the execution of financial optimization transactions, such as the issuance of the Green Project Bond. Our vocation is to have 100% participation in the projects we develop, or at least a significant majority, although occasionally, due to the importance of having local partners in certain circumstances, we have been accompanied in our projects by minority investors at various levels and one investor holding 50% in our project in Honduras (see section “*Risk Factors – In some circumstances, we operate through strategic partnerships, including consortia and joint ventures, and are exposed to risks associated with such partnerships*”).

The analysis of the viability and socio-environmental sustainability of each project depends on the effective participation of each of the areas, led by professionals with around or more than twenty years of experience in the business. It is important to highlight that a large part of this professional experience has been forged within the Group. Therefore, our entire team knows our culture, our values, our risk and profitability objectives and our position in the market.

Although the sequence of development activities may vary depending on the relevant technology, country, and even region, it typically includes the following milestones:

- Identification of a new site and its topology review, the hydropower, wind or solar PV resource and the proximity to an interconnection installation with sufficient capacity to transport the energy produced by the facility.
- Long-term production forecast study based on analysis methodologies of the industry practices used by a prudent and responsible operator or according to the level of financing for the different hydropower, wind or solar PV resources, as well as options of structures or modules.
- Preliminary engineering of the plant and design of main equipment.
- Development of business models with known and estimated data.
- Long-term land rights negotiation with landlords. We typically enter into long-term leases and, in some cases, purchase the land.

- Negotiation of access and interconnection agreements with local distribution companies to inject and release the energy produced by the installation.
- Obtaining permits to develop and build the hydropower facilities, wind farm or solar PV installation at the chosen site with local, regional and national authorities, including the applicable permits, licenses, concessions and approval of environmental and land use projects.
- Negotiation and/or signing of long-term PPA agreements with electricity off-takers or formalization of other remuneration schemes (i.e. regulated remuneration or merchant).

Engineering, procurement and construction (EPC) (1 to 2 years): Contracting and construction

The construction is organized under an EPC contract which, given the needs for in-depth knowledge of the project, its location, regulations and market, usually requires collaboration with local suppliers, which is required to evaluate and assess the implantation stage. Once the development phase and the administrative procedures for its construction have been completed, and the financial closing has taken place (i.e. the project financing for the project has been contracted and the first drawdown under such financing is possible), the construction phase starts. This is led by the Construction department, which initially approved the project during the feasibility analysis.

Construction activity must comply with three fundamental principles that we believe can only be achieved if the process is carried out in-house, as it occurs in our case:

- Excellence and highest quality standards: The excellence of our construction activity and the quality in the execution of the facilities. Our facilities must be built with the highest quality standards because our vocation is to keep the assets in our Portfolio with the longest possible operating life, observing in any case the basic principle of operation under the parameters of safety and efficiency.
- Secure the timeline: Guarantee certainty and security in meeting deadlines and compliance with budgets.
- Operating flexibility: Grant the organization the necessary operational flexibility, adapting construction planning to the closing of the project process.

Prior to the start of the construction phase, the intervention of the finance department is also required. In this phase, the establishment of long-term non-recourse financing structures from the start-up date or the design of the envisaged financing structure of the project is relevant. These financing structures are preferably established in the destination places and jurisdictions with local entities and are complemented by the contributions of our equity. The Finance team optimizes the financing structure of each project through:

- i. non-recourse financing formulas, in many cases through non-recourse project-level financing from financial institutions at a local and/or international level (comprising also development banking institutions) as, for example, the project financings we have executed in Honduras and Guatemala. The non-recourse project financing agreement in Honduras was entered into between Llanos del Sur Fotovoltaica, S.A., and Banco Atlántida on May 23, 2018, for a total of \$19,493 thousand, with an outstanding balance of €13,421 thousand as of December 31, 2020. The project finance agreement matures in 2028, with a repayment schedule based on quarterly instalments, at an annual interest rate of 7.30%. The security interest guaranteeing the debt is a pledge (*fideicomiso de garantía*) over the asset Llanos del Sur solar PV plant. In Guatemala, for the financing of Las Fuentes II hydropower facility, we entered into, through Energías del Ocosito, S.A., a non-recourse project finance agreement with Banrural on November 6, 2020, for a total of \$37,090 thousand, with an outstanding balance of €28,769 thousand as of December 31, 2020. This project finance agreement matures in 2040, with a repayment schedule based on monthly instalments, at an annual interest rate of 1.05%.
- ii. innovative ways, such as refinancing the project financing arrangements with the issuance of the Green Project Bond on September 10, 2020, for an amount of €130 million non-recourse senior debt, which is a differentiating element compared to other competitors and also served us as an introductory step to capital markets
- iii. our financing structure for the financing of certain wind farms developed in the Canary Islands, where we have set up a wholly owned subsidiary incorporated under the laws of Luxembourg (Ecoener Inversiones, S.C.A., SICAV-RAIF or “**Ecoener Inversiones**”). Ecoener Inversiones raises funds through loan agreements (the “**Loans**”) granted by individual investors (“**Investors**”). As of the date of this Prospectus, we have entered into 43 non-recourse Loans granted by 39 Investors. These Loans are

considered as financing instruments benefiting from the special fiscal regime provided in the Act 19/1994 of 6 July, amending the Economic and Tax Regime of the Canary Islands. This structure enables us to raise funds from investors at a very low fixed rate (1%), which is reimbursed in the term of five years after the start of operations of the relevant wind farm asset; and

- iv. The 2021 Credit Facility Agreements in Spain for the financing of our assets in the Canary Islands:
- a credit facility agreement for the financing of the construction and operation of the wind farms of Lomo del Moral and Arcos del Coronadero in Spain, for a maximum amount of €6,415 thousand. This credit facility agreement matures on June 30, 2037 and has a repayment schedule based on semester instalments, at an annual interest rate of 2.70%. See section “*Operating and Financial Review—Recent Developments—2021 Credit Facility Agreements in Spain*” for more information.
 - a credit facility agreement for the financing of the construction and operation of twelve solar PV plants in the Canary Islands, for a maximum amount of €16,770 thousand. This credit facility agreement matures on December 31, 2037 and has a repayment schedule based on semester instalments, at an annual interest rate of 2.70%. See section “*Operating and Financial Review—Recent Developments—2021 Credit Facility Agreements in Spain*” for more information.
 - a credit facility agreement for the financing of the construction and operation of a wind farm in the Canary Islands, for a maximum amount of €16,475 thousand. This credit facility agreement matures on June 30, 2038 and has a repayment schedule based on semester instalments, at an annual interest rate of 2.70%. See section “*Operating and Financial Review—Recent Developments—2021 Credit Facility Agreements in Spain*” for more information.

Therefore, we have access to a different range of available funding alternatives in case of being necessary. For further details, see section “*Material Contracts*”.

We have a debt maturity profile with (i) 8.8% of our debt matures in 2021-2022, (ii) 26.7% of our debt matures between 2023-2025, and (iii) 64.5% of our debt matures from 2026. Our average cost of debt is 2.36%.

Financial management also requires the management of own resources, in addition to having the cash flows generated by the operation of our energy assets, we have minority investors at various levels and one investor holding 50% in our project in Honduras.

In particular, we have promoted the direct participation of investors in the capital structure of some of our projects as long-term strategic alliances. The table below details the percentage of the total installed and targeted capacity of our Portfolio and Pipeline that is attributable to us (93%), corresponding the remaining (7%) to our partners and investors.

Portfolio + Estimated Pipeline Ownership		
Stage	Capacity	Attributable Capacity (AC)
In Operation	141	116
Under Construction	142	142
Backlog	284	284
Advanced Development	64	62
Early Stage	1,179	1,075
TOTAL	1,811 MW	1,679 MW
	100%	93%

Operation and maintenance - O&M (up 30 to 70 years) and management of the facility from an environmental, legal, financial and business point of view

Once the construction of the project has been completed and the facility begins its commercial operation, it requires the provision of new services. These services are related to the operation, monitoring, maintenance and

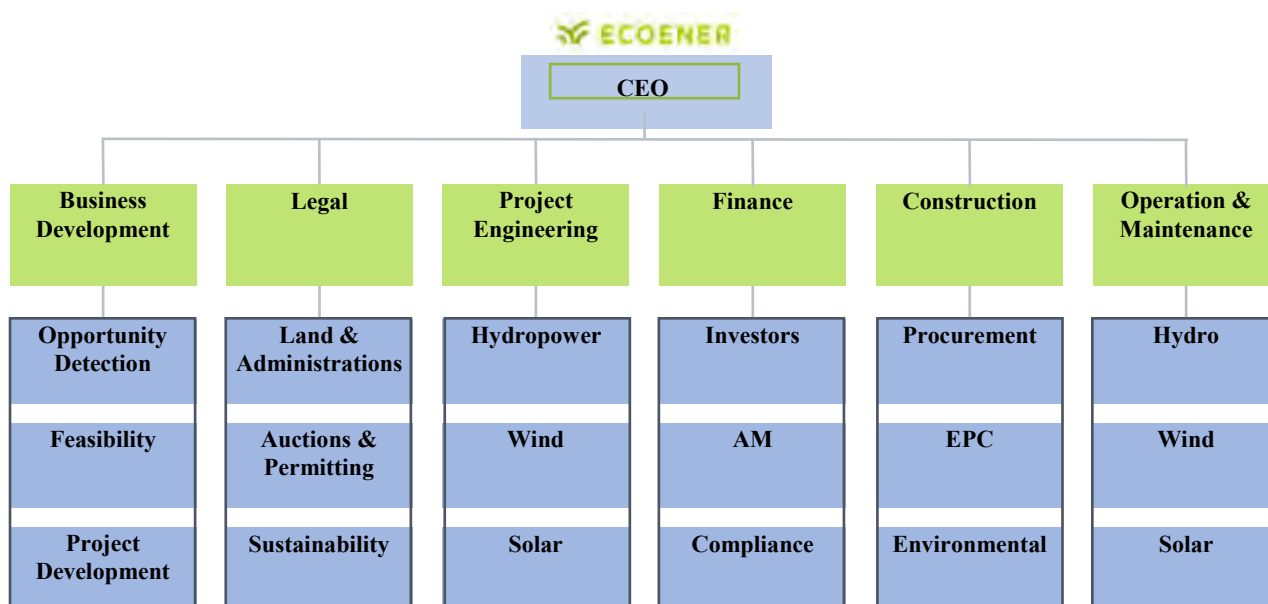
repair of the relevant facility to maximize its performance and availability. We maintain an industrial focus on the operation and maintenance of the facilities, in the conviction that their correct maintenance is the only way to maximize their performance and durability, which implies a higher profitability of the asset. In this respect the availability performance of our assets has been: (i) near to 100% in hydropower facilities along the rainy season; (ii) 99% in wind farms; and (iii) over 99% in solar PV plants (*Source: Company*).

We carry out the maintenance of all our facilities, as well as, to a limited extent, certain third-party facilities designed and built by us in the regions where we operate, allowing efficient use of our resources. The key parameters to optimize operation are related to performance and availability, which in turn depend on monitoring systems, preventive maintenance schemes and optimized response to breakdowns, repair time and the stockpiling of strategic spare parts.

This phase includes operation and maintenance from a technical point of view, and asset management through the provision of legal, administrative-financial and environmental corporate services, as well as active management of the sale of our electricity produced.

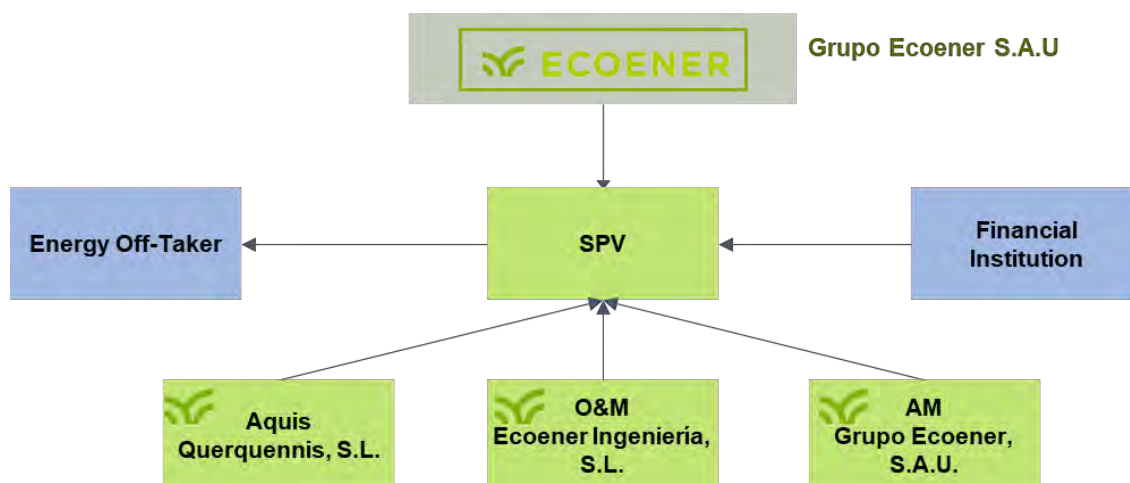
- **Facilities Operation Services:** This service includes, the operation and maintenance of the facilities through the monitoring, supervision and analysis of the operation, surveillance, management and equipment maintenance reports. Operation and maintenance of hydropower facilities and solar PV plants are carried out in-house while specific maintenance of key components of wind power plants, such as turbines, are contracted with their manufacturer or third party suppliers.
- **Environmental Management Services:** Implementation, supervision and management of the activities necessary to comply with applicable environmental regulations and, in particular, monitoring of revegetation and restoration after the completion of the works, periodic review of the environmental status, contracting and supervision of the legally foreseen campaigns follow-up in relation to: (i) chiroptera, ultrasounds, etc.; and (ii) avifauna, periodic contracting of water quality analytics or noise studies, monitoring and control related to compliance with legislation on discharges and soil protection, among others, environmental monitoring and follow-up tasks and processing and monitoring of all environmental procedures.
- **Legal and legal-administrative services:** The concessionary nature or prior authorization of the title enabling to develop generation facilities requires monitoring of its compliance, which is very specific in the case of water, with differential regulation. For this reason, the Legal team is responsible, among other tasks, for the processing and monitoring of administrative procedures of any kind in relation to projects, assets or facilities, as well as the Company itself, the representation before the different public administrations and other public and private entities, the preparation of contracts and documentation related to contracts of sale, easements, exchanges, etc., the supervision and vigilance of our legal status and our regulatory compliance (e.g. corporate, accounting and audit), management of fiscal, tax and economic obligations, management of billing, collection and payment services resulting from the operation of the facilities and management of the insurance necessary for the development of the activity.
- **Finance services:** The energy sector is highly capital intensive and demanding due to the regulatory level, which is subject to change and governs the economic life of a facility. Therefore, efficient financing management is a strength as well as a necessity in a sector that, although is growing, shows some signs of maturing. The finance department, in addition to managing financing as described above, provides corporate accounting, tax, compliance, reporting and auditing services. In addition to providing administrative support to all business areas, the Finance Department supervises the Group's financial performance, function which is key to the proper development of the different phases of the business cycle.
- **Energy sales management:** Within the O&M services we also include the active management of the sale of our electricity produced in our facilities through the contracting of PPAs, optimization of sales through the market and other instruments.

The following diagram shows our functional structure:



As described above, the departments or functional areas of work described are linked and feed their knowledge back throughout the generation process of value. The stages, although sequential, have the participation of the different work teams in each of the different phases, as detailed above (see “Activities along the value chain”). Thus, the departments of Business Development, Legal, Project Engineering Finance, Construction and Operation & Maintenance are involved in each project during its entire development process.

The following diagram shows the typical corporate structure of a project company as of the date of this Prospectus.



Value chain by project technology

We have a diversified generation mix of assets, known as multi-technology, composed by hydropower, wind and solar PV plants, with extensive experience and technical mastery in relation to the three technologies.

In addition, our knowledge of hydropower technology represents a differentiating element compared to other generators, since its development requires in-depth technical knowledge and is more complex and time-consuming.

The graph below details, for each technology, the requirements, based on our own experience, in terms of timing, specialization and capital or operating expenditures:

	Development from the beginning		EPC construction and procurement		Operation and Maintenance	
	Timing	Level of Specialization	Timing	Level of CapEx ⁽¹⁾	Timing	Level of Opex
HYDRO	1-3 years	Very High	2 years	High	Up to 70 years	Low
WIND	1-2 years	Medium	1 year	Medium	Up to 40 years	High
SOLAR	1-2 years	Low	9 months	Low	Up to 30 years	Low

(1) See section “Operating and Financial Review” for a definition of this term.

We can indistinctly develop any of the three mentioned renewable energy technologies. Our expertise provides us with a technological complementarity that safeguards us from the seasonality or cyclical risks related to our business.

The more complex and specialized an activity becomes, the more it is important to have the necessary knowledge and expertise to ensure control over the entirety of the process to avoid the loss of control over potential additional costs, delays or drops in quality due to externalization.

In the following table, you may find an estimation of the CAPEX allocation for each phase based in our own experience:

	CapEx Allocation						
	Total SPV investment				D&C breakdown		
	Development	Construction	Transaction Fees ⁽¹⁾	Debt Service Reserve Accounts (DSRA) ⁵	Main components ⁽²⁾	Civil Works	Others ⁽³⁾
HYDRO	10-15%	75-80%	5-6%	3%	20%	70%	10%
WIND	5-10%	80-85%	5-6%	3%	75%	15%	10%
SOLAR	5-10%	80-85%	5-6%	3%	85%	10%	5%

(1) Transaction fees includes transaction costs and construction period interests (*intereses intercalarios*)

(2) Hydro: Turbine and Generation Facilities; Wind: Turbine, Generator and Structure; Solar PV: Modules.

(3) Hydro: including Interconnection and Electric Lines; Wind and Solar PV: including Development costs.

While hydropower facilities require proper construction “*in situ*” of the main components, the main equipment of wind farms and solar PV facilities is manufactured by the relevant supplier and installed on the relevant land where such facilities are being developed. This explains the difference of costs associated to the civil works for each of the technologies (being much higher in respect of hydropower facilities) and also in relation to the main components (being lower in respect of hydropower facilities but higher for wind farms and solar PV facilities).

⁵ Reserve account specifically set aside to make debt payments in the event of a disruption of cash-flows to the extent that debt cannot be serviced.

For our assets “Under Construction” see below, in detail, the required investment for each of the assets:

- for our five solar PV projects (accounting for a targeted installed capacity of 11 MW), with expected COD in the second half of 2021, the total investment required is targeted to amount to €10 million, corresponding €7 million to equity: of which €2 million have already been contributed and the remaining have been provided through the subsidies awarded by the General Directorate of the Institute for the Diversification and Saving of Energy (IDAE) (March 12, 2021 resolution), under the framework of the SOLCAN program.
- for our seven solar PV projects (accounting for a targeted installed capacity of 14 MW), with expected COD in the second half of 2021, and La Florida III wind farm (accounting for a targeted installed capacity of 19 MW), with expected COD in 2022, the total investment required is targeted to amount to €36 million, corresponding €13 million to equity: of which €5 million have been already contributed and €5 million are expected to be granted through subsidies (€1.5 million have already been awarded and confirmed by the abovementioned resolution of the IDAE (March 12, 2021 resolution) within the SOLCAN program; and the additional €3.5 million are expected to be received from an additional convocation for awarding new subsidies that is expected to be resolved in the forthcoming months). The remaining equity is expected to come from the contribution by the Group to the assets of the substation that the group is currently constructing and that is expected to be assigned to the projects based on the capacity needs of each of them.
- for our six solar PV projects in the Canary Islands (accounting for a targeted installed capacity of 16 MW), with expected COD in 2022, the total investment required is targeted to amount to €14 million, corresponding €5 million to equity. Regarding these assets, development costs are targeted to amount to €1.5 million, and are expected to be re-assigned as equity to the companies holding these assets. Additionally, €2 million of non-refundable subsidies are expected to be received. The cash available for the year ended December 31, 2020 plus the cash that is expected to be generated in 2021 is expected to be used to fund the remaining €1.5 million.
- for our seven wind farms in the Canary Islands (accounting for targeted installed capacity of 28 MW), with expected COD in 2022, the total investment required is targeted to amount to €31 million, corresponding €14 million to equity. The Group targets to incur in development costs of €4 million. The remaining equity of €10 million is expected to come from non-refundable subsidies that could be substantially higher for the two islands where these wind farms are located: La Gomera and La Palma.
- for the capacity increase (accounting for a targeted installed capacity of 3.1 MW) in our hydro asset in Cierves, with expected COD in 2022, the total investment required is targeted to amount to €3 million, which is expected to be financed with €2 million of debt. The Group targets to incur in development costs of €1 million for this asset. for our Solar PV plant Cumayasa 1 in Dominican Republic (accounting for a targeted installed capacity of 50 MW), with expected COD in 2022, the total investment required is targeted to amount to €36 million, corresponding €27 million to debt. Regarding the remaining €8 million, €4.2 million account for expenses incurred by the Group during the development and construction of the asset, while the remaining is expected to be paid in cash during the first half of 2021.

The following table sets forth for our assets Under Construction, the targeted investment, the proportion of debt/equity (agreed or expected as the case may be) and the status of the financing.

Project						Targeted Investment / Financials - €M				
Under Construction	Country	Technology	Name	Capacity	Off-taker	Investment	Equity	Debt	CoD	Financing status
	Spain	Solar PV	5 PV plants in Canary Islands	11 MW	omie	10	7	4	Second half 2021	Executed
	Spain	Solar PV and Wind	7 PV plants in Canary Islands & La Florida III wind farm	33 MW	omie	36	13	23	Second half 2021 & 2022	Executed
	Spain	Solar PV	6 PV plants in Canary Islands	16 MW	omie	14	5	9	2022	To be executed
	Spain	Wind	7 Wind Farms in Canary Islands	28 MW	omie	31	14	17	2022	
	Spain	Hydro	Cierves (capacity increase)	3 MW	omie	3	1	2	2022	

	Dom. Rep.	Solar PV	Cumayasa 1	50 MW	Merchant	36	8	27	2022
				142 MW		129	48	81	

For further details on our assets Under Construction, see section “*Business —We have an attractive and low-risk Pipeline and a Portfolio with assets that provide sustained income and predictable returns*”.

Since we act as an integrated multi-technology company, our value chain comprises three specific phases in which we staggered the development of our renewable energy facilities, being these phases: (i) development from the beginning, (ii) EPC, and (iii) O&M. The main characteristics of each technology along this pathway of value creation are outlined below.

- Hydropower projects require a very high specialization degree in the development from the beginning phase, while capital expenditures remain considerable during EPC construction and procurement phase and finally with very limited operating expenditures during its operation lifetime, which can be extended up to 70 years.
- Wind power facilities require medium specialization and capital expenditures during the development from the beginning and construction and procurement phases, respectively, while operating expenditures increase during its operation lifetime, which can be extended up to 40 years.
- Solar PV facilities require low specialization and capital and operating expenditures in the three different steps of the process, with a possibility to extend its operation lifetime up to 30 years.

A description of the main characteristics of each technology is provided below:

Hydropower facilities

A hydropower facility is a complex construction that transforms the potential energy of water into electricity, through the transfer of the flow of water between two points at different heights. The main components of the hydropower facility are the dam, the penstock, the pipeline (channel, tunnel and/or pressure pipe), the turbine-generator equipment and the electrical transformer or electrical substation.

Hydropower facilities can be flowing – run-of-river, or storage water, depending on whether they capture the water from the river flow and transfer it to the plant to return it simultaneously or, on the contrary, if they have a storage tank that allows adapting the turbine regime if necessary.

One of the key elements of a hydropower facility is the turbine. The rotation of its blades allows the electricity generator connected to the turbine, to convert the rotating energy into electricity, which is then evacuated to the grid.

Therefore, the hydropower turbine is the key element of a hydropower facility. We use a well-recognized technology for this equipment and market leading manufacturers around the world. Voith is our usual supplier of turbines, with more than 100 years of outstanding presence in the sector.

Maintenance of hydropower facilities requires specialized skills, but due to the high reliability of its equipment, the hydropower technology is the one with the lower levelized cost of energy over the long term.

Within the field of renewable energies, hydropower is the oldest, most mature and most consolidated technology, and it is still currently the largest in terms of capacity and generation worldwide.

Wind farm

A wind farm is a group of wind turbines that transform wind energy into electric energy. The locations and distribution of wind turbines are a very important part of the design of a wind farm, since the energy generated depends on the density of the air, the swept surface of the wind turbine blades and the speed of the wind.

The main component of the wind turbine is the electrical generator that converts the kinetic energy of the wind into mechanical energy and the mechanical energy is transformed into electrical energy through a generator. There are different types of wind turbines, depending on their power, arrangement of the axis of rotation or the type of electric generator. The most common design is that of three (3) blades that rotate on a horizontal axis, and from this horizontal axis, either directly or through a multiplier, moves a generator that generates electric energy. Currently, there are two main variants in the industry: (i) the first with a multiplier and a doubly fed asynchronous

generator; and (ii) the second without multiplier, with the generator directly connected to the shaft, and a multiple synchronous generator, which operates at a variable frequency, and which is transformed by an inverter to the frequency of the electrical network.

We have used the classic 3-blade wind turbine design. The main elements are the blades, the hub, the tower, the generator and the transformer. Likewise, we have mainly used the design without a multiplier, as it has less wear on its mechanical parts throughout its operating life. For the calculation of the operating life of a wind turbine we consider all its components as a whole. For further information regarding operating life, see “*Value chain by project technology*”.

Wind energy is a significantly mature technology, evolving towards larger diameter turbines, with innovative solutions in transport logistics. Advances are also being made in power electronics to meet increasingly demanding network requirements.

Solar PV plant

A solar power plant is a PV system designed to supply power to the electrical grid. The source of solar energy is obtained through PV modules that convert light into direct current (DC) electricity. Generators convert this electricity into alternating current, which is then transmitted to the electrical grid. The generator provides a low voltage power output (around 400Vac). This power can be used directly, however, larger plants will normally be connected to the electrical grid that operates at a higher voltage so for this it is usual to install transformers to deliver the required output to the network.

Solar energy is a scalable industry that can be used to supply energy to small devices (mobile, computers, etc.) or it can directly inject energy into the grid. This makes this technology one of the most versatile that exists. Other advantages of this technology are that it can be used anywhere in the world, given that the sun is the energy source, making it a reliable energy provider throughout the year, with little variation from year to year.

This technology can be installed anywhere (house, roof, canopy, greenhouse, etc.) but most solar parks are installed on the ground. They can have a fixed inclination or use a solar tracker with an axis (single or double, although double has been less used due to its high cost). The solar tracker orients the panels towards the sun, increasing production up to 30%.

A solar park can be installed in residential areas because it does not generate noise which represents a positive feature of this technology in comparison to other technologies that have a greater environmental impact. Maintenance costs are very low as there are no major moving parts, and most work can be done on site by low-skilled personnel. The cost of the main equipment is decreasing every year, making solar energy one of the cheapest energies that exists and very attractive for self-consumption considering its Levelized Cost of Energy (LCOE), which is a measure of a power source that allows comparison of different methods of electricity generation on a consistent basis and can also be regarded as the minimum constant price at which electricity must be sold in order to break even over the lifetime of a project.

The solar energy industry has come a long way in recent years, improving efficiency and lowering its installation costs to the lowest level among the top three technologies (i.e. hydropower, wind and solar PV). However, the next decade will experience an unprecedented growth rate, strengthening solar PV energy as a fundamental pillar for the development of renewable energies. For further details see section “*Industry Overview*”.

Substations

Renewable energy generation facilities need to run their generated energy through transformation facilities, before the energy is transmitted to the electrical grid. A substation is a part of an electricity generation, transmission and distribution system. Substations transform voltage from low to high, or vice versa, and perform other relevant functions. In renewable energy systems, between the generation station and the grid, electrical energy can flow through one or more substations at different voltage levels. A substation may in turn include transformers to change voltage levels between high transmission voltages, or at the interconnection of two different transmission voltages.

Our typical substation equipment suppliers are:

- Transformers: SIEMENS, ABB, SGB.
- High voltage equipment: SIEMENS, ABB, SCHNEIDER.

In 2017, the Llanos de la Aldea substation was commissioned by the Company with a Siemens transformer. In 2020, the El Matorral's substation was commissioned with a SGB's transformer. In both cases, the high voltage equipment was supplied by Siemens, ABB and Schneider.

Our Competitive Strengths

Agile in decision making and independent company, with a long-term vision: Ecoener is pioneer in the sector with a long and solid track record

We are a family-owned company with a long-term horizon for creating and preserving equity value for our shareholders. As of the date of this Prospectus, we are ultimately owned by Mr. Luis Valdivia. See section "Principal Shareholders".

We believe that, since our incorporation 32 years ago, we have built a strong reputation in the industry based on our track record and our ability to safely and reliably execute complex projects with high quality standards and a solid operating track record. The focus on the quality and permanence of our assets over time allows us to build and maintain solid and lasting relationships with all the stakeholders that participate in our sector, especially with our suppliers, public administrations and local communities.

We are industry pioneers, Ecoener is the first group in Spain to construct a PV plant using high-efficiency thin-film solar panels. We are also the first Group in Spain to install the Enercon E-70 wind technology. Enercon shifted from using gearboxes to using gearless technology. This innovative drive system with few rotating components enables almost friction free energy flow, leading to better performance and reliability. Mechanical stress, operating costs and maintenance costs are reduced, and the service life of the systems is increased.

Additionally, due to our hydropower broad expertise, we have constructed 30.5% of the hydropower capacity in Spain in the last twelve years (*source: Company's internal data extracted from the information published by the CNMC in the following url: <https://www.cnmc.es/estadisticas?hidtipo=12749&page=1>*). Owing to our family nature and the extensive involvement of Mr. Luis Valdivia, our founder, Chairperson and CEO, our day-to-day management is based on a horizontal and multi-departmental structure and agility in decision-making which is another pillar of our competitive strengths and has simplified our decision-making processes in relation to entering new markets or exiting others. At the same time, it has helped us gain critical operational experience and in-depth knowledge of the renewable energy markets, improving performance and the speed of project execution. We have developed work systems that significantly reduce the time required to design, finance and build projects. In addition, our experience in efficient execution facilitates the completion of our plants without significant cost increases and quickly reallocates resources to other projects, allowing us to develop and build multiple projects in parallel without compromising efficiency. We believe that our operating experience, long-term local relationships and risk mitigation strategies will allow us to continue growing organically and sustainably.

Integrated and multi-technological business model with a differential knowledge of hydropower generation energy, that provides a unique positioning to capitalize renewables momentum

Our fully vertically integrated and multi-technological business model, with extensive experience in developing hydropower, wind and solar PV projects sets us apart and allows us to generate energy at competitive prices and take advantage of synergies between the different activities of the supply chain value. Additionally, this unique set-up, allows us to take advantage of the current renewables industry market trend, as we can generate growth across the hydropower, wind and solar PV technologies.

The development of projects in the main renewable energy technologies gives us the necessary flexibility to undertake projects with the best possible profitability. In a complex energy market, with a tendency towards the hybridization of technologies, the knowledge and mastery of the main renewable technologies will be increasingly relevant. We have 33 MW of hybridization projects in our Pipeline located in the Canary Islands where solar PV is expected to be installed in existing wind farms.

The case of hydropower facilities is particularly relevant, as it is the prime technology in the world of renewable energy. With a technological system in force for many decades, its efficiency has not been surpassed either by wind or by solar PV technologies.

Despite the fact that its legal regulation is usually the most restrictive and its administrative processing is the most complex, and that its design and construction are the most specific and require a more elaborate technique, with more expensive and complex civil works, hydropower generation is the most advanced of all technologies. For this reason, it is not available to most operators.

In light of our own expertise, we consider its equipment is the most durable, its maintenance is notably cheaper and its environmental footprint is minimal in the fluent cycle plants, which are the ones we design. Based on our knowledge, once a hydropower facility is built, the asset has a very long-term duration, with a barely perceptible annual depreciation, a solid value has been created that provides high and stable returns.

We have an attractive and low-risk Pipeline and a Portfolio with assets that provide sustained income and predictable returns

Our business is diversified across countries and technologies, reducing our dependence on any single market or business division thereby providing resilience during downturns and positioning us to exploit opportunities in markets around the world. Our global operations cover both mature markets and growing economies as we have hydropower, wind and solar PV assets In Operation in Spain, Guatemala and Honduras and projects Under Construction in Dominican Republic and Spain. We are also working for new Pipeline opportunities in 9 countries.

Portfolio of assets

We have a balanced renewable operating asset portfolio with a targeted installed capacity of 283 MW, once all the assets currently Under Construction enter into operation.

Our diversification by technology and geography provides our Portfolio the benefits of the natural hedge called “*Portfolio effect*” which in practice means that our portfolio has been designed to be complementary efficient by implementing different technologies in different territories which allow us to manage the power fluctuations due to the resource availability at a particular time. That is to say, at a particular time, some areas and technologies which will have rising power output (e.g. hydropower in Galicia); will compensate falling power output in other areas and technologies (e.g. wind farms in the Canary Islands). The effect of aggregation on our portfolio between Galicia and the Canary Islands allow us to reduce the risk associated with the resource variability by territory and season.

Our Portfolio of assets is also largely covered by long-term remuneration schemes, with the majority of our targeted installed total capacity expected to be subject to contracted or stable revenue under our off-take arrangements (i.e. regulated schemes, PPAs or merchant remuneration schemes that complies with our own requisites). Our regulated remuneration schemes are contracted in reliable currencies (Euro or U.S. Dollar) or referenced to such currencies (i.e. we receive payments in Euro or U.S. Dollar even if the contract is expressed in local currencies) with creditworthy counterparties.

We believe our current Portfolio of assets In Operation demonstrates we have been able to identify and develop attractive projects with sustainable cash flows.



We have a balanced Portfolio with diversified technology and geography, as well as 100% linked to hard currencies (Euro or U.S. Dollar) in relation to our respective remuneration schemes’ contracts. Our target is to have at least 90% referenced or linked to such hard currencies in relation to our respective remuneration schemes’ contracts in the future.

Our current Portfolio is divided into:

- *Assets In Operation* which comprise 17 projects accounting for 141.3 MW. These projects are operated in 3 different geographies: (i) Spain (with a total of 15 projects accounting for 110.9 MW; 6 hydropower facilities and 9 wind projects); (ii) Honduras (with 1 solar PV project accounting for 16.2 MW); and (iii) Guatemala (with 1 hydropower project accounting for 14.2 MW).
- *Assets Under Construction* which comprise 28 projects accounting for 142 MW. These projects are operated in 2 different geographies: (i) Spain (with a total of 27 projects accounting for 92.0 MW; 1 hydropower project, 8 wind and 18 solar PV projects); and (ii) Dominican Republic (with 1 solar PV project accounting for 50.0 MW).







The following table shows a summary of the main features of our assets **In Operation** as of the date of this Prospectus.

Project						O&M	Remuneration scheme		Project life		
Country	Technology	Name	Capacity	Attributable Capacity	Load Factor	O&M	Type	Off-taker	CoD	Regulatory life	Operating life
Spain	Hydro	San Bartolomé	1 MW	1 MW	44%	ECOENER	Regulated		1997	2022	2025
Spain	Hydro	Cierves	5 MW	5 MW	41%	ECOENER	Regulated		2000	2025	2045
Spain	Hydro	Arnoya	10 MW	10 MW	29%	ECOENER	Regulated		2003	2028	2038
Spain	Hydro	Peneda	10 MW	10 MW	21%	ECOENER	Regulated		2003	2028	2038
Spain	Wind	Ourol	18 MW	13 MW	32%	ECOENER EROM	Regulated		2007	2027	2037
Spain	Hydro	Xestosa	3 MW	2 MW	34%	ECOENER	Regulated		2008	2033	2058
Spain	Hydro	Landro	9 MW	9 MW	32%	ECOENER	Regulated		2008	2033	2048
Spain	Wind	Lalín	3 MW	3 MW	30%	ECOENER	Regulated		2008	2028	2048
Spain	Wind	Llanos de la Aldea	20 MW	15 MW	31%	ECOENER ENERCON	Regulated		2017	2037	2057
Spain	Wind	San Bartolomé	9 MW	7 MW	34%	ECOENER ENERCON	Regulated		2017	2037	2057
Spain	Wind	El Rodeo	5 MW	5 MW	37%	ECOENER ENERCON	Merchant+Canary Incentive		2020	n.a.	2060
Spain	Wind	La Caleta	6 MW	6 MW	43%	ECOENER ENERCON	Merchant+Canary Incentive		2020	n.a.	2060
Spain	Wind	Las Casillas I	4 MW	4 MW	44%	ECOENER ENERCON	Merchant+Canary Incentive		2020	n.a.	2060
Spain	Wind	Lomo del Moral	4 MW	4 MW	41%	ECOENER ENERCON	Merchant+Canary Incentive		2021	n.a.	2061
Spain	Wind	Arcos del Coronadero	4 MW	4 MW	41%	ECOENER ENERCON	Merchant+Canary Incentive		2021	n.a.	2061
Honduras	Solar PV	Llanos del Sur	16 MW	8 MW	19%	ECOENER	Regulated PPA ⁶	ENEE	2015	2035	2035
Guatemala	Hydro	Las Fuentes II	14 MW	11 MW	29%	ECOENER	PPA	Energuate / EEGSA	2016	2030-31	2061
TOTAL			141 MW	116 MW							

The following table shows a summary of the main features of our assets **Under Construction** as of the date of this Prospectus.

Project						O&M	Remuneration scheme		Project life	
Country	Technology	Name	Capacity	Attributable Capacity	Load Factor	O&M	Type	Off-taker	CoD	Operating life
Spain	Solar PV	Llanos de la Aldea I, II y III	7 MW	7 MW	26%	ECOENER	Merchant+Canary Incentive		Second half 2021	2051
Spain	Solar PV	Corral de Espino	2 MW	2 MW	26%	ECOENER	Merchant+Canary Incentive		Second half 2021	2051
Spain	Solar PV	Bocabarranco	2 MW	2 MW	26%	ECOENER	Merchant+Canary Incentive		Second half 2021	2051
Spain	Solar PV	La Tartaguera	2 MW	2 MW	26%	ECOENER	Merchant+Canary Incentive		Second half 2021	2051
Spain	Solar PV	Aldea Blanca I,II,III y IV	8 MW	8 MW	26%	ECOENER	Merchant+Canary Incentive		Second half 2021	2051
Spain	Solar PV	Juncalillo del Sur	2 MW	2 MW	26%	ECOENER	Merchant+Canary Incentive		Second half 2021	2051

⁶ Regulated PPA as the counterparty is a public entity or the government.

Spain	Solar PV	Barranco de la Grea	2 MW	2 MW	26%	ECOENER	Merchant+Canary Incentive		Second half 2021	2051
Spain	Wind	La Florida III	19 MW	19 MW	46%	ECOENER ENERCON	Merchant+Canary Incentive		2022	2062
Spain	Solar PV	6 Solar PV in Canary Is.	16 MW	16 MW	27%	ECOENER ENERCON	Merchant+Canary Incentive		2022	2052
Spain	Wind	5 Wind Farms in Canary Is.	17 MW	17 MW	43%	ECOENER ENERCON	Merchant+Canary Incentive		2022	2062
Spain	Wind	2 Wind Farms in Canary Is.	12 MW	12 MW	43%	ECOENER ENERCON	Merchant+Canary Incentive		2022	2062
Spain	Hydro	Cierves (capacity increase)	3 MW	3 MW	38%	ECOENER	Merchant		2022	2048
Dominican Republic	Solar PV	Cumayasa 1	50 MW	50 MW	22%	ECOENER	Merchant ⁷	TBD	2022	2052
TOTAL			142 MW	142 MW						

The below table illustrates the **remuneration schemes** and the percentage they represent of the total revenues of the assets under our Portfolio expected as of December 31, 2021.

Portfolio Mix Revenues as of 31-12-2021															
Assets															
In Operation					Under Construction					In Operation + Under Construction					
	Regulated Remuneration	Regulated PPA	Merchant + Canary Incentives	Merchant	TOTAL	Regulated Remuneration	PPA	Merchant + Canary Incentives	Merchant	TOTAL	Regulated Remuneration	PPA	Merchant + Canary Incentives	Merchant	TOTAL
MW	105	14	22	0	141	0	0	25		25	105	14	47	0	166
MW %	74%	10%	16%	0%	100%	0%	0%	100%	0%	100%	63%	9%	29%	0%	100%
<i>Total</i>	<i>Contracted</i>		<i>Merchant</i>		<i>Total</i>	<i>Contracted</i>		<i>Merchant</i>		<i>Total</i>	<i>Contracted</i>		<i>Merchant</i>		<i>Total</i>
	84%		16%		100%	0%		100%		100%	71%		29%		100%

Pipeline

We have a diversified pipeline of projects to underpin our growth. We continually seek to identify new development opportunities and grow our portfolio of projects. While leveraging our integrated platform, structure and strong understanding of the market and activity across different regions, we have developed attractive projects that are in various stages of development, grouped for internal purposes in three categories by our “Early Stage”, “Advanced Development” and “Backlog”, to grow our portfolio.

We have a Pipeline of renewable energy projects with a potential aggregate installed capacity of approximately 1,527 MW classified as Backlog (284 MW), Advanced Development (64 MW) and Early Stage (1,179 MW) from which we are targeting the development of projects that would significantly increase our total installed capacity to 679 MW by the end of 2023, compared to a targeted installed capacity of 166 MW by the end of 2021. The targeted installed capacity by the end of 2023 includes approximately 166 MW of hydropower projects, 348 MW of solar PV projects and 165 MW of wind projects. We believe our Backlog, Advanced Development and Early Stage projects are indicators of the strength of our business, our capacity to expand our geographic footprint base and our ability to generate operating revenue and visible cash flows in the near and medium term.

As we have stated, we have our own criteria and procedures for classifying our projects, based, among others, in the completion of certain key milestones.

The following table sets forth our growth plan in terms of our targeted operating MW by the end of 2023 for the projects under our Pipeline classification by technology. Such figures are targets determined on the basis of our own expertise, assuming a distribution of equity 30-35% and financing 65-70%, the current conditions of the markets and assuming the completion of the Offering in respect of the Backlog assumptions. In particular, the

⁷ As of the date of this Prospectus, we are negotiating a potential PPA in Dominican Republic for 15 years at \$67 per MW/h. If not successfully executed, the electricity produced by Cumayasa 1 and 2 solar PV will be sold under merchant remuneration scheme.

proportion between debt and equity of our projects in Advanced Development and Early Stage are only targets on the basis of our historical performance, as we do not have yet any visibility on the conditions of the financings.

The associated total targeted investment to develop the projects under our Pipeline by 2023 amounts to an estimate of €380,000 thousand, considering an average cost per MW for each technology based on our previous experience, the current market conditions and assuming an expected and targeted equity of 30-35% (approximately a targeted amount of €125 million) and 65-70% of external financing (approximately a targeted amount of €255 million).

For the financing of our investments we will rely on (i) the net Offering Proceeds of €170.6 million (amount without considering the potential exercise of the Over-allotment Option); and (ii) with (a) our external financing; and (b) the proceeds from our assets In Operation. To the extent that we are able to obtain external financing from the sources described below and with the targeted proportion (65-70%), the excess of net Offering Proceeds may be used to develop the projects under our Pipeline beyond 2023.

In respect of the debt, in light of the current market conditions and our own experience in respect of different sources of financing, we target to obtain such financing from financial entities, joint ventures and others (as, for example, the SICAV structure in the Canary Islands). The targeted financing from external sources (debt financings) to accomplish our assets Under Construction and the projects under our Pipeline until 2023 is targeted to amount to €310 million (i.e. €55 million for our assets Under Construction and €255 million for the Pipeline).

Pipeline Stage	Country	Technology	Project Name	Capacity	Off-taker	Targeted Investment / Financials - €M			
						Investment	Debt	Equity	Cost of debt
Backlog	Spain	Solar PV	15 PV Projects in the Canary Islands	31 MW	OMIE	21	14	7	2.7%
	Chile	Solar PV	11 PV Projects in Chile	47 MW	Luz Osorno, Saesa, Cooprel	33	23	10	6.0%
	Spain	Wind	Dos Cotos	30 MW	OMIE	33	21	12	2.7%
	Chile	Solar PV	2 PV Projects in Chile	6 MW	Saesa	3	2	1	6.0%
	Chile	Wind	Choique	9 MW	Chilquinta	10	7	3	6.0%
	Dom. Rep.	Solar PV	Payita	50 MW	Merchant	36	27	9	6.0%
	Kenia	Solar PV	Kericho	40 MW	Kenya Power	28	21	7	6.5%
Advanced Development	Spain	Solar PV	Hoya de Pavón, Agadir, Berriel, Crucitas and Galeón	27 MW	Merchant	18	12	6	n.a.
	Kenya	Hydro	Sagana Kianjeje	11 MW	Kenya Power	16	11	5	n.a.
	Panama	Solar PV	San Julián	5 MW	n.a.	3	2	1	n.a.
Early Stage	Kenya	Solar PV	Kisumu	40 MW	Kenya Power	27	18	9	n.a.
	Colombia	Hydro	Caquetá I, Risaralda I, II y III	100 MW	n.a.	150	98	52	n.a.
				396 MW		380	255	125	

The following table shows a summary of the main features of our **Backlog** projects as of the date of this Prospectus:

Project						Remuneration Scheme		Project life		
Country	Technology	Name	Capacity	Attributable Capacity	Load Factor	Type		CoD ⁽¹⁾	Technical Operating life (years)	Expected end of the Operating life
Spain	Solar PV	15 PV Projects in the Canary Islands	31 MW	31 MW	26%	Merchant+Canary Incentive		2022	30 years	2052
Chile	Solar PV	11 PV Projects in Chile	47 MW	47 MW	18%	Regulated	PMGD ⁸	2022	30 years	2052
Spain	Wind	Dos Cotos	30 MW	30 MW	43%	Merchant		2022	40 years	2062
Chile	Solar PV	2 PV Projects in Chile	6 MW	6 MW	18%	Regulated	PMGD	2022	29 years	2052

⁸ Specific regulated regime for small generation means, (*pequeños medios de generación distribuidos*) or “PMGD” by its acronym in Spanish.

Chile	Wind	Choique	9 MW	9 MW	46%	Regulated	PMGD	2022	29 years	2052
Dom. Rep.	Solar PV	Payita	50 MW	50 MW	22%	Merchant		2023	30 years	2052
Kenya	Solar PV	Kericho	40 MW	40 MW	25%	Regulated	FiT ⁹	2023	30 years	2052
Dom. Rep.	Solar PV	Cumayasa 2	50 MW	50 MW	22%	Merchant		2024	30 years	2052
Spain	Wind	Do Merendón	21 MW	21 MW	43%	Merchant		2024	40 years	2064
TOTAL			284 MW	284 MW						

(1) Commercial Operation Date.

The following table shows a summary of the main features of our **Advanced Development** projects as of the date of this Prospectus:

Project			Targeted							
Country	Technology	Name	Targeted Capacity	% Ownership	Attributable targeted Capacity	Targeted Load Factor	Remuneration	CoD ⁽¹⁾	Technical Operating life (years)	Expected end of the Operating life
Spain	Solar PV	5 solar PV projects in the Canary Islands	27 MW	100%	27 MW	26.5%	Merchant+Canary Incentive	2022	30 years	2052
Kenya	Hydro	Sagana Kianjeje	11 MW	80%	9 MW	85.0%	FiT	2023	50 years	2073
Spain	Wind	Las Casillas and Morro del Resbaladero	21 MW	100%	21 MW	48%	Merchant+Canary Incentive	2024	40 years	2064
Panama	Solar PV	San Julián	5 MW	100%	5 MW	25%	PPA	2023	30 years	2053
TOTAL			64 MW		62 MW					

(1) Commercial Operation Date.

The following table shows a summary of the main features of our **Early Stage** projects as of the date of this Prospectus:

Project			Targeted							
Country	Technology	Name	Targeted Capacity	% Ownership	Attributable targeted Capacity	Targeted Load Factor	Remuneration	CoD	Technical life	Operating life
Spain	Solar PV	Morrete and Ciel	8 MW	100%	8 MW	26.5%	Merchant+Canary Incentive	2024	30 years	2054
Colombia	Hydro	Caquetá I y II; Río Guacaica; Río Amuparrá Unión, Risaralda I, II and II ¹⁰	160 MW	100%	160 MW	77.8%	PPA	2023, 2026 and 2027	50 years	2073, 2076 and 2077
Georgia	Wind	Tbilisi and Kaspi	108 MW	50%	54 MW	36.9%	PPA	2024	40 years	2064
Georgia	Hydro	Darchi and Tbilisi	38 MW	63.5%	24 MW	59.8%	PPA	2025	50 years	2075
Kenya	Solar PV	Kisumu	40 MW	85%	34 MW	24.0%	FiT ¹¹	2023	30 years	2053
Kenya	Hydro	Kipkurere, Kundos and Mutonga Mutuandanju	21 MW	98%	21 MW	76.2%	FiT	2025	50 years	2075
Kenya	Wind	Kalacha	50 MW	85%	43 MW	43.4%	FiT	2025	40 years	2065
Nicaragua	Solar	Mirazul I, II y II; Mirasol I y II	175 MW	100%	175 MW	24.5%	FiT	2027	30 years	2057
Nicaragua	Wind	Los Barros and Los Brotes	80 MW	100%	80 MW	51.4%	FiT	2028	40 years	2048
Nicaragua	Hydro	Hidronica	50 MW	100%	50 MW	57.1%	FiT	2028	50 years	2058
Panama	Solar PV	Aguadulce I and II	140 MW	100%	140 MW	24.5%	PPA	2025	30 years	2055
Serbia	Wind	Feketic	90 MW	100%	90 MW	38.7%	PPA	2028	40 years	2068

⁹ Feed-in-tariff.

¹⁰ Targeted prices for PPAs in Colombia are around 65 \$/MWh. If a PPA is not finally executed, the remuneration scheme will be merchant.

¹¹ Feed-in Tariff.

Spain	Solar	Hybrid assets in Canary Islands	33 MW	17MW 75% 16MW 100%	29 MW	25.1%	Merchant+Canary Incentive	2024	30 years	2054
Chile	Hydro	Andes	186 MW	90.0%	167 MW	68.5%	PMGD ¹²	2026	50 years	2076
		TOTAL	1.179		1.075 MW					

(1) Commercial Operation Date.

We understand that this description of the Pipeline may be an useful indicator of our targeted future revenue from electricity sales, while it allows to provide certain visibility into the short-term performance of our development and construction activities.

We closely monitor these measures to plan for our current needs and adjust our expectations, financial budgets and forecasts.

Pipeline and each of its subclasses (Early Stage, Advanced Development and Backlog) and assets Under Construction are not financial measures and each is based on a series of assumptions and estimates. Future events and the operational performance of the business may not occur or may evolve differently than expected, as such information depends on a number of variables that management may not control or may only control to a certain extent. Contingencies that could affect the conversion of our short-term *Backlog* into future income or cash flows include permit lockouts, the non-performance of construction contracts, cancellation, termination, delay, the reduction or adjustments of the scope, increased time requirements to complete work, delays in starting work, interruption of work, disputes with buyers or other unforeseen events. Therefore, data from our project Portfolio as of a particular date is not necessarily indicative of our future income or operating results and may not result in actual income during expected time periods or at all, and such data should not be considered or trusted as an indication that they will be an accurate prediction of future events. For further details, see sections “*Presentation of Financial Information and Other Important Notices–Forward-Looking Statements*” and “*Risk factors– Risks related to Our Business and Industry–We may not be able to successfully accomplish our Early Stage and Advanced Development projects and complete the development of our Pipeline, which is subject to unexpected adjustments and cancellations and is therefore not an accurate indicator of our future revenue or earnings. Constraints in the availability of the electricity grid, including our inability to obtain access to transmission/distribution lines or control of suitable sites in a timely and cost-efficient manner could adversely affect our business, growth strategy, results of operations, financial condition and prospects*”.

Pipeline breakdown by technology and geography is as follows:

- *Backlog* projects comprise 34 projects accounting for 284.3 MW. These projects are expected to be operated in four (4) different geographies: (i) Spain (with a total of 17 projects accounting for 82.4 MW divided into 2 wind and 15 solar PV projects), (ii) Chile (with a total of 14 projects accounting for 61.9 MW divided into 1 wind and 13 solar PV projects), (iii) Dominican Republic (with a total of 2 solar PV projects accounting for 100.0 MW), and (iv) Kenya (with a total of 1 solar PV project accounting for 40.0 MW).
- *Advanced Development* projects comprise 9 projects accounting for 64.1 MW. These projects are expected to be operated in three (3) different geographies: (i) Spain (with a total of 7 projects accounting for 48.2 MW divided into 2 wind and 5 solar PV projects), (ii) Panama (with a total of 1 solar PV project accounting for 5.0 MW), and (iii) Kenya (with a total of 1 hydropower project accounting for 10.9 MW).
- *Early Stage* projects comprise 31 projects accounting for 1,179 MW. These projects, if successful, are expected to be operated in eight (8) different geographies: (i) Spain (with a total of 3 solar PV projects accounting for 41.3 MW), (ii) Colombia (with a total of 7 hydropower projects accounting for 160.0 MW), (iii) Georgia (with a total of 4 projects accounting for 146.0 MW divided into 2 hydropower projects and 2 wind projects), (iv) Kenya (with a total of 5 projects accounting for 111.4 MW divided into 3 hydropower projects, 1 wind and 1 solar PV project), (v) Nicaragua (with a total of 8 projects accounting for 305.0 MW divided into 1 hydropower project, 2 wind and 5 solar PV projects), (vi) Panama (with a total of 2 solar PV projects accounting for 140.0 MW), (vii) Chile (with 1 hydropower project accounting for 186.0 MW), and (viii) Serbia (with a total of 1 wind project accounting for 90.0 MW).

¹² *Specific regulated regime for small generation means, (Pequeños Medios de Generación Distribuidos)* or “PMGD” by its acronym in Spanish.

Renewable energy is an attractive and growing market

We believe that we are positioned at the crossroads of favorable industry trends. By 2050, electrical power is expected to become the largest provider at the point of energy end use, covering 49% of the world's final energy demand. In 2050 it is expected that the total electricity demand will reach 47,056 TWh/year, doubling the total electricity demanded reached in 2016 (*Source: IRENA (2019), Global energy transformation: A roadmap to 2050 (2019 edition)*, International Renewable Energy Agency, Abu Dhabi).

By 2050, 86% of the worldwide electricity generation is expected to come from renewable energy, while in 2018, the share of renewable energies in total electricity generation was 24%. By 2050, 87% of the energy produced from renewable energies will come from hydropower, wind and solar PV energy (*Source: IRENA (2019), Global energy transformation: A roadmap to 2050 (2019 edition)*, International Renewable Energy Agency, Abu Dhabi). For more details, see “*Industry Overview*”.

We believe that we are in a good position to capitalize on the momentum of renewable energies given our experience in multiple technologies, our experience throughout the value chain, our diversified Portfolio and investment opportunities, and our capabilities to produce energy in hydropower, wind and solar PV technologies.

Highly experienced management team with a broad sector knowledge and successful track record

Seasoned and committed management team

The management team consists of six people (our Chief Executive Officer and founder, the Head of Legal & National Business Development, our Chief Financial Officer, the Head of International Business Development, the Head of Investors Relations and the Head of EPC and Construction), with an average age of forty-eight years, and an average work seniority in Ecoener of more than fourteen years.

This circumstance is not limited exclusively to the management team, but is a reflection of the different departments, in similar circumstances, despite the fact that growth and internationalization has caused the gradual entry of new workers. Six people have more than twenty years of experience with Ecoener, and fourteen are in a range of between ten and twenty years of experience with Ecoener. Low turnover after more than thirty years, especially in key positions, evidences the commitment and loyalty of our employees and managers.

The fact that their professional careers have been developed with us, strengthens the identification of the management team and employees with the Company, the alignment of objectives and a deep knowledge of the organization and its which clearly reinforce the high productivity of our employees.

Growth strategy and business objectives

Our strategy is twofold: (i) on the one hand, the generation of growth based on profitability and risk control through the development and commissioning of our current Portfolio of assets and the Pipeline by means of the international expansion in markets without risk of instability of the electricity transmission or distribution network; and (ii) that this growth is sustainable from an environmental point of view and of integration in the communities in which the projects are developed (for further details, see “*Corporate social responsibility: Sustainability*”).

The key components of this business strategy are:

Take advantage of opportunities in growing markets and continue our international expansion

We follow a very rigorous approach to entering new markets supported by a systematic analysis based on profitability and risk control.

Our international strategy is based on the identification and monitoring of the following aspects: (i) markets with energy imbalances, either due to lack of generation or sufficient coverage of demand or because there is still a significant weight of fossil energy in the generation mix that requires a decarbonization process and that require a stable production of electrical energy; (ii) markets without risk of instability of the electricity transmission or distribution network; (iii) markets where there are economic incentives, either in the form of regulated rates, premiums or the possibility of entering into PPAs; (iv) off-takers with a proven track record and a solid financial profile; (v) projects or markets with strong currencies (only U.S. Dollar or Euro or, where appropriate, contracts referenced to said currencies); (vi) countries where multilateral entities (International Financial Institutions) are active and interested in providing financing for renewable energy projects; and (vii) technology choice that best suits each situation based on the energy demand profile and the country's generation mix.

Given the stability in the production of electricity provided by the hydropower facilities, which is so relevant to some of the countries in which we invest, our knowledge and experience of this technology provides us with a competitive advantage to enter those territories. In addition, the implementation of hydropower facilities in other countries allows us to maintain a balanced generation mix (by technology and countries), which is one of our main strengths.

In any case, our hydropower, wind and solar PV generation projects outside of Spain are projects of up to 50 MW (reaching up to 100 MW targeted installed capacity for some particular projects considered as Early Stage), given that they are technically controllable and financially viable projects. This allows us a correct dimensioning in terms of execution risk and technical complexity as they are technically viable projects and sustainable from an environmental point of view. Furthermore, this dimensioning is consistent with our conservative controlled risk policy.

We have developed critical operating experience and regional knowledge that improve project performance and accelerate project execution, all of which we believe will help us preserve our market position, but also continue our international expansion and selectively enter new markets. We intend to leverage our presence in countries where we already operate, as well as use our technological expertise and knowledge of local markets and potential synergies to expand our operations in those countries and expand to neighboring countries, particularly in Latin America, Africa and East Europe.

Our aim is to take advantage of the growing renewable energy markets for which we have extensive knowledge and experience. In particular, we plan to focus on the following geographic areas: Spain, Central and South America, East Europe and Africa.

Take a systematic approach in evaluating new business opportunities to maintain and further strengthen our competitive position

Along with our international expansion into new markets and geographies, our objective is to maintain profitable growth and our position as a vertically integrated, multi-technology and sustainable international renewable player in each of the jurisdictions in which we already operate.

Accordingly, our intention is to continue to focus on the areas where we have a local presence and track record. As part of this goal, we constantly evaluate projects and business opportunities in our target regions. We believe that our fully integrated platform will continue to support growth in the short and medium term and improve our margins. We look forward to further developing our diversified Portfolio to achieve further economies of scale and to base investment decisions on the best risk-adjusted returns in our core markets, evaluating potential investments against each other in all regions. We intend to pursue a strategy that seeks to leverage our existing capabilities in a variety of countries, regulatory regimes, development models and technologies by applying a rigorous approach to our business development activities. Consistent with our risk-based analytical approach, we pursue this strategy in markets where we believe there are strong fundamentals for renewable energy development.

In order to maintain and further strengthen our competitive position, we intend to use the proceeds of the Offering to fund investments for the development and construction of the projects identified within our Pipeline in order to expand our Portfolio, which we believe can improve our profitability as more cash flows would be available as such projects are commissioned.

Maintaining a prudent financial strategy, focused on hydropower, wind and solar PV generation increasing operating efficiency to support profitability

We are committed to maintaining a prudent financial strategy and aim to increase operating efficiency, thereby improving our productivity and optimizing our working capital and capital allocation. Our financial strategy is to build our hydropower, wind and solar PV assets with the most efficient cost of capital available to us. To achieve these goals, we plan to continue to focus on profitable and sustainable growth by further reducing fixed and variable costs, increasing cost efficiency and achieving synergies through our vertically integrated business model.

Because we have our own EPC and O&M capabilities, we retain the profit margins associated with those services that some other independent power producers must use to contract with outside providers. As we have already pointed out, this aspect is essentially relevant in hydropower facilities and, although to a lesser extent, also for wind installations. In the short term, to continue our growth, we plan to optimize and reinvest our operating cash flow in new capital investments and development and construction of new projects. In parallel, to support profitability, we intend to continue reducing costs by applying rigorous investment and divestment discipline, improving asset turnover, leveraging our internal EPC and O&M capabilities to strengthen our negotiating power

with technology providers and projects financiers. Most of our purchase agreements have pricing mechanisms that allow us to predict the income from producing electricity and the corresponding cash flows that each asset will receive during the term of the corresponding contract. Nonetheless, part of our off-take arrangements may turn into merchant remuneration systems in the future and *vice versa*. See section “*Risk Factors- Our off-take arrangements, including our regulated remuneration, our Power Purchase Agreements, as well as our operations under merchant remuneration systems, may expose us to certain risks which may affect our business, growth strategy, results of operations, financial condition and prospects. Our revenues and profits are exposed to electricity prices*”.

Growth will be focused on international markets based on profitability and risk control and will be sustainable from an environmental perspective committed with local communities.

Our profitability and risk targets are focused on the following aspects:

- **Cost effectiveness:**
 - Achieve an Internal Rate of Return (IRR) of at least a double digit in all our projects in the medium and long term.
 - Reinvest in the Company the income generated from our activity, postponing any dividend distribution until 2024.
- **Risk:**
 - Reach 70% of the assets under regulated remuneration regimes or under long-term contracts and 30% of merchant of which 40% are under the Canary Islands Incentive (at the end of the envisaged Pipeline).
 - At least 90% of our cash flows in economically stable currencies, or referenced to them (Euro and U.S. Dollar), even if the contracts are executed in countries with other currencies.

Suppliers

We purchase our main equipment and machinery directly from a number of specially selected first class suppliers consistent with our commitment to long-term permanence of our facilities. In the selection of our suppliers, we value quality even when it means paying a higher price, because our long-term objective means that we build facilities with a higher degree of durability to guarantee their permanence over time, as well as their safe and efficient operation throughout their operating life. Thus, for example, the turbines of our wind farms are supplied by Enercon, our transformers, by Siemens, the technology used for the hydropower equipment, by Voith and the solar panels of our solar PV plants are supplied by Longi. The quality of our technology suppliers, both quantitatively and qualitatively, is always a benchmark for us and for this reason we have strategic suppliers that have accompanied us from the incipient stages of our history. Regarding the operation and maintenance of some of the components of our wind farms entering into operation in 2020 and 2021, the majority of our wind turbines are to be maintained by the same supplier (Enercon); thus, as of December 31, 2021, 75% of the O&M services regarding our wind turbines are expected to be rendered by Enercon. As of December 31, 2021, 100% of our solar panels are expected to be supplied by Longi.

Competition

The development and operation of renewable energy assets has become a highly competitive and global business in recent years.

- On the one hand, we find independent power producers (IPPs), whether they are companies that produce only renewable energies, like us, or divisions of industrial or service companies. In general, the latter have a significant local presence at all levels, a position that they use as a starting point for the development of the renewable energy business.
- Large vertically integrated groups of electric power or utilities, positioned in all subsectors; producers, marketers and distributors of electrical energy. The utilities cover all technologies and remain the main players in this sector.

In recent years, we also find investment funds that have invested both in assets under development and in assets in operation, causing a large number of transactions within the sector.

In addition, we may have to compete at certain times for the supply of equipment, with companies of greater volume or size, which could affect the purchase prices and/or delivery times that we currently obtain. See “*Risk*

Factors - Risks Related to Our Business and Industry—We operate in a highly volatile industry; the renewable energy industry is characterized by intense competition, a regulated environment and trade barriers”.

Competition to develop new projects occurs in the development stage. We compete with other developers based on a number of factors, including hydropower, wind and solar PV project sourcing, reputation and track record, relationship with government authorities, access to capital, and quality control, access to project land, efficiency and reliability. This competition may increase in the future, which could translate into lower margins in the future or greater difficulties in accessing profitable projects.

We believe that our main competitors are (i) hydropower developers such as Enel, Iberdrola, Macquarie, SN Power (Scatec) and Nordfund; (ii) wind developers such as Enel, Iberdrola, Gamesa, Naturgy and Acciona; and (iii) solar developers such as SN Power (Scatec), Akuo Energy, AES Corporation, Enel and Acciona.

Employees

As of the date of this Prospectus, we employed 65 individuals.

The following table shows the number of people employed by categories at the end of each year.

	<u>As of the date of this Prospectus</u>	<u>December 31, 2020⁽¹⁾</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
CEO	1	1	1	1
Business Development	8	7	5	3
Legal	6	7	4	4
Finance	9	9	8	8
Construction	13	11	12	4
Engineering	9	7	8	6
O&M	16	15	13	13
Staff	3	3	3	3
	65	60	54	42

⁽¹⁾ Please note that this number of employees includes employees from the construction business which, as of 31 December 2020, are not under the Company’s perimeter. Please refer to section “*Operating and Financial Review-Recent Developments*” for more details.

The following table shows the number of people employed by country at the end of each year.

	<u>As of the date of this Prospectus</u>	<u>December 31, 2020⁽¹⁾</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Spain	50	46	40	27
Guatemala	10	10	10	11
Honduras	4	4	4	4
Kenya	1	-	-	-
	65	60	54	42

⁽¹⁾ Please note that this number of employees includes employees from the construction business which, as of 31 December 2020, are not under the Company’s perimeter. Please refer to section “*Operating and Financial Review-Recent Developments*” for more details.

We are a party to collective bargaining agreements with employee organizations in Spain. We believe that the terms of these agreements are consistent with industry practice and that we have satisfactory working relationships with our employees. We have not experienced major labour disputes or work stoppages.

Our success is highly dependent on our ability to attract and retain qualified employees. In order to attract and retain qualified professionals, we have adopted competitive and attractive compensation policies (see section “*Management and Board of Directors—Senior Management Compensation*.”

Insurance

Adequate risk management and its adequate transfer to the insurance market is one of the basic pillars of our policies. In this way, our Group has an insurance program, contracted with insurers of recognized solvency, to adequately cover the risks related to the development of projects, both in the construction and assembly phase and in the operation of the plants.

We have worked for more than 15 years with an insurance broker that has staff with extensive experience in the renewable energy sector and has given us support, both in the facilities built in Spain, and internationally, as of the date of this Prospectus in Guatemala, Honduras and the Dominican Republic.

Our insurance program covers transportation, construction or assembly risks, anticipated loss of profits, civil liability, risks of material damage, machinery breakdowns and loss of operational profits and civil liability for contamination. The coverages contracted have been audited by other brokers in the financing processes of specific projects or the issuance of bonds, resulting satisfactory in all cases as tools for transferring risks to the insurance market.

The main types of insurance contracted are: (i) Construction and Assembly All Risk Insurance, (ii) Material Damage All Risk Insurance, (iii) Civil Liability Insurance, (iv) Directors & Officers Insurance (“**D&O**” which premium is paid by Ecoener, S.L.U. as the policy holder although covering all its subsidiaries), (v) Travel Assistance Insurance and (vi) Compulsory insurance for agreements and vehicle circulation.

As of December 31, 2020, our insurance expenses totaled €578 thousand. The insurance program is current and in full effect and is reviewed annually by our broker to take advantage of possible improvements in coverage and cost that the insurance market may offer.

The following table shows the insurance policy coverage by key type of insurance:

Insurance	(in € million)
Construction and Assembly All Risk Insurance	38
Material Damage All Risk Insurance	218
Civil Liability Insurance	6
D&O Insurance	10
Travel Assistance Insurance	1
TOTAL	273

Although our insurance does not cover all of the potential risks associated with our business, we believe that our insurance coverage is adequate and in line with industry practice.

Corporate Social Responsibility: Sustainability

The preservation of the environment and the integration therein of our generation facilities, the respect for Human Rights, the promotion of sustainability practices and the commitment to the communities in which we operate, have been, among others, essential principles for us. In this regard, we are assisted by our current Head of Sustainability and will also rely on our sustainability committee of our Board of Directors, which, among others, will be in charge of driving our sustainability strategy and will assess and review our plans in accordance with our social responsibility policies, monitoring at all times our degree of compliance. In this way, we will ensure that our objectives are aligned with our values and culture, promoting a sustainable development of our activities.

Our commitment to the local communities is also evidenced by the long-term vision of each of our projects and the responsibility assumed with them and other stakeholders. This is why we have always guaranteed, and will continue to guarantee, maximum respect for the natural and social environment of our projects, and will continue to ensure the protection of the people involved in the development of our activity.

With these premises, detailed below, we carry out the following actions within our sustainability policy and Ethics’ Code:

Environmental dimension:

We strive to promote sustainability, seeking balance, with maximum respect for the natural and social environment of the regions where we carry out our business. The general objective is to ensure the care of the environment, guaranteeing respect and care for the natural environment and having the necessary resources to produce the least possible impact on the development of the activity. This commitment to the natural environment is materialized through the adoption of, what we consider, the best practices and technologies for environmental protection and the development of different sustainability programs, given our proven experience throughout the years building and developing projects in diverse locations.

- **Management of natural resources:** our objective is to develop and implement the best practices of environmental protection to achieve more efficient resources management by: (i) using natural resources responsibly and reasonably; and (ii) incorporating the best eco-friendly technologies available that do not compromise the quality of our projects.

In particular, water management is a basic pillar of our environmental sustainability policy, for which: (i) we carry out studies of the minimum and ecological flows and water quality studies once a year; (ii) we implement measures to improve consumption (the implementation of mechanisms for measuring and controlling water consumption at the headquarters and at the assets); and (iii) the return of water to nature and local communities.

- **Protection of biodiversity:** As examples of our commitment to biodiversity, we highlight the following: (i) the implementation in the new wind assets of monitoring machines and infrared illuminators in order to reduce the risk of bird collisions, wind turbines stop when birds approach; (ii) signaling measures when there are migratory flows of birds; (iii) the use of a fish barrier and fish ladder systems in the new hydropower facilities; (iv) the implementation of firebreaks to prevent fires in electrical installations; and (v) the reforestation processes.

Social dimension:

- **Commitment to employees:** Our objective in this field is to promote and guarantee decent, fair and favorable working conditions for all employees, which is materialized through the development of different programs grouped into the following lines of action: (i) job stability and salary conditions that are very beneficial. In Spain, salary conditions are above the applicable collective bargain agreements, while in the other countries in which we are present, such as Guatemala, Honduras, Panama and the Dominican Republic, salary conditions are higher than the sector average; (ii) policies and procedures for prevention and safe facilities; (iii) the promotion of diversity and equality; and (iv) a culture of respect and care for our employees, promoting their professional development and growth, ensuring their well-being.
- **Commitment to local communities and society:** We are fully committed to respect human rights and the recognition of the dignity of people. In addition, we have a specific Human Rights policy and have developed the following actions to respect local communities: (i) evaluate the characteristics and needs of the region where our projects are carried out; (ii) purchase from local suppliers and local contracting to the extent possible; and (iii) finance and support projects of interest for the local communities.

Economic and governance dimension:

- **Sustainable Economic Growth:** we consider sustainability and the long-term view of projects as the main way we protect the environment, investments and ensure the sustainable growth of our company, in order to show our commitment we: (i) ensure sustained and sustainable economic performance through the creation of long-term profitability and the encourage of efficient use and management of the company resources; (ii) ensure and oversee the appropriate management of financial and non-financial risks; and (iii) provide clear, complete and true information to our partners and investors.
- **Good governance:** our business culture of transparency, integrity, trust and a long-term vision is promoted through: (i) long-term sustainable growth; (ii) integral management of sustainability; (iii) ethical and responsible management; (iv) build lasting alliances with partners and suppliers and transparent relationships with authorities and public administrations; and (v) compliance with the principles of conduct established in the Ethics' Code. We do not contribute to or support corrupt or illegal practices and we maintain our reputation.

The global rating for green evaluation obtained from Standard & Poor's on the date the Green Project Bond was issued was E1/85 and has not changed or been subsequently reviewed by Standard & Poor's.

Research & Development

We do not carry out research and development or investigations activities. We are users of the best in class technology, software and IT applications and we develop internal know-how as a result of such use. Please see "*Information Technology*".

Information Technology

We are users of best in class technology, software and IT applications, which are adapted to our activities and operations (the "**IT Systems**"). Our IT Systems allow us to perform a remote control of our activities, and the management of our facilities, detect any failures, and monitor the level of water, wind and solar energy available.

In particular, we have a control room center through which we are able to remotely monitor our activity, as mentioned above. Therefore, in addition to the supervision of our power plants by our O&M personnel on site, we are equipped with a supervisory control and data acquisition system (the “**SCADA system**”) which enables us to control our facilities remotely.

This SCADA system is designed to keep track of a range of equipment parameters in the different power plants, having direct access to the alarm detection control, which enables the system to send alerts directly to the O&M employees so they can access remotely and manage each situation. Our local controllers can also use the SCADA system in “local mode” for certain power plant equipment functions (i.e. emergency shut down). The SCADA system was implemented by our IT service provider, who also serves us with specialized software for the automation of industrial processes, internal communication networks, and other industrial processes.

With regards to security, we own a security control center located in Guatemala, from where we control and provide 24 hours surveillance over our facilities and projects around the geographies where are located in Central America.

We do not consider any of our IT Systems or remote control centers as key assets to Ecoener.

Compliance

Because of the nature of our operations, we are subject to a wide range of environmental laws and regulations and other requirements relating to the protection of the environment. For further information on regulation affecting our business, see section “*Regulation.*” Although we believe that we are in compliance in all material respects with all environmental requirements affecting our facilities and products, violations of these laws could result in civil fines or sanctions, claims for environmental damages, the revocation of environmental permits or the temporary or permanent closure of facilities. See section “*Risk factors—Risks Related to Our Business and Industry—Our operations require us to obtain licenses, authorizations, concessions and permits for our projects, which may entail a long and complex process. Any failure to obtain or renew such approvals, licenses, concessions and permits or comply with the terms of such approvals, licenses and permits may have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.*” We have not incurred fines in the past three fiscal years, nor do we anticipate incurring material expenditures in order to comply with environmental laws or regulations. We are not aware of any environmental liabilities that we would expect would have a material adverse effect on our business.

Legal Proceedings

We have been, and may from time to time be, a party to legal disputes and administrative proceedings within the scope of our business activities. While we have disclosed certain ongoing legal proceedings in our 2020 Audited Consolidated Annual Accounts, we consider them to be immaterial, ordinary course legal proceedings. We expect that these proceedings or other proceedings pending or threatened, as far as we are aware, either individually or in aggregate, will not have a material adverse effect on our financial position or profitability. Additionally, in the last five years from the date of this Prospectus, we have not been required to make any significant payments pursuant to judicial judgments issued against us. As a result, as of December 31, 2020, we had no provisions for legal proceedings.

REGULATION

The following paragraphs provide a brief description of the main regulations that govern the activities carried out by the Group in our primary markets. References and discussions to treaties, laws, regulations and other administrative and regulatory documents are entirely qualified by the full text of such treaties, laws, regulations and other administrative and regulatory documents themselves.

Spain

Regulation Promoting Renewable Energy

Our business is highly regulated. Our activities are subject to both national and international regulatory regimes. The regulatory environment of our business activities in Spain is shaped by EU directives and regulations, which are either implemented in the individual Member States through national legislation or have direct application to the Member States or individuals.

The following paragraphs describe the main industry-related regulations that are currently in force in Spain and the European Union, applying more specifically to facilities producing energy from renewable sources.

European Framework

The European Parliament and Council's Directive 2009/28/EC on the promotion of the use of energy from renewable sources (the "**2009 Renewable Energy Directive**") set national targets for each Member State consistent with the European Union's objective to derive 20% of its total energy use from renewable energy sources by 2020. In order to comply with these mandatory targets, all EU Member States, including Spain, were required to develop a national action plan in the form of a National Renewable Energy Action Plan 2011–2020 ("**NREAP**"). Issued on June 30, 2010, Spain's NREAP set out a target of 22.7% of total energy use as coming from renewable energy sources by 2020.

In 2011, the European Parliament and the Council of the EU developed a Renewable Energies Plan, known as REP 2011–2020 (the "**REP**"). The REP added a new target to the 2009 Renewable Energy Directive: a minimum of 10% of transportation energy consumption to be supplied from renewable energy sources in each Member State by 2020. Hence, in addition to Spain's NREAP target of 22.7%, the REP requires Spain to derive 10% of its transportation consumption from renewable sources by 2020.

On October 25, 2012, the European Parliament and the Council passed the Directive 2012/27/EU on energy efficiency, which established a common framework of measures for the promotion of energy efficiency within the European Union in order to achieve the 20% target on energy efficiency by 2020 and to pave the way for further energy efficiency improvements beyond that date. Each Member State will be obliged to set an indicative national energy efficiency target, based on primary or final energy consumption, primary or final energy savings, or energy intensity.

In October 24, 2014, the European Council published its conclusions regarding the "2030 Climate and Energy Policy Framework" which set out the European Union's climate and energy goals to be achieved by 2030. Amongst other issues, the framework proposes that by 2030, emissions of greenhouse gases should be reduced by 40% from 1990 levels, energy efficiency should be increased to 27% and 27% of total energy consumption should come from renewable energy sources.

In November 2016, the European Commission published its 'Clean Energy for all Europeans' initiative. As part of this package, the Commission adopted a legislative proposal for a recast of the 2009 Renewable Energy Directive.

In the context of the co-decision procedure, a final compromise text among the EU institutions was agreed in June 2018. In December 2018, the revised renewable energy directive 2018/2001/EU entered into force ("**RED II**"). In RED II, the overall EU target for Renewable Energy Sources consumption by 2030 has been raised to 32%.

Furthermore, the approval, on December 21, 2018 of Regulation (EU) 2018/1999 of the European Parliament and of the Council of December 11, 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council. This Regulation aims to ensure that the EU's Energy Union Strategy is implemented in a coordinated and coherent manner and to ensure that the Energy Union

achieves its objectives, in particular the targets of the 2030 policy framework for climate and energy and of the Paris Agreement on climate change. To comply with these objectives, it requires that each Member State produce a national integrated energy and climate plan for the period 2021 to 2030 by January 1, 2019, and then every 10 years for the following 10-year periods in order for the EU to meet its overall greenhouse gases emissions targets.

In accordance with this provision, the Spanish government approved in January 2020 (as amended in September 2020) the National Energy and Climate Plan (PNIEC) 2021-2030. The PNIEC addresses all five dimensions of the EU Energy Union: decarbonization, energy efficiency, energy security, internal energy markets and research, innovation and competitiveness.

Spanish Framework

Overview of the electricity sector

The main activities involved in the electricity sector are the following: generation, transportation, distribution, supply (or commercialization), system operation and market operation, electricity storage, independent aggregators (*agregadores independientes*) and the renewable energy communities (*comunidades de energías renovables*). As natural monopolies, transportation and distribution are considered regulated activities, whereas generation and supply operate in a free-market system.

Electricity generation remains an unregulated activity (meaning that is not subject to the same constraints, supervision and remuneration schemes as transmission or distribution), although the following particularities should be considered (further explained below in this section):

- The construction and operation of generation facilities requires different authorizations, permits or licenses to be granted by different authorities.
- The generation facilities are connected to the distribution and/or the transmission grid. For that purposes, a third-party access (“TPA”) right is recognized for generation facilities and an agreement needs to be executed with the relevant distribution or transmission company.
- The generation companies (using renewable energy sources) obtain their income from; (a) the sale of electricity in the Spanish production market (the “Pool”); (b) from PPAs; and (c) where applicable, from regulated compensation. Electricity is traded basically in Spain through a mandatory Pool system plus bilateral contracts.
- Generation companies that receive a regulated remuneration participated in the settlement system managed by the CNMC, and, as agents that receive “regulated payments”, shall finance the “tariff deficit” (if and when it appears) within certain limits. The agents being entitled, in that case, to be reimbursed for the amounts paid plus an interest at a market rate as further described below.

Legal framework of the electricity sector

The applicable legal framework in Spain on which the regulation of Renewable Energy Facilities is based consists basically of the following legal sources:

- Royal Decree-Law 9/2013, of July 12, containing urgent measures to guarantee the financial stability of the electricity system (“**Royal Decree-Law 9/2013**”). This regulation establishes the remuneration principles to be applied to existing Renewable Energy Facilities in operation on the date on which it came into force (the “**Specific Remuneration**”).
- Act 3/2013, of June 4, on the creation of the CNMC (the “**Act 3/2013**”).
- The Act 24/2013, of December 26, on the Electricity Sector (the “**2013 Electricity Act**”). This law sets out the general rules applicable to the entire electricity sector, and incorporates the main principles set out by Royal Decree Law 9/2013 in respect of the renewable energy sector. Articles 14 and 21 to 27 specifically govern the generation of electricity, including some provisions applicable to facilities using renewable energy sources, cogeneration and waste.
- Royal Decree-Law 17/2019, of November 22, setting the Renewable Energy Facilities’ regulated rate of return, among other measures (“**Royal Decree-Law 17/2019**”).

- Royal Decree-Law 23/2020, of June 23, approving new measures in the energy sector that aim to promote renewable energy generation and support the recovery of the economy in line with the European Green Deal (“**Royal Decree-Law 23/2020**”). Royal Decree-Law 23/2020 requires the Spanish government to develop a new remuneration framework for renewable energy sources and electricity generation based on long-term energy prices (the remuneration of renewable energy, known as REER), different from the Specific Remuneration scheme set forth by Royal Decree-Law 9/2013. Besides, Royal Decree-Law 23/2020 established some provisions regarding the validity of the access and connection permits and provided for specific milestones that needs to be complied by renewable developers to secure the validity of such access and connection permits.
- Royal Decree 1955/2000, of December 1, which regulates the transportation, distribution, sale and supply of electricity and sets out the procedure for authorizing electricity facilities (the “**Royal Decree 1955/2000**”).
- Royal Decree 413/2014, of June 6, governing electricity production from renewable energy sources, combining heat, power and waste (“**Royal Decree 413/2014**”). This royal decree implements the rules contained in both Royal Decree Law 9/2013 and the 2013 Electricity Law regarding the specific remuneration regime applicable to Renewable Energy Facilities.
- Royal Decree 960/2020, of November 4, which develops the new remuneration regime applicable to renewable energy facilities (“**REER**”).
- Royal Decree 1183/2020, of December 29, on access and connection to the transmission and distribution network (“**Royal Decree 1183/2020**”).
- Ministerial Order IET/1045/2014, of June 16, establishing the remuneration parameters applicable to existing electricity generation facilities using renewable energy sources, combining heat, power and waste (“**Ministerial Order IET/1045/2014**”).
- Ministerial Order ETU/130/2017, of February 17, updating the retributive parameters of the standard installations applicable to certain electricity production facilities from renewable energy sources, cogeneration and waste for the period between January 1, 2017 and December 31, 2019 (“**Ministerial Order ETU/130/2017**”).
- Ministerial Order TED/1161/2020, of December 4, regulating the first auction mechanism for REER to be awarded and the indicative calendar for the period 2020-2025 is established (“**Ministerial Order TED/1161/2020**”).

Public authorities

Pursuant to the 2013 Electricity Act the Spanish central Government, the Ministry for the Ecological Transition and Demographic Challenge (*Ministerio para la Transición Ecológica y el Reto Demográfico*) (“**MITECO**”), the CNMC and the energy departments of the different autonomous regions have specific faculties on energy matters.

The Spanish Government is competent for the establishment of the basic regulations in respect of energy supply activities, adopting the measures to ensure the economic and financial sustainability of the electricity system, the determination of specific aspects of the remuneration of the regulated activities and the structure of the charges corresponding to regulated costs. The MITECO is the competent body regarding energy matters at the national level.

The CNMC is the Spanish regulatory agency on energy matters. The CNMC is the result of the merger in 2013 of several regulators of other industries (postal services, airport services, gambling, telecoms and also competition matters). From 2020, the CNMC is the competent body to establish the remuneration of the regulated activities. Besides, the CNMC is the supervising entity of the energy sector and the competent body for making the settlement of the energy regulated activities.

The Autonomous Regions have also faculties regarding the enactment of regulations to develop the national regulations within its territories and the administrative authorizations of specific facilities (see “*Permitting: Administrative authorizations, permits and registrations for building and operating Renewable Energy Facilities in Spain*”).

Permitting: Administrative authorizations, permits and registrations for building and operating Renewable Energy Facilities in Spain

Construction and operation of electricity generation facilities is subject to different authorizations, permits and licenses to be granted by different authorities as described above.

From an energy sectorial perspective, the general procedure for the authorization Renewable Energy Facilities is set forth in the 2013 Electricity Act Sector and Royal Decree 1955/2000, complemented by Royal Decree 1183/2020 and Circular 1/2021 regarding access and connection proceedings.

According to Article 115 of Royal Decree 1955/2000, the construction, enlargement, modification and operation of electricity Renewable Energy Facilities are subject to the granting of the following authorizations and permits (to be granted by the relevant public authority on energy affairs as further described below):

- Administrative authorization (*autorización administrativa*), which is referred to the draft project as technical document which will be processed, where applicable, along with the environmental impact assessment (*declaración de impacto ambiental*);
- Construction authorization (*autorización de construcción*) which is the administrative authorization of the specific project of the Renewable Energy Facility and enables the titleholder the construction of the referred installation; and
- Operating authorization (*autorización de explotación*) which allows, once the project has been completed, the connection to the grid and its commercial commissioning and operation.

Renewable facilities in excess of 50 MW will be permitted by the MITECO, through the Energy and Mining General Directorate (“**DGPEM**”), except in certain territories outside the Spanish mainland. Moreover, off-shore generation facilities and facilities crossing the territories of two or more autonomous regions fall also within the jurisdiction of the MITECO. The authorization process for facilities below 50 MW needs to be conducted with, and is resolved by, the competent bodies of the autonomous regions.

Provided that the expropriation of land is required (where an agreement with the owners of the land concerned could not be reached), the sponsor shall request a declaration of public utility in particular (*declaración de utilidad pública en concreto*) identifying the relevant plots of land that needs to be occupied to the relevant authorities in order to expropriate such required lands or plots.

Finally, Renewable Energy Facilities should be registered with the relevant Administrative Registry for Electrical Power Generating Facilities (*Registro Administrativo de instalaciones de producción de energía eléctrica*) in the applicable section of the registry. Additionally, the Renewable Energy Facilities, in order to benefit from the Specific Remuneration regime, or from the new REER after an auction takes place, must be registered with the Registry of the Specific Remuneration Regime (*Registro de regimen retributivo específico*) or with the REER Registry, as applicable.

From an environmental perspective, generation facilities are subject to a strict environmental control and are required, in most of the cases, to obtain an environmental impact assessment (*declaración de impacto ambiental*) from the relevant regional authorities on environmental affairs, before the construction work starts. Additionally, where applicable, the relevant integrated environmental authorization (*autorización ambiental integrada*) should be obtained.

In addition, the electricity operators shall also request the relevant municipal licenses (*licencias municipales*) including without limitation works licenses, activity licenses, first occupancy licenses and opening licenses. By means of the municipal licenses, the relevant Town Councils check whether the facilities, the construction works and the activities carried out within their municipalities are compatible with local requirements on urban planning and environmental matters.

Finally, depending on the characteristics of the Renewable Energy Facilities, or where they are to be located, additional permits and authorizations may be needed. For instance, when public domain is affected (typically for hydropower facilities), a specific authorization or concession by the competent public authority shall be obtained to use or exploit the public domain.

Access to the grid. Fee to be paid by Electricity Producers

The process for obtaining the authorization to build and operate a Renewable Energy Facility starts with the confirmation by the local distribution company or the transmission company that access and connection to the transmission and/or distribution grids is feasible. The access to the grid for a new project can be denied for specific technical and objective reasons established in article 8 of Royal Decree 1183/2020 (particularly, the lack of capacity of the node (*nudos*) to absorb the electricity produced, or the lack of evidence of having posted the access guarantee). Conflicts of access shall be dealt by the CNMC (which has approved on January 20, 2021 a new instruction on access and connection methodology developing specific aspects of the access and connection proceedings within the framework of Royal Decree 1183/2020 (CNMC’s Circular 1/2021)).

A TPA agreement (*contrato técnico de acceso a la red*) shall be entered with the transmission and/or distribution company. This agreement includes the technical conditions of the connection to the relevant connection point to the distribution or transportation grid.

Owners of electricity production facilities must pay a fee to the transportation and distribution companies for access to the electricity grid from January 1, 2011. The access fee was set out on a temporary basis as follows: (i) calculated at €0.5 per MWh delivered to the network; or (ii) any other amount that the MITECO establishes.

Royal Decree 1544/2011 implemented the First Transitional Provision of Royal Decree Law 14/2010 and confirmed the interim access fee imposed on electricity producers (€0.5 per MWh), subject to the adoption of a final method for calculating the access fee, which has not yet been approved.

Finally, it must be noted that Royal Decree-Law 23/2020 regulates specific conditions for maintaining the validity of the access and connection permits obtained after December 27, 2013. In line with previous provisions intended to limit the validity of such permits over time and to avoid speculation on them, Royal Decree-Law 23/2020 established specific milestones that sponsors must achieve within a given timeframe during the construction and commissioning of a renewable facility. If such milestones are not met before the relevant deadlines, the access and connection permits will be deemed void and the guarantees given by the sponsor will be enforced. Royal Decree 1183/2020 further developed the grid access and connection permits applied for after Royal Decree-Law 23/2020 entered into force.

Pursuant to Royal Decree-Law 23/2020, four different scenarios may be distinguished: (i) access and connection permits awarded before the entry into force of the 2013 Electricity Act (in respect of which no measures are established by Royal Decree-Law 23/2020 on the basis that its expiry is already regulated by such Act); (ii) access and connection permits awarded between December 28, 2013 and December 31, 2017 (the “**First Period**”); (iii) access and connection permits awarded between January 1, 2018 and June 24, 2020 (the “**Second Period**”); and (iv) access and connection permits awarded from June 25, 2020 (the “**Third Period**”).

Royal Decree-Law 23/2020 also distinguishes five different milestones that needs to be complied with before a specific deadline which will vary depending on the period of which the access and connection permits were awarded, as described in the following chart¹³:

	Access and connection permits awarded within the First Period	Access and connection permits awarded within the Second Period	Access and connection permits awarded within the Third Period
Submitting an application for the prior administrative authorization and admission by the relevant authority	3 months (expired on September 24, 2020)	6 months (expired on December 24, 2020)	Expires 6 months after the award of the permit
Obtaining the favorable environmental impact assessment (“EIA”)	18 months (expires Dec 24, 2021)	22 months (expires Apr 24, 2022)	22 months
Obtaining the prior administrative authorization	21 months (expires Mar 24, 2022)	25 months (expires Jul 24, 2022)	25 months
Obtaining the approval of the execution project	24 months (expires Jun 24, 2022)	28 months (expires Oct 24, 2022)	28 months

¹³ Pursuant to article 1 of Royal Decree-Law 23/2020, all of the deadlines for the First Period and the Second Period have been calculated from June 25, 2020 which is the date on which Royal Decree-Law 23/2020 entered into force.

Obtaining the operating authorization

5 years
(expires Jun 24, 2025)

5 years
(expires Jun 24, 2025)

5 years

Remuneration regime applicable to Renewable Energy Facilities

Sources of revenues

As stated above, generation companies obtain their income from the sale of electricity in the Pool market (in €/MWh) or through bilateral PPAs.

Additionally, where applicable, renewable facilities may be entitled to receive the Specific Remuneration as further explained below. All of our renewable facilities in operation in Spain except for El Rodeo, La Caleta and Casillas I are entitled to receive the Specific Remuneration.

Besides, and under the REER auctions, renewable facilities may be entitled to the long-term recognition of a price expressed in euros per megawatt hour (MWh) for the electricity to be supplied during a specific time period if they result successful in the auction.

Sale of electricity through the Pool

All renewable facilities, even renewable facilities entitled to receive a Specific Remuneration, must participate in the Spanish generation market. Sale offers must be submitted for each of the 24-hours trading sessions, plus intra-day sessions. The Market Operator (*Operador del Mercado- Polo Español- OMIE*) is the company that manage the market settlements. We sell our electricity production in the *Pool* through a representative or market agent although our final counterparty is OMIE for our sales through the *Pool*.

On the basis of the final price for each market, the Market Operator determines the amounts payable if any by each purchaser and payable to each seller in the daily and intra-daily markets. The System Operator (Red Eléctrica de España, S.A.) determines such amounts in respect of the ancillary services through a separate settlement. Market participants are then provided with provisional daily settlements and with a weekly settlement.

Renewable facilities will be allowed to participate in adjustment service markets upon prior registration with the System Operator (Red Eléctrica de España, S.A.).

As stated above, the majority of our assets in operation in Spain are entitled to receive the Specific Remuneration and, thus, on top of the proceeds obtained from the settlements made by the Market Operator (OMIE) and the System Operator (REE) for our sales in the *Pool* and services rendered, our proceeds are supplemented by such Specific Remuneration as further described below.

Specific Remuneration:

The price obtained in the production market may be supplemented by a specific remuneration as is the case of the majority of our assets In Operation in Spain (except for El Rodeo, La Caleta, Las Casillas I, Arcos del Coronadero and Lomo del Moral).

Background: Until Royal Decree-Law 9/2013 entered into force, Renewable Energy Facilities were entitled to receive a regulated feed-in-tariff remuneration tied to their electricity production. The remuneration payable was composed of: (i) the Pool price of the price sold in the market; and (ii) a premium the amount of which is equivalent to the difference between the Pool price and the feed-in tariffs set for each technology. This revenue was received for a maximum annual number of hours and for a pre-determined number of years, depending on the technology used in each case. For any additional hours produced, generators received the Pool price. The aim of Royal Decree-Law 9/2013 was to adopt a set of measures to ensure the financial sustainability of the electricity system and, in particular, to tackle shortfalls between the electricity system revenues and costs (referred to as the “tariff deficit” and further explained below). One of these measures was to establish an entirely new remuneration scheme, the Specific Remuneration, applicable to Renewable Energy Facilities, abolishing the previous feed-in-tariff system.

Purpose: The purpose of the Specific Remuneration is to allow a “well-run and efficient” energy generation facility that use renewable sources, cogeneration and waste to cover the costs that are necessary to compete in the market on equal conditions with the rest of technologies (as nuclear, coal or gas combined cycles) and to obtain a reasonable rate of return (“**Reasonable Rate of Return**”) on investment throughout the legal regulatory lifetime of the project.

Therefore, regulated compensation is granted to the extent that the revenues obtained from the sale of the electricity (at a market price) are not sufficient to recoup the investment, the operational costs and a Reasonable Rate of Return.

Eligible facilities: Those facilities that benefited from the previous feed-in tariff system were automatically entitled to receive the new regulated remuneration (approved by Royal Decree-Law 9/2013). The Reasonable Rate of Return for the referred facilities was set at 7.398%, pre-tax (the 10-years bond reference +300 bp). New projects (following the enactment of Royal Decree-Law 9/2013) may be entitled to a regulated remuneration if awarded to them following certain auction proceedings that are convened by the Government from time to time.

Remuneration based on standard facilities: All our eligible facilities already in operation (including our current operating projects in Spain except for El Rodeo, La Caleta, Las Casillas I, Arcos del Coronadero and Lomo del Moral) are classified under one of the several types of standard facilities that have been approved by the Government on the basis of their individual characteristics (e.g. type of technology, nominal power, commissioning date, location, etc.).

The remuneration payable to a specific renewable facility is calculated by reference to a standard type of Renewable Energy Facility managed by a well-run and efficient undertaking and the features of the individual project itself (e.g. the real number of operating hours), taking into account, among others: (i) the standard value of the initial investment; (ii) the estimated daily and intra-day market price received; (iii) the number of hours of operation annually; (iv) the upper and lower annual limits of the market price; (v) the estimated future operating revenues from the market; (vi) the estimated future operating cost; (vii) the update rate based on the Reasonable Rate of Return; and (viii) the adjusting coefficient (*coeficiente de apuntamiento*) for standard installations.

The basic parameters to calculate the specific Remuneration of each renewable facility are:

- a return to the investment (*retribución a la inversión*) per unit of installed capacity (in €/MW of installed capacity), calculated to compensate the portion of an investment in capacity by an efficient and well-running undertaking which cannot be recovered through the market price. The investment value is determined by reference to the net asset value of a standard generation facility not yet recovered by the owners of a renewable facility as of July 14, 2013; and
- a return to the operation (*retribución a la operación*) (in €/MWh produced, up to a cap of production hours per year), which has been calculated to cover, when appropriate, the standard operating costs (defined according to a standard installation applicable in each case) not recovered through the sale of electricity at the expected wholesale market price.

Some adjustments may be also applicable (i.e. adjustment on the basis of the minimum and standard equivalent hours of operation, market price deviations and coefficient by technology).

Regarding the market prices deviations, the return to the investment takes into account the estimated sales proceeds of the renewable facilities at electricity *Pool* prices over the three years of each regulatory half-period. Taking into account that the sales price projections are based on forecasts, adjustments need to be made as a function of actual *Pool* prices. If the real annual average hourly wholesale market prices in the daily and intra-day wholesale market prices actually achieved deviate significantly from the estimated wholesale market prices in a given statutory half-period, the remuneration per investment to be received by the corresponding facilities are adjusted upwards or downwards as the case may be. Such “adjustment for pool prices deviation” is made every three years. Two floors (Límite Inferior 1 (L1) and Límite Inferior (LI2)) and two caps (Límite Superior 1 (LS1) and Límite Superior 2 (LS2)) expressed in €/MWh, are set out in regulations to share the risks between sponsors of renewable energy facilities and the electricity system of the evolution of the Pool prices:

- If the actual annual average hourly *Pool* prices have deviated from the sale projections, using two cap and floor bands, there will be a payment owed to or due by the facilities (the “*market deviation adjustment factor*”).
- Generators bear the market risk within the first band, share the risk within the first and second band, but will be compensated if market process deviate beyond the second band.

Regardless of the above, it is worth highlighting that this adjustment does not imply that the Specific Remuneration is affected by the fluctuation of market prices on global terms as the final global remuneration to be received at the end of the regulatory operating life of the plant needs to take into account the reasonable return during the whole regulatory operating life.

Reasonable return: The Reasonable Rate of Return is calculated as the average yield of 10-year Kingdom of Spain bonds during on the secondary market in the 24 months preceding from the month of May prior the commencement of the new statutory period plus a margin. According to the 2013 Electricity Act, the review of the Reasonable Rate of Return shall take into account “*the cyclical situation of the Spanish economy and that of the electricity demand, and an adequate return for this kind of activities*”.

Those parameters that are not revised before the beginning of a regulatory period shall be extended for the whole following regulatory period according to the 2013 Electricity Act.

End of regulated compensation: Renewable Energy Facilities only receive the specific remuneration until they reach their regulatory operating life, at which time they cease to receive the return to the investment and the return to the operation. Such installations can continue to sell the energy generated to the production market.

Those facilities that, even within their regulatory lifetime, achieve the level of reasonable return set will have a compensation for investment equal to 0 but will keep receiving compensation for operation until the end of their regulatory lifetime (to the extent that the operation costs are not recovered in the market).

Regulatory periods and revision of parameters: Royal Decree 413/2014 establishes statutory periods of six years, with the first statutory period running from July 14, 2013 (the date of entry into force of Royal Decree-Law 9/2013) to December 31, 2019. Each statutory period is divided into two statutory half-periods of three years. The second period started as of January 1, 2020 and will last until December 31, 2025.

This “statutory period” mechanism aims to set out how and when the Government is entitled to revise the different parameters used to determine the remuneration to be received by the Renewable Energy Facilities. The parameters may be revised as follows:

- The value of the initial investment and the regulatory operating life recognized for the installation remain unmovable for the entire lifetime of the facility.
- At the end of each statutory half-period, the Spanish government may amend, for the remaining statutory period, the estimated future operating revenues from the market, valued at market price by reference to the evolution of market prices, as well as the estimated number of hours of operation (parameters related to the market price).

Thus, to determine the regulated revenues, at the beginning of a regulatory period an estimation of the revenues from the sale of energy for the following three years is used. Once those three years have elapsed, the regulated revenues are adjusted in light of the deviation of the actual prices of the three previous years from the forecasted prices.

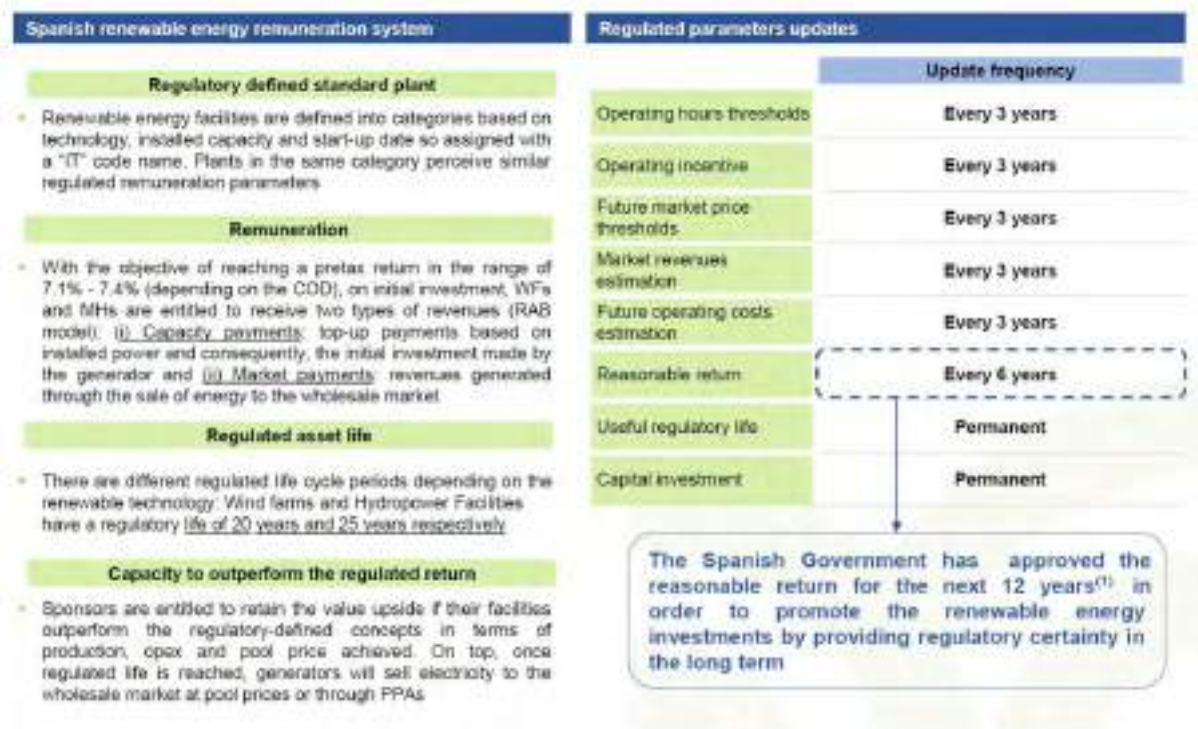
- At the end of each statutory period, the Spanish government may amend the remaining remuneration parameters and, in particular, the value of the Reasonable Rate of Return (based on the cyclical situation of the Spanish economy and the profitability of the power generation business in view of the Spanish economy as well as electricity demand).

Royal Decree-Law 17/2019 sets the Reasonable Rate of Return applicable for the new regulatory period 2020-2025 at 7.09% (pre-tax). Besides, Royal Decree-Law 17/2019 contains specific rules for setting the Reasonable Rate of Return for renewable facilities that were entitled to benefit from the Specific Remuneration as they were previously entitled to the former feed-in-tariff scheme because they were in operation before mid-July 2013 (like our assets In Operation in Spain except for, Llanos de la Aldea and San Bartolomé, and El Rodeo, La Caleta, Las Casillas I, Arcos del Coronadero and Lomo del Moral).

For this type of projects (including the majority of our assets In Operation in Spain), Royal Decree-Law 17/2019 provided that such renewable facilities are entitled to freeze their Reasonable Rate of Return at the current rate of 7.398% for the next two regulatory periods —i.e., until the end of 2031— provided that any legal proceedings brought by such plants (or their shareholders) against the Kingdom of Spain regarding the regulatory changes introduced in Spain since 2007, are dropped. Therefore, the Reasonable Rate of Return applicable to our assets in Spain entitled to receive the Specific Remuneration is 7.398% except for Llanos de la Aldea and San Bartolomé which is 7.09%.

For renewable facilities involved in any legal proceeding against the regulatory changes introduced since 2007 that have not withdrawn and discontinued such proceedings, Royal Decree-Law 17/2019 sets the Reasonable Rate of Return applicable for the new regulatory period 2020-2025 at 7.09% (pre-tax).

Below, you may find a summary chart of the regulated remuneration described above:

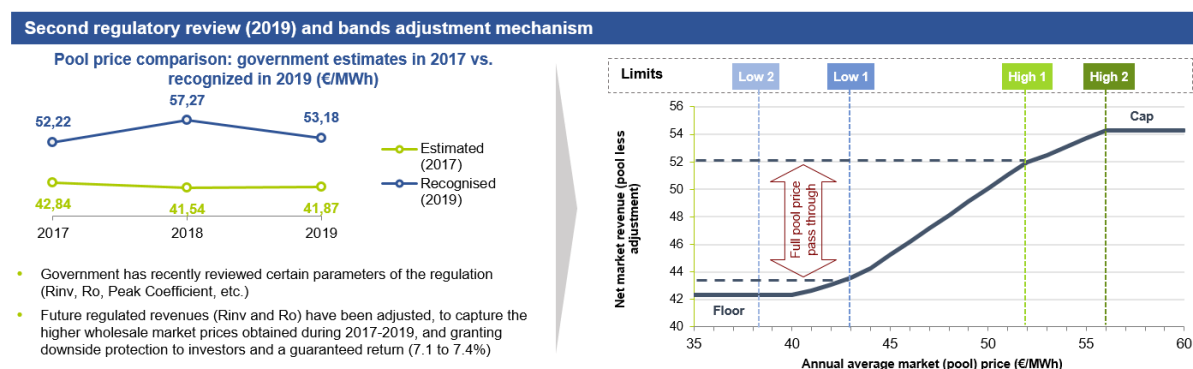
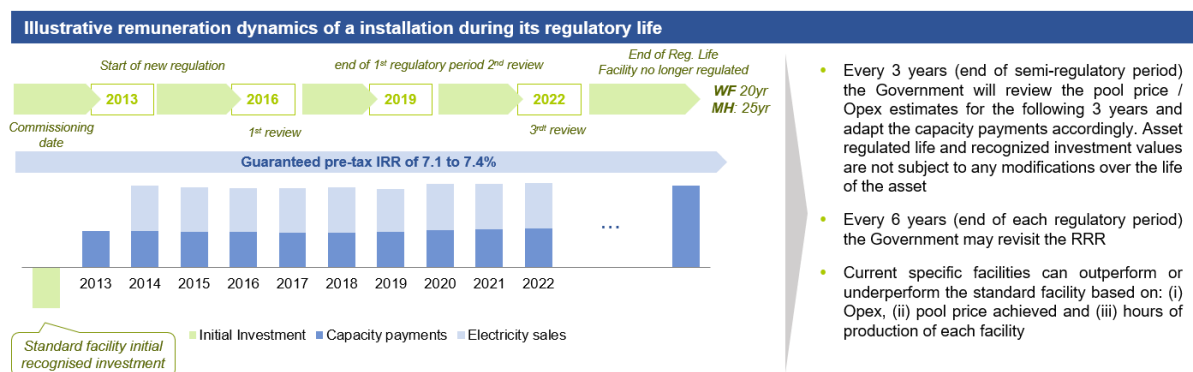


(Source: Company filings.)

⁽¹⁾ Applicable for installations with CoD before 2013 reform.

⁽¹⁾ In order to proceed with the adjustment mechanism, regulations provide for two floors (Límite Inferior (LI) 1 and Límite Inferior (LI2)) and two caps (Límite Superior (LS) 1 and Límite Superior (LS)2), as determined by Government on how potential deviations from the estimated wholesale market price will be compensated.

The following graph illustrates the regulated remuneration dynamics of a facility during its regulatory life and how the adjustment mechanism works.



(Source: Company filings.)

Auction process under Article 14.7 of the 2013 Electricity Act:

For new Renewable Energy Facilities, the specific remuneration will be granted by means of a competitive tendering process respecting transparency, non-discrimination and objectivity principles. Auctions (or “competitive concurrence mechanisms”) will be used to provide support for new facilities. According to Article 14.7 of the 2013 Electricity Act, the specific remuneration for the renewable plants as well as the value of the initial investment will be provided through a competitive concurrence procedure.

The entitlement to receive a specific remuneration for Renewable Energy Facilities, developed after the entry into force of the new regime in June 2014, may be established through competitive tendering procedures.

The Spanish government has carried out three competitive procedures (renewable auctions) for the allocation of the referred specific remuneration regime to electricity producers from renewable energy sources, cogeneration and waste.

After the three auctions were held, all of the MW of power with available installed capacity were awarded. We have not participated in the auction process.

Auction process under Royal Decree-Law 23/2020:

Purpose: Pursuant to Royal Decree 960/2020, REER must be awarded through competitive auctions called by order of the Ministry for Ecological Transition (the “**Ministerial Order**”), which will regulate the main characteristics of the auctions. To guarantee legal certainty, Royal Decree 960/2020 expressly states that the award price resulting from an auction cannot be modified. As of today, a new auction has been called for January 26, 2021 through the resolution dated December 10, 2020 of the General Secretariat for Energy by means of which a new auction is called to award the REER.

Renewable facilities entitled to REER: REER will only be available for:

- Renewable non-fossil energy sources classified as group b) under Royal Decree 413/2014 (i.e. solar, wind, small hydro or biomass, among others) even if such facilities are hybridized or have storage systems.

- Provided that new renewable facility investments take place after the auction. Such new investments can include new facilities as well as modifications or enlargements to existing renewable facilities. The Ministerial Order will define the terms and conditions that would qualify a modified or enlarged renewable facility as a new investment for the purposes of REER. In this case, however, REER would only be available for the electricity produced by the new investment, which would require specific metering equipment.

REER will not be compatible with the Specific Remuneration scheme or with other public aid, except for justified circumstances to be determined by the Ministerial Order.

In order to guarantee predictability and stability, the Ministry will publish the expected timeline of economic support instruments for renewable energy technologies for the next five years. This timeline will include indicative time periods, auction frequency, expected capacity and technologies, and will be updated annually.

Main Features: REER will be awarded through competitive sealed-bid auctions in which the auctioned products will be the electricity, the installed capacity, or a combination of both. The product will be defined by each Ministerial Order. The main features of the auction system will be the following:

- A reserve price (*precio de reserva*) above which the bids will be rejected (to incentivize bids that take into account its costs and avoiding larger market (Pool) prices). A minimum price (*precio de riesgo*) below which the bids will also be rejected may be established. Admitted bids between the reserve price and the minimum price will be ordered from lowest to highest price, awarding them on a “pay-as-bid basis” until the auction volume limit is reached.
- The auction volume limit cannot be exceeded unless the Resolution approves a mechanism to award quota not covered by the selected bids and considering that only a non-substantial increase (*incremento moderado*) of the quota will be allowed. The meaning of non-substantial increase remains unclear in the New Regulations and the Ministerial Order TED/1161/2020.
- The selected bids will be considered as award bids. As a result of the auction, an energy generator whose bid has been selected, will obtain the capacity or volume of electricity awarded as well as the Award Price that will be equal to the bidder’s selected bid (except if adjusted as described below). Guarantees of origin associated with the volume of electricity auctioned (GoO) will be assigned to the electricity system on the terms and conditions to be established by a ministerial order.

The price to be received in each negotiation period for the participation in the daily and intraday markets will be one of the following:

- The Award Price without modification.
- The Award Price as adjusted by the difference between the daily or intraday *Pool* price and the Award Price, affected by a market adjustment coefficient between 0 and 0.5 to be determined by the Ministerial Order (*zero*, if the Ministerial Order is silent in this respect) (the “**Market Adjustment**”).

In this scenario, the price to be received will be equal to the Award Price plus the result of multiplying the Market Adjustment percentage by the difference between the *Pool* price and the Award Price.

However, if the *Pool* price is equal or higher than a price to be defined by the Ministerial Order known as “*precio de exención de cobro*” (*zero*, if the Ministerial Order is silent in this respect), the price to be received by renewable facilities will be the *Pool* price and the volume of electricity sold at such price will not be considered as “Auction Volume”.

Renewable facilities entitled to REER will receive market prices for their participation in other markets (e.g. adjustment services market).

We have not participated in the first REER Auctions that took place in January, 2021 but we do not discard our participation in future REER Auctions if specific conditions are met.

Specific regulation applicable to wind projects in the Canary Islands

The Ministerial Order IET/1045/2014 established specific rules to guarantee the execution of new wind projects in the Canary Islands by establishing a 450 MW quota that may be developed under the Specific Regime without

the need of a previous competitive process. However, specific requirements need to be complied with in order to be entitled to receive the specific remuneration (e.g. evidencing the posting of a specific guarantee, having obtained the administrative authorization and having submitted a certificate issued by the System Operator of having obtained evacuation capacity confirmation within the precedent year). The Ministerial Order IET/1045/2014 provides for a specific period during which the sponsors may submit an application to be awarded with capacity. The Ministerial Order IET/1045/2014 provided for the specific economic parameters applicable to the new wind farms to be developed under such provision and entitled to receive the Specific Remuneration. As provided under such Ministerial Order IET/1045/2014, an additional incentive between €5-11/MWh may be applicable to renewable facilities which construction implies a global reduction in the cost of generation in the territory. Our wind facilities in the Canary Islands, Llanos de la Aldea and San Bartolomé are entitled to receive such incentive that amounts up to 5.5€/MWh on the basis of our historical average figures. The incentive is limited to the regulatory operating life of such wind farms. All our wind farms in the Canary Islands benefit from the adjustment contained in Royal Decree 738/2015 (as further described below) also accounting for an amount up to 5.6 €/MWh, based on historical average figures, regardless of their COD.

However, as the capacity covered under this provision was very limited, new provisions were issued to promote new wind farms in this region through Royal Decree-Law 15/2014, of December 19, amending the economic and fiscal regime in the Canary Islands and the Ministerial Order IET/1953/2015, of September 24. Pursuant to such regulations the requirements to opt for the specific remuneration has been made more flexible and the maximum term to submit applications were extended until December 31, 2015 provided that the facility enter into operation before December 31, 2018.

Our projects of Llanos de la Aldea wind farm (Drago Renovables, S.L.) and San Bartolomé wind farm (Mocan Renovables, S.L.) were developed under such provisions.

In addition, specific incentives apply to our assets and companies in the Canary Islands. Basically: (i) investment subsidies; (ii) tax benefits (including allowance for the sale of tangible goods (ATG) and specific deduction for investment in these territories (DIC)); and (iii) specific regulatory measures applicable to renewable assets in the Canary Islands (such as specific settlement adjustments and specific adjustment coefficients applicable to wind assets). All together, the “**Canary Incentives**”.

- Investment Subsidies through European Regional Development Fund (ERDF funds)

The Ministerial Order TEC/1380/2018, of 20 December, established the regulatory basis for the granting of investment aids to the installation of renewable facilities through wind and solar PV technologies in non-peninsular territories co-financed with European Funds (FEDER). The aim of such regulations is to promote directly the investment in renewable wind and solar facilities (the “**Investment Subsidy**”).

As of to date, one auction to award with the Investment Subsidy has taken place and we received roughly 10% of the investment in the construction of our assets in the Canary Islands through this Investment Subsidies.

On the basis of the Ministerial Order TEC/1380/2018, the General Directorate of the Institute for the Diversification and Saving of Energy (IDAE) granted the following subsidies co-financed with European Funds (FEDER), to promote the increase of renewable energy capacity in the Canary Islands: the (i) SOLCAN programme for the year 2020, for the development of solar PV capacity; and the (ii) EOLCAN2 programme for the years 2021 and 2022, for the development of wind capacity.

- (i) Tax Incentives

- ATC: Pursuant to article 26 of the Act 19/1994, of 6 July, amending the Economic and Tax Regime of the Canary Islands, taxpayers liable for Corporate Income Tax shall apply a rebate of fifty percent of the total quota (*cuota íntegra*) corresponding to the income derived from the sale of tangible goods produced in the Canary Islands by themselves, pertaining to agricultural, stockbreeding, industrial and fishing activities. In light of this provision, our taxation in the Canary Islands is reduced by 50%.
- The deduction for investment in new tangible fixed assets regulated under article 26 of Act 61/1978, of December 27, remains in force in the Canary Islands. This deduction will be 25% of the amount of the investment carried out, with an independent limit of 50% of the total tax liability (after deductions for double taxation and allowances). Therefore, after reducing the taxable base (*Base Imponible*) by 50%, for 25% of the investment, the 50% quota deduction

(*deducción en la cuota*) will be applied. Newly acquired fixed assets may not be transferred before five years have elapsed since their acquisition.

(ii) Other regulatory measures

Royal Decree 738/2015, of 31 July, regulates the electricity production activity and the dispatch procedure in non-peninsular electricity systems establishing special measures for the settlement of certain adjustments in such territories. Such specific measures has resulted in an increase of around 5% in our income, based on the settlements made to our assets in the Canary Islands between 2018 and as of today.

Finally, the assets in the Canary Islands benefit, due to their special circumstances, from a price obtained with a ratio of >1 over the market price, which in the sector is known as the adjusting coefficient (*coeficiente de apuntamiento*), which is significantly higher than the one applicable to our assets in the peninsula.

Settlement of the renewable regulated remuneration schemes. Financing the Tariff Deficit

The 2013 Electricity Sector Act provides for a settlement system managed by the CNMC. The CNMC is also the competent body to carry out the settlements for the Specific Remuneration.

Settlement procedure: The settlement procedure of the national electricity system is managed by the CNMC:

- All sector agents provide the CNMC with information on their electricity system revenues and costs on a monthly basis. Each natural year, there are 14 provisional settlements and one final settlement approved in December of the following year (the 15th final settlement). There are 14 provisional settlements (one per month of the corresponding year and two further on the months of January and February of the following year) due to the fact that transportation and distribution companies charge access fees corresponding to each calendar year on invoices submitted from January of the relevant year to February of the following year.
- In each settlement, transportation and distribution companies include the amounts received from generators, wholesale suppliers and consumers corresponding to the third-party access tariffs.
- The CNMC settles its accounts by either depositing, or receiving the difference between, the amounts collected and the payments recognized in favor of each of them, respectively.

Costs and revenues of the electricity system: There is an integrated economic system created to settle the costs of the electricity system with the revenues thereof. This system considers:

- as revenues, mainly the TPA tolls and charges and Tax on Electricity Generation (explained below); and
- as costs, mainly the remuneration of regulated activities (including the generation facilities that use renewable sources and are entitled to the Specific Remuneration or the REER).

Tariff deficit: For many years (from 2000 to 2013, with a couple of exceptions), the costs of the electricity system exceeded the revenues collected, so that a financial deficit was caused (the so-called, “tariff deficit”). As stated above, the main purpose of the electricity reform contained in the 2013 Electricity Act was to resolve the tariff deficit problem from previous years.

- If revenues are not sufficient to cover all system costs, there is a ‘provisional tariff deficit’. The provisional deficit which appears in each of the 14 provisional settlements is financed by the “agents subject to the settlement system”, as renewable generators receiving a Specific Remuneration as is the case with some of our subsidiaries, in proportion to the payments they receive in each monthly settlement, that is, in proportion to the costs that they represent for the electricity system in a given year.
- The ‘final tariff deficit’ results from the final settlement approved in December of the following year and will also be financed proportionally by those agents subject to the settlement within the five years after the deficit arose plus interest on terms equivalent to the market.

The final tariff deficit cannot exceed 2% of the estimated regulated revenues of the system for each year. Over time, the accumulated tariff deficit cannot exceed 5% of the estimated system revenues for a given year. If the tariff deficit exceeds such percentages, the Government shall increase the access fees so that the system revenues increase accordingly in the amount needed to balance the economics of the electricity system.

Those deviations that, without exceeding the abovementioned thresholds, are not covered through the corresponding increase of access fees and tolls, will be assumed by all agents of the settlement system in proportion to their regulated remuneration. Nevertheless, if there are temporary deviations between revenues and costs within the monthly settlements, such deviations will be also assumed by the agents of the settlement system in proportion to the remuneration that would correspond to them in each monthly settlement. Those agents will be entitled to recover such deviation contributions arising from the final settlement within the five next years from the year in which the deviation occurred.

Pursuant to the CNMC's fifteenth final settlement of 2019, the revenues were lower than the costs during 2019. According to the CNMC's fifteenth provisional settlement of 2019, the costs of the electricity system were lower than the revenues and, thus, tariff deficit have arisen. However, in accordance with Royal Decree-Law 23/2020, income surpluses generated by the electricity system may be applied to cover temporary deficits, preferentially, and temporary cost/income deviations in years 2019 and 2020. The Minister is authorized, by Order and with the authorization of the Government's Delegated Commission for Economic Affairs, to approve the amounts, terms and time periods for its application.

Tax on Electricity Generation

On December 27, 2012, the Spanish Parliament passed Law 15/2012, of December 27 on tax measures to achieve environmental sustainability which became effective as at January 1, 2013 (the "**Law 15/2012**"). The aim of the referred Law 15/2012 was also to address the problem of the tariff deficit.

Law 15/2012 establishes a tax triggered by the sale of electricity that affects all electricity producers in Spain. The tax on electricity generation (the "**TEG**"), a flat rate of 7%, is levied on the total revenue achieved by the electricity producers from the power produced at each of their facilities.

The TEG is a direct tax with an *in rem* nature, levied on the generation and delivery to the Spanish grid of output electricity as measured at a power facilities' busbars (*barras de central*), including renewable generation as the production of our renewable facilities. The main features of this tax can be summarized as follows:

- All types of electricity generation facilities are subject to the TEG. No exceptions are made for any renewable energy producer or nuclear facilities, nor is there a minimum installed capacity threshold.
- The taxable base is calculated on the basis of the total proceeds to be received by the taxpayer for the generation and delivery of the output electricity. The taxable base is determined individually for each electricity production facility and referred to the tax period that, in general terms, coincides with the calendar year.
- The applicable rate is 7%.
- The tax has been suspended for the period between September 2018 and March 2019, as per the "Royal Decree-Law 15/2018.

Thus, every calendar year, the owners of Renewable Energy Facilities must pay 7% of the total amount they are entitled to receive in connection with their electricity production activity, measured as the net output generated.

Regulatory framework for other jurisdictions where Ecoener operates

Honduras

In Honduras, our energy production is sold under the relevant PPA with the sovereign government of Honduras, in particular with the National Electric Power Company (*Empresa Nacional de Energía Eléctrica*) ("**ENEE**"). The current structure of the energy sector in Honduras is the product of a set of reforms and policies dating back to the decade beginning 1990. The Honduran electricity sector used to be regulated by the "Framework Law of the Electricity Subsector (Legislative Decree 158-94)". This law defined an institutional structure and an organization for the electric power industry promoting competition in the generation and distribution area, however it reserved a monopoly for the state company ENEE.

Additionally, in 2007, under the *Decree 70-2007*, the "Law for the Promotion of Electricity Generation through Renewable Resources" was passed and approved. This regulation contains provisions to encourage public and/or private investment in electricity generation projects using national renewable resources.

Legal framework of the electricity sector

The Honduran electricity sector was liberalized since the promulgation in 2013 of the “General Law of the Electricity Industry (“**LGIE**”)” pursuant to Decree 404-2013. According to the LGIE, the electricity sector is divided into four main segments: generation, transmission, distribution and commercialization of electricity. Additionally, the LGIE contains provisions on the import and export of electricity for and from the regional markets. The LGIE identifies as the main participants of the electricity sector: (i) generation companies, (ii) distribution companies (which need an operating license, granted for a period of 30 years or more), (iii) system operator (in charge of managing an electricity market of opportunity) and (iv) qualified consumers.

ENEE is the generation company which provides the electric production to the system operator, which acts as the connection between ENEE and the distribution companies, and is responsible for the operation of the national electricity system.

Within the legal framework for renewable energy in Honduras, there are three types of incentives.

- Tariff incentives including: (i) auction systems and (ii) renewable portfolio standards;
- Fiscal incentives composed of: (i) income tax exemption, (ii) tariff liberalization and (iii) tax incentives for investment; and
- Financial incentives: consisting of financing measures in the form of flexible credits and public co-funding.

Electricity Regulatory Commission

The Electricity Regulatory Commission (*Comisión Reguladora de Energía Eléctrica*) (“**CREE**”) is an independent and specialized body responsible of the Energy Public Policy and the adequate functioning of the electricity sector. The CREE is therefore responsible for the application and supervision of the functioning and compliance with the legal and regulatory standards governing the activity of the electricity sector.

The LGIE establishes a new structure, organization and operation of the electrical sector where the CREE becomes a fundamental pillar as the regulator and supervisor of the electricity sector, being responsible for the supervision of the energy production plants and the transmission systems coordinating their operations and guaranteeing safe electric supply as well as the best use of energy.

Among others, the main functions of the CREE include:

- i. Granting operating licenses for transmission and distribution;
- ii. Passing and preparing the necessary regulations;
- iii. Applying sanctions; and,
- iv. Defining the methodology for the calculation of transmission and distribution tariffs.

Guatemala

In Guatemala, our energy production is mainly sold under the relevant PPAs and through contracts through which we sell as wholesale suppliers the excess not contracted under the PPAs. Nevertheless, our exposure to the market is very low.

Legal framework of the electricity sector

The electric energy industry in Guatemala is governed by the General Electricity Law (“**GEL**”) and related regulations, which establish a legal and regulatory framework designed to reduce government intervention and attract private investment into the sector. The General Electricity Law was adopted in 1996 to liberalize the energy sector, incentivize free competition and trade among the energy market agents and to promote private investment in the industry. The GEL regulates electricity generation, transmission, distribution, commercialization, and sales. Under the GEL, electricity generation is unrestricted and, for such purposes, companies do not need to obtain authorization or special licenses from the government. Governmental authorization or concessions are only required to operate transmission and distribution assets, and, in the case of a power plant with expected or installed

capacity above 5 MW, only when energy is being generated through public domain natural resources (i.e., hydro and geothermal).

Also, pursuant to the GEL, energy prices are freely determined by the energy market, except for transmission and distribution services, which are subject to regulation.

Regulatory Authorities

In Guatemala, the Ministry of Energy and Mines is the government's highest-ranking regulator of the electric energy industry. The Ministry of Energy and Mines is responsible for enforcing the GEL and related regulations and to establish indicative long-term energy policies. The GEL authorized the creation of two institutions to regulate the energy sector: The National Electric Energy Commission (*Comisión Nacional de Energía Eléctrica* or "CNEE") and the Wholesale Market Authority (*Administrador del Mercado Mayorista* or "AMM"). The CNEE is responsible for enacting and enforcing energy regulations and determining the transmission and distribution tariffs, and the AMM is in charge of overseeing the National Electric System, which includes coordinating the operation of the generators, market participants, international interconnections, and transmission lines. Pursuant to the Wholesale Market Authority regulation, the wholesale market comprises the purchase and sale of: (a) electrical power, (b) electrical energy (c) electric energy transmission services, and (d) complementary services.

Dominican Republic

In the Dominican Republic, the electrical system is divided into three main areas: (i) generation, which includes thermal, hydroelectric and renewable energy; (ii) transmission, which is under the responsibility and operation of the Dominican Corporation of State Electrical Companies ("CDEEE") and its subsidiary Dominican Electric Transmission Company ("ETED"); and (iii) distribution, that have different companies depending on the area ("EDENORTE", "EDESUR", and "EDEESTE").

The governmental and regulatory agencies in charge of the various processes involved are:

- Ministry of Energy and Mines, which is in charge of the formulation, control of policies and general plans for the energy sector and renewable electricity subsectors.
- National Energy Commission (the "Commission"), which proposes draft laws and regulations, proposes and adopts policies and standards of the Executive Branch, and grants concessions.
- Electricity Superintendence, which monitors compliance with legal standards, as well as technical standards regarding the generation, transmission, distribution and marketing of electricity.
- Coordinating Body of the Interconnected National Electrical System ("SENI"), which plans and coordinates the operation of power plants, transmission lines, distribution of the Electricity Generation Grid.

The legal framework that regulates this sector is composed of the following sets of rules: (i) The Law on Development Incentive of Renewable Energy Sources No. 57-07 and its Regulation; (ii) The General Electricity Law No. 125-01; and (iii) Law No. 100-13, that creates the Ministry of Energy and Mines.

Regulation promoting renewable energy

The Law No. 57-07 on Development Incentive of Renewable Energy Sources and its Special Regimes, enacted on May 7, 2007, constitutes the basic regulatory framework to be implemented throughout Dominican Republic, to encourage and regulate the development and investment in projects that take advantage of any renewable energy source and seek to benefit from such incentives. This Law recognizes the importance of reducing dependence on fossil fuels, grants tax exemptions to Classified Generators, recognizes renewable energy as a lower cost alternative, stimulates Private Investment Projects and their participation in the National Interconnected Electric System (SENI), among others.

Scope of Application:

Generation Agents after completing the regulatory diligence of their project's physical, technical, environmental and financial viability, the following (public facilities, private, mixed, corporate) could be eligible for incentives under said law:

- a) Wind farms and isolated windmill applications with initial installed power, as a whole, that does not exceed 50 MW;
- b) Micro, small and/or micro hydroelectric plants, whose power does not exceed 5 MW;
- c) Electro-solar (photovoltaic) installations of any type and any level of power;
- d) Thermo-solar installations (concentrated solar energy) of up to 120 MW of power per power plant;
- e) Power plants that use as main fuel primary biomass and whose installed power does not exceed 80 MW per thermodynamic or central unit;
- f) Bio-fuel production plants (distilleries) or bio-refineries of any magnitude or volume of production;
- g) Energy farms, plantations and agricultural or agro-industrial infrastructures of any magnitude intended exclusively to the production of biomass energy consumption, vegetable oils or pressure to biodiesel manufacturing, as well as hydrolyzing plants sugar liqueur producers for the manufacture of fuel ethanol and/or for energy and/or bio-fuels;
- h) Ocean energy exploitation facilities;
- i) Dedicated medium-temperature solar installations obtaining sanitary hot water and conditioning in partnership with absorption equipment for production of cold.

Regulatory Institution

The Commission is the state institution created in accordance to Article 7 of the General Electricity Law No. 125-01. It is primarily responsible for drawing the Dominican State policy in the energy sector and the responsible to follow up on compliance with the law.

As established by Article 8 of the Law No. 57-07, part of the Commission's attributions or powers include: (i) authorize or reject, after a technical-economic evaluation, depending on the type of energy and project concerned, all requests for application to the incentives of this law; (ii) produce certifications, documents and records relating to the use and audits of such incentives, as established by the implementing regulations of Law 125; and (iii) ensure the correct application of the law and its regulations, and ensure the proper use of the incentives it creates.

The Commission has an advisory body, which is a technical support entity. The reports of this body are necessary for the decision-making of the Commission. It is composed of the following permanent members: (i) a representative of the Ministry of Commerce and Industry; (ii) a representative of the Environment and Natural Resources Ministry; (iii) a representative of the Ministry of Secretariat of Economy, Planning and Development; and (iv) a representative of the CDEE.

General Incentives for the Production and Use of Renewable Energy

In order to create an incentive for these purposes, the Commission could recommend a 100% exemption from import taxes on equipment, machinery and accessories imported by individual companies or individuals, necessary for the production of energy from renewable resources. This incentive also includes the importation of electrical power processing, transmission and interconnection equipment into the SENI.

The Law 57-07 also refers to exemption from the payment of Transfer Tax on Industrialized Goods and Services ("ITBIS") and all taxes on final sale, and an initial customs exemption. Moreover, it details other exemptions and incentives in the articles that follow on Chapter III of the Law:

- a) Income Tax Exemption: Granted for a 10-year period from the start of operations from the payment of income tax on income from the generation and sale of electricity, derived from steam, biofuels or synthetic fuels, generated from renewable energy sources, as well as revenue from the sale and installation of the equipment, parts and systems described on the Law.
- b) Reduction of Taxes on External Financing: The withholding tax on foreign financing set out in Article 306 of the Tax Code, is reduced to 5%, for projects developed under this Law 57-07.
- c) Tax Incentive for Self-Producers: Up to 75% of the cost of investment in equipment, such as a single income tax credit, is granted to owners or tenants of family homes, commercial or industrial homes that

change or expand for renewable source systems in the provision of their private energy self-consumption and whose projects have been approved by the competent bodies.

- d) Incentive for Community Projects: All institutions of social interest that wish to develop sources of small-scale renewable energy (up to 500 Kw) and intended for community use, will be able to access financing funds at the lowest rates in the market for development projects, amounting up to 75% of the total cost of the work and its installation.
- e) Certificates and/or Bonds for Reducing Polluting Emissions: Certificates or emission reduction bonds (carbon sequestration) redeemable under the so-called “Kyoto Agreement” and which may be derived from renewable energy projects shall belong to the owners of such projects for commercial benefit thereof.

Special Electric Production Regime

The activity of electricity production will be considered as production under a special regime when carried out from installations whose installed power does not exceed the limits laid down in Article 5 of this Law, when any of the renewable energy sources described in said Article are used as primary energy, and have been duly approved and registered as welcome to the benefits of this law.

Concessions: The construction, operation, substantial modification, transmission and closure of electricity production facilities on a special basis shall be subject to the provisional concession regime.

In order to qualify as the recipient of the benefits and incentives of this law, the independent producer, or the company concerned, must apply its initial application to the National Energy Commission, accompanied by certain documents. Farms of electricity production facilities from renewable energy sources must apply for registration in the Register of Special Regime Production Facilities that is created for this purpose.

The Implementing Regulation on Law No. 57-07

This Regulation sets, among other things, guidelines for planning electricity production. It states that it is mandatory for each of the projects to generate electricity from primary renewable energy sources, comply with the requirements established in the Connecting Code of the Dominican Electricity System, provided that they are applicable to each type of energy and taking into account the projects in the construction phase that may interfere with their results.

Overview of the Electricity Sector: General Electricity Law No. 125-01

The General Electricity Law’s objective is to establish a regulatory framework for the electricity subsector. It governs the production, transmission, distribution and marketing of electricity and the functions of State Agencies related to these matters.

The State Agencies governing the specific activities of the electricity subsector are: (i) The National Energy Commission (the “**Commission**”), and (ii) the Superintendency of Electricity (the “**Superintendency**”).

REASONS FOR THE OFFERING AND USE OF PROCEEDS

Reasons for the Offering

We believe that the Offering and the Admission is our natural next step in the long-term development.

We expect that our shareholder base will be expanded following the Offering, by incorporating international and national institutional investors, thus improving our access to public capital markets that could help us obtain financing to be used for our future growth.

As a result, we believe that the Offering will enable us to broaden our shareholder base so as to reach a minimum free float of between 35.4% (assuming that the Initial Offer Shares are sold in full at the upper end of the Offering Price Range and no exercise of the Over-allotment Option), and a maximum free float of 42.4% (assuming that the Initial Offer Shares are sold in full at the lower end of the Offering Price Range and that the Over-allotment Option is exercised in full) of our total issued share capital upon Admission, higher than the minimum threshold of distribution of our shares for admission to trading on the Spanish Stock Exchanges and on the SIB.

We consider that turning into a publicly listed company will also provide us with additional advantages, including enhancing our brand recognition, reinforced institutional profile, enhanced transparency and corporate governance, as well as strengthening and institutionalizing our relationships with our internal and external stakeholders.

Use of Proceeds

We plan to use the proceeds from the issue of Initial Offer Shares (with no exercise of the Over-allotment Option) in the following order (i) to pay the Offering expenses of approximately €11.2 million, as detailed under section “*Plan of Distribution—Offering Expenses*”, and (ii) to fund investments for the development and construction of the projects identified within our Pipeline for approximately €170.6 million.

The following table illustrates the estimated sources and uses of the proceeds with respect to the Offering, assuming full subscription of the Over-allotment Shares. Actual amounts will vary from estimated amounts depending on several factors, including changes in our actual amount of expenses related to the Offering.

<u>Sources</u>	<u>€ in millions</u>	<u>Uses</u>	<u>€ in millions</u>
Initial Offer Shares	181.8	Offering expenses	11.2
		Develop and construct our Pipeline	170.6
Total	181.8	Total	181.8

(1) Assuming no exercise of the Over-allotment Option.

The proceeds of the Offering will not be used to repay our €130 million Green Project Bond issued on September 10, 2020 or any other financial indebtedness.

DIVIDEND POLICY

Dividends and Dividend Policy

We intend to reinvest our operating cash flow into new project development to drive long-term growth and enhance shareholder value and we do not anticipate paying any cash dividends on the Shares for the three years following the Offering. After the third anniversary of the Offering, we will reassess our dividend policy and the payment of future cash dividends, based on our business prospects and financial performance. The amount of future dividends we decide to pay, if any, and our future dividend policy will depend on a number of factors, including, but not limited to, our earnings, financial condition, debt service obligations, cash requirements (including capital expenditure and investment plans), prospects, market conditions and such other factors as may be deemed relevant at the time. The amount of dividends will be proposed by our board of directors and approved by our shareholders at the general shareholders' meetings.

Holders of Shares will be entitled to receive any future dividends, which will be declared on the basis set out in our Bylaws. For additional information, see section *“Description, Evolution and Functioning of our Share Capital—Dividend and Liquidation Rights”*.

Any dividends will be paid in euros. Dividends are declared and paid pro rata according to the number of shares held by each shareholder. Dividends declared but not yet paid do not bear interest.

Our expectations in relation to dividends, distributable reserves, business performance and market conditions are subject to numerous assumptions, risks and uncertainties, which may be beyond our control. See section *“Presentation of Financial Information and Other Important Notices—Forward-Looking Statements”*. For a discussion of risks faced by our business, see section *“Risk Factors”*.

Dividend distribution per share for each financial year corresponding to the historical financial information

Grupo Ecoener, S.A., was incorporated in January 2020 by the Pre-Offering Sole Shareholder (Ecoener, S.L.U., which has been operating since 1988, please see *“Business”* section for more information of the history of the Group) as a direct wholly-owned subsidiary in the context of the readiness of the current Offering and, therefore, the Company's historical financial information is limited in terms of dividend distribution. In the year ended December 31, 2020 the Company has not distributed any dividends to the Pre-Offering Sole Shareholder. However, in the year ended December 31, 2020 dividends were distributed to the Pre-Offering Sole Shareholder for an amount of €3,011 thousand by the following subsidiaries, Dragmoc, S.L., Hidroeléctrica del Giesta, S.L., and Energias De Pontevedra, S.L., before our Pre-Offering Sole Shareholder contributed its stakes in such subsidiaries to Grupo Ecoener, S.A. by virtue of the Capital Increase Through in-kind contributions in consideration for the contribution to us of the shares representing controlling stakes in the share capital of our subsidiaries, as explained in section *“Description, Evolution and Functioning of our Share Capital”*. For additional information, see section *“Presentation of Financial Information and Other Important Notices”*.

Legal and Regulatory Requirements

Our ability to distribute dividends may be restricted under general Spanish corporate laws and regulations. Spanish corporate law requires companies incorporated in Spain to contribute at least 10% of their net income each year to a legal reserve until the balance of such reserve is equivalent to at least 20% of the respective company's issued share capital. The legal reserve, up to the amount of 20% of the share capital, may only be used to offset losses provided, however, that no other reserve is available for such purposes. Legal reserves may be distributed to shareholders in the event of liquidation or when exceeding 20% of the share capital, in the part that exceeds. As of December 31, 2020, the balance of our legal reserve was zero given that it was our first year of incorporation. On March 22, 2021, our Pre-Offering Sole Shareholder exercising the powers and faculties of the General Shareholders' Meeting, resolved to create the mandatory legal reserve for an amount of €2,560 thousand, which is equivalent to 20% of our share capital at the date of this Prospectus.

In addition, our ability to pay dividends may be subject to certain limitations, including provisions contained in the agreements governing our indebtedness that could restrict the ability to distribute dividends or make any other payment or distribution to shareholders and thus our ability to pay dividends on our Shares. In particular, in many cases we obtain project-level financing for our subsidiaries which includes DSRAS or MRAs (as these terms are defined in section *“Capitalization and Indebtedness”*). The covenants in the project financing arrangements of our subsidiaries typically restrict the ability of our project subsidiaries to distribute funds to us unless specific financial thresholds are satisfied on specified dates. Without access to funds from our projects, we may lack the liquidity to pay dividends on the Shares.

Finally, Spanish companies are prohibited from distributing any profits to their shareholders unless the distributable reserves are equal or higher than the research and development expenses recorded as an asset in their consolidated balance sheet. We do not carry out research and development or investigations activities, therefore this requirement is not applicable to us.

Taxation on Dividends under Spanish Law

Under current Spanish tax legislation, any dividend distributions made by us in the future will be subject to tax. See section “*Taxation*” for a discussion of certain aspects of the taxation of dividends.

CAPITALIZATION AND INDEBTEDNESS

This section should be read together with sections “Presentation of Financial Information and Other Important Notices”, “Selected Financial Information”, and “Operating and Financial Review”, and the 2020 Audited Consolidated Annual Accounts and related notes incorporated to this Prospectus.

Representation Concerning Working Capital

As of February 28, 2021, our working capital* amounted to €14,742 thousand (compared to working capital of €7,216 thousand as of December 31, 2020, €8,897 thousand as of December 31, 2019 and €6,481 thousand as of December 31, 2018 as derived from the 2020 Audited Consolidated Annual Accounts). We are of the opinion that, as of the date of this Prospectus, we have sufficient working capital for our present requirements, meaning for at least the next twelve months commencing as of the date of this Prospectus. We did not take into account the net proceeds from the Offering when making this assessment.

Capitalization and Indebtedness

The following tables sets forth our capitalization and indebtedness (i) as of December 31, 2020, on a historical consolidated basis derived from our 2020 Audited Consolidated Annual Accounts and (ii) as of February 28, 2021, on a historical consolidated basis and adjusted (a) after giving effect to the pre-Offering capital increase, the debt capitalization credit of the Pre-Offering Sole Shareholder and the new credit facilities, (b) after giving effect to the Offering assuming net proceeds of €170.6 million after the issuance of the Offer Shares not exercising the Over-allotment Option, and (c) after giving effect to the Offering and the pre-offering transactions mentioned in (a) and (b) above. You should read the following table in conjunction with the sections entitled “Reasons for the Offering and Use of Proceeds”, “Selected Financial and Other Information” and “Operating and Financial Review”.

Statement of capitalization

	As of December 31, 2020	As of February 28, 2021	Adjustments for the pre-Offering capital increase, the debt capitalization credit of the Pre- Offering Sole Shareholder and the new credit facilities ^{(1) (2) (3)}	Adjustments for the net proceeds of the Offering of the Offer Shares and not exercising the Over- allotment Option ⁽⁴⁾	As Adjusted, after giving effect to the pre-offering transactions and to the Offering
	<i>(in thousands of euros)</i>				
Short-term debts (including current portion of non-current debt)	19,133	13,943	-	-	13,943
Guaranteed	-	-	-	-	-
Secured ⁽⁵⁾	9,543	10,522	-	-	10,522
Unguaranteed / unsecured.....	9,590	3,421	-	-	3,421
Long-term debts (excluding current portion of non-current debt)	185,518	193,051	(4,845)	-	188,206
Guaranteed	-	-	-	-	-
Secured ⁽⁶⁾	168,584	173,971	1,655	-	175,626
Unguaranteed / unsecured.....	16,934	19,080	(6,500)	-	12,580
Total shareholders equity	8,159	12,282	6,500	170,600	189,382
Share capital	560	560	12,240	9,253	22,053
Legal reserve(s)	-	-	-	-	-
Other reserves ⁽⁷⁾	7,599	11,722	(5,740)	161,347	167,329
Total	212,810	219,276	1,655	170,600	391,531

(1) The pre-Offering share capital was increased through the issuance of 122,400 new shares with a nominal value of 100€ each, amounting to €12,240 thousand. The pre-Offering capital increase against the Company available reserves of €12,240 thousand was agreed by our Pre-Offering Sole Shareholder exercising the powers and rights of the General Shareholders’ Meeting on March 22, 2021.

(2) On March 4, 2021, the Pre-Offering Sole Shareholder proceeded to set-off part of the receivable it had with the Group for an amount of €6,500 thousand and which was recorded in the 2020 Audited Consolidated Annual Accounts under "long-term debt with related parties" and converted the debt into "other shareholder's contributions".

- (3) On March 23, 2021, for the financing of the construction and operation of twelve solar PV plants in the Canary Islands, we entered into a credit facility agreement for a maximum amount of €16,770 thousand, being the initial amount drawn €358 thousand. Additionally, on March 31, 2021, for the financing of the construction and operation of a wind farm in the Canary Islands, we entered into a credit facility agreement for a maximum amount of €16,475 thousand, being the initial amount drawn €1,297 thousand.
- (4) Adjustments are calculated under the assumption that: (i) the Offering raises €181,800 thousand gross proceeds after the issuance of the Initial Offering Shares, (ii) the Offering expenses, which amount to €11.2 million, are paid in full and (iii) the share premium of the Offering has been calculated considering a nominal value of €0.32 per share and a €5.90 Offering Price. If the Over-allotment Option is exercised in full, the Company would raise additional gross proceeds of up to approximately €18.2 million. Additional fees and expenses if the Over-allotment Option is exercised in full will amount to €0.7 million.
- (5) Includes short-term lease liabilities amounting to €392 thousand as of December 31, 2020 and €395 thousand as of February 28, 2021.
- (6) Includes long-term lease liabilities amounting to €6,724 thousand as of December 31, 2020 and €6,741 thousand as of February 28, 2021.
- (7) Other reserves correspond to the sum of: (i) issue premium (amounting to €4,750 thousand as of December 31, 2020 and €4,750 thousand as of February 28, 2021), (ii) other reserves (amounting to negative €5,840 thousand as of December 31, 2020 and negative €2,628 thousand as of February 28, 2021), (iii) other shareholder's contributions (amounting to €73 thousand as of December 31, 2020 and €73 thousand as of February 28, 2021), (iv) exchange differences (amounting to negative €356 thousand as of December 31, 2020 and negative €52 thousand as of February 28, 2021) and (v) non-controlling interest (amounting to €8,972 thousand as of December 31, 2020 and €9,579 thousand as of February 28, 2021).

Statement of indebtedness

	As of December 31, 2020	As of February 28, 2021	Adjustments for the pre-Offering capital increase, the debt capitalization credit of the Pre- Offering Sole Shareholder and the new credit facilities ^{(2) (3)}	Adjustments for the net proceeds of the Offering of the Offer Shares and not exercising the Over- allotment Option ⁽⁴⁾	As Adjusted, after giving effect to the pre-offering transactions and to the Offering
	<i>(in thousands of euros)</i>				
A Cash ⁽¹⁾	13,681	19,713	1,655	170,600	191,968
B Cash equivalents	-	-	-	-	-
C Other current financial assets	1,661	1,879	-	-	1,879
D Liquidity (A + B + C)	15,342	21,592	1,655	170,600	193,847
E Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	8,985	2,829	-	-	2,829
F Current portion of non-current financial debt	10,148	11,114	-	-	11,114
G Short-term debts (E + F)	19,133	13,943	-	-	13,943
H Net current financial indebtedness (G - D)	3,791	(7,649)	(1,655)	(170,600)	(179,904)
I Non-current financial debt (excluding current portion and debt instruments)	69,422	76,922	(4,845)	-	72,077
J Obligations and other marketable securities	116,096	116,129	-	-	116,129
K Non-current trade and other payables	-	-	-	-	-
L Non-current financial indebtedness (I + J + K)	185,518	193,051	(4,845)	-	188,206
M Total financial indebtedness (H + L)	189,309	185,402	(6,500)	(170,600)	8,302

- (1) Corresponds to Cash and cash equivalents as disclosed in the 2020 Audited Consolidated Annual Accounts. In addition, as of December 31, 2020, cash and cash equivalents includes certain amounts of restricted cash related to the following restrictions included in our Green Project Bond, which contains a Debt Service Reserve Account ("DSRA") for an amount of €8,016 thousand and a Maintenance Reserve Account ("MRA") of €1,000 thousand.
- (2) On March 4, 2021, the Pre-Offering Sole Shareholder proceeded to set-off part of the receivable it had with the Group for an amount of €6,500 thousand and which was recorded in the 2020 Audited Consolidated Annual Accounts under "long-term debt with related parties" and converted the debt into "other shareholder's contributions".
- (3) On March 23, 2021, for the financing of the construction and operation of twelve solar PV plants in the Canary Islands, we entered into a credit facility agreement for a maximum amount of €16,770 thousand, being the initial amount drawn €358 thousand. Additionally, on

March 31, 2021, for the financing of the construction and operation of a wind farm in the Canary Islands, we entered into a credit facility agreement for a maximum amount of €16,475 thousand, being the initial amount drawn €1,297 thousand.

- (4) Adjustments are calculated under the assumption that: (i) the Offering raises €181,800 thousand gross proceeds after the issuance of the Initial Offering Shares and (ii) the Offering expenses, which amount to €11.2 million, are paid in full. If the Over-allotment Option is exercised in full, the Company would raise additional gross proceeds of up to approximately €18.2 million. Additional fees and expenses if the Over-allotment Option is exercised in full will amount to €0.7 million.

Total financial indebtedness includes long-term lease liabilities amounting to €6,724 thousand as of December 31, 2020 and €6,741 thousand as of February 28, 2021 and short-term lease liabilities amounting to €392 thousand as of December 31, 2020 and €395 thousand as of February 28, 2021.

Indirect and Conditional Indebtedness

We have contingent liabilities in respect of bank guarantees, surety certificates and other guarantees provided in the ordinary course of business. Hence, we are required to provide performance guarantees in the form of cash or bank guarantees in connection with the execution of projects as well as surety certificates. As of December 31, 2020 and February 28, 2021, we had outstanding commercial guarantees and bonds in the aggregate amount of €22,338 thousand and €23,887 thousand, respectively, which are off-balance sheet items. See section “*Risk Factors – Risks Related to Our Business – We may be unable to acquire or maintain the performance guarantees, sureties and bonds necessary to complete our ongoing projects or to obtain new contracts*”, for more information.

SELECTED FINANCIAL INFORMATION

We present below:

- Selected consolidated financial information for the Group as of and for the years ended December 31, 2020, 2019 and 2018 which has been derived from the 2020 Audited Consolidated Annual Accounts prepared in accordance with IFRS-EU and included in this Prospectus.
- The main differences between the consolidated balance sheet information, the consolidated profit and loss account information and the consolidated cash flow statement information of the Pre-Offering Sole Shareholder and its subsidiaries included in the Sole Shareholder 2019 Audited Consolidated Financial Statements and our 2019 consolidated balance sheet information, consolidated profit and loss account information and consolidated cash flow statement information included in our 2020 Audited Consolidated Annual Accounts for comparative purposes; and
- The consolidated profit and loss account data, consolidated balance sheet data and consolidated cash flows statement data derived from the Sole Shareholder 2018 Audited Consolidated Annual Accounts.

Prospective investors should read the selected data presented below in conjunction with “*Presentation of Financial Information and Other Important Notices*”, “*Use of Proceeds*”, “*Capitalization and Indebtedness*”, “*Operating and Financial Review*”, the 2020 Audited Consolidated Annual Accounts and the related notes included elsewhere in this Prospectus.

Consolidated Profit and Loss Account data

Consolidated Profit and Loss Account data for the years ended December 31, 2020, 2019 and 2018:

	Year ended December 31		
	2020	2019	2018
	audited	unaudited	
	<i>(in € thousands)</i>		
Net revenues	36,897	33,736	31,167
Changes in inventories of finished and semi-finished products	(5)	(74)	(67)
Supplies.....	(3,652)	(3,512)	(2,316)
Other operating income.....	119	125	119
Personnel expenses	(1,852)	(1,890)	(1,895)
Other operating expenses	(9,111)	(10,092)	(8,454)
Depreciation and amortization	(8,140)	(7,953)	(7,861)
Government grants for non-financial assets and others.....	12	-	-
Impairment and income from disposal of fixed assets	2,739	642	(786)
Other income.....	154	245	939
Operating income	17,161	11,227	10,846
Financial income.....	235	620	40
Financial expense.....	(10,299)	(6,122)	(7,422)
Changes in fair value of financial instruments	(2,281)	(1,367)	(434)
Net exchange gains/(losses).....	377	10	(2,869)
Impairment from disposals of financial instruments	-	(438)	(48)
Net financial loss	(11,968)	(7,297)	(10,733)
Income/(loss) before tax	5,193	3,930	113
Income tax benefit/(expense) for the year	575	1,902	23
Net income/(loss) from continued operations	5,768	5,832	136
Net income/(loss) attributed to the Parent Company.....	3,457	5,305	350
Net income/(loss) attributed to non-controlling interest.....	2,311	527	(214)

Consolidated Balance Sheet data

Consolidated Balance Sheet data as of December 31, 2020, 2019 and 2018:

	As of December 31,		
	2020	2019	2018
	audited	unaudited	
	<i>(in € thousands)</i>		
Intangible assets	7,951	7,462	7,849
Goodwill	3,905	3,975	4,186
Concession arrangements.....	1,840	2,245	2,428
Other intangible assets	2,206	1,242	1,235
Right of use assets	7,750	5,019	5,225
Property, plant and equipment	175,764	152,108	149,231
Land and buildings.....	83,059	85,103	90,488
Machinery and equipment	72,609	52,123	54,645
Fixed assets in progress.....	20,096	14,882	4,098
Long-term investments in group companies and associates	1	-	2,469
Long-term financial investments	454	755	1,362
Credits to third parties.....	414	711	1,270
Derivatives	-	-	49
Other financial assets	40	44	43
Deferred tax assets	5,033	4,183	2,071
Other non-current assets	681	716	712
Total non-current assets	197,634	170,243	168,919
Current assets			
Inventories	230	-	67
Trade and other receivables	13,703	9,802	12,719
Customers for short-term sales and services	5,904	6,065	5,766
Other trade debtors.....	-	105	3,142
Other credits with tax authorities	7,799	3,462	3,555
Other receivables	-	170	256
Current tax assets	828	-	-
Short term investments in group companies and associates	376	325	525
Short term financial investments	1,661	1,848	2,046
Credits to third parties.....	249	142	538
Other financial assets	1,412	1,706	1,508
Other current assets	815	960	303
Cash and cash equivalents	13,681	12,684	9,013
Total current assets	31,294	25,619	24,673
Total assets	228,928	195,862	193,592
Net equity			
Share capital.....	560	-	-
Issue premium.....	4,750	-	-
Other reserves	(5,840)	1,259	7,954
Other Shareholder's contributions	73	-	-
Income for the year attributable to the Parent Company	3,457	5,305	350
Exchange differences	(356)	817	656
Equity attributed to Parent Company equity holders ..	2,644	7,381	8,960
Non-controlling interest	8,972	8,033	8,770
Total net equity	11,616	15,414	17,730
Non-current liabilities			
Long-term provisions	1,356	681	473
Long-term debts	185,518	153,444	152,116
Debt with financial institutions	39,947	116,478	120,472

	As of December 31,		
	2020	2019	2018
	audited	unaudited	
	<i>(in € thousands)</i>		
Lease liabilities	6,724	26,272	29,267
Obligations and other marketable securities.....	116,096	-	-
Long-term debt with related parties	8,479	3	-
Derivatives	-	1,317	-
Other financial liabilities	14,272	9,374	2,377
Deferred tax liabilities	126	-	60
Grants	3,607	3,618	-
Non-current accounts payable	163	3,403	2,325
Other long-term payable accruals	2,464	2,580	2,696
Total non-current liabilities	193,234	163,726	157,670
Current liabilities			
Short-term debts	19,133	13,553	13,448
Debt with financial institutions	3,184	10,010	9,239
Lease liabilities	392	3,104	3,014
Obligations and other marketable securities.....	6,382	-	-
Short-term debt with related parties	834	-	67
Derivatives	1,554	-	-
Other financial liabilities.....	6,787	439	1,128
Trade and other accounts payable.....	4,685	3,052	4,627
Short-term suppliers.....	4	2	-
Other trade payables	3,729	2,176	4,032
Wages payable	9	11	-
Other debts with tax authorities	943	863	595
Current tax liabilities	142	-	-
Short-term accruals	118	117	117
Total current liabilities	24,078	16,722	18,192
Total net equity and liabilities.....	228,928	195,862	193,592

Consolidated Cash Flows Statement data

Consolidated Cash Flows Statement data for the years ended December 31, 2020, 2019 and 2018:

	Year Ended December 31,		
	2020	2019	2018
	audited	unaudited	
	<i>(in € thousands)</i>		
Consolidated income/(loss) before tax (1)	5,193	3,930	113
<i>Adjustments to reconcile net income to operating cash flows:</i>			
Depreciation and amortization	8,140	7,953	7,861
Losses, impairment, and variation of provisions for trade operations	(980)	3,050	1,477
Variation of provisions	5	6	6
Impairment and income from disposals of fixed assets	(2,739)	(642)	786
Financial income	(235)	(620)	(40)
Financial expense	10,294	6,116	7,416
Net exchange gains/(losses)	(377)	(10)	2,869
Changes in fair value of financial instruments	2,281	1,367	434
Impairment from disposals of financial instruments	-	438	48
Attribution of Government grants received	(13)	(2)	-
Other income and expenses	(3,166)	424	2,159
<i>Changes in consolidated working capital:</i>			
Inventories	(57)	67	332
Trade and other receivables	(2,919)	(133)	(2,509)
Other current assets	5	-	-
Trade and other accounts payable	1,626	(1,575)	(1,073)
<i>Other consolidated cash flows from operating activities:</i>			

	Year Ended December 31,		
	2020	2019	2018
	audited	unaudited	
	<i>(in € thousands)</i>		
Interest payments	(7,615)	(5,910)	(6,623)
Interest collections	40	603	21
(Payments) collections from income tax	(365)	(177)	(239)
Cash flows from consolidated operating activities	9,118	14,885	13,038
<i>Investment payments</i>			
Group and associated companies	(3,300)	-	(250)
Intangible assets	(1,106)	(52)	(103)
Property, plant and equipment	(28,946)	(11,828)	(4,115)
Other financial assets	-	-	(135)
<i>Divestment charges</i>			
Group and associated companies	-	2,469	-
Intangible assets	42	1	-
Property, plant and equipment	-	-	462
Other financial assets	642	335	-
Cash flows used in consolidated investing activities (2)	(32,668)	(9,075)	(4,141)
<i>Collections and payments for equity instruments:</i>			
Equity instruments issue	435	3,379	6,701
Equity refunds	(5,050)	(4,729)	-
Grants received	-	3,620	-
<i>Collections and payments for financial liability instruments:</i>			
<i>Issue and return and payment of debts</i>			
Obligations and other marketable securities	130,000	-	-
Debt with financial institutions	130	6,016	7,100
Other debts	20,223	7,436	-
Lease liabilities	-	11	-
<i>Debt repayment</i>			
Obligations and other marketable securities	(5,498)	-	-
Debt with financial institutions	(82,466)	(9,239)	(7,721)
Other debts	(4,365)	(1,427)	(43)
Lease liabilities	(24,337)	(2,663)	(2,566)
<i>Payments for dividends and remuneration of other equity instruments</i>			
Dividends	(4,525)	(4,043)	(1,623)
Remuneration of other equity instruments	-	(500)	(6,000)
Cash flows from/(used in) consolidated financing activities (3)	24,547	(2,139)	(4,152)
Net increase in cash and cash equivalents (1+2+3)	997	3,671	4,745
Cash and cash equivalents at the beginning of the year	12,684	9,013	4,268
Cash and cash equivalents at the end of the year	13,681	12,684	9,013

Consolidated Profit and Loss Account data by operating segment

	Year ended December 31, 2020 (in € thousands) (audited)					
	Hydropower plants operation	Wind farms operation	Solar PV plants operation	Energy commercialization	Other services	Total
Net revenues	13,646	13,781	4,283	4,385	802	36,897
Changes in inventories of finished and semi-finished products	-	-	-	-	(5)	(5)
Supplies	-	-	-	(3,625)	(27)	(3,652)
Other operating income	-	119	-	-	-	119
Personnel expenses	-	-	-	(84)	(1,768)	(1,852)
External services and taxes	(3,075)	(2,871)	(360)	(115)	(3,670)	(10,091)
Losses, impairment and variation of provisions for trade operations	(15)	(10)	1,005	-	-	980
Depreciation and amortization	(2,978)	(3,954)	(1,011)	(2)	(195)	(8,140)
Government grants for non-financial assets and others	-	12	-	-	-	12

Impairment and income from disposals of fixed assets	-	2,894 ⁽¹⁾	-	-	(155)	2,739
Other income	65	86	-	-	3	154
Operating income	7,643	10,057	3,917	559	(5,015)	17,161
Financial income	13	119	22	2	79	235
Financial expense	(2,514)	(3,037)	(1,197)	-	(3,551)	(10,299)
Other ⁽²⁾	(653)	(1,664)	296	(11)	128	(1,904)
Net financial loss	(3,154)	(4,582)	(879)	(9)	(3,344)	(11,968)
Income/(loss) before tax	4,489	5,475	3,038	550	(8,359)	5,193
Income tax benefit/(expense) for the year	(655)	(6)	2	(113)	1,347	575
Net income/(loss) from continued operations	3,834	5,469	3,040	437	(7,012)	5,768

- (1) Corresponds to the impairment reversal derived from the Xestosa hydropower facility reported under “Wind” segment due to the fact that such facility forms part of a company whose main activity is the operation of renewable energy wind farms.
- (2) Includes “Changes in fair value of financial instruments”, “Net exchange gains/(losses)” and “Impairment from disposals of financial instruments”.

Year ended December 31, 2019 (in € thousands) (unaudited)						
	Hydropower plants operation	Wind farms operation	Solar PV plants operation	Energy commercialization	Other services	Total
Net revenues	11,405	12,981	4,621	4,039	690	33,736
Changes in inventories of finished and semi-finished products	-	-	-	-	(74)	(74)
Supplies	-	-	-	(3,484)	(28)	(3,512)
Other operating income	-	117	1	-	7	125
Personnel expenses	-	-	-	(89)	(1,801)	(1,890)
External services and taxes	(2,359)	(2,254)	(269)	(31)	(2,129)	(7,042)
Losses, impairment and variation of provisions for trade operations	-	-	(3,050)	-	-	(3,050)
Depreciation and amortization	(2,613)	(3,515)	(1,129)	-	(696)	(7,953)
Impairment and income from disposals of fixed assets	-	1,175 ⁽¹⁾	-	-	(533)	642
Other income	-	-	-	-	245	245
Operating income	6,433	8,504	174	435	(4,319)	11,227
Financial income	230	20	15	3	352	620
Financial expense	(1,976)	(2,204)	(1,151)	-	(791)	(6,122)
Other ⁽²⁾	125	(1,366)	(169)	(18)	(367)	(1,795)
Net financial loss	(1,621)	(3,550)	(1,305)	(15)	(806)	(7,297)
Income/(loss) before tax	4,812	4,954	(1,131)	420	(5,125)	3,930
Income tax benefit/(expense) for the year	(617)	2,256	-	(34)	297	1,902
Net income/(loss) from continued operations	4,195	7,210	(1,131)	386	(4,828)	5,832

- (1) Corresponds to the impairment reversal derived from the Xestosa hydropower reported under “Wind” segment due to the fact that such facility forms part of a company whose main activity is the operation of renewable energy wind farms.
- (2) Includes “Changes in fair value of financial instruments”, “Net exchange gains/(losses)” and “Impairment from disposals of financial instruments”.

Year ended December 31, 2018 (in € thousands) (unaudited)						
	Hydropower plants operation	Wind farms	Solar PV plants	Energy commercialization	Other services	Total

	operati on		operatio n			
Net revenues	11,577	12,733	4,243	2,537	77	31,167
Changes in inventories of finished and semi-finished products	-	-	-	-	(67)	(67)
Supplies	-	-	-	(2,313)	(3)	(2,316)
Other operating income	-	-	2	-	117	119
Personnel expenses	-	-	-	(82)	(1,813)	(1,895)
External services and taxes	(3,124)	(2,377)	(153)	(125)	(1,198)	(6,977)
Losses, impairment and variation of provisions for trade operations	-	-	(1,425)	4	(56)	(1,477)
Depreciation and amortization	(2,620)	(3,469)	(1,010)	-	(762)	(7,861)
Impairment and income from disposals of fixed assets	-	-	-	-	(786)	(786)
Other income	(18)	259	-	-	698	939
Operating income	5,815	7,146	1,657	21	(3,793)	10,846
Financial income	1	30	7	11	(9)	40
Financial expense	(3,029)	(2,312)	(1,325)	(6)	(750)	(7,422)
Other ⁽¹⁾	(2,047)	(434)	(296)	-	(574)	(3,351)
Net financial loss	(5,075)	(2,716)	(1,614)	5	(1,333)	(10,733)
Income/(loss) before tax	740	4,430	43	26	(5,126)	113
Income tax benefit/(expense) for the year	(460)	(343)	9	(7)	824	23
Net income/(loss) from continued operations	280	4,087	52	19	(4,302)	136

(1) Includes "Changes in fair value of financial instruments", "Net exchange gains/(losses)" and "Impairment from disposals of financial instruments".

Consolidated Profit and Loss Account data by geography

	Year ended December 31, 2020 (in € thousands) (audited)				
	Spain	Guatemala	Honduras	Other	Total
Net revenues	24,514	8,100	4,283	-	36,897
Changes in inventories of finished and semi-finished products	-	(5)	-	-	(5)
Supplies	(27)	(3,625)	-	-	(3,652)
Other operating income	119	-	-	-	119
Personnel expenses	(1,522)	(276)	(43)	(11)	(1,852)
External services and taxes	(7,901)	(1,458)	(508)	(224)	(10,091)
Losses, impairment and variation of provisions for trade operations	(21)	(4)	1,005	-	980
Depreciation and amortization	(6,074)	(1,038)	(1,017)	(11)	(8,140)
Government grants for non-financial assets and others	12	-	-	-	12
Impairment and income from disposals of fixed assets	2,739	-	-	-	2,739
Other income	155	-	(1)	-	154
Operating income	11,994	1,694	3,719	(246)	17,161
Financial income	207	6	22	-	235
Financial expense	(7,691)	(1,313)	(1,197)	(98)	(10,299)
Other ⁽¹⁾	(2,294)	99	292	(1)	(1,904)
Net financial loss	(9,778)	(1,208)	(883)	(99)	(11,968)
Income/(loss) before tax	2,216	486	2,836	(345)	5,193
Income tax benefit/(expense) for the year	773	(178)	(20)	-	575
Net income/(loss) from continued operations	2,989	308	2,816	(345)	5,768

- (1) Includes “Changes in the fair value of financial instruments”, “Net exchange gains/(losses)” and “Impairment from disposals of financial instruments”.

	Year ended December 31, 2019 (in € thousands) (unaudited)				
	Spain	Guatemala	Honduras	Other	Total
Net revenues	22,194	6,921	4,621	-	33,736
Changes in inventories of finished and semi-finished products	-	(74)	-	-	(74)
Supplies	(28)	(3,484)	-	-	(3,512)
Other operating income	124	-	1	-	125
Personnel expenses	(1,535)	(311)	(44)	-	(1,890)
External services and taxes	(5,491)	(1,077)	(431)	(43)	(7,042)
Losses, impairment and variation of provisions for trade operations	-	-	(3,050)	-	(3,050)
Depreciation and amortization	(5,620)	(1,200)	(1,133)	-	(7,953)
Impairment and income from disposals of fixed assets	642	-	-	-	642
Other income	174	73	(2)	-	245
Operating income	10,460	848	(38)	(43)	11,227
Financial income	28	577	15	-	620
Financial expense	(4,097)	(871)	(1,151)	(3)	(6,122)
Other ⁽¹⁾	(1,315)	(310)	(170)	-	(1,795)
Net financial loss	(5,384)	(604)	(1,306)	(3)	(7,297)
Income/(loss) before tax	5,076	244	(1,344)	(46)	3,930
Income tax benefit/(expense) for the year	2,004	(72)	(29)	(1)	1,902
Net income/(loss) from continued operations	7,080	172	(1,373)	(47)	5,832

- (1) Includes “Changes in the fair value of financial instruments”, “Net exchange gains/(losses)” and “Impairment from disposals of financial instruments”.

	Year ended December 31, 2018 (in € thousands) (unaudited)				
	Spain	Guatemala	Honduras	Other	Total
Net revenues	21,655	5,269	4,243	-	31,167
Changes in inventories of finished and semi-finished products	(67)	-	-	-	(67)
Supplies	(3)	(2,313)	-	-	(2,316)
Other operating income	119	-	-	-	119
Personnel expenses	(1,494)	(358)	(43)	-	(1,895)
External services and taxes	(5,885)	(855)	(237)	-	(6,977)
Losses, impairment and variation of provisions for trade operations	(56)	-	(1,421)	-	(1,477)
Depreciation and amortization	(5,713)	(1,134)	(1,014)	-	(7,861)
Impairment and income from disposals of fixed assets	(786)	-	-	-	(786)
Other income	1,685	(746)	-	-	939
Operating income	9,455	(137)	1,528	-	10,846
Financial income	22	11	7	-	40
Financial expense	(4,271)	(1,829)	(1,322)	-	(7,422)
Other ⁽¹⁾	(792)	(2,306)	(253)	-	(3,351)
Net financial loss	(5,041)	(4,124)	(1,568)	-	(10,733)
Income/(loss) before tax	4,414	(4,261)	(40)	-	113
Income tax benefit/(expense) for the year	145	(75)	(47)	-	23
Net income/(loss) from continued operations	4,559	(4,336)	(87)	-	136

- (1) Includes “Changes in the fair value of financial instruments”, “Net exchange gains/(losses)” and “Impairment from disposals of financial instruments”.

Financial Condition, Results of Operations and Cash Flows' comparative analysis for the year ended December 31, 2019 within the Corporate Reorganization framework

As stated in “*Presentation of Financial Information and other Important Notices*”, the 2018 and 2019 financial information included in this Prospectus has been derived from the 2020 Audited Consolidated Annual Accounts, which is a carve-out from the financial information of the Pre-Offering Sole Shareholder, Ecoener, S.L.U., and subsidiaries prepared under IFRS-EU (see *Notes 2 and 7 to our 2020 Audited Consolidated Annual Accounts* and “*Operating and Financial Review - Main Factors Affecting the Comparability of the Group’s Financial Condition and Results of Operations*”). Therefore, we include herein a reconciliation between our 2019 financial condition, results of operations and cash flows as presented as comparative figures in our 2020 Audited Consolidated Annual Accounts and the related figures included in the Sole Shareholder 2019 Audited Consolidated Financial Statements, incorporated by reference within this Prospectus.

Results of Operations comparative analysis

Thereupon, we present herein the differences between the Pre-Offering Sole Shareholder, Ecoener, S.L.U., and our results of operations data for the year ended December 31, 2019.

	Ecoener, S.L.U. and subsidiaries (IFRS-EU)	Grupo Ecoener, S.A.U. and subsidiaries (IFRS-EU)	
	Year ended December 31,		
	2019 (I)	2019 (II)	Variation (I-II)
	<i>(in € thousands)</i>		
	(audited)	(unaudited)	
Net revenues	33,718	33,736	(18)
Changes in inventories of finished and semi-finished products	(74)	(74)	-
Work carried out by the Group for its fixed assets.....	18,665	-	18,665
Supplies	(21,660)	(3,512)	(18,148)
Other operating income	125	125	-
Personnel expenses	(2,288)	(1,890)	(398)
Other operating expenses	(10,218)	(10,092)	(126)
Depreciation and amortization	(7,845)	(7,953)	108
Impairment and income from disposal of fixed assets	642	642	-
Other income	245	245	-
Operating income	11,310	11,227	83
Financial income.....	622	620	2
Financial expense.....	(6,181)	(6,122)	(59)
Changes in fair value of financial instruments.....	(1,367)	(1,367)	-
Net exchange gains/(losses).....	10	10	-
Impairment from disposals of financial instruments	(438)	(438)	-
Net financial loss	(7,354)	(7,297)	(57)
Income/(loss) before tax	3,956	3,930	26
Income tax benefit/(expense) for the year	1,882	1,902	(20)
Net income/(loss) from continued operations	5,838	5,832	6

The relevant differences in the result of operations data refer to the adjustments in Works carried out by the Group for its assets as well as in Supplies due to the fact that the construction services activity was not transferred to the Company, Grupo Ecoener, S.A.U., under the Corporate Reorganization (as defined in “*Operating and Financial Review — Main Factors Affecting the Comparability of the Group’s Financial Condition and Results of Operations*”). The last facilities built by Ecoener, S.L.U. have been the five wind farms in San Bartolomé de Tirajana (Gran Canaria, Canary Islands). As of December 31, 2020, these facilities have been completed and it is not expected that the Pre-Offering Sole Shareholder, Ecoener, S.L.U., will have other activity within the Group other than being the controlling shareholder of the Company and, therefore, of the Group. Therefore, the projects under the Pipeline will be developed and promoted by the Group in 2021 and onwards.

Balance Sheet data comparative analysis

Additionally, we present herein the differences between the Pre-Offering Sole Shareholder, Ecoener, S.L.U., and our balance sheet data as of December 31, 2019.

	Ecoener, S.L.U. and subsidiaries (<i>IFRS- EU</i>)	Grupo Ecoener, S.A.U. and subsidiaries (<i>IFRS-EU</i>)	
	As of December 31,		
	2019 (I)	2019 (II)	Variation (I-II)
	<i>(in € thousands)</i>		
	(audited)	(unaudited)	
Non-current assets			
Intangible assets	7,462	7,462	-
Goodwill	3,975	3,975	-
Concession arrangements	2,245	2,245	-
Patents, licenses, trademarks and similar items	6	-	6
Software	69	-	69
Intangible assets in progress	-	-	-
Other intangible assets	1,167	1,242	(75)
Right of use assets	5,019	5,019	-
Property, plant and equipment	157,151	152,108	5043
Land and buildings	83,448	85,103	(1,655)
Machinery and equipment	51,101	52,123	(1,022)
Fixed assets in progress	22,602	14,882	7720
Property investments	1,713	-	1,713
Long-term investments in group companies and associates	-	-	-
Long-term financial investments	1,007	755	252
Equity instruments	225	-	225
Credits to third parties	738	711	27
Derivatives	-	-	-
Other financial assets	44	44	-
Deferred tax assets	5,140	4,183	957
Other non-current assets	716	716	-
Total non-current assets	178,208	170,243	7,965
Current assets			
Inventories	-	-	-
Trade and other receivables	9,973	9,802	531
Customers for short-term sales and services	6,166	6,065	101
Other trade debtors	65	105	(40)
Other credits with tax authorities	3,510	3,462	48
Other receivables	232	170	62
Current tax assets	360	-	360
Short term investments in group companies and associates	-	325	(325)
Short term financial investments	1,897	1,848	49
Credits to third parties	142	142	0
Other financial assets	1,755	1,706	49
Other current assets	954	960	(6)
Cash and cash equivalents	18,533	12,684	5,849
Total current assets	31,717	25,619	6,098
Total assets	209,925	195,862	14,063
Total net equity	16,944	15,414	1,530
Non-current liabilities			
Long-term provisions	681	681	-
Long-term debts	155,607	153,444	2,163
Debt with financial institutions	118,644	116,478	2,166
Lease liabilities	26,272	26,272	-

	Ecoener, S.L.U. and subsidiaries (IFRS-EU)	Grupo Ecoener, S.A.U. and subsidiaries (IFRS-EU)	
	As of December 31,		
	2019 (I)	2019 (II)	Variation (I-II)
	(in € thousands)		
	(audited)	(unaudited)	
Obligations and other marketable securities.....	-	-	-
Long-term debt with related parties	-	3	-
Derivatives	1,317	1,317	-
Other financial liabilities.....	9,374	9,374	-
Deferred tax liabilities	1,144	-	1,144
Grants	2,714	3,618	(904)
Non-current accounts payable	3,403	3,403	-
Other long-term payable accruals	2,580	2,580	-
Total non-current liabilities	166,129	163,726	2403
Current liabilities			
Short-term debts	13,721	13,553	168
Debt with financial institutions	10,178	10,010	168
Lease liabilities	3,104	3,104	-
Obligations and other marketable securities.....	-	-	-
Short-term debt with related parties	-	-	-
Derivatives	-	-	-
Other financial liabilities.....	439	439	-
Trade and other accounts payable	12,709	3,052	9,657
Short-term suppliers.....	9,544	2	9,542
Other trade payables	2,190	2,176	14
Wages payable	11	11	-
Other debts with tax authorities	964	863	101
Current tax liabilities	305	-	305
Short-term accruals	117	117	-
Total current liabilities	26,852	16,722	10,130
Total net equity and liabilities.....	209,925	195,862	14,063

The relevant differences in the balance sheet data refer to adjustments in property, plant and equipment, cash and cash equivalents, as well as in short-term suppliers due to the fact that the construction services activity was not transferred to Grupo Ecoener, S.A.U. under the Corporate Reorganization (as defined in “*Operating and Financial Review — Main Factors Affecting the Comparability of the Group’s Financial Condition and Results of Operations*”). The last facilities built by the Pre-Offering Sole Shareholder, Ecoener, S.L.U., have been the five wind farms in San Bartolomé de Tirajana (Gran Canaria, Canary Islands). As of December 31, 2020, these facilities have been completed and it is not expected that the Pre-Offering Sole Shareholder, Ecoener, S.L.U., will have other activity within the Group other than being the controlling shareholder of the Company and, therefore, of the Group. Therefore, the projects under the Pipeline will be developed and promoted by the Group in 2021 and onwards. Additionally, the difference shown in debt with financial institutions stems from the fact that this caption, within the Pre-Offering Sole Shareholder, Ecoener, S.L.U., includes the financing for the construction of facilities necessary to carry out the construction activity of our business, which, as said, was not under the Group consolidation perimeter in 2019 and 2020.

Cash Flows data comparative analysis

Subsequently, we present herein the main differences between the Pre-Offering Sole Shareholder, Ecoener, S.L.U., and our cash flows statement for the year ended December 31, 2019.

	Ecoener, S.L.U. and subsidiaries (IFRS-EU)	Grupo Ecoener, S.A.U. and subsidiaries (IFRS-EU)	
	Year ended December 31,		
	2019 (I)	2019 (II)	Variation (I-II)
	<i>(in € thousands)</i>		
	(audited)	(unaudited)	
Cash flows from consolidated operating activities (1).....	5,322	14,885	(8,154)
Cash flows used in consolidated investing activities (2).....	(813)	(9,075)	8,262
Cash flows from/(used in) consolidated financing activities (3)	3,773	(2,139)	4,503
Net increase in cash and cash equivalents (1+2+3).....	8,282	3,671	4,611
Cash and cash equivalents at the beginning of the year	10,251	9,013	1,238
Cash and cash equivalents at the end of the year	18,533	12,684	5,849

The relevant differences in the consolidated cash flow data refer to:

- Cash flows from consolidated operating activities: the payments performed, at Ecoener, S.L.U. level, in connection with payments (basically for supplies) related to the construction activity which was not transferred to Grupo Ecoener, S.A.U. under the Corporate Reorganization (as defined in “*Operating and Financial Review — Main Factors Affecting the Comparability of the Group’s Financial Condition and Results of Operations*”).
- Cash flows used in consolidated investing activities: the payments made to Ecoener, S.L.U. for the purchase of facilities.
- Cash flows from/(used in) consolidated financing activities: dividends paid during 2019 from subsidiaries to its then shareholder, Ecoener, S.L.U.

Financial Condition, Results of Operations and Cash Flows as of and for the year ended December 31, 2018 prepared under Spanish GAAP

Additionally, since our financial information as of and for the year ended December 31, 2018 prepared in accordance with IFRS-EU, included only as comparative figures within the 2020 Audited Consolidated Annual Accounts, was not derived from the Sole Shareholder 2018 Audited Consolidated Annual Accounts, we present herein a summary of Ecoener, S.L.U.’s financial condition, results of operations and cash flows as of and for the year ended December 31, 2018 prepared under Spanish GAAP (see “*Presentation of Financial Information and other Important Notices*”).

Consolidated Profit and Loss Account data

Consolidated Profit and Loss Account of the Pre-Offering Sole Shareholder, Ecoener, S.L.U., prepared in accordance with Spanish GAAP for the year ended December 31, 2018:

	Ecoener, S.L.U. and subsidiaries (<i>Spanish GAAP</i>)
	Year ended December 31, 2018
	<i>(in € thousands)</i>
	(audited)
Net revenues (<i>Importe neto de la cifra de negocios</i>).....	31,123
Changes in inventories of finished and semi-finished products (<i>Variación de existencias de productos terminados y en curso de fabricación</i>).....	(67)
Works carried out by the Group for its assets (<i>Trabajos realizados por el Grupo para su inmovilizado</i>)	974
Supplies (<i>Aprovisionamientos</i>).....	(31)
Other operating income (<i>Otros ingresos de explotación</i>).....	119
Personnel expenses (<i>Gastos de personal</i>).....	(2,194)
Other operating expenses (<i>Otros gastos de explotación</i>)	(9,730)

Ecoener, S.L.U. and
subsidiaries (*Spanish GAAP*)
**Year ended December 31,
2018**

(in € thousands)

(audited)

Depreciation and amortization (<i>Amortización del inmovilizado</i>)	(8,079)
Impairment and income from disposal of fixed assets (<i>Deterioro y resultado por enajenación del inmovilizado</i>)	(1,432)
Other income (<i>Otros resultados</i>)	939
Operating income (<i>Resultado de Explotación</i>)	11,622
Financial income (<i>Ingresos financieros</i>)	49
Financial expense (<i>Gastos financieros</i>)	(7,471)
Changes in fair value of financial instruments (<i>Variación del valor razonable de instrumentos financieros</i>)	(434)
Net exchange gains/(losses) (<i>Diferencias de cambio</i>)	(2,643)
Impairment from disposals of financial instruments (<i>Deterioro y resultado por enajenaciones de instrumentos financieros</i>)	(199)
Net financial loss (<i>Resultado financiero</i>)	(10,698)
Income/(loss) before tax (<i>Resultado antes de impuestos</i>)	924
Income tax benefit/(expense) for the year (<i>Impuestos beneficios ejercicio</i>)	(23)
Net income/(loss) from continued operations (<i>Resultado consolidado del ejercicio procedente de operaciones continuadas</i>)	901

Consolidated Balance Sheet data

Consolidated Balance Sheet of the Pre-Offering Sole Shareholder, Ecoener, S.L.U., prepared in accordance with Spanish GAAP as of December 31, 2018:

Ecoener, S.L.U. and subsidiaries
(*Spanish GAAP*)

As of December 31, 2018

(in € thousands)

(audited)

Intangible assets (<i>Inmovilizado intangible</i>)	7,326
Property, plant and equipment (<i>Inmovilizado material</i>)	146,428
Property investments (<i>Inversiones inmobiliarias</i>)	1,736
Long-term financial investments (<i>Inversiones financieras a largo plazo</i>)	1,462
Deferred tax assets (<i>Activos por impuesto diferido</i>)	3,007
Long-term accruals (<i>Periodificaciones a largo plazo</i>)	712
Total Non-current assets (<i>Total activos no corrientes</i>)	160,671
Inventories (<i>Existencias</i>)	329
Trade and other receivables (<i>Deudores comerciales y otras cuentas a cobrar</i>)	16,637
Short-term financial investments (<i>Inversiones financieras a corto plazo</i>)	2,125
Short-term accruals (<i>Periodificaciones a corto plazo</i>)	303
Cash and cash equivalents (<i>Efectivo y otros activos líquidos equivalentes</i>)	10,251
Total Current assets (<i>Total activos corrientes</i>)	29,645
Total Assets (<i>Total activo</i>)	190,316
Shareholder's funds (<i>Fondos propios</i>)	6,406
Exchange differences (<i>Diferencias de conversión</i>)	656
Non-controlling interest (<i>Socios externos</i>)	10,612
Total Equity (<i>Total patrimonio neto</i>)	17,674
Long-term provisions (<i>Provisiones a largo plazo</i>)	473
Long-term debts (<i>Deudas a largo plazo</i>)	149,506
Deferred tax liabilities (<i>Pasivos por impuestos diferidos</i>)	306

	Ecoener, S.L.U. and subsidiaries (Spanish GAAP)
	As of December 31, 2018
	(in € thousands)
Long-term accruals (<i>Periodificaciones a largo plazo</i>).....	2,696
Total Non-current liabilities (<i>Total pasivo no corriente</i>).....	152,981
Short-term debt (<i>Deudas a corto plazo</i>).....	13,194
Trade and other accounts payable (<i>Acreedores comerciales y otras cuentas por pagar</i>).....	6,350
Short-term accruals (<i>Periodificaciones a corto plazo</i>).....	117
Total Current liabilities (<i>Total pasivo corriente</i>).....	19,661
Total Liabilities (<i>Total pasivo</i>).....	172,642
Total equity and liabilities (<i>Total patrimonio neto y pasivo</i>).....	190,316

Consolidated Cash Flows Statement data

Consolidated Cash Flows Statement of the Pre-Offering Sole Shareholder, Ecoener, S.L.U., prepared in accordance with Spanish GAAP for the year ended December 31, 2018:

	Ecoener, S.L.U. and subsidiaries (Spanish GAAP)
	Year ended December 31, 2018
	(in € thousands)
	(audited)
Consolidated cash flows from operating activities (<i>Flujos de efectivo de las actividades de explotación consolidados</i>) (1).....	9,459
Consolidated cash flows used in investing activities (<i>Flujos de efectivo de las actividades de inversión consolidados</i>) (2).....	(3,814)
Consolidated cash flows from/(used in) financing activities (<i>Flujos de efectivo de las actividades de financiación consolidados</i>) (3).....	(2,391)
Effect of changes in exchange rates (<i>Efecto de las variaciones de los tipos de cambio</i>) (4).....	2,643
Net increase in cash and cash equivalents (<i>Aumento/Disminución neta del efectivo o equivalentes</i>) (1+2+3+4).....	5,897
Cash and cash equivalents at the beginning of the year (<i>Efectivo o equivalentes al comienzo de ejercicio</i>).....	4,354
Cash and cash equivalents at the end of the year (<i>Efectivo o equivalentes al final de ejercicio</i>).....	10,251

OPERATING AND FINANCIAL REVIEW

The following discussion of our results of operations and financial condition should be read together with sections “Summary”, “Selected Financial Information” and the 2020 Audited Consolidated Annual Accounts and their related notes included elsewhere into this Prospectus. The selected consolidated financial information for the Group as of and for the years ended December 31, 2020, 2019 and 2018 presented below derives from the 2020 Audited Consolidated Annual Accounts, which include unaudited comparative figures for the years ended December 31, 2019 and 2018.

This discussion contains certain forward-looking statements that involve risks and uncertainties. Our future results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, without limitation, those discussed in the sections entitled “Risk Factors”, “Presentation of Financial Information and Other Important Notices—Forward-Looking Statements” and “Business” in this Prospectus.

Overview

We are a vertically integrated multi-technology company with a clear vocation as an international company, characterized by expertise in the identification of opportunities, construction and operation of long-term renewable energy facilities. Headquartered in La Coruña, Spain, we have a diversified geographical presence, having renewable energy assets in operation in three countries, being present in 11 countries in which we are either operating, constructing or developing renewable energy assets or projects and employing 65 people, with work teams in four countries as of the date of this Prospectus.

Integrating the generation of renewable energy projects with full respect for social and environmental sustainability requires in-depth knowledge of the value generation cycle necessary to carry out a project from its conception to its commissioning. Our experience in the development and construction of projects, together with our internal capacity for operation, maintenance and asset management, allow us to offer sustainable, innovative and profitable renewable energy solutions. At Ecoener, we have been selecting the ideal places to build and operate plants with hydropower, wind and solar PV technology for over 30 years. See section “Business” for further detail.

For the year ended December 31, 2020, we had consolidated net revenues of €36,897 thousand (an increase of 9.4% versus the previous year), a consolidated operating income for the year of €17,161 thousand, an increase of 52.9% versus the previous year, a consolidated net income/(loss) from continued operations of €5,768 thousand, a decrease of 1.1% versus the previous year and the Adjusted Management EBITDA* on a consolidated basis was €21,428 thousand (58.1% Adjusted Management EBITDA Margin*), an increase of 0.4% versus the previous year.

For the year ended December 31, 2019, we had consolidated net revenues of €33,736 thousand (an increase of 8.2% versus the previous year), a consolidated operating income for the year of €11,227 thousand, an increase of 3.5% versus the previous year, a consolidated net income/(loss) from continued operations of €5,832 thousand, as compared with €136 thousand in the previous year and the Adjusted Management EBITDA* on a consolidated basis was €21,343 thousand (63.3% Adjusted Management EBITDA Margin*), an increase of 6.5% versus the previous year.

Portfolio and Pipeline

We drive our business based on our ability to successfully accomplish our “Early Stage” and “Advanced Development” projects and fully develop our “Backlog” projects. Altogether, these categories define our Pipeline projects. Additionally, we consider our assets categorized as “Under construction” and “Operating” as our Portfolio assets, which do not fall within the Pipeline definition.

As of the date of this Prospectus, our assets Portfolio accounts for 283 MW distributed between Operating assets (accounting for 141 MW) and Under construction assets (accounting for 142 MW) and established in 4 different geographies (Spain, Guatemala, Honduras and Dominican Republic).

Additionally, as of the date of this Prospectus our Pipeline projects accounts for 1,527 MW distributed between Backlog (accounting for 284 MW), Advanced Development (accounting for 64 MW) and Early Stage (accounting for 1,179 MW) in 8 different geographies along Spain and Eastern Europe, Latin America and Africa.

We believe that categories such as Pipeline or Portfolio are significant indicators of current situation and potential growth of our business segments and provide useful trend information and visibility based on our activities over the previous years. We rely on such categories and the undertaking of future operations to drive our results of

operations and to enhance our future growth in the near term, although we cannot predict with certainty when, or if, they will be actualized.

Furthermore, our definitions of Portfolio assets and Pipeline projects may not necessarily be the same as, and may differ from, those used by other companies engaged in activities similar to ours. See *“Risk factors - Our total installed capacity amounts to 141 MW for our assets In Operation (of which, 116 MW are attributable to our equity interest in such projects) and 142 MW attributable to us for our assets Under Construction. Our Pipeline projects, include projects in different stage of development, “Early Stage”, “Advanced Development” and “Backlog”, for a total targeted installed capacity of 1,527 MW. From the total targeted installed capacity of our Pipeline, 1,179 MW accounts for our Early Stage projects which are the projects in its initial stage of development and, thus, with lower probability of successful completion. In this context, we may not be able to successfully accomplish our Early Stage and Advanced Development projects and complete the development of our Pipeline, which is subject to unexpected adjustments and cancellations and is therefore not an accurate indicator of our future revenue or earnings. Constraints in the availability of the electricity grid, including our inability to obtain access to transmission/distribution lines or control of suitable sites in a timely and cost-efficient manner could adversely affect our business, growth strategy, results of operations, financial condition and prospects”* for further information.

Main Factors Affecting Our Results of Operations

Availability, cost and other terms of financing

Our industry is capital intensive and, therefore, the development and construction of our renewable energy facilities requires us to make substantial investments. As a result, our business is sensitive to the availability, cost and other terms of financing to fund our capital expenditures. As of December 31, 2020, we had a net financial debt* amounting to €182,193 thousand (€123,089 thousand as of December 31, 2019 and €122,224 thousand as of December 31, 2018). See *“—Analysis of Unaudited Alternative Performance Measures”*. Our financial expense for the year ended December 31, 2020 amounted to €10,299 thousand (€6,122 thousand for the year ended December 31, 2019 and €7,422 thousand for the year ended December 31, 2018). Additionally, our total net equity as of December 31, 2020 amounted to €11,616 thousand (€15,414 thousand as of December 31, 2019 and €17,730 thousand as of December 31, 2018).

Our Green Project Bond, our non-recourse project finance from financial institutions in Honduras and the 2021 Credit Facility Agreements in Spain require that we meet certain restrictive covenants, and any failure to meet them may require us to obtain waivers from our lenders or lead to an acceleration of our debt, as well as negatively affect our ability to obtain new financing.

Our substantial indebtedness may have an impact on our business and financial condition as: (i) we may be required to devote a significant portion of our cash flows to repay our debt, and therefore not be able to use such resources for other purposes, including the funding of our project under the Pipeline or new projects which may be included in the future; (ii) our flexibility to react to changes in the business or the industry in which we operate may be limited; (iii) our ability to undertake other corporate transactions may be limited; (iv) we may be at a competitive disadvantage compared with our competitors, which may have access to greater funds on more favorable terms; or (v) the covenants of our indebtedness could limit our ability to plan for or react to market conditions or to meet our capital needs in a timely manner and complying with these covenants may require us to curtail some of our operations.

We are also required to pledge certain assets in order to obtain financing currently under our Green Project Bond, our non-recourse project finance agreement in Honduras, our non-recourse loans in the Canary Islands and under our 2021 Credit Facility Agreements in Spain. Additionally, our Green Project Bond, our non-recourse project finance in Honduras, our financing structure in the Canary Islands and our 2021 Credit Facility Agreements in Spain, also contain change of control provisions. These change of control provisions are provided at the Company level as well as at its subsidiaries level. Such change of control provisions could trigger their acceleration. See *“Risk factors—Risks Related to Our Financial Situation—We have substantial indebtedness and may incur substantial additional indebtedness in the future”* and *“Material Contracts”* for further details.

Market electricity prices

Tariffs or prices at which we supply power through merchant remuneration may have little or no relationship with the costs incurred in generating power, which may lead to fluctuations in our margins. Our assets operating under merchant remuneration (29% of our assets, representing, as mentioned above, a 16% of our installed capacity as of the date of this Prospectus), mostly those installed in the Canary Islands, are exposed to market price risk.

The profitability of our merchant power plants depends to a large extent on the sales price of the electricity produced. Electricity prices depend on a number of factors including, but not limited to, availability and costs of primary energy sources (including oil, coal, natural gas and uranium), the average of hydraulicity for the period and the development in cost, efficiency and equipment investment need for other electricity producing technologies, including other renewable energy sources.

A decline in the costs of other sources of electricity, such as fossil fuels or nuclear power, could reduce the wholesale price of electricity. A significant amount of new electricity generation capacity becoming available could also reduce the wholesale price of electricity. Broader regulatory changes to the electricity trading market (such as changes to integration of transmission allocation and changes to energy trading and transmission charging) could have an impact on electricity prices. A decline in the market price of electricity could materially adversely affect the financial attractiveness of new projects.

There cannot be assurance that market prices will remain at levels which enable us to maintain profit margins and desired rate of return for investment. Assuming all variables remain constant, and taking into account a particular foreign currency exchange rates differences, a change of 100 basis points in prices would have increased or decreased our energy sales by €316 thousand for the year ended December 31, 2020 (€290 thousand for the year ended December 31, 2019 and 2018). A decline in market prices below anticipated levels could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

Nonetheless, we sign agreements with our clients to ensure the sale price of the energy sold under our off-take arrangements and our business is diversified across jurisdictions and regions, technologies and activities, reducing our dependence on any market, technology or business division, providing resilience during recessions and positioning us to seize opportunities in markets around the world. Our global operations cover both mature markets and growing economies, allowing us to produce energy during the year, eliminating the seasonality and therefore, stabilizing the origination of cash flows from generation. This comprehensive model is complemented by the active management of energy that we carry out to optimize and guarantee the performance of income from electricity sales and minimize any impact as a consequence of factors, such as the drop in demand or the volatility of prices in the power generation market, the active search for PPAs, and other contractual solutions, as well as price hedge management at certain time to manage our sales, risks and revenues in a more efficient way.

See “—*Off-take arrangements and merchant remuneration systems*” and “*Risk factors—Risks Related to Our Business and Industry—Our off-take arrangements, including our regulated remuneration, our Power Purchase Agreements, as well as our operations under merchant remuneration systems, may expose us to certain risks which may affect our business, growth strategy, results of operations, financial condition and prospects. Our revenues and profits are exposed to electricity prices*” for further details.

Off-take arrangements and merchant remuneration systems

We generate the majority of our revenue selling electricity through off-take arrangements (as of the date of this Prospectus, 84% of our installed capacity) and our remaining revenue selling electricity through merchant remuneration systems, therefore selling power generated from a power plant to the electricity market. As of the date of this Prospectus, the remaining 16% of our installed capacity was generated through projects under merchant remuneration, with an expected operating life for such assets until 2050 or 2051.

Any defaults, tariff revisions or changes resulting from our off-take arrangements will therefore have a direct impact on our profitability which directly depends on cash-flow visibility from our off-take arrangements, and our ability to operate our renewable power projects at optimal levels.

Additionally, as aforementioned and regarding our merchant remuneration systems (which are exposed to market price risk), the tariffs or prices at which we supply power through merchant remuneration may have little or no relationship with the costs incurred in generating power, which may lead to fluctuations in our margins

See “*Risk factors—Risks Related to Our Business and Industry—Our off-take arrangements, including our regulated remuneration, our Power Purchase Agreements, as well as our operations under merchant remuneration systems, may expose us to certain risks which may affect our business, growth strategy, results of operations, financial condition and prospects. Our revenues and profits are exposed to electricity prices*” for further details.

Our Pipeline and Portfolio

Year-on-year changes in the size of our Portfolio and Pipeline may have a significant impact on our results of operations. See *“Risk Factors—Risks Related to Our Business and Industry—Our total installed capacity amounts to 141 MW for our assets In Operation (of which, 116 MW are attributable to our equity interest in such projects) and 142 MW attributable to us for our assets Under Construction. Our Pipeline projects, which include projects in different stage of development, “Early Stage”, “Advanced Development” and “Backlog”, for a total targeted installed capacity of 1,527 MW. From the total targeted installed capacity of our Pipeline, 1,179 MW accounts for our Early Stage projects which are the projects in its initial stage of development and, thus, with lower probability of successful completion. In this context, we may not be able to successfully accomplish our Early Stage and Advanced Development projects and complete the development of our Pipeline, which is subject to unexpected adjustments and cancellations and is therefore not an accurate indicator of our future revenue or earnings. Constraints in the availability of the electricity grid, including our inability to obtain access to transmission/distribution lines or control of suitable sites in a timely and cost-efficient manner could adversely affect our business, growth strategy, results of operations, financial condition and prospects”* for more details regarding our Pipeline and Portfolio and the factors that could impair our ability to successfully grow our Pipeline and/or compete in our industry, which could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

Significant upfront investments in our hydropower, wind and solar PV projects

Accomplishing our Pipeline requires us to make significant upfront investments. Our initial investments include, without limitation, legal, accounting and other third-party fees, costs associated with project analysis and feasibility studies, payments for land rights, payments for interconnection and grid connectivity arrangements, government permits, engineering and procurement of equipment, balance of system costs or other payments, which may be non-refundable, in addition to the personnel-hours dedicated by our team of project developers and supporting engineers, which affect our results of operations.

See *“Risk factors—Risks Related to Our Business and Industry—Our projects may be delayed or exceed their budget. The delay between making significant upfront investments in our hydropower, wind or solar PV projects and receiving revenue could materially and adversely affect our liquidity, business, growth strategy, results of operations, financial condition and prospects”* for further details.

Licenses, authorizations, concessions and permits for our projects

We are required to obtain various interconnection, environmental, construction and other administrative approvals in connection with our operations in the countries in which we operate. Failure to comply with applicable laws, regulations or recognized international standards or to obtain or renew the necessary permits and approvals (including the threat of issued but contested and revoked permits) may result in (1) the loss of the right to operate our facilities or continue our operations; (2) the imposition of significant administrative liabilities or costly compliance procedures; or (3) other enforcement measures that could have the effect of closing or limiting production from our operations. Such events could result in substantial fines, penalties and damages against us as well as orders that could limit, halt, or even cause the closure of our operations, any of which could impair our ability to successfully compete in our industry, which could have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects.

See *“Risk Factors—Risks Related to Our Business and Industry—Our operations require us to obtain licenses, authorizations, concessions and permits for our projects, which may entail a long and complex process. Any failure to obtain or renew such approvals, licenses, concessions and permits or to comply with the terms of such approvals, licenses and permits may have a material adverse effect on our business, growth strategy, results of operations, financial condition and prospects”*.

Government, regulatory and tax environment

We operate in a highly regulated sector and are subject to numerous laws and regulations in each of the countries and segments in which we operate. We operate our activities in a range of international jurisdictions, including emerging markets and markets with political uncertainties. We are unable to predict future changes to any of the laws or regulations applicable to our business or to their interpretation.

We are also subject to environmental, health and safety laws and regulations, as well as the conditional requirements imposed by independent government agencies as part of their project financing. We are also required to obtain and maintain environmental permits, licenses and approvals for the operation of our facilities,

construction of new facilities or the installation and operation of new equipment required for our businesses. Permits, licenses and approvals are generally subject to periodic renewal and challenge from third parties.

Moreover, we operate under several tax regimes with varying tax legislation (including Spain, Guatemala, Honduras or Luxembourg). This imposes both risks and opportunities to set up tax efficient and sustainable transaction structures.

See “Regulation”, “Risk factors—Legal and Regulatory Risks— We operate in a highly regulated sector and are exposed to regulatory changes across the multiple jurisdictions in which we operate”, “Risk factors—Risks Related to Our Business and Industry— Our business is subject to the risks generally associated with businesses that involve international operations, particularly in emerging markets, that could be subject to economic, social and political uncertainties”, “Risk factors—Risks Related to Our Business and Industry— We operate in a highly volatile industry; the renewable energy industry is characterized by intense competition, a regulated environment and trade barriers” and “Risk factors— Legal and Regulatory Risks” for further details.

Main Factors Affecting the Comparability of the Group’s Financial Condition and Results of Operations

The main factor that significantly impacted and influenced the comparability of our results of operations and financial condition is the Corporate Reorganization (as defined below) that took place during 2020.

Throughout the year 2020, the Pre-Offering Sole Shareholder resolved to conduct a corporate reorganization whereby the business of Ecoener, S.L.U. were transferred to the Group (the “**Corporate Reorganization**”). In summary, it was undertaken as we describe below:

On June 12, 2020, the Pre-Offering Sole Shareholder carried out a capital increase for Grupo Ecoener, S.A.U. amounting to €500 thousand through the creation of 5,000 new shares with a nominal value of €100 each. The share capital increase also included a share premium of €950 per share, which fully amounted to €4,750 thousand. The capital increase was fully subscribed by Ecoener, S.L.U by means of a non-monetary contribution of the share capital of the following companies, owned by itself: Energías de Pontevedra, S.L., Energías de Forcarei, S.L., Ecoener Inversiones de Centroamérica, S.A., Hidroeléctrica del Giesta, S.L., Ecoener Ingeniería, S.L., Sociedad Eólica Punta Maeda, S.L., Chajorra de Aluce, S.L., Amagante Herreño, S.L., Dama de Bandama, S.L., Conservilla Majorrera, S.L., Picocernicalo, S.L., Mosquera de Tamadaba, S.L., Colino Majorero, S.L., Yesquera de Aluce, S.L., Cresta de Gallo, S.L., Canutillo de Sabinosa, S.L., Alamillo de Doramas, S.L., Tiraventos, S.L., Hierba Muda, S.L., Magarza del Andén, S.L., Tabaiba Solar, S.L., Dragmoc, S.L., Malva del Risco, S.L., Siempreviva Gigante, S.L., Hernadera, S.L., Salvia Blanca, S.L., Siempreviva Azul, S.L., Magarza Plateada, S.L., Risoela, S.L., Helecho de Cristal, S.L., Desarrollo Energético de la Mariña, S.L., Rosalito Palmero, S.L., Bejeque Rojo, S.L., Violeta de Anaga, S.L., Drago General Partner, S.a.r.l., Ecoener Inversiones, S.C.A. SICAV-RAIF, Eólicos de Ferrol, S.L., Ecoener Fotovoltaica Dominicana, S.R.L., Ecoener Inversiones Dominicana, S.R.L., Ecoener Solares Dominicana, S.R.L., Ecoener Renovables Panamá, S.A. and Ecoener Solar Panamá, S.A. This transaction benefited from the neutrality tax regime applicable to intra-group mergers.

On November 1, 2020, the Pre-Offering Sole Shareholder and the Company executed a framework agreement for the sale and purchase of the O&M and promotion and development business unit, by virtue of which the Pre-Offering Sole Shareholder, transferred said business unit to the Company. This transaction did not benefit from the neutrality tax regime applicable to intra-group mergers.

We analyzed the accounting treatment of the abovementioned transactions and its corresponding impact within our 2020 Audited Consolidated Annual Accounts and its classification as a transaction under common control, since as stated in IFRS 3 “*Business Combinations*”, common control transactions, acquisitions and asset transfers do not fall within the scope of said standard. A business combination between entities or businesses under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties, both before and after the business combination and that control is not transitory. This is the case of our Corporate Reorganization as described above, since the Group is controlled by Ecoener, S.L.U. before and after the Corporate Reorganization.

As a consequence of that recording of transactions between entities under common control falling outside the scope of IFRS 3 “*Business Combinations*”, and in the absence of specific accounting standards for this type of transaction, we chose to record the aforementioned contributions to the consolidated carrying amounts at which assets and liabilities were recorded in the Ecoener, S.L.U. financial statements and as if it took place on January 1, 2018.

The difference between the values at which the Corporate Reorganization was carried out and the book value of the assets and liabilities received was recorded against equity. Specifically, the Corporate Reorganization has meant that share capital has increased by €500 thousand, share premium by €4,750 thousand, assets by €270 thousand and liabilities by €197 thousand as of December 31, 2020.

For further information regarding our Corporate Reorganization, see *note 7 to our 2020 Audited Consolidated Annual Accounts*.

Relevant measures of the Group

In addition to the factors described above, we closely monitor the following relevant financial and operational drivers of our business on a consolidated basis and both by operating segment and by geography.

For a reconciliation of our APMs to the 2020 Audited Consolidated Annual Accounts, see “–*Analysis of unaudited Alternative Performance Measures*”.

Financial Data on a consolidated basis

	Year ended December 31,		
	2020	2019	2018
<i>(in € thousands, except percentages)</i>			
Consolidated figures			
Financial Data			
Net revenues (<i>audited for 2020 and unaudited for 2019 and 2018</i>)	36,897	33,736	31,167
Net income/(loss) from continued operations (<i>audited for 2020 and unaudited for 2019 and 2018</i>).....	5,768	5,832	136
Management EBITDA*	25,301	19,180	18,707
Management EBITDA Margin* (%).....	68.6%	56.9%	60.0%
Adjusted Management EBITDA*	21,428	21,343	20,031
Adjusted Management EBITDA Margin* (%).....	58.1%	63.3%	64.3%

Financial Data by operating segment

	Year ended December 31,		
	2020	2019	2018
<i>(in € thousands, except percentages)</i>			
Hydropower facilities operation			
Financial Data			
Net revenues (<i>audited for 2020 and unaudited for 2019 and 2018</i>)	13,646	11,405	11,577
Net income/(loss) from continued operations (<i>audited for 2020 and unaudited for 2019 and 2018</i>).....	3,834	4,195	280
Management EBITDA*	10,621	9,046	8,435
Management EBITDA Margin* (%).....	77.8%	79.3%	72.9%
Adjusted Management EBITDA*	10,571	9,046	8,453
Adjusted Management EBITDA Margin* (%).....	77.5%	79.3%	73.0%

	Year ended December 31,		
	2020	2019	2018
<i>(in € thousands, except percentages)</i>			
Wind farms operation			
Financial Data			
Net revenues (<i>audited for 2020 and unaudited for 2019 and 2018</i>)	13,781	12,981	12,733
Net income/(loss) from continued operations (<i>audited for 2020 and unaudited for 2019 and 2018</i>).....	5,469	7,210	4,087
Management EBITDA*	14,011	12,019	10,615
Management EBITDA Margin* (%).....	101.7%	92.6%	83.4%
Adjusted Management EBITDA*	11,041	10,844	10,356
Adjusted Management EBITDA Margin* (%).....	80.1%	83.5%	81.3%

	Year ended December 31,		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Solar PV plants operation			
Financial Data			
Net revenues (<i>audited for 2020 and unaudited for 2019 and 2018</i>)	4,283	4,621	4,243
Net income/(loss) from continued operations (<i>audited for 2020 and unaudited for 2019 and 2018</i>).....	3,040	(1,131)	52
Management EBITDA*	4,928	1,303	2,667
Management EBITDA Margin* (%).....	115.1%	28.2%	62.9%
Adjusted Management EBITDA*	3,923	4,353	4,092
Adjusted Management EBITDA Margin* (%).....	91.6%	94.2%	96.4%

	Year ended December 31,		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Energy commercialization			
Financial Data			
Net revenues (<i>audited for 2020 and unaudited for 2019 and 2018</i>)	4,385	4,039	2,537
Net income/(loss) from continued operations (<i>audited for 2020 and unaudited for 2019 and 2018</i>).....	437	386	19
Management EBITDA*	561	435	21
Management EBITDA Margin* (%).....	12.8%	10.8%	0.8%
Adjusted Management EBITDA*	561	435	17
Adjusted Management EBITDA Margin* (%).....	12.8%	10.8%	0.7%

	Year ended December 31,		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Other services			
Financial Data			
Net revenues (<i>audited for 2020 and unaudited for 2019 and 2018</i>)	802	690	77
Net income/(loss) from continued operations (<i>audited for 2020 and unaudited for 2019 and 2018</i>).....	(7,012)	(4,828)	(4,302)
Management EBITDA*	(4,820)	(3,623)	(3,031)
Management EBITDA Margin* (%).....	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>
Adjusted Management EBITDA*	(4,668)	(3,335)	(2,887)
Adjusted Management EBITDA Margin* (%).....	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>

Financial Data by geography

	Year ended December 31,		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Spain			
Financial Data			
Net revenues (<i>audited for 2020 and unaudited for 2019 and 2018</i>)	24,514	22,194	21,655
Net income/(loss) from continued operations (<i>audited for 2020 and unaudited for 2019 and 2018</i>).....	2,989	7,080	4,559
Management EBITDA*	18,068	16,080	15,168
Management EBITDA Margin* (%).....	73.7%	72.5%	70.0%
Adjusted Management EBITDA*	15,195	15,264	14,325
Adjusted Management EBITDA Margin* (%).....	62.0%	68.8%	66.2%

	Year ended December 31,		
	2020	2019	2018
<i>(in € thousands, except percentages)</i>			
Guatemala			
Financial Data			
Net revenues (<i>audited for 2020 and unaudited for 2019 and 2018</i>)	8,100	6,921	5,269
Net income/(loss) from continued operations (<i>audited for 2020 and unaudited for 2019 and 2018</i>).....	308	172	(4,336)
Management EBITDA*	2,732	2,048	997
Management EBITDA Margin* (%).....	33.7%	29.6%	18.9%
Adjusted Management EBITDA*	2,736	1,975	1,743
Adjusted Management EBITDA Margin* (%).....	33.8%	28.5%	33.1%

	Year ended December 31,		
	2020	2019	2018
<i>(in € thousands, except percentages)</i>			
Honduras			
Financial Data			
Net revenues (<i>audited for 2020 and unaudited for 2019 and 2018</i>)	4,283	4,621	4,243
Net income/(loss) from continued operations (<i>audited for 2020 and unaudited for 2019 and 2018</i>).....	2,816	(1,373)	(87)
Management EBITDA*	4,736	1,095	2,542
Management EBITDA Margin* (%).....	110.6%	23.7%	59.9%
Adjusted Management EBITDA*	3,732	4,147	3,963
Adjusted Management EBITDA Margin* (%).....	87.1%	89.7%	93.4%

	Year ended December 31,		
	2020	2019	2018
<i>(in € thousands, except percentages)</i>			
Others⁽¹⁾			
Financial Data			
Net revenues (<i>audited for 2020 and unaudited for 2019 and 2018</i>)	-	-	-
Net income/(loss) from continued operations (<i>audited for 2020 and unaudited for 2019 and 2018</i>).....	(345)	(47)	-
Management EBITDA*	(235)	(43)	-
Management EBITDA Margin* (%).....	-	-	-
Adjusted Management EBITDA*	(235)	(43)	-
Adjusted Management EBITDA Margin* (%).....	-	-	-

(1) Nicaragua, Panama and Dominican Republic.

For further information regarding our financial data, see “–Historical Results of Operations of the Group”, “Presentation of Financial Information and other Important Notices–Non-IFRS Measures – Alternative Performance Measures” and “–Analysis of unaudited Alternative Performance Measures”.

Operational Data by technology

	Year ended December 31,		
	2020	2019	2018
Electric energy produced (GWh)			
Hydropower facilities operation	128.85	132.84	135.38
Wind farms operation.....	143.49	142.35	144.70
Solar PV plants operation.....	25.78	27.77	26.96
Total	298.12	302.96	307.04

Operational Data by geography

	Year ended December 31,		
	2020	2019	2018
Electric energy produced (GWh)			
Spain	236.37	243.80	252.22
Guatemala	35.97	31.39	27.86
Honduras	25.78	27.77	26.96
Total	298.12	302.96	307.04

Historical results of operations of the Group

This section includes discussions of variations, on a consolidated basis, in the Group's consolidated profit and loss for the years ended December 31, 2020, 2019 and 2018. As said in "Presentation of Financial Information and other Important Notices-Operating Segment Reporting", our reportable segments for the years ended December 31, 2020, 2019 and 2018 included in the 2020 Audited Consolidated Annual Accounts, are formed by our operating segments under which we manage our business that consist of (i) operation of hydropower facilities, (ii) operation of wind farms, (iii) operation of solar PV plants, (iv) energy commercialization, and (v) other services. In identifying the power plants operation segments, we distinguish among the technologies used to generate renewable energy in the facilities owned by the Group and the content of the activities we carry out. The "Energy Commercialization" segment refers to transactions regarding purchase and sale of electricity produced by third party generators, as well as the sale of surpluses of production of our own facilities. Energy commercialization in respect of the electricity produced by third party generators is only carried out in Guatemala by the group company La Ceiba. Conversely, the "Other Services" segment includes the operation and management of facilities owned by third parties and promotion and development of our own renewable generation projects, together with the debt associated to those projects and the financing of the Senior Bond. Additionally, within the "Other Services" segment, we include the Group's corporate management expenses, including the personnel dedicated to the operation of the generation facilities.

Year ended December 31, 2020 compared with the year ended December 31, 2019

The following table sets forth the Group's consolidated profit and loss account data for the years ended December 31, 2020 and 2019.

	Year ended December 31,			
	2020	2019	Variation	
	(audited)	(unaudited)		
	(in € thousands, except percentages or otherwise indicated)			
			Total	%
Net revenues	36,897	33,736	3,161	9.4%
Changes in inventories of finished and semi-finished products	(5)	(74)	69	(93.2)%
Supplies	(3,652)	(3,512)	(140)	4.0%
Other operating income	119	125	(6)	(4.8)%
Personnel expenses	(1,852)	(1,890)	38	(2.0)%
Other operating expenses	(9,111)	(10,092)	981	(9.7)%
Depreciation and amortization	(8,140)	(7,953)	(187)	2.4%
Government grants for non-financial assets and others	12	-	12	n.m.
Impairment and income from disposal of fixed assets	2,739	642	2,097	n.m.
Other income	154	245	(91)	(37.1)%
Operating income	17,161	11,227	5,934	52.9%
Financial income	235	620	(385)	(62.1)%
Financial expense	(10,299)	(6,122)	(4,177)	68.2%
Changes in fair value of financial instruments	(2,281)	(1,367)	(914)	66.9%
Net exchange gains/(losses)	377	10	367	n.m.
Impairment from disposals of financial instruments	-	(438)	438	n.m.
Net financial loss	(11,968)	(7,297)	(4,671)	64.0%
Income/(loss) before tax	5,193	3,930	1,263	32.1%
Income tax benefit/(expense) for the year	575	1,902	(1,327)	(69.8)%
Net income/(loss) from continued operations	5,768	5,832	(64)	(1.1)%
Net income/(loss) attributed to the Parent Company	3,457	5,305	(1,848)	(34.8)%

Year ended December 31,

	2020	2019	Variation	
	(audited)	(unaudited)		
	(in € thousands, except percentages or otherwise indicated)			
Net income/(loss) attributed to non-controlling interest	2,311	527	1,784	n.m.

n.m: not meaningful.

Net revenues increased €3,161 thousand (9.4%) to €36,897 thousand in the year ended December 31, 2020 from €33,736 thousand in the year ended December 31, 2019, principally due to:

- a €2,241 thousand (19.6%) increase in our net revenues generated from our hydropower facilities both in Spain (Cierves, San Bartolomé, Peneda, Arnoya, Landro and Xestosa, facilities with an aggregated capacity of 38.25 MW) and in Guatemala (Las Fuentes II with 14.20 MW of capacity);
- a €800 thousand (6.2%) increase in our net revenues generated from our wind facilities due to the commissioning of El Rodeo, La Caleta and Las Casillas I farms in the Canary Islands, with an aggregate capacity of 14.40 MW;
- a €346 thousand (8.6%) increase in our net revenues generated from our energy commercialization segment due mainly to a 3.5% increase in the MW sold and a 3.3% increase in the number of supply points, despite of the impacts of COVID-19;
- partially offset by a €338 thousand (7.3%) decrease in our net revenues generated from our Llanos del Sur solar PV plant in Honduras, a facility with a 16.22 MW capacity.

We have stability and recurrence of our net revenues, mostly regulated or in a frame of a PPA, and therefore we have high predictable cash flows in the operations of our assets. Because of this our 2020 figures are quite similar to 2019.

In the year ended December 31, 2020, our wind segment is the operating segment with the largest contribution to the Group's consolidated net revenues, which contributed 37.3% in 2020 (a decrease of 1.2 percentage points versus 2019), followed by hydropower, which contributed 37.0% in 2020 (an increase of 3.2 percentage points versus 2019), energy commercialization, which contributed 11.9% in 2020 (a decrease of 0.1 percentage points versus 2019), solar PV, which contributed 11.6% in 2020 (a decrease of 2.1 percentage points versus 2019) and our others operating segment, which contributed 2.2% in 2020 (an increase of 0.1 percentage points versus 2019). In terms of geographic revenue distribution, Spain is our geography with the largest contribution to the Group's consolidated net revenues, which contributed 66.4% in 2020 (an increase of 0.6 percentage points versus 2019), followed by Guatemala, which contributed 22.0% in 2020 (an increase of 1.4 percentage points versus 2019) and Honduras, which contributed 11.6% in 2020 (a decrease of 2.1 percentage points versus 2019).

The following table sets forth our net revenues by operating segment for each of the years ended December 31, 2020 and 2019.

Year ended December 31,

	2020	2019	Variation	
	(audited)	(unaudited)		
	(in € thousands, except percentages or otherwise indicated)			
			<i>Total</i>	<i>%</i>
Hydropower facilities operation.....	13,646	11,405	2,241	19.6%
Wind farms operation.....	13,781	12,981	800	6.2%
Solar PV plants operation	4,283	4,621	(338)	(7.3)%
Energy commercialization ⁽¹⁾	4,385	4,039	346	8.6%
Other services ⁽²⁾	802	690	112	16.2%
Net revenues	36,897	33,736	3,161	9.4%

(1) Refers to transactions regarding purchase and sale of electricity both produced by us and by third party generators, as well as the sale of surpluses of production of the facilities owned by us.

(2) Includes the operation and management of facilities owned by third parties and promotion and development of renewable generation projects.

The following table sets forth our net revenues by geographic area for each of the years ended December 31, 2020 and 2019.

	Year ended December 31			
	2020	2019	Variation	
	(audited)	(unaudited)		
	(in € thousands, except percentages or otherwise indicated)			
			Total	%
Spain.....	24,514	22,194	2,320	10.5%
Guatemala	8,100	6,921	1,179	17.0%
Honduras	4,283	4,621	(338)	(7.3)%
Net revenues	36,897	33,736	3,161	9.4%

Other operating expenses decreased 9.7% to €9,111 thousand in the year ended December 31, 2020 from €10,092 thousand in the year ended December 31, 2019, principally due to the variation in losses, impairment, and variation of provisions for trade operations. During the year ended December 31, 2019, an expense for losses, impairment and variation of provisions for trade operations amounting to €3,050 thousand was recorded and during the year ended December 31, 2020 a reversal for losses, impairment and variation of provisions for trade operations amounting to €980 thousand was recorded; this represents a positive effect of €4,030 thousand when comparing both periods. Additionally, external services increased by €2,854 thousand, from €5,193 thousand for the year ended December 31, 2019 to €8,047 thousand for the year ended December 31, 2020 due to an increase in maintenance costs.

Impairment and income from disposal of fixed assets increased to €2,739 thousand in the year ended December 31, 2020 from €642 thousand in the year ended December 31, 2019. The €2,097 thousand increase was principally due to the record of the reversal of the impairment endowed in previous years on the assets of the Xestosa hydropower facility for a value of €2,929 thousand.

Operating income increased 52.9% to €17,161 thousand in the year ended December 31, 2020 from €11,227 thousand in the year ended December 31, 2019, principally due to the abovementioned 9.4% increase in net revenues, the increase in impairment and income from disposal of fixed assets for €2,097 thousand, the 9.7% decrease in other operating expenses and the decrease in personnel expenses, partially offset by the increases in supplies and in depreciation and amortization and by the decrease in other operating income.

Financial expense increased by 68.2% to €10,299 thousand in the year ended December 31, 2020 from €6,122 thousand in the year ended December 31, 2019, principally due to the increase in obligations and other marketable securities associated with interest payments in relation to the Senior Bond.

Changes in fair value of financial instruments increased 66.9% to a loss of €2,281 thousand in the year ended December 31, 2020 from a loss of €1,367 thousand in the year ended December 31, 2019, principally due to the loss derived from the valuation of the sale price swap associated with the sale of energy arranged by Group companies, as detailed in note 15 to the 2020 Audited Consolidated Annual Accounts.

Net income/(loss) from continued operations decreased by 1.1% to €5,768 thousand in the year ended December 31, 2020 from €5,832 thousand in the year ended December 31, 2019, principally due to the increase in financial expense and the decrease in consolidated income tax benefit for the year, despite the aforementioned 52.9% increase in operating income.

The following table sets forth our net income/(loss) from continued operations by operating segment for each of the years ended December 31, 2020 and 2019.

	Year ended December 31,			
	2020	2019	Variation	
	(audited)	(unaudited)		
	(in € thousands, except percentages or otherwise indicated)			
			Total	%
Hydropower facilities operation.....	3,834	4,195	(361)	(8.6)%
Wind farms operation	5,469	7,210	(1,741)	(24.1)%
Solar PV plants operation	3,040	(1,131)	4,171	n.m.
Energy commercialization ⁽¹⁾	437	386	51	13.2%

Year ended December 31,

	2020	2019	Variation	
	(audited)	(unaudited)		
	(in € thousands, except percentages or otherwise indicated)			
Other services ⁽²⁾	(7,012)	(4,828)	(2,184)	45.2%
Net income/(loss) from continued operations	5,768	5,832	(64)	(1.1)%

(1) Refers to transactions regarding purchase and sale of electricity both produced by us and by third party generators, as well as the sale of surpluses of production of the facilities owned by us.

(2) Includes the operation and management of facilities owned by third parties and promotion and development of renewable generation projects.
n.m.: not meaningful.

Net income/(loss) from continued operations from our hydropower operating segment decreased by 8.6% to €3,834 thousand in the year ended December 31, 2020 from €4,195 thousand in the year ended December 31, 2019, principally due to the decrease in financial income and in changes in fair value of financial instruments, partially offset by a 18.8% increase in operating income driven by the aforementioned 19.6% increase in our net revenues generated from our hydropower facilities.

Net income/(loss) from continued operations from our wind operating segment decreased by 24.1% to €5,469 thousand in the year ended December 31, 2020 from €7,210 thousand in the year ended December 31, 2019, principally due to the variation in consolidated income tax benefit for the year, partially offset by a 18.3% increase in operating income driven by the aforementioned 6.2% increase in our net revenues generated from our wind facilities.

Net income/(loss) from continued operations from our solar PV operating segment increased by €4,171 thousand to €3,040 thousand in the year ended December 31, 2020 from a loss of €1,131 thousand in the year ended December 31, 2019, principally due to an increase in operating income.

Net income/(loss) from continued operations from our energy commercialization operating segment increased by 13.2% to €437 thousand in the year ended December 31, 2020 from €386 thousand in the year ended December 31, 2019, principally due to an increase in operating income driven by the aforementioned 8.6% increase in our net revenues generated from our energy commercialization segment, partially offset by an increase in income tax expenses for the year.

Net income/(loss) from continued operations from our other services operating segment increased by 45.2% to a loss of €7,012 thousand in the year ended December 31, 2020 from a loss of €4,828 thousand in the year ended December 31, 2019, principally due to an increase in operating loss and in financial expenses as well as by an increase in the income tax expenses for the year.

The following table sets forth our net income/(loss) from continued operations by geographic area for each of the years ended December 31, 2020 and 2019.

	Year ended December 31			
	2020	2019	Variation	
	(audited)	(unaudited)		
	(in € thousands, except percentages or otherwise indicated)			
			<i>Total</i>	<i>%</i>
Spain	2,989	7,080	(4,091)	(57.8)%
Guatemala	308	172	136	79.1%
Honduras	2,816	(1,373)	4,189	n.m.
Others ⁽¹⁾	(345)	(47)	(298)	n.m.
Net income/(loss) from continued operations	5,768	5,832	(64)	(1.1)%

(1) Nicaragua, Panama and Dominican Republic.
n.m.: not meaningful.

Net income/(loss) from continued operations in Spain decreased by 57.8% to €2,989 thousand in the year ended December 31, 2020 from €7,080 thousand in the year ended December 31, 2019, principally due to an increase in net financial loss, partially offset by the increase in operating income driven by the aforementioned increase in our net revenues in Spain.

Net income/(loss) from continued operations in Guatemala increased by 79.1% to €308 thousand in the year ended December 31, 2020 from €172 thousand in the year ended December 31, 2019, principally due to an increase in operating income driven by the aforementioned increase in our net revenues in Guatemala, partially offset by an increase of net financial expenses.

Net income/(loss) from continued operations in Honduras increased to €2,816 thousand in the year ended December 31, 2020 from a loss of €1,373 thousand in the year ended December 31, 2019, principally due to an increase in operating income despite the decrease in net revenues in Honduras a decrease in net financial expenses and an increase of income tax benefit.

Net income/(loss) from continued operations in other geographies decreased to a loss of €345 thousand in the year ended December 31, 2020 from a loss of €47 thousand in the year ended December 31, 2019, principally due to a decrease in operating income and an increase in financial expense.

Year ended December 31, 2019 compared with the year ended December 31, 2018

The following table sets forth the Group's consolidated profit and loss account data for the years ended December 31, 2019 and 2018.

	Year ended December 31,			
	2019	2018	Variation	
	(unaudited)			
	<i>(in € thousands, except percentages or otherwise indicated)</i>			
			<i>Total</i>	<i>%</i>
Net revenues.....	33,736	31,167	2,569	8.2%
Changes in inventories of finished and semi-finished products.....	(74)	(67)	(7)	10.4%
Supplies.....	(3,512)	(2,316)	(1,196)	51.6%
Other operating income.....	125	119	6	5.0%
Personnel expenses.....	(1,890)	(1,895)	5	(0.3)%
Other operating expenses.....	(10,092)	(8,454)	(1,638)	19.4%
Depreciation and amortization.....	(7,953)	(7,861)	(92)	1.2%
Impairment and income from disposal of fixed assets.....	642	(786)	1,428	n.m.
Other income.....	245	939	(694)	(73.9)%
Operating income	11,227	10,846	381	3.5%
Financial income.....	620	40	580	n.m.
Financial expense.....	(6,122)	(7,422)	1,300	(17.5)%
Changes in fair value of financial instruments.....	(1,367)	(434)	(933)	n.m.
Net exchange gains/(losses).....	10	(2,869)	2,879	n.m.
Impairment from disposals of financial instruments.....	(438)	(48)	(390)	n.m.
Net financial loss	(7,297)	(10,733)	3,436	(32.0)%
Income/(loss) before tax	3,930	113	3,817	n.m.
Income tax benefit/(expense) for the year.....	1,902	23	1,879	n.m.
Net income/(loss) from continued operations	5,832	136	5,696	n.m.
Net income/(loss) attributed to the Parent Company..	5,305	350	4,955	n.m.
Net income/(loss) attributed to non-controlling interest.....	527	(214)	741	n.m.

n.m.: not meaningful.

Net revenues increased €2,569 thousand (8.2%) to €33,736 thousand in the year ended December 31, 2019 from €31,167 thousand in the year ended December 31, 2018, principally due to:

- a €1,502 thousand (59.2%) increase in our net revenues generated from our energy commercialization segment due mainly to a 71.5% increase in the MWs sold and a 25.0% increase in the number of supply points;
- a €378 thousand (8.9%) increase in our net revenues generated from our Llanos del Sur solar PV plant in Honduras, a facility with a 16.22 MW capacity;
- a €248 thousand (1.9%) increase in our net revenues generated from our wind facilities Llanos de la Aldea, San Bartolomé, Oulol, Lalín, with an aggregate capacity of 50.20 MW;

- partially offset by a €172 thousand (1.5%) decrease in our net revenues generated from our hydropower facilities both in Spain (Ciervas, San Bartolomé, Peneda, Arnoya, Landro and Xestosa, facilities with an aggregated capacity of 38.25 MW) and in Guatemala (Las Fuentes II with 14.20 MW of capacity).

In the year ended December 31, 2019, our wind segment is the operating segment with the largest contribution to the Group's consolidated net revenues, which contributed 38.5% in 2019 (a decrease of 2.3 percentage points versus 2018), followed by hydropower, which contributed 33.8% in 2019 (a decrease of 3.3 percentage points versus 2018), solar PV, which contributed 13.7% in 2019 (an increase of 0.1 percentage points versus 2018), energy commercialization, which contributed 12.0% in 2019 (an increase of 3.9 percentage points versus 2018) and other services, which contributed 2.0% in 2019 (an increase of 1.8 percentage points versus 2018). In terms of geographic revenue distribution, Spain is our geography with the largest contribution to the Group's consolidated net revenues, which contributed 65.8% in 2019 (a decrease of 3.7 percentage points versus 2018), followed by Guatemala, which contributed 20.5% in 2019 (an increase of 3.6 percentage points versus 2018) and Honduras, which contributed 13.7% in 2019 (an increase of 0.1 percentage points versus 2018).

The following table sets forth our net revenues by operating segment for each of the years ended December 31, 2019 and 2018.

	Year ended December 31			
	2019	2018	Variation	
	(unaudited)			
	<i>(in € thousands, except percentages or otherwise indicated)</i>			
			<i>Total</i>	<i>%</i>
Hydropower facilities operation	11,405	11,577	(172)	(1.5)%
Wind farms operation	12,981	12,733	248	1.9%
Solar PV plants operation	4,621	4,243	378	8.9%
Energy commercialization ⁽¹⁾	4,039	2,537	1,502	59.2%
Other services ⁽²⁾	690	77	613	n.m.
Net revenues	33,736	31,167	2,569	8.2%

(1) Refers to transactions regarding purchase and sale of electricity both produced by us and by third party generators, as well as the sale of surpluses of production of the facilities owned by us.

(2) Includes the operation and management of facilities owned by third parties and promotion and development of renewable generation projects.

n.m: not meaningful.

The following table sets forth our net revenues by geographic area for each of the years ended December 31, 2019 and 2018.

	Year ended December 31			
	2019	2018	Variation	
	(unaudited)			
	<i>(in € thousands, except percentages or otherwise indicated)</i>			
			<i>Total</i>	<i>%</i>
Spain	22,194	21,655	539	2.5%
Guatemala	6,921	5,269	1,652	31.4%
Honduras	4,621	4,243	378	8.9%
Net revenues	33,736	31,167	2,569	8.2%

Other operating expenses increased 19.4% to €10,092 thousand in the year ended December 31, 2019 from €8,454 thousand in the year ended December 31, 2018, principally due to the increase in external services and in losses, impairment and variation of provisions for transactions offset by a decrease in taxes.

Impairment and income from disposal of fixed assets amounted to a profit of €642 thousand in the year ended December 31, 2019 compared to a loss of €786 thousand in the year ended December 31, 2018. This €1,428 thousand increase was principally due to the reversal of a €1,132 thousand impairment endowed in previous years on fixed assets. During 2018, no impairments or reversals of impairments of fixed assets were recorded.

Operating income increased 3.5% to €11,227 thousand in the year ended December 31, 2019 from €10,846 thousand in the year ended December 31, 2018, principally due to the abovementioned 8.2% increase in net

revenues and the increase in impairment and income from disposal of fixed assets, partially offset by the 19.4% increase in other operating expenses and the 51.6% increase in supplies.

Financial expense decreased 17.5% to €6,122 thousand in the year ended December 31, 2019 from €7,422 thousand in the year ended December 31, 2018, principally due to the decrease in interest payments associated with debts with third parties.

Changes in fair value of financial instruments amounted to a loss of €1,367 thousand in the year ended December 31, 2019 from a loss of €434 thousand in the year ended December 31, 2018. This change was principally due to the loss derived from the valuation of the interest rate swap associated with the sale of energy arranged by Group companies, as detailed in note 15 to the 2020 Audited Consolidated Annual Accounts.

Net income/(loss) from continued operations increased to €5,832 thousand in the year ended December 31, 2019 from €136 thousand in the year ended December 31, 2018, principally due to the aforementioned 3.5% increase in operating income and the increase in income tax benefit for the year.

The following table sets forth our net income/(loss) from continued operations by operating segment for each of the years ended December 31, 2019 and 2018.

	Year ended December 31,			
	2019	2018	Variation	
	(unaudited)		(in € thousands, except percentages or otherwise indicated)	
			<i>Total</i>	<i>%</i>
Hydropower facilities operation.....	4,195	280	3,915	n.m.
Wind farms operation	7,210	4,087	3,123	76.4%
Solar PV plants operation	(1,131)	52	(1,183)	n.m.
Energy commercialization ⁽¹⁾	386	19	367	n.m.
Other services ⁽²⁾	(4,828)	(4,302)	(526)	12.2%
Net income/(loss) from continued operations	5,832	136	5,696	n.m.

(1) Refers to transactions regarding purchase and sale of electricity both produced by us and by third party generators, as well as the sale of surpluses of production of the facilities owned by us.

(2) Includes the operation and management of facilities owned by third parties and promotion and development of renewable generation projects.

n.m.: not meaningful.

Net income/(loss) from continued operations from our hydropower operating segment increased €3,915 thousand to €4,195 thousand in the year ended December 31, 2019 from €280 thousand in the year ended December 31, 2018, principally due to a 10.6% increase in operating income, the decrease in net financial loss, offset by an increase of income tax expenses for the year.

Net income/(loss) from continued operations from our wind operating segment increased by 76.4% to €7,210 thousand in the year ended December 31, 2019 from €4,087 thousand in the year ended December 31, 2018, principally due to a 19.0% increase in operating income driven by the aforementioned 1.9% increase in our net revenues generated from our wind facilities and the increase in income tax benefit for the year.

Net income/(loss) from continued operations from our solar PV operating segment decreased €1,183 thousand to a loss of €1,131 thousand in the year ended December 31, 2019 from a profit of €52 thousand in the year ended December 31, 2018, principally due to a decrease in operating income driven by an increase in losses, impairment and variation of provisions for trade operations despite the aforementioned increase in net revenues from our solar PV facilities.

Net income/(loss) from continued operations from our energy commercialization operating segment increased €367 thousand to €386 thousand in the year ended December 31, 2019 from €19 thousand in the year ended December 31, 2018, principally due to an increase in operating income driven by the aforementioned 59.2% increase in our net revenues generated from our energy commercialization segment.

Net income/(loss) from continued operations from our other services operating segment increased by 12.2% to a loss of €4,828 thousand in the year ended December 31, 2019 from a loss of €4,302 thousand in the year ended December 31, 2018, principally due to an increase in operating loss. The following table sets forth our net

income/(loss) from continued operations by geographic area for each of the years ended December 31, 2019 and 2018.

	Year ended December 31			
	2019	2018	Variation	
	(unaudited)		Total	%
	(in € thousands, except percentages or otherwise indicated)			
Spain.....	7,080	4,559	2,521	55.3%
Guatemala	172	(4,336)	4,508	n.m.
Honduras	(1,373)	(87)	(1,286)	n.m.
Others ⁽¹⁾	(47)	-	(47)	n.m.
Net income/(loss) from continued operations	5,832	136	5,696	n.m.

(1) Nicaragua, Panama and Dominican Republic.
n.m.: not meaningful.

Net income/(loss) from continued operations in Spain increased by 55.3% to €7,080 thousand in the year ended December 31, 2019 from €4,559 thousand in the year ended December 31, 2018, principally due to an increase in operating income driven by the aforementioned increase in our net revenues in Spain and an increase in income tax benefit for the year.

Net income/(loss) from continued operations in Guatemala increased €4,508 thousand to a profit of €172 thousand in the year ended December 31, 2019 from a loss of €4,336 thousand in the year ended December 31, 2018, principally due to an increase in operating income driven by the aforementioned increase in our net revenues in Guatemala mainly generated from our energy commercialization segment, as well as by a decrease in net financial expenses.

Net income/(loss) from continued operations in Honduras increased to a loss of €1,373 thousand in the year ended December 31, 2019 from a loss of €87 thousand in the year ended December 31, 2018, principally due to a decrease in operating income driven by an increase in losses, impairment and variation of provisions for trade operations despite the aforementioned increase in net revenues in Honduras.

Net income/(loss) from continued operations in other geographies increased to a loss of €47 thousand in the year ended December 31, 2019 from zero in the year ended December 31, 2018, principally due to an increase in operating loss driven by the record of other operating expenses during the year as well as by the record of financial expense.

Financial condition

Comparison of balances as of December 31, 2020, 2019 and 2018

The following table and subsequent discussion summarize key items in the Group's consolidated balance sheets as of December 31, 2020, 2019 and 2018:

	As of December 31,		
	2020	2019	2018
	(audited)	(unaudited)	
(in € thousands)			
Non-current assets			
Intangible assets	7,951	7,462	7,849
Goodwill	3,905	3,975	4,186
Concession arrangements.....	1,840	2,245	2,428
Other intangible assets	2,206	1,242	1,235
Right of use assets	7,750	5,019	5,225
Property, plant and equipment	175,764	152,108	149,231
Land and buildings.....	83,059	85,103	90,488
Machinery and equipment.....	72,609	52,123	54,645
Fixed assets in progress.....	20,096	14,882	4,098
Long-term investments in group companies and associates	1	-	2,469
Long-term financial investments	454	755	1,362

	As of December 31,		
	2020	2019	2018
	(audited)	(unaudited)	
	<i>(in € thousands)</i>		
Credits to third parties.....	414	711	1,270
Derivatives.....	-	-	49
Other financial assets.....	40	44	43
Deferred tax assets.....	5,033	4,183	2,071
Other non-current assets.....	681	716	712
Total non-current assets.....	197,634	170,243	168,919
Current assets			
Inventories.....	230	-	67
Work in progress.....	57	-	67
Advances to suppliers.....	173	-	-
Trade and other receivables.....	13,703	9,802	12,719
Customers for short-term sales and services.....	5,904	6,065	5,766
Other trade debtors.....	-	105	3,142
Other credits with tax authorities.....	7,799	3,462	3,555
Other receivables.....	-	170	256
Current tax assets.....	828	-	-
Short term investments in group companies and associates.....	376	325	525
Short term financial investments.....	1,661	1,848	2,046
Credits to third parties.....	249	142	538
Other financial assets.....	1,412	1,706	1,508
Other current assets.....	815	960	303
Cash and cash equivalents.....	13,681	12,684	9,013
Cash.....	13,681	12,684	9,013
Total current assets.....	31,294	25,619	24,673
Total assets.....	228,928	195,862	193,592
Net equity			
Share capital.....	560	-	-
Issue premium.....	4,750	-	-
Other reserves.....	(5,840)	1,259	7,954
Other Shareholder's contributions.....	73	-	-
Income for the year attributable to the Parent Company.....	3,457	5,305	350
Exchange differences.....	(356)	817	656
Equity attributed to Parent Company equity holders.....	2,644	7,381	8,960
Non-controlling interest.....	8,972	8,033	8,770
Total net equity.....	11,616	15,414	17,730
Non-current liabilities			
Long-term provisions.....	1,356	681	473
Other provisions.....	1,356	681	473
Long-term debts.....	185,518	153,444	152,116
Debt with financial institutions.....	39,947	116,478	120,472
Lease liabilities.....	6,724	26,272	29,267
Obligations and other marketable securities.....	116,096	-	-
Long-term debt with related parties.....	8,479	3	-
Derivatives.....	-	1,317	-
Other financial liabilities.....	14,272	9,374	2,377
Deferred tax liabilities.....	126	-	60
Grants.....	3,607	3,618	-

	As of December 31,		
	2020	2019	2018
	(audited)	(unaudited)	
	(in € thousands)		
Non-current accounts payable	163	3,403	2,325
Other long-term payable accruals	2,464	2,580	2,696
Total Non-current liabilities	193,234	163,726	157,670
Current liabilities			
Short-term debts	19,133	13,553	13,448
Debt with financial institutions	3,184	10,010	9,239
Lease liabilities	392	3,104	3,014
Obligations and other marketable securities.....	6,382	-	-
Short-term debt with related parties	834	-	67
Derivatives	1,554	-	-
Other financial liabilities	6,787	439	1,128
Trade and other accounts payable	4,685	3,052	4,627
Short-term suppliers	4	2	-
Other trade payables	3,729	2,176	4,032
Wages payable	9	11	-
Other debts with tax authorities	943	863	595
Current tax liabilities	142	-	-
Short-term accruals	118	117	117
Total current liabilities	24,078	16,722	18,192
Total net equity and liabilities	228,928	195,862	193,592

Intangible assets

Intangible assets increased by €489 thousand, or 6.6%, from €7,462 thousand as of December 31, 2019 to €7,951 thousand as of December 31, 2020, due mainly to the increase in other intangible assets due to additions performed during the year 2020; partially offset by a slight decrease in concession arrangements and goodwill disposals corresponding to the dissolution of Corporación Hidroeléctrica Guatemala, S.A., whose dissolution generated a negative result of €215 thousand.

Intangible assets decreased by €387 thousand, or 4.9%, from €7,849 thousand as of December 31, 2018 to €7,462 thousand as of December 31, 2019, due mainly to an impairment of €211 thousand related to the goodwill recorded for the business combination with Corporación Hidroeléctrica Guatemala, S.A.

Right of use assets

Right of use assets increased by €2,731 thousand, or 54.4%, from €5,019 thousand as of December 31, 2019 to €7,750 thousand as of December 31, 2020, mainly due to the additions of right of use assets during the year 2020 amounting to €2,999 thousand and corresponding to the contract signed on July 8, 2020 by EFD Ecoener Fotovoltaica Dominicana, S.R.L. and DR Pujol y Asociados.

Right of use assets decreased by €206 thousand, or 3.9%, from €5,225 thousand as of December 31, 2018 to €5,019 thousand as of December 31, 2019, mainly due to the amortization of lands lease agreements.

Property, plant and equipment

Property, plant and equipment increased by €23,656 thousand, or 15.6%, from €152,108 thousand as of December 31, 2019 to €175,764 thousand as of December 31, 2020, due mainly to a €20,486 thousand increase in the value of machinery and equipment and a €5,214 thousand increase in fixed assets in progress, which relates to the additions derived from the acquisition of the company Oilean Telde Eólica Energy, S.L. for an amount of €3,300 thousand and the additions associated to fourteen facilities currently under construction, as well as, due to the increase in machinery and equipment from the acquisition of a substation by the group companies Amagante Herreño, S.L., Tabaiba Solar, S.L., Violeta Palmera S.L., Eólicos del Matorral S.L., Canutillo de Sabinosa, S.L. y Yesquera de Aluce, S.L. for an amount of €3,707 thousand, partially offset by a €2,044 thousand decrease in land

and buildings. During 2019, we reversed the impairment of the assets owned by Energías de Pontevedra, S.L. Group company for a value of €1,132 thousand.

Property, plant and equipment increased by €2,877 thousand, or 1.9%, from €149,231 thousand as of December 31, 2018 to €152,108 thousand as of December 31, 2019, due mainly to a €10,784 thousand increase in fixed assets in progress, partially offset by a €2,522 thousand decrease in machinery and equipment as well as a €5,385 thousand decrease in land and buildings. The additions in 2019 and 2018 mainly correspond to expenses incurred in the development of new projects. During 2019 we impaired fixed assets of the company Energías del Ocosito, S.A. for a value of €2,305 thousand recorded under the heading of reserves. Additionally, the main disposals in 2019 correspond to assets in progress of Sociedad Eólica Punta Maeda, S.L., which recorded a €534 thousand loss in our consolidated profit and loss account.

Trade and other receivables

Trade and other receivables increased by €3,901 thousand, or 39.8%, from €9,802 thousand as of December 31, 2019 to €13,703 thousand as of December 31, 2020. The difference was principally due to a €4,337 thousand increase in other credits with tax authorities, due to grants related to Value Added Tax and other potential deductions for different concepts to encourage investments as part of our business. This increase was also slightly offset by a €105 thousand decrease in other trade debtors, which amount to nil in 2020 and a €170 thousand decrease in other receivables which also amounted to nil in 2020.

Trade and other receivables decreased by €2,917 thousand, or 22.9%, from €12,719 thousand as of December 31, 2018 to €9,802 thousand as of December 31, 2019, due mainly to a €3,037 thousand decrease in income related to Other trade debtors, partially offset by a €299 thousand increase in Customers for short-term sales and services mainly due to receivable balances derived from the sale of energy in Spain, Honduras and Guatemala.

Total net equity

Total net equity decreased by €3,798 thousand, or 24.6%, from €15,414 thousand as of December 31, 2019 to €11,616 thousand as of December 31, 2020. The difference was principally due to the decrease in other reserves for an amount of €9,575 thousand and a negative impact of exchange differences for an amount of €1,173 thousand. The decrease in other reserves principally corresponds to dividend distributions amounting to €985 thousand paid by Dragmoc, S.L. on March 17, 2020; €787 thousand and €134 thousand, on April 22, 2020 and June 17, 2020, respectively, paid by Hidroeléctrica del Giesta, S.L.; €1,105 thousand paid by Energía de Pontevedra, S.L. on April 22, 2020 as well as returns of contributions from Hidroeléctrica del Giesta, S.L. and Energías de Pontevedra, S.L. amounting to €4,407 thousand and €1,093 thousand, respectively. The aforementioned decreases were partially offset by the net income of 2020 for an amount of €5,768 thousand and shareholder's contributions carried out for an amount of €375 thousand.

Total net equity decreased by €2,316 thousand, or 13.1%, from €17,730 thousand as of December 31, 2018 to €15,414 thousand as of December 31, 2019, due mainly to the decrease in other Reserves derived from the transactions with its shareholders relating to dividends payment as well as share redemption and other equity movements; as well as a decrease in non-controlling interests, partially offset by the increase in income for the year attributable to the Parent Company, increase mainly due to the favourable results obtained in Energías del Ocosito, S.A., Hidroeléctrica del Giesta, S.L.U. and Energías de Pontevedra, S.L.U., partially offset by the negative results obtained in the parent company (Ecoener, S.L.U.) and Llanos del Sur Fotovoltaica, S.A.

Long and short-term debt with financial institutions

Long-term debt with financial institutions decreased by €76,531 thousand, or 65.7%, from €116,478 thousand as of December 31, 2019 to €39,947 thousand as of December 31, 2020, due mainly to the redemption of part of the long-term debt with financial institutions for the year 2019 and the recognition of obligations and other marketable securities as part of the Green Project Bond establishment.

Short-term debt with financial institutions decreased by €6,826 thousand, or 68.2%, from €10,010 thousand as of December 31, 2019 to €3,184 thousand as of December 31, 2020, due mainly to the short-term payment obligations derived from the existing loans from financial institutions corresponding to Llanos del Sur Fotovoltaica, S.A. and Energías del Ocosito, S.A., formalized with Banco Atlantida and Banrural, respectively.

Long-term debt with financial institutions decreased by €3,994 thousand, or 3.3%, from €120,472 thousand as of December 31, 2018 to €116,478 thousand as of December 31, 2019, due mainly to payments made during 2019

associated to the construction of hydropower facilities and wind farms necessary to perform our activity. Additionally, in 2018, Dragmoc, S.L. received a €7,100 thousand loan.

Short-term debt with financial institutions increased by €771 thousand, or 8.3%, from €9,239 thousand as of December 31, 2018 to €10,010 thousand as of December 31, 2019, due mainly to the slight decrease in short-term financing required to financing the activities performed by ourselves, mainly regarding our solar PV and wind business segments.

Non-current and current lease liabilities

Non-current lease liabilities decreased by €19,548 thousand, or 74.4%, from €26,272 thousand as of December 31, 2019 to €6,724 thousand as of December 31, 2020, due mainly to the fact that some applicable lease contracts were cancelled using part of the financing obtained from the Green Bond issue and also due to that until the year 2019, the Group also incurred in leases of wind farms and hydropower plants for such facilities construction. Additionally, this decrease was slightly offset by an increase of €2,705 thousand in lease liabilities agreements corresponding to land during the year 2020 compared to the precedent year.

Current lease liabilities decreased by €2,712 thousand, or 87.4%, from €3,104 thousand as of December 31, 2019 to €392 thousand as of December 31, 2020, due mainly to the non-existence of leases derived from the construction of wind farms and hydropower facilities, this because the Group cancelled them in advance a result of the financing obtained from the Green Project Bond issued on September 10, 2020.

Non-current lease liabilities decreased by €2,995 thousand, or 10.2%, from €29,267 thousand as of December 31, 2018 to €26,272 thousand as of December 31, 2019, due mainly to the reduction in long-term leasing arrangements related to the following facilities: Central Hidráulica Landro, Parque Eólico Ouro I and II and Central Hidráulica Xestosa I and II.

Current lease liabilities increased by €90 thousand, or 3.0%, from €3,014 thousand as of December 31, 2018 to €3,104 thousand as of December 31, 2019, due mainly to the increase in short-term leasing arrangements.

Trade and other accounts payable

Trade and other accounts payable increased by €1,633 thousand, or 53.5%, from €3,052 thousand as of December 31, 2019 to €4,685 thousand as of December 31, 2020. The difference was mainly due to deviations adjustment in the market prices for the years 2020 and 2019 whose compensation occurred during the immediately subsequent regulatory semi-period after the one in which they were registered and during the rest of the regulatory operating life of the applicable wind farms and hydropower plants operated by the Group, as well as the debtor balance amount to be offset in the long term and corresponding to the 2014-2016 regulatory semi-period 2014-2016. Additionally, Trade and other accounts payable also increased due to higher other debt with tax authorities of €80 thousand and the increase in other trade payables.

Trade and other accounts payable decreased by €1,575 thousand, or 34.0%, from €4,627 thousand as of December 31, 2018 to €3,052 thousand as of December 31, 2019, due mainly to creditable amounts from deviations adjustment in the market prices for the years 2019 and 2018 whose compensation occurred during the immediately subsequent regulatory semi-period after the one in which they were registered and during the rest of the regulatory operating life of the wind farms and hydropower plants operated by the Group, as well as the debtor balance amount to be offset in the long term and corresponding to the 2014-2016 regulatory semi-period 2014-2016, as well as a decrease in other trade payables, partially offset by an increase in other debt with tax authorities.

Liquidity and Capital Resources

Our main sources for financing our projects are the following:

- A €130 million non-recourse senior green bond, composed of (i) €39,000 thousand guaranteed class A1 bonds bearing a 2.35% interest rate due December 31, 2040 and (ii) €91,000 thousand guaranteed class A2 bonds bearing a 2.35% interest rate due December 31, 2040 (the “**Senior Bond**” or “**Green Project Bond**”). The Senior Bond was issued on September 10, 2020 by Ecoener Emisiones, S.A.U., a company fully owned by Grupo Ecoener, S.A.U., to (i) replace existing senior debt facilities amounting to €53,779 thousand in the case of Hidroeléctrica del Giesta, S.L.U.; €44,971 thousand in Dragmoc, S.L.U.; €19,240 thousand in Desarrollo Energético de la Mariña, S.L.U.; €8,736 thousand in Yesquera de Aluce, S.L.U. and €3,274 thousand in Energías de Pontevedra, S.L.U. totaling the afore-mentioned €130 million, (ii) fund project related capital expenditures, and (iii) corporate general purposes and pay any ancillary costs.

The obligations under the Senior Bond are guaranteed by: (i) Energías de Pontevedra, S.L.U., (ii) Drago Renovables, S.L., (iii) Mocan Renovables, S.L., (iv) Hidroeléctrica del Giesta, S.L.U., (v) Sociedad Lucense de Energía Hidráulica y Eólica, S.L.U., (vi) Hidroeléctrica de Oourol, S.L., and (vii) Yesquera de Aluce, S.L.U., all of them companies that belong to the Group. In addition, the Senior Bond have the benefit of certain security arrangements. The Senior Bond payments will be made subject to a paying agency agreement dated September 10, 2020, will mature on December 31, 2040 and will be redeemed in 41 instalments on each interest payment date according to an amortization schedule provided for in the Senior Bond trust deed.

Notwithstanding the above, the Senior Bond may be redeemed at the option of Ecoener Emisiones, S.A.U., in whole or in part, as well as for tax reasons as a result of any change in the tax laws of Spain provided that certain conditions are fulfilled, by giving not less than 30 nor more than 60 days' prior written notice to the bondholders.

In the event of a change of control (i.e. the Pre-Offering Sole Shareholder ceasing to own -directly or indirectly- at least 51% of the shares of the Bond Issuer), each bondholder will have the option to require the bond issuer to redeem or, at the option of the bond issuer, purchase or procure the purchase of all or part of its Senior Bond.

Additionally, the assets included in the Green Project Bond perimeter have no expected capital expenditures needs and are eligible for the Spanish Specific Regulated Regime, which provides high visibility over the generated cash flows, backed by a high warranted availability through full scope O&M contracts.

- We also use bank loans under non-recourse project finance structures to finance in a long term our projects in Guatemala and Honduras with local banks and the construction of our projects in the Canary Islands in 2021.

As of December 31, 2020 we have entered into the following non-recourse project finance agreements for a total amount of €42,190 thousand (the non-recourse project finance agreements in Honduras had an outstanding balance of €13,421 thousand as of December 31, 2020 and the non-recourse project finance agreements in Guatemala had an outstanding balance of €28,769 thousand as of December 31, 2020): (i) our project finance in Honduras granted by Banco Atlántida, for the construction and operation of the Llanos del Sur solar PV plant; and (ii) our project finance in Guatemala granted by Banrural, for the construction and operation of Las Fuentes II hydropower facility.

Honduras – Llanos del Sur project finance

The non-recourse project finance agreement in Honduras was entered into between Llanos del Sur Fotovoltaica, S.A., and Banco Atlántida in two separate agreements (one in December 16, 2016 and the other one in May 23, 2018). Both agreements, considered together, amount for a total of \$19,493 thousand, with an outstanding balance of €13,421 thousand as of December 31, 2020. The project finance agreement matures on December 16, 2028, with a repayment schedule based on quarterly instalments, at an annual interest rate of 7.30%. The guarantee securing the debt is a pledge over the asset Llanos del Sur solar PV plant.

Guatemala – Las Fuentes II project finance

For the financing of Las Fuentes II hydropower facility in Guatemala, we initially entered, through Energías del Ocosito, S.A., into two non-recourse project finance agreements with Banrural (one in July 23, 2014 and the other one in March 2, 2016), which, considered together, amounted for a total of \$39,379 thousand. In November 6, 2020, we entered into a third agreement with Banrural of \$37,090 thousand, for the total repayment and cancellation of such agreements. This agreement matures on 2040, with a repayment schedule based on monthly instalments, at an annual interest rate of 1.05% and, as of December 31, 2020, presented an outstanding balance of €28,769 thousand.

- Finally, we are using an innovative financing structure in the Canary Islands which allows raising from private investors funds for 5 years bullet with a rate of 1%, who complete their profitability with specific tax profits available in Canary Islands. More specifically, we have entered into 43 non-recourse loans granted by 39 individual investors for the financing of certain assets located in the Canary Islands through our wholly owned subsidiary Ecoener Inversiones, a venture capital entity incorporated under the laws

of Luxembourg, created with the purpose of facilitating investors to materialize their investments in the Canary Islands (*Reserva de Inversiones en Canarias*). As a venture capital entity, each Loan is considered as a financing instrument issued by Ecoener Inversiones, which enables investors to benefit from the special tax regime applicable to the subscription of financing instruments set out in Act 19/1994 of 6 July, amending the Economic and Tax Regime of the Canary Islands. The funds raised through the Loans have been used to finance the construction of the following two wind farm assets: La Caleta wind farm and Las Casillas I wind farm, fully owned by the following Group subsidiaries: (i) Alamillo de Doramas, S.L., and (ii) Cardo de Plata, S.L. The total outstanding balance of the Loans, as of December 31, 2020 was €12,650 thousand.

Our main liquidity and capital requirements as of December 31, 2020, mainly related to our Senior Bond and non-recourse project finance from financial institutions (see section “*Risk Factors-We have substantial indebtedness and may incur substantial additional indebtedness in the future*”), are to finance project development and construction costs, current operations, working capital requirements and debt service obligations. Thus, we mainly focus in maintaining adequate financing flexibility by formalizing short-term financing operations as well as maturities deferral when possible.

The Group’s long-term and short-term debt with financial institutions amounted to €43,131 thousand as of December 31, 2020, €126,488 thousand as of December 31, 2019 and €129,711 thousand as of December 31, 2018, representing 19.9% as of December 31, 2020, 70.1% as of December 31, 2019 and 73.8% as of December 31, 2018 of our total liabilities as of those dates. The decrease in long and short-term debt with financial institutions as of December 31, 2020 is principally due to the fact that during the year ended December 31, 2020, we issued the Senior Bond.

We will continue to use capital in the future to finance the construction and operation of new renewable energy facilities and support the growth of our Pipeline. As a normal part of our business and depending on market conditions, we will from time to time consider opportunities to repay, redeem, repurchase or refinance our indebtedness, such as our Senior Bond. Historically, we have financed our liquidity and capital requirements primarily through non-recourse project finance from financial institutions at a local and/or international level (comprising also development banking institutions) as well as multilateral collective investment entities or other innovative ways.

Changes in our operating plants, lower than anticipated electricity sales, increased expenses or other events may cause us to seek additional debt, equity or other financing in future periods. There can be no guarantee that financing will be available on acceptable terms or at all. Debt financing, if available, could impose additional cash payment obligations, additional covenants and operating restrictions.

Liquidity position

Cash flows from operations are the primary source of cash funding for existing operations, capital expenditures, investments, interest obligations and principal payments. The Group also relies on external financing, including bonds or borrowings from financial institutions as described above. Our general financial policy consists in managing our liquidity to ensure that funds required for future obligations are available.

Financial liabilities

The following table sets forth the breakdown of long and short-term debts as of December 31, 2020, 2019 and 2018:

	2020		2019		2018	
	(audited)		(unaudited)		(unaudited)	
	Non-current	Current	Non-current	Current	Non-current	Current
Debt with financial institutions.....	39,947	3,184	116,478	10,010	120,472	9,239
Lease liabilities.....	6,724	392	26,272	3,104	29,267	3,014
Obligations and other marketable securities	116,096	6,382	-	-	-	-
Debt with related parties	8,479	834	3	-	-	67
Derivatives	-	1,554	1,317	-	-	-
Other financial liabilities	14,272	6,787	9,374	439	2,377	1,128
Total long and short-term debts⁽¹⁾.....	185,518	19,133	153,444	13,553	152,116	13,448

(1) It does not include non-current accounts payable, amounting to €163 thousand as of December 31, 2020, €3,403 thousand as of December 31, 2019 and €2,325 thousand as of December 31, 2018.

Our main financial liability is our Green Project Bond, by means of which we issued a €130 million non-recourse senior debt consisting of €39,000 thousand guaranteed Class A1 Bonds bearing a 2.35% interest rate due December 31, 2040 and (ii) €91,000 thousand guaranteed Class A2 Bonds bearing a 2.35% interest rate due December 31, 2040, both issued by Ecoener Emisiones, S.A.U. The nominal value maturities of the Class A1 Bonds and Class A2 Bonds are follows:

In € thousand							
	2020	2021	2022	2023	2024	Subsequent years	Total
Class A1	1,650	1,977	1,926	2,472	2,796	28,179	39,000
Class A2	3,849	4,613	4,494	5,768	6,524	65,752	91,000
Total	5,499	6,590	6,420	8,240	9,320	93,931	130,000

The accrued coupon payment for the issued bond as of December 31, 2020 amounted to €5,498 thousand of principal and €936 thousand of interest.

The nominal value maturities of both classes of bonds under our Senior Bond are subject to compliance by the Group with a series of financial and non-financial covenants (see “*Operating and Financial Review–Financial covenants*” and section “*Material Contracts*” for further detail). In addition to such covenants, we keep a series of commitments, such as guarantees on certain critical assets, the sale of certain critical assets or the obligation to perform certain corporate restructuring operations, among others, in the event of non-fulfillment of our covenants. Hence, this leads to their anticipated maturity.

Consolidated Cash Flows Statement data

The table below sets forth the Group’s cash flows from consolidated operating activities, investing activities and financing activities for the periods indicated. Positive figures refer to cash inflows and negative figures refer to cash outflows.

	Year Ended December 31,		
	2020	2019	2018
	(audited)	(unaudited)	
		<i>(in € thousands)</i>	
Cash flows from consolidated operating activities (1)	9,118	14,885	13,038
Cash flows used in consolidated investing activities (2)	(32,668)	(9,075)	(4,141)
Cash flows from/(used in) consolidated financing activities (3)	24,547	(2,139)	(4,152)
Net increase in cash and cash equivalents (1+2+3)	997	3,671	4,745
Cash and cash equivalents at the beginning of the year	12,684	9,013	4,268
Cash and cash equivalents at the end of the year	13,681	12,684	9,013

Cash flows from consolidated operating activities

Cash flows from consolidated operating activities were €9,118 thousand in the year ended December 31, 2020, compared to €14,885 thousand from the year ended December 31, 2019. This decrease of €5,767 thousand in cash flows from consolidated operating activities was mainly due to the working capital decrease associated to our trade and other receivables and to the increase in interest payments.

Contrarily, this decrease was partially offset mainly by cash flows generated from proceeds regarding financial expense and due to positive changes in consolidated working capital related to our trade and other accounts payable.

Cash flows from consolidated operating activities were €14,885 thousand in year ended December 31, 2019, compared to €13,038 thousand from the year ended December 31, 2018. This increase of €1,847 thousand in net cash flows from consolidated operating activities was mainly due to the improvement in working capital.

These, were partially offset by the increase in net exchange losses as part of the adjustments to our consolidated net income before tax relating to translation differences generated entirely by the conversion into euros of the results obtained in companies located in our geographies excluding Spain and to the increase in other expenses

regarding our operating activities related to assets under construction and advances of the group company Sociedad Eólica Punta Maeda, S.L.

Cash flows used in consolidated investing activities

Cash flows used in consolidated investing activities were €32,668 thousand in the year ended December 31, 2020, compared to net cash flows used in consolidated investing activities of €9,075 thousand in the year ended December 31, 2019. This €23,593 thousand increase in cash flows used in consolidated investing activities was mainly due to an increase in cash flows used in investment payments, concretely in Group and associated companies derived from the acquisition of Oilean Telde Eólica Energy, S.L. from the Sole Shareholder for an amount of €3,300 thousand, as well as related to intangible assets and property, plant and equipment assets mainly regarding the incorporation and construction of wind farms and in right of use assets. The above was partially offset by an increase in collections derived from other financial assets.

Cash flows used in consolidated investing activities were €9,075 thousand in the year ended December 31, 2019, compared to net cash flows used in consolidated investing activities of €4,141 thousand in the year ended December 31, 2018. This €4,934 thousand increase in net cash flows used in consolidated investing activities was mainly due to the increase in cash flows used in investment payments related to Property, plant and equipment, mainly corresponding to expenses incurred in the development of assets under construction and advances, partially offset by an increase in collections for divestment charges regarding group and associated companies.

Cash flows from/(used in) consolidated financing activities

Cash flows from financing activities were €24,547 thousand in the year ended December 31, 2020, compared to net cash flows used in financing activities of €2,139 thousand in the year ended December 31, 2019. The variation in net cash flows generated from and used in financing activities was primarily due to the increase in collections related to the issue of the Senior Bond on the Open Market of the Frankfurt Stock Exchange as well as from proceeds regarding other debts. This increase was partially offset by the repayment of the debt with financial institutions to entirely redeem the indebtedness from different subsidiaries of the Group as the debt associated to them was cancelled during the year 2020 as part of the aforementioned issue refinancing, as well as, due to the lease liabilities' payments.

Cash flows used in consolidated financing activities were €2,139 thousand in the year ended December 31, 2019, compared to net cash flows used in consolidated financing activities of €4,152 thousand in the year ended December 31, 2018. This €2,013 thousand decrease in cash flows used in consolidated financing activities, was primarily due to net cash flows generated from other debts collections due to a deposit formalized in Ecoener Inversiones, S.C.A. SICAV-RAIF maturing in 2025, collections related to grants received to finance the construction of five wind farms in the Canary Islands (Spain) and to the decrease in remuneration of other equity instruments for the year 2019 as in 2018, the group company Dragmoc, S.L. distributed a dividend in the amount of 6,000 thousand euros. These increases were partially offset by payments related to equity instruments issue and remuneration as well as the increase in dividends paid compared to the precedent period.

Financial covenants

As of December 31, 2020, approximately 76.6% of the financing agreements arranged by the Group (Senior Bond and non-recourse project finance from financial institutions in Honduras and Guatemala) was subject to compliance with certain financial covenants. To date, these covenants have been met. See sections “*Risk Factors- We have substantial indebtedness and may incur substantial additional indebtedness in the future*” and “*Material Contracts*”.

Capital expenditures (“CapEx”)

Capital expenditures include amounts invested for purchasing long-lived assets used in our businesses. Capital expenditures are capitalized depending on their nature as either intangible assets or tangible assets. The following table sets forth the breakdown of our capital expenditures for the years ended December 31, 2020, 2019 and 2018:

	December 31, 2020	December 31, 2019	December 31, 2018
		<i>(in € thousands)</i>	
CapEx in intangible assets.....	1,110	52	103
CapEx in property, plant and equipment	32,711	11,828	1,628
Total CapEx	33,821	11,880	1,731

Contractual obligations

We have contractual obligations related to financial debt commitments that represent prospective cash requirements. The following table summarizes our outstanding contractual obligations and commercial commitments and their maturity as of December 31, 2020:

	Less than 1 year	Two years	Three Years	Four years	Five years	Subsequ ent years	Less current amount	Total Non- current
<i>(in € thousands)</i>								
Short and long-term debts								
Debts with financial institutions.....	3,184	710	2,332	2,485	2,633	31,787	(3,184)	39,947
Lease liabilities	392	384	373	346	309	5,312	(392)	6,724
Obligations and other marketable securities	6,382	6,221	8,050	9,143	9,080	83,602	(6,382)	116,096
Debts with related parties.....	834	8,479	-	-	-	-	(834)	8,479
Derivatives.....	1,554	-	-	-	-	-	(1,554)	-
Other financial liabilities.....	6,787	-	-	1,622	7,500	5,150	(6,787)	14,272
Trade and other accounts payable and non-current accounts payable								
Suppliers	4	-	-	-	-	-	(4)	-
Other trade payables	3,729	163	-	-	-	-	(3,729)	163
Wages payable	9	-	-	-	-	-	(9)	-
Total	22,875	15,957	10,755	13,596	19,522	125,851	(22,875)	185,681

Off-Balance Sheet arrangements

As of December 31, 2020, 2019, and 2018, we have contingent liabilities in respect of bank guarantees, surety certificates and other guarantees provided in the ordinary course of business. Hence, we are required to provide performance guarantees in the form of cash or bank guarantees in connection with the execution of projects as well as surety certificates. See section “Risk Factors –Risks Related to Our Business – We may be unable to acquire or maintain the performance guarantees, sureties and bonds necessary to complete our ongoing projects or to obtain new contracts.”, where the aggregate amount of outstanding commercial guarantees and bonds is disclosed.

These guarantees and surety certificates to guarantee compliance with the obligations or commitments acquired with different institutions and official bodies, are detailed below:

Company	As of December 31,					
	2020		2019		2018	
	Limit	Formalised amount	Limit	Formalised amount	Limit	Formalised amount
<i>(in € thousands)</i>						
Alamillo de Doramas, S.L.	2,791	2,791	2,791	2,791	120	120
Amagante Herreño, S.L.	88	88	88	88	88	88
Arrebol Renovables, S.L.	-	-	-	-	126	126
Bencomia de Risco, S.L.	343	343	112	112	112	112
Canutillo de Sabinosa, S.L.	330	330	100	100	100	100
Cardo de Plata, S.L.	1,277	1,277	1,165	1,165	56	56
Cardoncillo Gris, S.L.	74	74	-	-	-	-
Chajorra de Aluce, S.L.	60	60	60	60	60	60
Colino Majorero, S.L.	903	903	902	902	182	182
Conservilla Majorera, S.L.	-	-	72	72	72	72
Cresta de Gallo, S.L.	96	96	95	95	95	95
Dama de Bandama, S.L.	248	248	232	232	232	232
Drago Renovables, S.L.	200	200	200	200	200	200
Energías de Pontevedra, S.L.	30	30	30	30	30	30
Eólicos del Matorral, S.L.	976	976	-	-	-	-
Hidroeléctrica de Ourol, S.L.	946	946	1,083	1,083	1,003	1,003
Helecho de Cristal, S.L.	-	-	1,487	1,487	47	47
Herdanera, S.L.	-	-	440	440	440	440
Hidroeléctrica del Giesta, S.L.	124	124	124	124	-	-

Hierba Muda, S.L.	80	80	80	80	80	80
Magarza del Andén, S.L.	2,336	2,336	-	-	483	483
Magarza Plateada, S.L.	150	150	364	364	364	364
Malva del Risco, S.L.	353	353	352	352	352	352
Mocan Renovables, S.L.	92	92	92	92	92	92
Mosquera de Tamadaba, S.L.	-	-	92	92	92	92
Oilean Telde Eólica Energy, S.L.	1,952	1,952	-	-	-	-
Picocercialo, S.L.	72	72	160	160	160	160
Risoela, S.L.	165	165	164	164	164	164
Rosalito Palmero, S.L.	955	955	235	235	235	235
Salvia Blanca, S.L.	520	520	560	560	560	560
Siempreviva Azul, S.L.	164	164	164	164	164	164
Siempreviva Gigante, S.L.	280	280	266	266	266	266
Sociedad Eólica Punta Maeda, S.L.	1,288	1,288	1,408	1,408	641	641
Sociedad Lucense de Energía Hidráulica y Eólica, S.L.	120	120	120	120	120	120
Tabaiba Solar, S.L.	384	384	200	200	200	200
Tiraventos, S.L.	1,820	1,820	1,020	1,020	1,020	1,020
Violeta Palmera, S.L.	889	889	-	-	-	-
Yesquera de Aluce, S.L.	942	942	846	846	72	72
Comercializadora Centroamericana de Energía La Ceiba, S.A.	551	551	772	772	446	446
Energías del Ocosito, S.A.	198	198	213	213	433	433
Llanos del Sur Fotovoltaica, S.A.	541	541	590	590	579	579
	22,338	22,338	16,679	16,679	9,486	9,486

Additionally, there are fixed assets as well as other assets pledged as guarantees for certain debts, as well as other types of sureties, whose net carrying amount, as of December 31, 2020, 2019 and 2018 is detailed below:

Company	Pledge	As of December 31,		
		2020	2019	2018
		<i>(in € thousands)</i>		
Grupo Ecoener, S.A.U.	Shares of Ecoener Emisiones, S.A. (Sole Shareholder Company)	-	-	-
Ecoener Emisiones, S.A.U.	Subsidiary shares	-	-	-
Hidroeléctrica del Giesta, S.L.U.				
Energías de Pontevedra, S.L.U.				
Hidroeléctrica de Oourol, S.L.U.	Promise of mortgage guarantee at creditor's request.			
Sociedad Lucense de Energía Hidráulica y Eólica, S.L.	Pledge on receivables	124,502	-	-
Drago Renovables, S.L.	Pledge on bank accounts.			
Mocan Renovables, S.L.				
Yesquera de Aluce, S.L.				
Ecoener Inversiones S.C.A. SICAV-RAIF, S.L.	Subsidiary shares	12,650	5,527	5,998
Desarrollo Energético de La Mariña, S.L.	Subsidiary shares	-	5,527	5,998
Drago Renovables, S.L.	Credit rights	-	23,600	25,352
Energías de Pontevedra, S.L.	Mortgage and credit rights	-	-	1,886
Energías del Ocosito, S.A.	Fiduciary guarantee hydropower facilities	29,455	32,007	33,308
Hidroeléctrica de Oourol, S.L.	Mortgage and credit rights	-	22,637	24,532
Hidroeléctrica del Giesta, S.L.	Credit rights and company shares	-	26,343	28,466
Llanos del Sur Fotovoltaica, S.A.	Fiduciary guarantee solar photovoltaic facilities	13,421	15,548	16,137
Mocan Renovables, S.L.	Credit rights	-	8,888	9,548
Sociedad Lucense de Energía Hidráulica y Eólica, S.L.	Mortgage	-	2,657	3,672
Dragmoc, S.L.	Shares	-	7,100	7,100

Recent Developments

Construction activity

In relation to the construction and development activity associated with construction, the latter being understood as the management of the work necessary for the subsequent execution of construction activities, while the physical construction activity strictly includes the implementation and completion of the works and

commissioning of the installation. Both activities have historically been carried out by the Pre-Offering Sole Shareholder on a discontinued basis, through the hiring of personnel for work and services only during the periods in which it has had facilities under construction.

The last facilities built by the Pre-Offering Sole Shareholder have been the five wind farms in San Bartolomé de Tirajana (Gran Canaria, Canary Islands). On December 31, 2020, the Pre-Offering Sole Shareholder terminated the contracts of all the workers who had been hired for the execution of the works, due to the completion of such works. As of December 31, 2020, these facilities have been completed and it is not expected that the Pre-Offering Sole Shareholder, Ecoener, S.L.U., will have other activity within the Group other than being the controlling shareholder of the Company and, therefore, of the Group. Therefore, the projects under the Pipeline will be developed and promoted by the Group in 2021 and onwards.

In this regard, Grupo Ecoener, S.A.U. has not received personnel, rights or obligations related to the construction and development activity.

Since January 1, 2021, Grupo Ecoener, S.A.U. has built twelve solar PV plants in San Bartolomé de Tirajana (Gran Canaria, Canary Islands), as well as a wind farm in the same geographical area.

2021 Credit Facility Agreements in Spain

Arcos del Coronadero and Lomo del Moral credit facility agreement in Spain

On February 23, 2021, for the financing of the construction and operation of the wind farms of Lomo del Moral and Arcos del Coronadero in Spain, we entered, through Violeta Palmera, S.L. and Eólicos del Matorral, S.L., into a credit facility agreement with Banco de Sabadell, for a maximum amount of €6,415 thousand. This credit facility agreement matures on June 30, 2037 and has a repayment schedule based on semester instalments, at an annual interest rate of 2.70%.

This credit facility agreement contains certain restrictive covenants and restrictions on our business. In particular, we shall ensure that the Debt-Service Coverage Ratio is at least 1.05x; and the leverage ratio (Outstanding debt/Equity plus debt amount to be paid in that period) is always below 65%. Furthermore, cash distributions are restricted and subject to the fulfillment of some requirements, including, among others, the Debt-Service Coverage Ratio shall be at least 1.20x and the payment of the first instalment.

Under this agreement, Violeta Palmera, S.L. and Eólicos Matorral, S.L. are subject to other customary limitations on the disposal of the assets and other restrictions according to which they shall mainly: (i) not incur in any additional debt with other financial or non-financial institutions; (ii) not grant loans, guarantees or any other financing instruments to third parties and (iii) not enter into securities transactions (unless expressly authorized by Banco de Sabadell) nor invest in securities. This credit facility is secured by (i) pledges over the 100% of the shares of Violeta Palmera, S.L. and Eólicos del Matorral, S.L. (ii) pledges over the credit rights arising from bank accounts related to the projects; and (iii) pledges over the credit rights arising from the agreements entered into by the SPVs.

Finally, pursuant to the provisions of the guarantee agreement related to the credit facility agreement, Violeta Palmera, S.L. and Eólicos del Matorral, S.L. shall constitute a mortgage and/or pledges over the assets of the project if: (i) the Debt-Service Coverage Ratio is under 1.1x; or (ii) if any of the causes for early maturity set forth in the agreement are met. Finally, in the event of a change of control, i.e. Grupo Ecoener, S.A. ceasing to own 100% of the share capital, directly or indirectly of the SPVs during the construction of the wind farms or 50.01% during its operation, Banco de Sabadell shall be entitled to terminate the agreement and claim the payment of the outstanding debt, interests and other expenses set forth in the agreement.

Solar PV plants in San Bartolomé de Tirajana (Gran Canaria, Canary Islands) credit facility agreement in Spain

On March 23, 2021, for the financing of the construction and operation of twelve solar PV plants in the Canary Islands, we entered, through Canutillo de Sabinosa, S.L., Bencomia de Risco, S.L. and Tabaiba Solar, S.L. into a credit facility agreement with Banco de Sabadell, for a maximum amount of €16,770 thousand. This credit facility agreement matures on December 31, 2037 and has a repayment schedule based on semester instalments, at an annual interest rate of 2.70%.

This credit facility agreement contains certain restrictive covenants and restrictions on our business. In particular, we shall ensure that the Debt-Service Coverage Ratio is at least 1.05x; and the leverage ratio (Outstanding debt/Equity plus debt amount to be paid in that period) is always below 56%. Furthermore, cash distributions are

restricted and subject to the fulfillment of some requirements, including, among others, the Debt-Service Coverage Ratio shall be at least 1.20x and the payment of the first instalment.

Under this agreement, Canutillo de Sabinosa, S.L., Bencomia de Risco, S.L. and Tabaiba Solar, S.L. are subject to other customary limitations on the disposal of the assets and other restrictions according to which they shall mainly: (i) not incur in any additional debt with other financial or non-financial institutions; (ii) not grant loans, guarantees or any other financing instruments to third parties and (iii) not enter into securities transactions (unless expressly authorized by Banco de Sabadell) nor invest in securities. This credit facility is secured by (i) pledges over the 100% of the shares of Canutillo de Sabinosa, S.L., Bencomia de Risco, S.L. and Tabaiba Solar, S.L. (ii) pledges over the credit rights arising from bank accounts related to the projects; and (iii) pledges over the credit rights arising from the agreements entered into by Canutillo de Sabinosa, S.L., Bencomia de Risco, S.L. and Tabaiba Solar, S.L.

Finally, pursuant to the provisions of the guarantee agreement related to the credit facility agreement, Canutillo de Sabinosa, S.L., Bencomia de Risco, S.L. and Tabaiba Solar, S.L. shall constitute a mortgage and/or pledges over the assets of the project if; (i) the Debt-Service Coverage Ratio is under 1.05x; or (ii) if any of the causes for early maturity set forth in the agreement are met. Finally, in the event of a change of control, i.e. Grupo Ecoener, S.A. ceasing to own 100% of the share capital, directly or indirectly of Canutillo de Sabinosa, S.L., Bencomia de Risco, S.L. and Tabaiba Solar, S.L. during the construction of the solar PV plants or 50.01% during its operation, Banco de Sabadell shall be entitled to terminate the agreement and claim the payment of the outstanding debt, interests and other expenses set forth in the agreement.

Wind farm in San Bartolomé de Tirajana (Gran Canaria, Canary Islands) credit facility agreement in Spain

On March 31, 2021, for the financing of the construction and operation of a wind farm in the Canary Islands, we entered, through Oilean Telde Eólica Energy, S.L., into a credit facility agreement with Banco de Sabadell, for a maximum amount of €16,475 thousand. This credit facility agreement matures on June 30, 2038 and has a repayment schedule based on semester instalments, at an annual interest rate of 2.70%.

This credit facility agreement contains certain restrictive covenants and restrictions on our business. In particular, we shall ensure that the Debt-Service Coverage Ratio is at least 1.05x; and the leverage ratio (Outstanding debt/ Equity plus debt amount to be paid in that period) is always below 65%. Furthermore, cash distributions are restricted and subject to the fulfillment of some requirements, including, among others, the Debt-Service Coverage Ratio shall be at least 1.20x and the payment of the first instalment.

Under this agreement, Oilean Telde Eólica Energy, S.L. is subject to other customary limitations on the disposal of the assets and other restrictions according to which they shall mainly: (i) not incur in any additional debt with other financial or non-financial institutions; (ii) not grant loans, guarantees or any other financing instruments to third parties and (iii) not enter into securities transactions (unless expressly authorized by Banco de Sabadell) nor invest in securities. This credit facility is secured by (i) pledges over the 100% of the shares of Oilean Telde Eólica Energy, S.L. (ii) pledges over the credit rights arising from bank accounts related to the projects; and (iii) pledges over the credit rights arising from the agreements entered into by the SPV.

Finally, pursuant to the provisions of the guarantee agreement related to the credit facility agreement, Oilean Telde Eólica Energy, S.L. shall constitute a mortgage and/or pledges over the assets of the project if; (i) the Debt-Service Coverage Ratio is under 1.05x; or (ii) if any of the causes for early maturity set forth in the agreement are met. Finally, in the event of a change of control, i.e. Grupo Ecoener, S.A. ceasing to own 100% of the share capital, directly or indirectly of Oilean Telde Eólica Energy, S.L. during the construction of the wind farm or 50.01% during its operation, Banco de Sabadell shall be entitled to terminate the agreement and claim the payment of the outstanding debt, interests and other expenses set forth in the agreement.

Debt capitalization

On March 4, 2021, our Pre-Offering Sole Shareholder proceeded to capitalize part of a receivable it had with the Group for an amount of €6,500 thousand arising from a debt agreement dated March 10, 2020 granted by the Pre-Offering Sole Shareholder for the financing and development of projects. This transaction, was carried out as a shareholder contribution by means of a compensation of part of the receivables held by the Pre-Offering Sole Shareholder from the Company. See *Note 28 to our 2020 Audited Consolidated Annual Accounts*.

Capital increase

On March 22, 2021, our Pre-Offering Sole Shareholder, in the context of the Offering and in order to meet the requirements of securities and share capital of listed companies, upon the proposal of the Board of Directors, approved a capital increase through the issuance of new shares against freely available or unrestricted reserves. Consequently, we increased our share capital in the amount of €12,240 thousand to the figure of €12,800 thousand as of the date of this Prospectus, through the issuance of 122,400 new shares of €100 of nominal value each, of the same class and series and with the same rights as those outstanding.

Simultaneously, our Pre-Offering Sole Shareholder approved on that same date the reduction of the nominal value of the shares, multiplying, consequently, the number of outstanding shares. The reduction of the nominal value of the Company's shares, which goes from €100 per share to €0.32 per share in order to increase the number of outstanding shares, provide the share with sufficient liquidity in the market and adjust the foreseeable market value of our shares. As a result of the split, we increased our number of issued shares from 128,000 to 40,000 thousand shares.

Management Incentive Plan

On March 22, 2021, in the context of the Offering and with the aim of aligning the remuneration of our Senior Management and other employees with the interests of shareholders, clients and the Company itself, our Board of Directors approved a remuneration policy which varies depending on the responsibilities and duties of the relevant employee (the “**Remuneration Policy**”). The Remuneration Policy sets out its objectives, principles and establishes four different remuneration packages detailed in “*Management and Board of Directors—Compensation—Management Incentive Plan*”.

Critical Accounting Policies and Estimates

The Group's critical accounting policies are described in Note 4 to the 2020 Audited Consolidated Annual Accounts, which are included in this Prospectus. See section “*Documentation Included or Incorporated by Reference*”.

Analysis of Unaudited Alternative Performance Measures

We have prepared our 2020 Audited Consolidated Annual Accounts in accordance with IFRS-EU. Additionally, we present some APMs to provide additional information that we believe is contributory to the comparability and understanding of our financial information and facilitates decision-making and evaluation of our performance. By facilitating comparisons of relative performance, the measures help management to detect and evaluate trends, to forecast operating and financial performance and to compare actual performance to forecast expectations. We use these measures as internal measures to evaluate and compare our performance. However, these measures are not defined, and are not measures of performance, under IFRS. The APMs have not been audited or reviewed, do not represent our revenues, margins, results of operations or cash flows for the periods presented and should not be regarded as alternatives to revenues, cash flows or results of operations for the periods presented or other measures of performance as defined by IFRS. The APMs should be considered by readers only as complementary to, and not substitutive for or superior to, the financial information presented in the 2020 Audited Consolidated Annual Accounts. Readers are cautioned not to place undue reliance on these measures, which should not be considered in isolation, may differ significantly from similarly titled information reported by other companies and may not always be comparable.

As described in this Prospectus, the financial information as of and for the years ended December 31, 2020, 2019 and 2018 has been derived from the 2020 Audited Consolidated Annual Accounts. For additional information, see section “*Presentation of Financial Information and Other Important Notices*”.

The APMs used are the following: Management EBITDA*, Management EBITDA Margin*, Adjusted Management EBITDA*, Adjusted Management EBITDA Margin*, Working Capital* and Net Financial Debt* as well as information by segment and geography of the aforementioned APMs.

	As of and for the year ended December 31,		
	2020	2019	2018
Consolidated figures			
Financial Data			
Net revenues.....	36,897	33,736	31,167
Net income/(loss) from continued operations.....	5,768	5,832	136

(in € thousands, except percentages)

	As of and for the year ended December 31,		
	2020	2019	2018
Management EBITDA*	25,301	19,180	18,707
<i>Management EBITDA Margin* (%)</i>	<i>68.6%</i>	<i>56.9%</i>	<i>60.0%</i>
Adjusted Management EBITDA*	21,428	21,343	20,031
<i>Adjusted Management EBITDA Margin* (%)</i>	<i>58.1%</i>	<i>63.3%</i>	<i>64.3%</i>
Working Capital*	7,216	8,897	6,481
Net Financial Debt*	182,193	123,089	122,224

1. Management EBITDA*

Management EBITDA* is calculated as net income/(loss) from continued operations before net financial loss, income tax benefit/(expense) for the year and depreciation and amortization.

Management EBITDA* does not meet the definition of EBITDA under the SEC Compliance & Disclosure Interpretations (“C&DIs”). Management EBITDA* is referred to as EBITDA in the 2020 Consolidated Management Report.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Net income/(loss) from continued operations ...	5,768	5,832	136
Net financial loss.....	(11,968)	(7,297)	(10,733)
Income tax benefit/(expense) for the year	575	1,902	23
Depreciation and amortization	(8,140)	(7,953)	(7,861)
Management EBITDA*	25,301	19,180	18,707

Explanation of use: Management EBITDA* is considered by us as a measure of the performance of our activity as it provides information for analyzing profitability (before net financial loss, income tax benefit/(expense) for the year and depreciation and amortization). Additionally, it is a measure that might be used by investors, as well as by rating agencies and creditors to assess our level of indebtedness by comparing Management EBITDA* with net financial debt or with debt service.

2. Management EBITDA Margin*

Management EBITDA Margin* is calculated as Management EBITDA* divided by Net revenues. Management EBITDA Margin* is referred to as EBITDA Margin in the 2020 Consolidated Management Report.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Management EBITDA* (I).....	25,301	19,180	18,707
Net revenues (II).....	36,897	33,736	31,167
Management EBITDA Margin* (I/II)	68.6%	56.9%	60.0%

Explanation of use: Management EBITDA Margin* is considered by us as a measure of the profitability of our activity, as it provides information on the contribution percentage that Management EBITDA* represents on the amount of Net revenues. This overall contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

3. Adjusted Management EBITDA*

Adjusted Management EBITDA* is calculated as Management EBITDA*, adjusting for other income, losses, impairment and variation of provisions for trade operations and impairment and income from disposal of fixed assets. Adjusted Management EBITDA* is referred to as Adjusted EBITDA in the 2020 Consolidated Management Report.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Management EBITDA*	25,301	19,180	18,707
Other income	154	245	939
Losses, impairment and variation of provisions for trade operations	980	(3,050)	(1,477)

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Impairment and income from disposal of fixed assets	2,739	642	(786)
Adjusted Management EBITDA*	21,428	21,343	20,031

Explanation of use: Adjusted Management EBITDA* is considered by us as a measure of the performance of our activity, as it provides an analysis of the operating results excluding items which we consider not directly related to the business activity.

4. Adjusted Management EBITDA Margin*

Adjusted Management EBITDA Margin* is calculated as Adjusted Management EBITDA* divided by Net revenues. Adjusted Management EBITDA Margin* is referred to as Adjusted EBITDA Margin in the 2020 Consolidated Management Report.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Adjusted Management EBITDA* (I)	21,428	21,343	20,031
Net revenues (II)	36,897	33,736	31,167
Adjusted Management EBITDA Margin* (I/II)	58.1%	63.3%	64.3%

Explanation of use: Adjusted Management EBITDA Margin* is considered by us as a measure of the profitability of our activity, as it provides information on the contribution percentage that Adjusted Management EBITDA* represents on the amount of Net revenues. This overall contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

5. Working Capital*

Working Capital* is calculated as Total Currents Assets less Total Current Liabilities.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Total current assets (I)	31,294	25,619	24,673
Total current liabilities (II)	24,078	16,722	18,192
Working Capital* (I-II)	7,216	8,897	6,481

Explanation of use: Working Capital* is considered by us as a measure of our financial condition, as it provides an analysis of our liquidity, operational efficiency (optimization of short-term resources and processes to generate positive investment returns) and short-term financial health.

6. Net Financial Debt*

Net Financial Debt* is calculated as the sum of long-term and short-term debts, less long-term and short-term lease liabilities, short-term financial investments and cash and cash equivalents, which is all available, given that there is no restricted cash.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Long-term debts (I)	185,518	153,444	152,116
Long-term lease liabilities (II)	6,724	26,272	29,267
Short-term debts (III)	19,133	13,553	13,448
Short-term lease liabilities (IV)	392	3,104	3,014
Short-term financial investments (V)	1,661	1,848	2,046
Cash and cash equivalents (VI)	13,681	12,684	9,013
Net Financial Debt* (I-II+III-IV-V-VI)	182,193	123,089	122,224

Explanation of use: Net Financial Debt* is a financial magnitude that measures the financial debt position of a company. Additionally, it is a magnitude widely used by investors when assessing the financial leverage of companies, as well as by rating agencies and creditors to assess the level of net indebtedness.

Operating Segment Reporting Information

1. Hydropower facilities operation

A. Management EBITDA* from hydropower facilities operation

Management EBITDA* from hydropower energy facilities operation is calculated as net income/(loss) from continued operations from hydropower energy facilities, before net financial loss from hydropower energy facilities, income tax benefit/(expense) for the year from hydropower energy facilities, and depreciation and amortization of hydropower energy facilities fixed assets.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Net income/(loss) from continued operations from hydropower energy facilities	3,834	4,195	280
Net financial loss from hydropower energy facilities	(3,154)	(1,621)	(5,075)
Income tax benefit/(expense) for the year from hydropower energy facilities.....	(655)	(617)	(460)
Depreciation and amortization of hydropower energy facilities	(2,978)	(2,613)	(2,620)
Management EBITDA* from hydropower energy facilities operation.....	10,621	9,046	8,435

Explanation of use: Management EBITDA* from hydropower energy facilities operation is considered by us as a measure of the performance of our activity as it provides information for analyzing profitability (before net financial loss, income tax benefit/(expense) for the year and depreciation and amortization). Additionally, it is a measure that might be used by investors, as well as by rating agencies and creditors to assess our level of indebtedness by comparing Management EBITDA* from hydropower energy facilities operation with net financial debt or with debt service.

B. Management EBITDA Margin* from hydropower energy facilities operation

Management EBITDA Margin* from hydropower energy facilities operation is calculated as Management EBITDA* from hydropower energy facilities operation divided by Net revenues from hydropower energy facilities operation.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Management EBITDA* from hydropower energy facilities operation (I).....	10,621	9,046	8,435
Net revenues from hydropower energy facilities operation (II).....	13,646	11,405	11,577
Management EBITDA Margin* from hydropower energy facilities operation (I/II).....	77.8%	79.3%	72.9%

Explanation of use: Management EBITDA Margin* from hydropower energy facilities operation is considered by us as a measure of the profitability of our activity, as it provides information on the contribution percentage that Management EBITDA* from hydropower energy facilities operation represents on the amount of Net revenues from the hydropower energy facilities operation. This overall contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

C. Adjusted Management EBITDA* from hydropower energy facilities operation

Adjusted Management EBITDA* from hydropower energy facilities operation is calculated as Management EBITDA* from hydropower energy facilities operation, adjusting for other income, losses, impairment and variation of provisions for trade operations and impairment and income from disposal of fixed assets from hydropower energy facilities operation.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Management EBITDA* from hydropower energy facilities operation.....	10,621	9,046	8,435
Other income from hydropower energy facilities operation .	65	-	(18)
Losses, impairment and variation of provisions for trade operations from hydropower energy facilities operation...	(15)	-	-
Impairment and income from disposal of fixed assets from hydropower energy facilities operation.....	-	-	-
Adjusted Management EBITDA* from hydropower energy facilities operation	10,571	9,046	8,453

Explanation of use: Adjusted Management EBITDA* from hydropower energy facilities operation is considered by us as a measure of the performance of our activity, as it provides an analysis of operating results excluding items which we consider not directly related to the business activity.

D. Adjusted Management EBITDA Margin* from hydropower energy facilities operation

Adjusted Management EBITDA Margin* from hydropower energy facilities operation is calculated as Adjusted Management EBITDA* from hydropower energy facilities operation divided by Net revenues from hydropower energy facilities operation.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Adjusted Management EBITDA* from hydropower energy facilities operation (I)	10,571	9,046	8,453
Net revenues from hydropower energy facilities operation (II) ..	13,646	11,405	11,577
Adjusted Management EBITDA Margin* from hydropower energy facilities operation (I/II)	77.5%	79.3%	73.0%

Explanation of use: Adjusted Management EBITDA Margin* from hydropower energy facilities operation is considered by us as a measure of the profitability of our activity excluding items which we consider not directly related to the business activity and it provides information on the adjusted contribution percentage that Adjusted Management EBITDA* from hydropower energy facilities operation represents on the amount of Net revenues from hydropower energy facilities operation. This overall adjusted contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

2. Wind energy facilities operation

A. Management EBITDA* from wind energy facilities operation

Management EBITDA* from wind energy facilities operation is calculated as net income/(loss) from continued operations from wind energy facilities before net financial loss from wind energy facilities, income tax benefit/(expense) for the year from wind energy facilities and depreciation and amortization of wind energy facilities.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Net income/(loss) from continued operations from wind energy facilities	5,469	7,210	4,087
Net financial loss from wind energy facilities	(4,582)	(3,550)	(2,716)
Income tax benefit/(expense) for the year from wind energy facilities	(6)	2,256	(343)
Depreciation and amortization of wind energy facilities	(3,954)	(3,515)	(3,469)
Management EBITDA* from wind energy facilities operation.....	14,011	12,019	10,615

Explanation of use: Management EBITDA* from wind energy facilities operation is considered by us as a measure of the performance of our activity as it provides information for analyzing profitability (before net financial loss, income tax benefit/(expense) for the year and depreciation and amortization). Additionally, it is a measure that

might be used by investors, as well as by rating agencies and creditors to assess our level of indebtedness by comparing Management EBITDA* from wind energy facilities operation with net financial debt or with debt service.

B. Management EBITDA Margin* from wind energy facilities operation

Management EBITDA Margin* from wind energy facilities operation is calculated as Management EBITDA* from wind energy facilities operation divided by Net revenues from wind energy facilities operation.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Management EBITDA* from wind energy facilities operation (I)	14,011	12,019	10,615
Net revenues from wind energy facilities operation (II)	13,781	12,981	12,733
Management EBITDA Margin* from wind energy facilities operation (I/II)	101.7%	92.6%	83.4%

Explanation of use: Management EBITDA Margin* from wind energy facilities operation is considered by us as a measure of the profitability of our activity, as it provides information on the contribution percentage that Management EBITDA* from wind energy facilities operation represents on the related amount of Net revenues from wind energy facilities operation. This overall contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

C. Adjusted Management EBITDA* from wind energy facilities operation

Adjusted Management EBITDA* from wind energy facilities operation is calculated as Management EBITDA* from wind energy facilities operation, adjusting for other income, losses, impairment and variation of provisions for trade operations and impairment and income from disposal of fixed assets from wind energy facilities operation.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Management EBITDA* from wind energy facilities operation	14,011	12,019	10,615
Other income from wind energy facilities operation	86	-	259
Losses, impairment and variation of provisions for trade operations from wind energy facilities operation	(10)	-	-
Impairment and income from disposal of fixed assets from wind energy facilities operation	2,894	1,175	-
Adjusted Management EBITDA* from wind energy facilities operation	11,041	10,844	10,356

Explanation of use: Adjusted Management EBITDA* from wind energy facilities operation is considered by us as a measure of the performance of our activity, as it provides an analysis of operating results excluding items which we consider not directly related to the business activity.

D. Adjusted Management EBITDA Margin* from wind energy facilities operation

Adjusted Management EBITDA Margin* from wind energy facilities operation is calculated as Adjusted Management EBITDA* from wind energy facilities operation divided by Net revenues from wind energy facilities operation.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Adjusted Management EBITDA* from wind energy facilities operation (I)	11,041	10,844	10,356
Net revenues from wind energy facilities operation (II)	13,781	12,981	12,733
Adjusted Management EBITDA Margin* from wind energy facilities operation (I/II)	80.1%	83.5%	81.3%

Explanation of use: Adjusted Management EBITDA Margin* from wind energy facilities operation is considered by us as a measure of the profitability of our activity excluding items which we consider not directly related to the business activity and it provides information on the adjusted contribution percentage that Adjusted Management EBITDA* from wind energy facilities operation represents on the related amount of Net revenues from wind energy facilities operation. This overall adjusted contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

3. Solar PV energy facilities operation

A. Management EBITDA* from solar PV energy facilities operation

Management EBITDA* from solar PV energy facilities operation is calculated as net income/(loss) from continued operations from solar PV energy facilities operation before, net financial loss from solar PV energy facilities, income tax benefit/(expense) for the year from solar PV energy facilities, and depreciation and amortization of solar PV energy facilities.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Net income/(loss) from continued operations from solar PV energy facilities	3,040	(1,131)	52
Net financial loss from solar PV energy facilities	(879)	(1,305)	(1,614)
Income tax benefit/(expense) for the year from solar PV energy facilities.....	2	-	9
Depreciation and amortization of solar PV energy facilities..	(1,011)	(1,129)	(1,010)
Management EBITDA* from solar PV energy facilities operation.....	4,928	1,303	2,667

Explanation of use: Management EBITDA* from solar PV energy facilities operation is considered by us as a measure of the performance of our activity as it provides information for analyzing profitability (before net financial loss, income tax benefit/(expense) for the year and depreciation and amortization). Additionally, it is a measure that might be used by investors, as well as by rating agencies and creditors to assess our level of indebtedness by comparing Management EBITDA* from solar PV energy facilities operation with net financial debt or with debt service.

B. Management EBITDA Margin* from solar PV energy facilities operation

Management EBITDA Margin* from solar PV energy facilities operation is calculated as Management EBITDA* from solar PV energy facilities operation divided by Net revenues from solar PV facilities operation.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Management EBITDA* from solar PV energy facilities operation (I).....	4,928	1,303	2,667
Net revenues from solar PV energy facilities operation (II) ..	4,283	4,621	4,243
Management EBITDA Margin* from solar PV energy facilities operation (I/II)	115.1%	28.2%	62.9%

Explanation of use: Management EBITDA Margin* from solar PV energy facilities operation is considered by us as a measure of the profitability of our activity, as it provides information on the contribution percentage that Management EBITDA* from solar PV energy facilities operation represents on the related amount of Net revenues from solar PV energy facilities operation. This overall contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

C. Adjusted Management EBITDA* from solar PV energy facilities operation

Adjusted Management EBITDA* from solar PV energy facilities operation is calculated as Management EBITDA* from solar PV energy facilities operation, adjusting for other income, losses, impairment and variation of provisions for trade operations and impairment and income from disposal of fixed assets from solar PV energy facilities operation.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Management EBITDA* from solar PV energy facilities operation.....	4,928	1,303	2,667
Other income from solar PV energy facilities operation	-	-	-
Losses, impairment and variation of provisions for trade operations from solar PV energy facilities operation	1,005	(3,050)	(1,425)
Impairment and income from disposal of fixed assets from solar PV energy facilities operation	-	-	-
Adjusted Management EBITDA* from solar PV energy facilities operation.....	3,923	4,353	4,092

Explanation of use: Adjusted Management EBITDA* from solar PV energy facilities operation is considered by us as a measure of the performance of our activity, as it provides an analysis of operating results excluding items which we consider not directly related to the business activity.

D. Adjusted Management EBITDA Margin* from solar PV energy facilities operation

Adjusted Management EBITDA Margin* from solar PV energy facilities operation is calculated as Adjusted Management EBITDA* from solar PV energy facilities operation divided by Net revenues from solar PV energy facilities operation.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Adjusted Management EBITDA* from solar PV energy facilities operation (I)	3,923	4,353	4,092
Net revenues from solar PV energy facilities operation (II) ..	4,283	4,621	4,243
Adjusted Management EBITDA Margin* from solar PV energy facilities operation (I/II)	91.6%	94.2%	96.4%

Explanation of use: Adjusted Management EBITDA Margin* from solar PV energy facilities operation is considered by us as a measure of the profitability of our activity excluding items which we consider not directly related to the business activity and it provides information on the adjusted contribution percentage that Adjusted Management EBITDA* from solar PV energy facilities operation represents on the related amount of Net revenues from solar PV energy facilities operation. This overall adjusted contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

4. Other services

A. Management EBITDA* from Other services

Management EBITDA* from other services is calculated as net income/(loss) from continued operations from other services before net financial loss from other services, income tax benefit/(expense) for the year from other services and depreciation and amortization in such operating segment.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Net income/(loss) from continued operations from other services	(7,012)	(4,828)	(4,302)
Net financial loss from other services.....	(3,344)	(806)	(1,333)
Income tax benefit/(expense) for the year from other services	1,347	297	824
Depreciation and amortization in such operating segment	(195)	(696)	(762)
Management EBITDA* from Other services	(4,820)	(3,623)	(3,031)

Explanation of use: Management EBITDA* from Other services is considered by us as a measure of the performance of our activity as it provides information for analyzing profitability (before net financial loss, income

tax benefit/(expense) for the year and depreciation and amortization). Additionally, it is a measure that might be used by investors, as well as by rating agencies and creditors to assess our level of indebtedness by comparing Management EBITDA* from Other services with net financial debt or with debt service.

B. Management EBITDA Margin* from Other services

Management EBITDA Margin* from Other services is calculated as Management EBITDA* from Other services divided by Net revenues from Other services.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Management EBITDA* from Other services (I)	(4,820)	(3,623)	(3,031)
Net revenues from Other services (II)	802	690	77
Management EBITDA Margin* from Other services (I/II)	n.m.	n.m.	n.m.

n.m.: not meaningful

Explanation of use: Management EBITDA Margin* from Other services is considered by us as a measure of the profitability of our activity, as it provides information on the contribution percentage that Management EBITDA* from Other services represents on the related amount of Net revenues from Other services. This overall contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

C. Adjusted Management EBITDA* from Other services

Adjusted Management EBITDA* from Other services is calculated as Management EBITDA* from Other services operating segment, adjusting for other income, losses, impairment and variation of provisions for trade operations and impairment and income from disposal of fixed assets from Other services.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Management EBITDA* from Other services	(4,820)	(3,623)	(3,031)
Other income from Other services	3	245	698
Losses, impairment and variation of provisions for trade operations from Other services	-	-	(56)
Impairment and income from disposal of fixed assets from Other services	(155)	(533)	(786)
Adjusted Management EBITDA* from Other services.....	(4,668)	(3,335)	(2,887)

Explanation of use: Adjusted Management EBITDA* from Other services is considered by us as a measure of the performance of our activity, as it provides an analysis of operating results excluding items which we consider not directly related to the business activity.

D. Adjusted Management EBITDA Margin* from Other services

Adjusted Management EBITDA Margin* from Other services is calculated as Adjusted Management EBITDA* from Other services divided by Net revenues from Other services.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Adjusted Management EBITDA* from Other services (I)	(4,668)	(3,335)	(2,887)
Net revenues from Other services (II)	802	690	77
Adjusted Management EBITDA Margin* from Other services (I/II)	n.m.	n.m.	n.m.

n.m.: not meaningful

Explanation of use: Adjusted Management EBITDA Margin* from Other services is considered by us as a measure of the profitability of our activity excluding items which we consider not directly related to the business activity and it provides information on the adjusted contribution percentage that Adjusted Management EBITDA* from Other services represents on the related amount of Net revenues from Other services. This overall adjusted contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

5. Energy commercialization

A. Management EBITDA* from Energy commercialization

Management EBITDA* from energy commercialization is calculated as net income/(loss) from continued operations from energy commercialization before net financial loss from energy commercialization, income tax benefit/(expense) for the year from energy commercialization and depreciation and amortization in such operating segment.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Net income/(loss) from continued operations from energy commercialization	437	386	19
Net financial loss from energy commercialization	(9)	(15)	5
Income tax benefit/(expense) for the year from energy commercialization.....	(113)	(34)	(7)
Depreciation and amortization in such operating segment	(2)	-	-
Management EBITDA* from Energy commercialization	561	435	21

Explanation of use: Management EBITDA* from Energy commercialization is considered by us as a measure of the performance of our activity as it provides information for analyzing profitability (before net financial loss, income tax benefit/(expense) for the year and depreciation and amortization). Additionally, it is a measure that might be used by investors, as well as by rating agencies and creditors to assess our level of indebtedness by comparing Management EBITDA* from Energy commercialization with net financial debt or with debt service.

B. Management EBITDA Margin* from Energy commercialization

Management EBITDA Margin* from energy commercialization is calculated as Management EBITDA* from energy commercialization divided by Net revenues from energy commercialization.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Management EBITDA* from energy commercialization (I).	561	435	21
Net revenues from energy commercialization (II).....	4,385	4,039	2,537
Management EBITDA Margin* from Energy commercialization (I/II)	12.8%	10.8%	0.8%

Explanation of use: Management EBITDA Margin* from Energy commercialization is considered by us as a measure of the profitability of our activity, as it provides information on the contribution percentage that Management EBITDA* from Energy commercialization represents on the related amount of Net revenues from energy commercialization. This overall contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

C. Adjusted Management EBITDA* from Energy commercialization

Adjusted Management EBITDA* from energy commercialization is calculated as Management EBITDA* from energy commercialization operating segment, adjusting for other income, losses, impairment and variation of provisions for trade operations and impairment and income from disposal of fixed assets from energy commercialization.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Management EBITDA* from energy commercialization.....	561	435	21
Other income from energy commercialization	-	-	-
Losses, impairment and variation of provisions for trade operations from energy commercialization.....	-	-	4
Impairment and income from disposal of fixed assets from energy commercialization.....	-	-	-
Adjusted Management EBITDA* from energy commercialization.....	561	435	17

Explanation of use: Adjusted Management EBITDA* from energy commercialization is considered by us as a measure of the performance of our activity, as it provides an analysis of operating results excluding items which we consider not directly related to the business activity.

D. Adjusted Management EBITDA Margin* from Energy commercialization

Adjusted Management EBITDA Margin* from energy commercialization is calculated as Adjusted Management EBITDA* from energy commercialization divided by Net revenues from energy commercialization.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Adjusted Management EBITDA* from energy commercialization (I)	561	435	17
Net revenues from energy commercialization (II).....	4,385	4,039	2,537
Adjusted Management EBITDA Margin* from energy commercialization (I/II)	12.8%	10.8%	0.7%

Explanation of use: Adjusted Management EBITDA Margin* from energy commercialization is considered by us as a measure of the profitability of our activity excluding items which we consider not directly related to the business activity and it provides information on the adjusted contribution percentage that Adjusted Management EBITDA* from energy commercialization represents on the related amount of Net revenues from energy commercialization. This overall adjusted contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

Geographical Information

1. Spain

A. Management EBITDA* in Spain

Management EBITDA* in Spain is calculated as net income/(loss) from continued operations in Spain before net financial loss in Spain, income tax benefit/(expense) for the year in Spain and depreciation and amortization in Spain.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Net income/(loss) from continued operations in Spain.....	2,989	7,080	4,559
Net financial loss in Spain.....	(9,778)	(5,384)	(5,041)
Income tax benefit/(expense) for the year in Spain.....	773	2,004	145
Depreciation and amortization in Spain.....	(6,074)	(5,620)	(5,713)
Management EBITDA* in Spain.....	18,068	16,080	15,168

Explanation of use: Management EBITDA* in Spain is considered by us as a measure of the performance of our activity as it provides information for analyzing profitability (before net financial loss, income tax benefit/(expense) for the year and depreciation and amortization). Additionally, it is a measure that might be used

by investors, as well as by rating agencies and creditors to assess our level of indebtedness by comparing Management EBITDA* in Spain with net financial debt or with debt service.

B. Management EBITDA Margin* in Spain

Management EBITDA Margin* in Spain is calculated as Management EBITDA* in Spain divided by Net revenues in Spain.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Management EBITDA* in Spain (I).....	18,068	16,080	15,168
Net revenues in Spain (II).....	24,514	22,194	21,655
Management EBITDA Margin* in Spain (I/II).....	73.7%	72.5%	70.0%

Explanation of use: Management EBITDA Margin* in Spain is considered by us as a measure of the profitability of our activity, as it provides information on the contribution percentage that Management EBITDA* in Spain represents on the related amount of Net revenues in Spain. This overall contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

C. Adjusted Management EBITDA* in Spain

Adjusted Management EBITDA* in Spain is calculated as Management EBITDA* in Spain, adjusting for other income, losses, impairment and variation of provisions for trade operations and impairment and income from disposal of fixed assets in Spain.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Management EBITDA* in Spain.....	18,068	16,080	15,168
Other income in Spain	155	174	1,685
Losses, impairment and variation of provisions for trade operations in Spain	(21)	-	(56)
Impairment and income from disposal of fixed assets in Spain.....	2,739	642	(786)
Adjusted Management EBITDA* in Spain	15,195	15,264	14,325

Explanation of use: Adjusted Management EBITDA* in Spain is considered by us as a measure of the performance of our activity, as it provides an analysis of operating results excluding items which we consider not directly related to the business activity.

D. Adjusted Management EBITDA Margin* in Spain

Adjusted Management EBITDA Margin* in Spain is calculated as Adjusted Management EBITDA* in Spain divided by Net revenues in Spain.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Adjusted Management EBITDA* in Spain (I).....	15,195	15,264	14,325
Net revenues in Spain (II).....	24,514	22,194	21,655
Adjusted Management EBITDA Margin* in Spain (I/II).....	62.0%	68.8%	66.2%

Explanation of use: Adjusted Management EBITDA Margin* in Spain is considered by us as a measure of the profitability of our activity excluding items which we consider not directly related to the business activity and it provides information on the adjusted contribution percentage that Adjusted Management EBITDA* in Spain represents on the related amount of Net revenues in Spain. This overall adjusted contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

2. Guatemala

A. Management EBITDA* in Guatemala

Management EBITDA* in Guatemala is calculated as net income/(loss) from continued operations in Guatemala before net financial loss in Guatemala, income tax benefit/(expense) for the year in Guatemala and depreciation and amortization in Guatemala.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Net income/(loss) from continued operations in Guatemala ..	308	172	(4,336)
Net financial loss in Guatemala	(1,208)	(604)	(4,124)
Income tax benefit/(expense) for the year in Guatemala	(178)	(72)	(75)
Depreciation and amortization of fixed assets in Guatemala ..	(1,038)	(1,200)	(1,134)
Management EBITDA* in Guatemala	2,732	2,048	997

Explanation of use: Management EBITDA* in Guatemala is considered by us as a measure of the performance of our activity as it provides information for analyzing profitability (before net financial loss, income tax benefit/(expense) for the year and depreciation and amortization). Additionally, it is a measure that might be used by investors, as well as by rating agencies and creditors to assess our level of indebtedness by comparing Management EBITDA* in Guatemala with net financial debt or with debt service.

B. Management EBITDA Margin* in Guatemala

Management EBITDA Margin* in Guatemala is calculated as Management EBITDA* in Guatemala divided by Net revenues in Guatemala.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Management EBITDA* in Guatemala (I).....	2,732	2,048	997
Net revenues in Guatemala (II).....	8,100	6,921	5,269
Management EBITDA Margin* in Guatemala (I/II).....	33.7%	29.6%	18.9%

Explanation of use: Management EBITDA Margin* in Guatemala is considered by us as a measure of the profitability of our activity, as it provides information on the contribution percentage that Management EBITDA* in Guatemala represents on the related amount of Net revenues in Guatemala. This overall contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

C. Adjusted Management EBITDA* in Guatemala

Adjusted Management EBITDA* in Guatemala is calculated as Management EBITDA* in Guatemala, adjusting for other income, losses, impairment and variation of provisions for trade operations and impairment and income from disposal of fixed assets in Guatemala.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Management EBITDA* in Guatemala	2,732	2,048	997
Other income in Guatemala	-	73	(746)
Losses, impairment and variation of provisions for trade operations in Guatemala	(4)	-	-
Impairment and income from disposal of fixed assets in Guatemala	-	-	-
Adjusted Management EBITDA* in Guatemala	2,736	1,975	1,743

Explanation of use: Adjusted Management EBITDA* in Guatemala is considered by us as a measure of the performance of our activity, as it provides an analysis of operating results excluding items which we consider not directly related to the business activity.

D. Adjusted Management EBITDA Margin* in Guatemala

Adjusted Management EBITDA Margin* in Guatemala is calculated as Adjusted Management EBITDA* in Guatemala divided by Net revenues in Guatemala.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Adjusted Management EBITDA* in Guatemala (I)	2,736	1,975	1,743
Net revenues in Guatemala (II).....	8,100	6,921	5,269
Adjusted Management EBITDA Margin* in Guatemala (I/II)	33.8%	28.5%	33.1%

Explanation of use: Adjusted Management EBITDA Margin* in Guatemala is considered by us as a measure of the profitability of our activity excluding items which we consider not directly related to the business activity and it provides information on the adjusted contribution percentage that Adjusted Management EBITDA* in Guatemala represents on the related amount of Net revenues in Guatemala. This overall adjusted contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

3. Honduras

A. Management EBITDA* in Honduras

Management EBITDA* in Honduras is calculated as net income/(loss) from continued operations in Honduras before net financial loss in Honduras, income tax benefit/(expense) for the year in Honduras and depreciation and amortization in Honduras.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Net income/(loss) from continued operations in Honduras....	2,816	(1,373)	(87)
Net financial loss in Honduras.....	(883)	(1,306)	(1,568)
Income tax benefit/(expense) for the year in Honduras	(20)	(29)	(47)
Depreciation and amortization in Honduras	(1,017)	(1,133)	(1,014)
Management EBITDA* in Honduras	4,736	1,095	2,542

Explanation of use: Management EBITDA* in Honduras is considered by us as a measure of the performance of our activity as it provides information for analyzing profitability (before net financial loss, income tax benefit/(expense) for the year and depreciation and amortization). Additionally, it is a measure that might be used by investors, as well as by rating agencies and creditors to assess our level of indebtedness by comparing Management EBITDA* in Honduras with net financial debt or with debt service.

B. Management EBITDA Margin* in Honduras

Management EBITDA Margin* in Honduras is calculated as Management EBITDA* in Honduras divided by Net revenues in Honduras.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Management EBITDA* in Honduras (I)	4,736	1,095	2,542
Net revenues in Honduras (II)	4,283	4,621	4,243
Management EBITDA Margin* in Honduras (I/II)	110.6%	23.7%	59.9%

Explanation of use: Management EBITDA Margin* in Honduras is considered by us as a measure of the profitability of our activity, as it provides information on the contribution percentage that Management EBITDA* in Honduras represents on the related amount of Net revenues in Honduras. This overall contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

C. Adjusted Management EBITDA* in Honduras

Adjusted Management EBITDA* in Honduras is calculated as Management EBITDA* in Honduras, adjusting for other income, losses, impairment and variation of provisions for trade operations and impairment and income from disposal of fixed assets in Honduras.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Management EBITDA in Honduras*	4,736	1,095	2,542
Other income in Honduras	(1)	(2)	-
Losses, impairment and variation of provisions for trade operations in Honduras	1,005	(3,050)	(1,421)
Impairment and income from disposal of fixed assets in Honduras	-	-	-
Adjusted Management EBITDA* in Honduras	3,732	4,147	3,963

Explanation of use: Adjusted Management EBITDA* in Honduras is considered by us as a measure of the performance of our activity, as it provides an analysis of operating results excluding items which we consider not directly related to the business activity.

D. Adjusted Management EBITDA Margin* in Honduras

Adjusted Management EBITDA Margin* in Honduras is calculated as Adjusted Management EBITDA* in Honduras divided by Net revenues in Honduras.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Adjusted Management EBITDA* in Honduras (I)	3,732	4,147	3,963
Net revenues in Honduras (II)	4,283	4,621	4,243
Adjusted Management EBITDA Margin* in Honduras (I/II)	87.1%	89.7%	93.4%

Explanation of use: Adjusted Management EBITDA Margin* in Honduras is considered by us as a measure of the profitability of our activity excluding items which we consider not directly related to the business activity and it provides information on the adjusted contribution percentage that Adjusted Management EBITDA* in Honduras represents on the related amount of Net revenues in Honduras. This overall adjusted contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

4. Others

A. Management EBITDA* in Others

Management EBITDA* in Others is calculated as net income/(loss) from continued operations of Others, before net financial loss of Others, income tax benefit/(expense) for the year of Others and depreciation and amortization of Others.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Net income/(loss) from continued operations in Others	(345)	(47)	-
Net financial loss in Others	(99)	(3)	-
Income tax benefit/(expense) for the year in Others	-	(1)	-
Depreciation and amortization in Others	(11)	-	-
Management EBITDA* in Others⁽¹⁾	(235)	(43)	-

(1) Nicaragua, Panama and Dominican Republic.

Explanation of use: Management EBITDA* in Others is considered by us as a measure of the performance of our activity as it provides information for analyzing profitability (before net financial loss, income tax benefit/(expense) for the year and depreciation and amortization). Additionally, it is a measure that might be used by investors, as well as by rating agencies and creditors to assess our level of indebtedness by comparing Management EBITDA* in Others with net financial debt or with debt service.

B. Management EBITDA Margin* in Others

Management EBITDA Margin* in Others is calculated as Management EBITDA* in Others divided by Net revenues in Others.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Management EBITDA* in Others (I)	(235)	(43)	-
Net revenues in Others (II)	-	-	-
Management EBITDA Margin* in Others (I/II)⁽¹⁾	N/A	N/A	-

(1) Nicaragua, Panama and Dominican Republic.

Explanation of use: Management EBITDA Margin* in Others is considered by us as a measure of the profitability of our activity, as it provides information on the contribution percentage that Management EBITDA* in Others represents on the related amount of Net revenues in Others. This overall contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

C. Adjusted Management EBITDA* in Others

Adjusted Management EBITDA* in Others is calculated as Management EBITDA* in Others, adjusting for other income, losses, impairment and variation of provisions for trade operations and impairment and income from disposal of fixed assets in Others.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands)</i>		
Management EBITDA* in Others	(235)	(43)	-
Other income in Others	-	-	-
Losses, impairment and variation of provisions for trade operations in Others	-	-	-
Impairment and income from disposal of fixed assets in Others	-	-	-
Adjusted Management EBITDA* in Others⁽¹⁾	(235)	(43)	-

(1) Nicaragua, Panama and Dominican Republic

Explanation of use: Adjusted Management EBITDA* in Others is considered by us as a measure of the performance of our activity, as it provides an analysis of operating results excluding items which we consider not directly related to the business activity.

D. Adjusted Management EBITDA Margin* in Others

Adjusted Management EBITDA Margin* in Others is calculated as Adjusted Management EBITDA* in Others divided by Net revenues in Others.

	Year ended December 31		
	2020	2019	2018
	<i>(in € thousands, except percentages)</i>		
Adjusted Management EBITDA* in Others (I)	(235)	(43)	-
Net revenues in Others a (II)	-	-	-
Adjusted Management EBITDA Margin* in Others (I/II)⁽¹⁾	N/A	N/A	-

(1) Nicaragua, Panama and Dominican Republic

Explanation of use: Adjusted Management EBITDA Margin* in Others is considered by us as a measure of the profitability of our activity excluding items which we consider not directly related to the business activity and it provides information on the adjusted contribution percentage that Adjusted Management EBITDA* in Others represents on the related amount of Net revenues in Others. This overall adjusted contribution percentage allows for comparative analyses to be made on the profitability of the margin of our projects.

TAXATION

Spanish Tax Considerations

The following section is a general description of the tax regime applicable to the acquisition, ownership and, as the case may be, subsequent disposition of the Shares. The information provided below does not purport to be a complete summary of tax law and practice currently applicable in the Kingdom of Spain and is subject to any changes in law and its interpretation and application.

This analysis does not address all tax considerations that may be relevant to all categories of potential investors, some of whom may be subject to special rules (such as financial institutions, collective investment undertakings, pension funds cooperatives and look-through entities, etc.). In addition, this description does not consider regional tax regimes in force applicable in the Historical Territories of the Basque Country and the Historical Autonomous Region of Navarre (“**Concierto**” and “**Convenio Económico**”, respectively) or the regulations adopted by the different Spanish Autonomous Regions (*Comunidades Autónomas*) that may apply to investors regarding particular taxes. This analysis assumes that each transaction with respect to the Shares is at arm’s length.

In particular, the applicable rules are set forth in: (i) Law 35/2006 of November 28 on the Personal Income Tax and on the partial amendment of the Corporate Income Tax, Non-resident Income Tax and Wealth Tax Law (the “**PIT Law**”) and its implementing regulations, as approved by Royal Decree 439/2007 of March 30; (ii) the amended consolidated text of the Non-resident Income Tax Law (the “**NRIT Law**”) approved by Royal Legislative Decree 5/2004 of March 5 and its implementing regulations, as approved by Royal Decree 1776/2004 of July 30; (iii) Law 27/2014 of November 27 on Corporate Income Tax (the “**CIT Law**”); and (iv) Royal Decree 634/2015 of July 10 approving the regulations for the CIT Law.

The description of Spanish tax laws set forth below is based on law currently in effect in Spain as of the date of this Prospectus, and on the administrative interpretations thereof made public to date. As a result, this description is subject to any changes in such laws or interpretations occurring after the date hereof, including changes having retroactive effect.

Potential investors should consult their own tax advisors concerning the specific Spanish, state, regional and local tax consequences of the acquisition, ownership and disposition of our Shares in light of their particular circumstances as well as any consequences arising under the laws of any other taxing jurisdiction.

Indirect Taxation on the Acquisition and Disposition of the Shares

The subscription and, as the case may be, subsequent disposition of the Shares is exempt from Transfer Tax, Capital Duty or Stamp Duty; in accordance with the Consolidated Text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September; and Value Added Tax in accordance with Law 37/1992, of 28 December regulating such tax.

Direct Taxation on the Ownership and Subsequent Disposition of the Shares

Shareholders resident in Spanish territory

This section describes the tax treatment applicable to holders of the Shares that are deemed as resident in the Spanish territory for Personal Income Tax (“**PIT**”) or Corporate Income Tax (“**CIT**”) purposes, as applicable.

In general, and without prejudice to the provisions of the Double Taxation Treaties entered into by Spain (“**DTT**”), investors considered to be resident in Spain for these purposes include entities resident in Spain pursuant to Article 8 of the CIT Law and individuals resident in Spain, according the circumstances provided for in article 9.1 of the PIT Law (which include, among others, certain individuals resident outside Spain who are members of Spanish diplomatic missions, Spanish Consuls and other official bodies).

Individuals who acquire tax residency in Spain as a result of moving to Spanish territory will be subject to PIT. However, those individuals will be entitled to apply for a special PIT regime based on the Non-resident Income Tax (“**NRIT**”) during the period in which the change of residency takes place, and the five subsequent years, provided that they meet the requirements set forth in article 93 of the PIT Law. Investors are advised to consult their tax advisors or lawyers as regards to their specific situation.

Spanish resident individuals

(i) Personal income tax

(a) Capital income

Pursuant to Article 25 of the PIT Law, capital income shall be considered to include dividends, considerations paid for attending at general shareholders' meetings, income from the creation or assignment of rights of use or enjoyment of the Shares and, in general, the participation in the Company's profits, and any other income received by a Spanish tax resident individual from the entity in his or her position as shareholder of the Company.

Administration and custody expenses shall be deducted from capital income obtained by the shareholder as a result of ownership of the Shares. However, discretionary or individualized portfolio management expenses shall not be offset against capital income. The amount net of administration and custody expenses shall be included in the savings taxable base of the year in which it is due.

Capital income is taxed, as from year 2021, at a fixed rate of 19% (for the first €6,000 of capital income obtained by the individual), 21% (for income of between €6,000.01 and €50,000), 23% (for income of between €50,000.01 and €200,000) or 26% (for income in excess of €200,000).

In addition, shareholders shall, in general, be liable for a withholding on account of PIT (to be deducted by the Company) at tax rate applicable from time to time (currently 19%) on the gross income obtained. This withholding shall be creditable from the PIT payable.

If the amount of PIT payable is less than the withholding on account of PIT, it may give rise to the refund of the excess in accordance with the PIT Law.

(b) Capital gains and losses

Gains or losses generated by a Spanish tax resident individual as a result of the transfer of the Shares qualify for the purposes of the PIT Law as capital gains or losses and are subject to taxation according to the general rules applicable to capital gains. The amount of capital gains or losses shall be calculated as the negative or positive difference between the acquisition value of the securities and their transfer value, determined by: (i) the listed value of the shares as of the transfer date; or (ii) the agreed transfer price, when this exceeds the listed value of the shares.

Where the PIT taxpayer owns other securities of the same kind, the acquisition price of the transferred shares is based on the principle that those acquired first are sold first (FIFO).

Both the acquisition and transfer values are increased or reduced, respectively, by the costs and taxes inherent to such transactions borne by the acquirer or transferor, respectively.

Capital gains or losses derived from the transfer of the Shares shall be included and offset in the savings taxable base of the tax period in which the transfer takes place, being taxed in the 2021 tax year at a rate of 19% (for the first €6,000 of capital gains obtained by the individual), 21% (for capital gains of between €6,000.01 and €50,000), 23% (for capital gains of between €50,000.01 and €200,000) and 26% (for capital gains in excess of €200,000).

Capital gains derived from transfer of the Shares are not subject to withholding tax on account of PIT. Finally, certain losses derived from the transfer of the Shares will not be treated as capital losses when identical securities are acquired during the two months prior or subsequent to the transfer date which originated that loss. In such cases, capital losses shall be included in the taxable base upon the transfer of the remaining shares of the taxpayer.

(c) Pre-emptive Subscription Rights

Distributions to Spanish shareholders of pre-emptive subscription rights to subscribe for new Shares (“**Pre-emptive Subscription Rights**”) made with respect to the Shares are not treated as income under Spanish tax law. The exercise of Pre-emptive Subscription Rights is not considered a taxable event under Spanish law.

The proceeds obtained from the transfer of Pre-emptive Subscription Rights of the Shares received by a Company’s shareholder shall be regarded as capital gains for the transferor corresponding the tax period in which the transfer takes place (in the manner described under “Capital gains and losses” above).

The amount received in the transfer of Pre-emptive Subscription Rights will be subject to withholding on account of PIT at the tax rate applicable from time to time (currently 19%). This withholding on account of PIT is levied by the depositary entity or, in the absence thereof, by the financial intermediary or notary public that intervenes in the transfer.

- (d) Share premium distributions: The amount obtained through the distribution of the issue premium for shares admitted to trading on any of the regulated securities markets defined in MiFID II (such as the Shares) shall reduce, until cancellation, the acquisition value of the specific shares. The excess over that acquisition value will be taxed as capital income in the manner described under “*Capital income*” above. We will not make any withholding on account of PIT on distributions of share premium.

(ii) Wealth Tax

Spanish tax resident individuals shall be subject to Wealth Tax on their total net wealth at December 31, irrespective of where their assets might be located or rights might be exercised.

This taxation shall be imposed pursuant to Law 19/1991 of June 6 on Wealth Tax (the “**Wealth Tax Law**”) which, for these purposes, sets a minimum tax-free allowance of €700,000, in accordance with a tax scale ranging between 0.2% and 3.5%, without prejudice to specific rules that may have been approved by the Spanish Autonomous Regions. Therefore, Spanish tax resident individuals holding Shares should consult with their tax advisors when it comes to their specific situation.

Spanish tax resident individuals who acquire the Shares and who are required to file Wealth Tax returns must declare the Shares they hold at December 31 of each year. For these purposes, the Shares shall be valued using the average trading price in the last quarter of the year. The Ministry of Finance publishes annually this average trading price for the Wealth Tax purposes.

(iii) Inheritance and Gift Tax

The transfer of shares by inheritance or gift in favor of individuals who are resident in Spain is subject to Inheritance and Gift Tax (“**IGT**”) in accordance with Law 29/1987, of December 18, without prejudice to the specific legislation applicable in each Spanish Autonomous Region. The acquirer of the securities is liable for this tax as taxpayer. According to IGT Law 28/1987 of December 18, the applicable general tax rates range between 7.65% and 34%. However, after applying all relevant factors (such as the specific regulations imposed by each Spanish Autonomous Region, the amount of the pre-existing assets of the taxpayer and the degree of kinship with the deceased or donor), the final effective tax burden may range from 0% to 81.6%.

(iv) Spanish Exit Tax

Individual Spanish shareholders that lose their tax resident status in Spain as a result of a change of residence will be subject to PIT in Spain on the capital gains corresponding to the appreciation in value of the Shares, to the extent that the relevant requirements, circumstances and thresholds established in the PIT Law are met.

Corporate resident shareholders

(i) Corporate income tax

(a) Dividends

CIT taxpayers shall include the gross amount of dividends or interest in profits received as a result of ownership of the Shares, in their taxable base, in accordance with Article 10 and onwards of the CIT Law. The general tax rate applicable to this income is currently 25%.

However, as a general rule, dividends and interests in profits of a company could be entitled to an exemption from CIT (generally equivalent to 95% of the dividend income), pursuant to Article 21 of the CIT Law, if certain requirements are met: (i) the percentage of the direct or indirect participation in the capital or equity of the entity is at least 5% and (ii) the participation must be held uninterruptedly during the year prior to the day on which the dividend is distributed, or otherwise be held for the time needed to complete this period (and provided that other requirements that need to be analyzed on a case by case basis are fulfilled).

Should we obtain dividends, interest in profits of a company or income arising from the disposition of securities representing the capital or equity of entities comprising more than 70% of its income, the application of this exemption is conditional on the compliance of complex requirements which, in essence, require the CIT-payer holder of the shares to have an indirect holding of at least 5% of the share capital of those entities, unless these subsidiaries meet the conditions referred to in Article 42 of the Spanish Commercial Code to form part of the same group of companies of the direct subsidiary, and they prepare consolidated financial statements.

As a general rule, dividends will be subject to withholding on account of the shareholder's final CIT liability at the rate applicable from time to time (currently 19%). However, no withholding on account of CIT will apply on dividends payable to a shareholder who is entitled to apply the participation exemption mentioned above and who is able to provide the necessary documentation to this respect. If the amount of withholding on account of CIT is greater than the amount of the CIT payable, the taxpayer will be entitled to a refund of the excess withheld in accordance with the CIT Law.

Investors are advised to consult their tax advisors or lawyers to determine whether they comply with the requirements of Article 21 of the CIT Law for this exemption to apply.

(b) Income derived from transfers of the Shares

Any gain or loss derived from the transfer of the Shares shall be included in the taxable base of CIT in accordance with Article 10 *et seq.* of the CIT Law. The current CIT rate applicable to this income is 25%. However, the deductibility of any losses that may be originated by the transfer of the Shares may be subject to temporary or permanent restrictions (for instance, if the capital gains potentially obtained on such transfer would have been entitled to benefit from the CIT exemption, pursuant to Article 21 of the CIT Law, indicated below), pursuant to Royal Decree-Law 3/2016 of December 2. Investors are advised to consult their tax advisors or lawyers about the application of such restrictions in their particular case. Capital gains derived from the transfer of the Shares shall not be subject to withholding on account of CIT.

As a general rule, capital gains derived from the transfer of an interest in an entity may be entitled to a CIT exemption (generally equivalent to 95% of the dividend income), pursuant to Article 21 of the CIT Law, provided that: (i) the direct and indirect participation in the capital or equity of the entity is, at least, 5%, and (ii) such participation has been held uninterruptedly during the year prior to the day on which the transfer takes place. Should we obtain dividends, interest in profits of a company or income arising from the disposition of securities representing the capital or equity of entities comprising more than 70% of its income, the application of this exemption

is conditional on the compliance of complex requirements which, in essence, require the holder of the shares to have an indirect holding of at least 5% of the share capital of those entities, unless these subsidiaries meet the conditions referred to in Article 42 of the Spanish Commercial Code to form part of the same group of companies of the direct subsidiary, and they prepare consolidated financial statements.

Investors are advised to consult their tax advisors or lawyers to determine whether they comply with the requirements of Article 21 of the CIT Law for this exemption to apply.

(c) Pre-emptive Subscription Rights

The allocation of Pre-emptive Subscription Rights and their subscription as Shares will not generate any income for CIT purposes.

However, if these Pre-emptive Subscription Rights are transferred by a CIT taxpayer, any accounting income that may arise from the transfer will be subject to the general CIT tax rate, currently of 25%. Shareholders who are CIT taxpayers must consult their tax advisors regarding the possibility to apply the CIT participation exemption, pursuant to Article 21 of the CIT Law, on this income.

(d) Share premium distribution

A distribution of share premium will not in itself constitute taxable income but will instead reduce the acquisition value of the Shares for CIT purposes. If the amount of the share premium received exceeds the acquisition value of the Shares held by a CIT taxpayer, such excess would constitute a taxable income, generally subject to the general CIT tax rate of 25%. Shareholders who are CIT taxpayers must consult their tax advisors regarding the possibility to apply the CIT exemption, pursuant to Article 21 of the CIT Law, on this income.

In any event, no withholding on account of CIT would be made by us upon such distribution.

(ii) Wealth Tax

CIT taxpayers are not subject to Wealth Tax.

(iii) Inheritance and Gift Tax

CIT taxpayers are not subject to IGT, and income obtained through a gift is taxed pursuant to CIT rules.

Shareholders non-resident in Spanish territory

This section analyzes the tax treatment applicable to shareholders who are non-resident for tax purposes in Spanish territory and are beneficial owners of the Shares.

The tax regime described herein is general in nature, and the specific circumstances of each taxpayer should be considered in the light of the relevant DTT, if applicable.

Non-resident income tax

Non-resident shareholders acting through a permanent establishment in Spain

Ownership of the Shares by investors who are non-resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Shares form part of the assets allocated to a permanent establishment in Spain of a person or legal entity who is non-resident in Spain for tax purposes, the NRIT rules applicable to income deriving from such Shares are the same as those for Spanish CIT taxpayers (set out above).

Non-resident shareholders not acting through a permanent establishment in Spain

(i) Capital income

Dividends paid to non-Spanish tax resident shareholders not acting through a permanent establishment in Spain are subject to Spanish NRIT, at the general rate of 19%.

This taxation can be eliminated or reduced as per the application of (i) the Spanish NRIT exemption implementing the Directive 2011/96/EU of the Council of November 30, 2011 (the “**EU Parent-Subsidiary Directive**”) or (ii) the benefits of a DTT, which may provide for a full exemption in case of qualified stakes (e.g., 80% stake in the case of the Spain-U.S. DTT for investors entitled to the benefits of the treaty, provided further that they comply with the rest of the conditions required by the treaty to benefit from such full exemption) or reduced NRIT rates (e.g., applicable tax rate under the Spain-U.S. DTT is 5% or 15%, as the case may be, for U.S. for investors entitled to the benefits of the treaty).

Under the EU Parent-Subsidiary Directive exemption, no Spanish NRIT should be levied on the dividends distributed by subsidiaries resident in the Spanish territory to their parent companies resident in other EU member states or the permanent establishment of these located in other EU member states, to the extent that the following requirements are met:

- a) the EU parent company maintains a direct or indirect holding in the capital of the Spanish subsidiary of at least 5%. The holding must have been maintained uninterruptedly during the year prior to the date on which the distributed profit is due or, failing that, be maintained for the time required to complete such period (in the latter case, NRIT must be levied, although it would be refundable once the year has been completed – investors are advised to consult their tax advisors or lawyers about the procedure to request this refund from the Spanish tax authorities);
- b) both the EU parent company and the subsidiary are incorporated under the laws of a EU member state, under one of the corporate forms listed in Annex I, Part A, of the EU Parent-Subsidiary Directive, and subject to a Member State Corporate Income Tax (as listed in Annex I, Part B, of the EU Parent-Subsidiary Directive), without the possibility of being exempt; and
- c) The distribution of profits is not due to the liquidation of the subsidiary company.

This exemption shall also apply to profits distributed by subsidiaries resident in the Spanish territory to parent companies resident in member states of the EEA with which Spain has an effective exchange of taxation information, and the permanent establishments of such parent companies located in other member states, provided that the requirements set forth in the NRIT Law are met.

This exemption does not apply if the dividend is obtained through a territory which qualifies as a tax haven for Spanish tax purposes. The exemption does not apply either if the majority of the voting rights of the parent company are held, directly or indirectly, by shareholders who are not resident in member states of the EU or the EEA, except when the constitution and operation of such parent company is due to valid economic reasons and substantive business purposes. In this regard, the European Court of Justice has analyzed (in cases C-116/16 and C-117/16 (the “**Danish cases**”), and also in cases C-6/16, C-504/16 and C-613/16 or C-440/17) the anti-abuse provisions in respect of the EU Parent-Subsidiary Directive and concluded that its benefits should be denied under certain circumstances. Investors are advised to consult their tax advisors or lawyers to determine whether they comply with the requirements of the EU Parent-Subsidiary Directive, as interpreted by the European Court of Justice in the Danish Cases, for this exemption to apply.

As a general rule, we will apply NRIT withholding of 19% on dividend payments.

However, shareholders resident in certain countries may be entitled to the benefits of a DTT in force between Spain and their country of tax residence. When a DTT applies based on the tax residency of the recipient, the exemption or reduced tax rate established in that DTT for such income shall apply, subject to the satisfaction of any conditions specified in the relevant DTT, upon the taxpayer’s evidence of their tax residency for the purposes of such DTT, in the form established in the corresponding legislation, as further described below.

For this purpose, a special procedure approved by Order of the Ministry of Finance and Treasury on April 13, 2000 (the “**Order**”) is applicable to make any NRIT withholding at the corresponding rate for non-resident shareholders, and for the exclusion of the NRIT withholding, when the payment procedure

involves financial entities domiciled, resident or represented in Spain that are depositaries or which manage the collection of income from such securities. Pursuant to this Order, upon distribution of the dividend, we will withhold from the gross income of the dividend the applicable NRIT at the general rate (currently, 19%) and transfer the resulting net amount to the depositary. If the corresponding depositary in Spain provides timely evidence of the non-Spanish tax resident shareholder's right to obtain the DTT-reduced rate or the NRIT exemption in the manner set out in the Order, it shall immediately receive the excess amount withheld, for subsequent distribution to the investors. To this end, the non-resident shareholders must, before the 10th day of the month following the distribution of the dividend, provide the depositary with a certificate of tax residency issued by the relevant tax authority of their country of residence, stating that the investor is resident in such country in the terms defined in the relevant DTT. In cases in which a reduced tax rate is provided by a DTT that requires the use of a specific form, this form must be delivered instead of the certificate. Such tax residency certificates are generally valid for one year from the date of issue for these purposes.

When an exemption or reduced withholding tax rate under a DTT is applicable, and the shareholder does not give evidence of its tax residency in a timely manner, the shareholder may request the Spanish tax authorities the refund of the amount withheld in excess, following the procedure and using the form stipulated in Spanish Order EHA/3316/2010 of December 17, 2010.

In any case, if the NRIT withholding has been already made or the entitlement to the NRIT exemption has been recognized, non-resident shareholders are not required to file a tax return for NRIT purposes in Spain.

Investors are advised to consult their tax advisors or lawyers about their entitlement to any NRIT reduced rate or exemption as well as the procedure to request any refund from the Spanish tax authorities, as the case may be.

(ii) Capital gains and losses

Pursuant to the NRIT Law, capital gains derived from transfer of the Shares, or any other capital gain related to such securities by legal entities or individuals who do not act through a permanent establishment in Spain shall be subject to NRIT, being the tax payable calculated, generally, in accordance with the rules set forth in PIT Law. In particular, capital gains derived from transfer of the Shares shall be subject to NRIT at the general rate (currently, 19%), unless a domestic exemption or a DTT applies.

Under Spanish tax law, the following capital gains will be exempt:

- a) Capital gains derived from the transfer of the Shares in official secondary markets for Spanish securities which have not been obtained through a permanent establishment in Spain by individuals and entities resident in a jurisdiction that has signed a DTT with Spain including an information-exchange clause (which applies to these individuals and entities), to the extent that they have not been obtained through countries or jurisdictions officially defined as a tax haven.
- b) Capital gains derived from the transfer of the Shares which have not been obtained through a permanent establishment in Spain by individuals or entities resident for tax purposes in other EU member states or in EEA member states with which Spain has an effective exchange of taxation information, or permanent establishments of these jurisdictions, provided that they have not been obtained through countries or jurisdictions officially qualifying as tax havens. This exemption does not apply to capital gains resulting from the transfer of shares or rights of an entity: (i) when the assets of that entity comprise, mainly, real estate property located in the Spanish territory, whether directly or indirectly; (ii) in the case that the transferor is a non-resident individual at any time during the twelve months prior to the transfer, when the transferor holds an interest, directly or indirectly, of at least 25% of the capital or equity of the company; or (iii) in the case that the transferor is a non-resident company, when the transfer does not meet the requirements for application of the exemption set out in Article 21 of the CIT Law.

The capital gain or loss shall be calculated and taxed separately for each transfer. Offsetting of gains and losses from different transfers is not permitted. The tax shall be calculated applying the rules set out in the NRIT Law.

Pursuant to the NRIT Law, capital gains obtained by non-residents who do not act through a permanent establishment are not subject to withholding on account of NRIT.

Non-resident shareholders are required to file a tax return (currently, Form 210), calculating and paying, as applicable, the resulting NRIT due. This tax return may also be filed, and the NRIT paid, by the taxpayer's tax representative in Spain, the depository or the manager of the shares, applying the procedure and the tax return set out in Order EHA/3316/2010 of December 17, 2010.

In the event that an exemption applies, whether under Spanish law or under a DTT, the non-resident investor must provide evidence of his/her/its right by providing a certificate of tax residency in a timely manner duly issued by the tax authorities of his/her/its country of residence (which must state, as the case may be, that the investor is resident in that country within the meaning of the applicable DTT) or the form stipulated in the DTT. Such tax residency certificates are generally valid for one year from the date of issue for these purposes.

(iii) Pre-emptive Subscription Rights

Distributions to non-Spanish tax resident shareholders of the Pre-emptive Subscription Rights to subscribe the Shares are not treated as income under Spanish NRIT Law. The exercise of such pre-emptive rights is not considered a taxable event under Spanish NRIT Law.

The proceeds derived from a transfer of pre-emptive rights by a NRIT taxpayer (without permanent establishment in Spain) will be regarded as a capital gain and subject to Spanish NRIT in the manner described under "*Capital gains and losses*" above.

(iv) Share premium distributions

A distribution of dividends out of the share premium will not in itself constitute taxable income but will instead reduce the acquisition value of the Shares for shares admitted to trading on any of the regulated securities markets defined in MiFID II (such as the Shares). If the amount of the share premium received exceeds the acquisition value of the Shares held by a non-resident shareholder, such excess would constitute a taxable income subject to NRIT at the general rate (currently, 19%), unless otherwise provided by a DTT (although this income would not be subject to withholding tax on account of NRIT in Spain).

Wealth Tax

Individuals who are not resident for tax purposes in Spain pursuant to the PIT Law, and who own assets and rights that can be exercised or have to be met in Spanish territory on December 31 of each year shall be subject to Wealth Tax on the value of the assets and rights that can be exercised or have to be met in Spanish territory, unless they can benefit from a DTT that provides otherwise. However, taxpayers may deduct the minimum allowance of €700,000, being applicable the general scale for the tax, which ranges from 0.2% to 3.5% in 2021.

The Spanish tax authorities consider that the shares of Spanish companies are assets located in Spain for Wealth Tax purposes. In addition, the Wealth Tax Law provides for an exemption of securities that derive income that qualifies for the exemption pursuant to Article 13 of the NRIT Law.

The value of the shares admitted to trading on an official Spanish secondary market owned by non-resident natural persons shall be calculated using the average trading price in the last quarter of each year. The Ministry of Finance publishes annually this average trading price for the Wealth Tax purposes.

Individuals resident in a member state of the EU or the EEA shall be entitled to apply the specific rules adopted by the Spanish Autonomous Region in which the assets or rights with more value and subject to the tax are located. Investors are advised to consult their tax advisors or lawyers to determine the effects of these rules.

Finally, entities that are non-resident in Spain are not subject to this tax.

Inheritance and Gift Tax ("IGT")

Without prejudice to the provisions of any applicable DTT, acquisitions obtained through inheritance or by gift by individuals who are non-resident in Spain, irrespective of the residency of the transferor, shall be subject to IGT when the acquisition involves assets located in Spanish territory or rights that can be exercised or have to be

complied with in Spanish territory. The Spanish tax authorities consider that the shares of Spanish companies are assets located in Spain for IGT purposes.

Generally, non-Spanish tax resident individuals are subject to Spanish IGT in accordance with the rules set forth in the state IGT law. However, if either the deceased or the donee is resident in a EU or EEA Member state, the applicable rules will be those corresponding to the relevant Autonomous Regions in accordance with the law. As such, prospective investors should consult their tax advisors. Likewise, in its recent judgments of February 19, March 21 and March 22, 2018, the Spanish Supreme Court, based on the European right to the free movement of capital, has declared that the application of the regional rules corresponding to the relevant Autonomous Region according to the law should be extended in some circumstances to deceased heirs or donees who are resident outside of the EU or the EEA.

Investors are advised to consult their tax advisors or lawyers.

Companies that are non-resident in Spain are not subject to this tax. The income they obtain by gifts is generally taxed as capital gains, pursuant to the NRIT Law previously described, without prejudice to any applicable DTT.

If no treaty for the avoidance of double taxation in relation to Inheritance and Gift Tax applies, applicable rates would range between 0% (full exemption) to 81.6%, depending on relevant factors.

Non-resident shareholders are advised to consult their tax advisors about the terms in which IGT applies in each case.

Spanish financial transactions tax

The Spanish law 5/2020, of 15 October, on tax on financial transactions (the “**Spanish FTT**”) was enacted on October 16, 2020, will enter into force as from 16 January 2021. Spanish FTT will be charged at a 0.2% rate on specific acquisitions of listed shares issued by Spanish companies whose market capitalization exceeds €1 billion (€1,000,000,000), regardless of the jurisdiction of residence of the parties involved in the transaction.

The Spanish FTT would not apply in relation to the present Offering since transactions in the primary market are exempt from this tax but it may subject other transactions involving the acquisition of the Shares in the future depending on our market capitalization and other factors. Prospective investors are advised to seek their own professional advice in relation to the Spanish FTT.

Certain U.S. federal income tax considerations

The following discussion describes certain U.S. federal income tax consequences generally applicable to U.S. Holders (as defined below) (and solely to the extent described below under “—*FATCA*”, to non-U.S. persons) of Shares acquired pursuant to this Offering. This summary applies only to U.S. Holders that acquire Shares in the Offering, hold the Shares as capital assets within the meaning of Section 1221 of the Internal Revenue Code, and that have the U.S. dollar as their functional currency. This discussion is based upon the Internal Revenue Code, applicable U.S. Treasury regulations, administrative pronouncements and judicial decisions, in each case as in effect on the date hereof, all of which are subject to change (possibly with retroactive effect). No ruling will be requested from the United States Internal Revenue Service (the “**IRS**”) regarding the tax consequences of the acquisition, ownership or disposition of the Shares, and there can be no assurance that the IRS will agree with the discussion set out below. This summary does not address the Medicare tax on net investment income or any U.S. tax consequences other than U.S. federal income tax consequences (e.g., the estate and gift tax) and does not address any state, local or non-U.S. tax consequences.

The following discussion does not address the tax consequences to any particular investor or to persons in special tax situations such as:

- banks;
- certain financial institutions;
- regulated investment companies;
- real estate investment trusts;
- insurance companies;

- broker dealers;
- traders that elect to mark-to-market;
- tax-exempt entities;
- individual retirement accounts and other tax-deferred accounts;
- persons liable for alternative minimum tax;
- U.S. expatriates;
- persons holding a Share as part of a straddle, hedging, conversion or other integrated transaction;
- persons that actually or constructively own 10% or more of the total voting power or value of all of our outstanding stock;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the Shares being taken into account in an applicable financial statement;
- persons that are resident or ordinarily resident in or have a permanent establishment in a jurisdiction outside the United States;
- persons who acquired the Shares pursuant to the exercise of any employee share option or otherwise as compensation; or
- persons holding Shares through partnerships or other pass-through entities.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL AND NON-U.S. TAX LAWS, TAX TREATIES AND POSSIBLE CHANGES IN TAX LAW.

The discussion below of the U.S. federal income tax consequences to “U.S. Holders” will apply if you are a beneficial owner of Shares and you are, for U.S. federal income tax purposes,

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation) organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If you are a partner in an entity or arrangement taxable as a partnership that holds Shares, your tax treatment generally will depend on your status and the activities of the partnership. Partnerships considering an investment in Shares and partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences of acquiring, owning and disposing of the Shares.

Taxation of Distributions

Subject to the passive foreign investment company (“PFIC”) rules discussed below, the gross amount of distributions made by us with respect to the Shares (including the amount of any Spanish taxes withheld therefrom) generally will be includable in your gross income as foreign source dividend income to the extent that such distributions are paid out of our current or accumulated earnings and profits as determined under U.S. federal income tax principles. To the extent, if any, that the amount of any such distribution exceeds our current or accumulated earnings and profits, it will be treated first as a tax-free return of your tax basis in the Shares and thereafter as capital gain. However, we do not intend to calculate our earnings and profits under U.S. federal

income tax principles. Therefore, a U.S. Holder should expect that a distribution will generally be treated as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above. The dividends will not be eligible for the dividends received deduction available to corporations in respect of dividends received from other U.S. corporations. With respect to non-corporate U.S. Holders, including individual U.S. Holders, dividends may be “qualified dividend income,” which is taxed at the lower applicable capital gains rate provided that (1) we are eligible for the benefits of the Convention Between the Government of the United States of America and the Kingdom of Spain For the Avoidance of Double Taxation and the Prevention of Fiscal Evasion With Respect to Taxes on Income (the “**Treaty**”), (2) we are not a PFIC (as discussed below) with respect to you for either our taxable year in which the dividend was paid or the preceding taxable year, (3) certain holding period requirements are met, and (4) you are not under an obligation to make related payments with respect to positions in substantially similar or related property. You should consult your own tax advisors regarding the availability of the lower rate for dividends paid with respect to Shares.

For U.S. federal income tax purposes, U.S. Holders will be treated as having received the amount of any Spanish taxes withheld with respect to a payment of dividends, and as then having paid over the withheld taxes to the Spanish taxing authorities. As a result of this rule, the amount of dividend income you are required to include in gross income for U.S. federal income tax purposes with respect to a payment of dividends may be greater than the amount of cash actually received (or receivable) by you with respect to the payment.

Subject to certain conditions and limitations, Spanish taxes withheld from a distribution may be eligible to be used as a credit against or a deduction in computing your U.S. federal income tax liability. If a refund of the tax withheld is available to you under the laws of Spain or under the Treaty, the amount of tax withheld that is refundable will not be eligible for such credit against your U.S. federal income tax liability (and will not be eligible for the deduction against your U.S. federal taxable income). If the dividends are qualified dividend income (as discussed above), the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will in general be limited to the gross amount of the dividend, multiplied by the reduced rate divided by the highest rate of tax normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to Shares will generally constitute “passive category income”. The rules relating to the determination of the U.S. foreign tax credit are complex and U.S. Holders should consult their tax advisors to determine whether and to what extent a credit would be available. If you do not elect to claim a foreign tax credit with respect to any foreign taxes for a given taxable year, you may be eligible to claim a deduction for all foreign taxes paid in that taxable year.

The amount of any distribution paid in a foreign currency will be equal to the U.S. dollar value of such currency calculated by reference to the spot rate of exchange on the date such distribution is included in the U.S. Holder’s income, regardless of whether the payment is in fact converted into U.S. dollars at that time. If dividends received in a foreign currency are converted into U.S. dollars on the date included in the U.S. Holder’s income, such U.S. Holder generally will not recognize foreign currency gain or loss on such conversion. The amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution.

Sale or other taxable disposition of Shares

Subject to the PFIC rules discussed below, upon a sale or other taxable disposition of Shares, you generally will recognize a capital gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount realized and your adjusted tax basis in such Shares. Any such gain or loss generally will be U.S. source gain or loss and will be treated as long-term capital gain or loss if your holding period in the Shares exceeds one year. If you are a non-corporate U.S. Holder, including an individual U.S. Holder, any long-term capital gain generally will be subject to U.S. federal income tax at preferential rates. The deductibility of capital losses is subject to significant limitations.

If the consideration you receive upon a sale or other taxable disposition of Shares is not paid in U.S. dollars, the amount realized generally will be the U.S. dollar value of the payment received, determined by reference to the spot rate of exchange on the date payment is received or the date of the sale or other taxable disposition. However, if the Shares are treated as traded on an established securities market and you are either a cash basis taxpayer or an accrual basis taxpayer who has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), you will determine the U.S. dollar value of the amount realized in a foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale or other taxable disposition. An accrual basis U.S. Holder that does not make the special election will recognize foreign currency gain or loss to the extent of any difference between the U.S. dollar amount realized on the date of the sale or other taxable disposition and the U.S. dollar value of the currency received at the spot rate on the settlement date, which gain or loss generally will constitute U.S.-source ordinary income or loss.

Your initial tax basis in your Shares generally will equal the U.S. dollar cost of such Shares. If you use foreign currency to purchase Shares, the cost of the Shares will be the U.S. dollar value of the foreign currency purchase price determined by reference to the spot rate of exchange on the date of purchase. However, if the Shares are treated as traded on an established securities market and you are either a cash basis taxpayer or an accrual basis taxpayer who has made the special election described above, you will determine the U.S. dollar value of the cost of such Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

Passive foreign investment company

In general, a non-U.S. corporation will be classified as a PFIC for any taxable year if at least (i) 75% of its gross income is classified as “passive income” or (ii) 50% of the value of its assets (determined on the basis of a quarterly average) represents assets that produce or are held for the production of passive income. In making this determination, the non-U.S. corporation is treated as earning its proportionate share of any income and owning its proportionate share of any assets of any corporation in which it directly or indirectly holds 25% or more (by value) of the stock. Passive income generally includes net gains from the sale of commodities, unless certain exceptions are met (including an exception for active business gains or losses from the sale of commodities meeting certain requirements).

Based on our historic and anticipated operations, the composition of assets and the expected price of the Shares in the Offering, we do not expect that we will be classified as a PFIC for the current taxable year or for the foreseeable future. However, the determination of whether we are a PFIC is a factual determination that is made annually, after the close of the relevant taxable year. Therefore, it is possible that we could be classified as a PFIC for the current taxable year or in future years due to changes in our methods of operation or in the composition of our assets or income, as well as changes in our market capitalization. In particular, fluctuations in the market price of our Shares may cause us to become a PFIC for the current or future taxable years because the aggregate value of our assets for purposes of the asset test, including the value of our goodwill and unbooked intangibles, generally will be determined by reference to the market price of the Shares from time to time (which may be volatile). Following the Offering, we will have a substantial balance of cash and other liquid investments, which are passive assets for purposes of the PFIC determination, and the composition of our income and assets will be affected by how, and how quickly, we use our liquid assets and the cash raised in any future equity offering. Accordingly, if our market capitalization declines significantly, it may make our classification as a PFIC more likely for the current or future taxable years. Moreover, the application of the PFIC rules is unclear in certain respects, including if or to what extent our and our subsidiaries’ gross income from energy sales would meet an exception from passive income treatment. The IRS or a court may disagree with our determinations with respect to our PFIC status for any taxable year, including the manner in which we determine the value of our assets and the percentage of our assets that are passive assets under the PFIC rules. Therefore, there can be no assurance that we will not be classified as a PFIC for the current taxable year or for any future taxable year.

Under the PFIC rules, if we were considered a PFIC at any time that a U.S. Holder holds our Shares, we would continue to be treated as a PFIC with respect to such holder’s investment unless (i) we have ceased to be a PFIC and (ii) the U.S. Holder has made a “deemed sale” election under the PFIC rules.

If we are considered a PFIC with respect to a U.S. Holder at any time that a U.S. Holder holds its Shares, any gain recognized by the U.S. Holder on a sale or other disposition of the Shares, as well as the amount of any “excess distribution” (as defined below) received by such holder, would be allocated ratably over the U.S. Holder’s holding period for the Shares. The amounts allocated to the taxable year of the sale or other disposition (or the taxable year of receipt, in the case of an excess distribution) and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed. For purposes of these rules, an excess distribution is the amount by which any distribution received by a U.S. Holder on its Shares in a taxable year exceeds 125% of the average of the annual distributions on the Shares received during the preceding three years or the U.S. Holder’s holding period, whichever is shorter. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the Shares.

If we are treated as a PFIC with respect to a U.S. Holder for any taxable year, the U.S. Holder will be deemed to own Shares in any of our subsidiaries that are also PFICs. However, an election for mark-to-market treatment would likely not be available with respect to any such subsidiaries. In addition, if we are treated as a PFIC, a U.S. Holder will also be subject to information reporting requirements on an annual basis. U.S. Holders should consult their own tax advisors about the potential application of the PFIC rules to an investment in the Shares.

Information reporting and backup withholding

Dividend payments and proceeds paid from the sale or other taxable disposition of the Shares may be subject to information reporting to the IRS. In addition, a U.S. Holder may be subject to backup withholding on cash payments received in connection with dividend payments and proceeds from the sale or other taxable disposition of Shares made within the United States or through certain U.S.- related financial intermediaries.

Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number, provides other required certification and otherwise complies with the applicable requirements of the backup withholding rules or who is otherwise exempt from backup withholding (and, when required, demonstrates such exemption). Backup withholding is not an additional tax. Rather, any amount withheld under the backup withholding rules will be creditable or refundable against the U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Information with respect to foreign financial assets

Certain U.S. Holders who are individuals (and certain entities) that hold an interest in "specified foreign financial assets" (which may include the Shares) are required to report to the IRS information relating to the such assets, subject to certain exceptions (including an exception for Shares held in accounts maintained by certain financial institutions). U.S. Holders should consult their tax advisors regarding their reporting obligations with respect to their ownership and disposition of the Shares and the significant penalties for non-compliance.

FATCA

Provisions under Sections 1471 through 1474 of the Internal Revenue Code and applicable U.S. Treasury Regulations commonly referred to as "**FATCA**" may impose a withholding tax on certain "foreign passthrough payments" made by a non-U.S. financial institution (including an intermediary) that has entered into an agreement with the IRS to perform certain diligence and reporting obligations (each such non-U.S. financial institution, a "Participating Foreign Financial Institution"). If payments on the Shares are made by a Participating Foreign Financial Institution (including an intermediary), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not a Participating Foreign Financial Institution and is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payor, to the extent such payments are considered "foreign passthrough payments". The term "foreign passthrough payment" has not yet been defined and it is therefore not clear whether or to what extent payments on the Shares would be considered foreign passthrough payments. Under proposed regulations, any withholding on foreign passthrough payments would apply to passthrough payments made on or after the date that is two years after the date of publication in the Federal Register of applicable final regulations defining foreign passthrough payments. Taxpayers generally may rely on these proposed regulations until final regulations are issued.

The United States has entered into intergovernmental agreements with many jurisdictions (including Spain) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address "foreign passthrough payments" and whether such agreements will require us or other financial institutions to withhold or report on payments on the Shares to the extent they are treated as foreign passthrough payments. Prospective investors should consult their tax advisors regarding the application of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in the Shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO YOU. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE SHARES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

MANAGEMENT AND BOARD OF DIRECTORS

Spanish corporate law is mainly regulated by the consolidated text of the Spanish Companies Act approved by Royal Legislative Decree 1/2010 (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*), as amended (the “**Spanish Companies Act**”), which is the principal legislation under which we operate.

On April 13, 2021, the new Act 5/2021, of April 12, amending the consolidated text of the Spanish Companies Act, the LMV and other financial regulations, with respect to the encouragement of long-term shareholder engagement in listed companies, has been published in the Spanish Official Gazette, and will enter into force 20 days following its publication, this is, on May 3, 2021 (the “**Amendments to the Spanish Companies Act**” and the “**Amendments to the LMV**”, as applicable).

In order to adapt our corporate governance (i) to the provisions of the Spanish Companies Act applicable to Spanish companies which shares are admitted to listing on the Spanish Stock Exchanges, (ii) to the applicable corporate governance requirements and recommendations, such as the Code of Good Corporate Governance approved by the board of the CNMV on February 18, 2015, as amended in June 2020 (the “**Corporate Governance Code**”) and (iii) to the best practices of listed companies, our board of directors (the “**Board of Directors**” or the “**Board**”), at its meeting held on April 9, 2021, approved (i) the rules and regulations that govern the Board of Directors (the “**Board of Directors Regulations**”) and (ii) the Internal Code of Conduct, which will become effective upon Admission. Similarly, on March 22, 2021, our Pre-Offering Sole Shareholder, exercising the powers and faculties of the General Shareholders’ Meeting, approved a new restated text of our bylaws (the “**Bylaws**”). Likewise, on April 9, 2021 our Pre-Offering Sole Shareholder, exercising the powers and faculties of the General Shareholders’ Meeting, (i) approved the rules and regulations that govern the general shareholders’ meeting (the “**General Shareholders’ Meeting Regulations**”) and (ii) acknowledged the approval of the Board of Directors Regulations and of the Internal Code of Conduct. As of the date of this Prospectus, the General Shareholders’ Meeting Regulations and the Board of Directors Regulations have been approved, as stated above, have been raised to public deed before a Spanish Public Notary on April 12, 2021 and have been submitted to the Commercial Registry of La Coruña for their registration.

Board of Directors

Spanish corporate law provides that the board of directors of a Spanish incorporated company is responsible for the management, administration and representation of the company in all matters concerning its business, subject to the provisions of the bylaws (*estatutos*), except for those matters expressly reserved for the general shareholders’ meeting.

Our Bylaws and Board of Directors Regulations provide for a Board of Directors that consists of between 5 and 15 members. Our Board of Directors currently consists of ten members in accordance with the resolution passed by our Pre-Offering Sole Shareholder exercising the powers and faculties of the General Shareholders’ Meeting, on April 9, 2021.

According to the Bylaws and the Board of Directors Regulations, the Directors are elected by the General Shareholders’ Meeting (shareholders have the right to appoint a number of directors in proportion to their shareholding in our share capital provided that vacancies exist) to serve for a maximum term of four years and may be reelected to serve for an unlimited number of terms of the same duration (save that no independent director can serve for more than 12 years and still be considered independent). If a Director does not serve out his or her full term, the Board of Directors may fill the vacancy by appointing an alternate director to serve until the next General Shareholders’ Meeting. If the vacancy occurs once the General Shareholders’ Meeting has been convened and before the meeting has been held, the Board of Directors may appoint a director to serve until the next General Shareholders’ Meeting. Any natural person, other than those specifically declared ineligible by applicable law, the Bylaws or the Board of Directors Regulations, may serve on the Board of Directors. A Director may be removed from office by the General Shareholders’ Meeting, even if such removal is not included on the agenda for that General Shareholders’ Meeting.

Our Board of Directors is responsible for our management and establishes, among other things, our strategic, accounting, organizational and financing policies. In addition, and further to any other matters as may be provided by law, the Bylaws or the Board of Directors Regulations, pursuant to Article 249 bis of the Spanish Companies Act, the following matters cannot be delegated under any circumstances by the Board of Directors:

- a) Supervising the effective operation of any committees established or the performance of any delegated bodies or managers nominated by it.

- b) Determining our general policies and strategies.
- c) Authorizing or releasing directors from the obligations arising from the duty of loyalty in accordance with the provisions of Article 230 of the Spanish Companies Act.
- d) Determining its own organization and performance.
- e) Preparing the annual individual and consolidated financial statements and their submission to the General Shareholders' Meeting.
- f) Preparing any type of report required from the Board of Directors by law, assuming that the transaction to which the report refers cannot be delegated.
- g) Nominating or removing our executive directors from the Board of Directors or establishing the conditions of their contract.
- h) Nominating or removing managers on whom the Board of Directors or some of its members may directly depend, such as establishing the basic conditions of their contracts, including remuneration.
- i) Decisions relating to Directors' remuneration, within the statutory framework and, when relevant, the remuneration policy approved by the General Shareholders' Meeting.
- j) Calling the General Shareholders' Meeting and preparing the agenda and proposal for agreements.
- k) The policy relating to treasury shares.
- l) Any powers that the General Shareholders' Meeting has vested to the Board of Directors, unless the Board of Directors has been explicitly authorized to sub-delegate them.

Additionally, according to Article 529 ter of the Spanish Companies Act, the Board of Directors may not delegate the decision on the following specific matters:

- a) Approval of the strategic or business plan, annual management objectives and budget, investment and finance policies, corporate liability policy and the dividends policy.
- b) Establishment of the risk control and management policy, including tax risks, and the supervision of the internal information and control systems.
- c) Establishment of our corporate governance policy and of the Group of which we are the parent company, its organization and functioning and, in particular, the approval and amendment of its own regulations.
- d) Approval of the financial information that, pursuant to our listed nature, we must periodically make public.
- e) Definition of the structure of the Group of companies of which we are the parent entity.
- f) Approval of all types of investments and transactions that, due to their high value or special characteristics, are of a strategic nature or have special tax risk, unless their approval falls under the authority of the General Shareholders' Meeting.
- g) Approval of the creation or acquisition of shares in special purpose entities or registered in countries or territories considered tax havens, in addition to any other transaction or operation of a similar nature that, due to its complexity, may undermine our transparency and of our Group.
- h) The approval, subject to a report from the Audit Committee, of transactions between us or companies in our Group with our Directors, in accordance with Articles 229 and 230 of the Spanish Companies Act, or with shareholders that, individually or jointly, hold a significant interest, including shareholders represented on our Board of Directors or the boards of other companies forming part of the same group or with persons related to them. The Directors concerned or which represent or are related to the shareholders concerned must abstain from discussions and voting on the relevant resolution.
- i) Establishing our tax strategy.

- j) Supervision of the process of preparing and presenting the financial information and the management report (*informe de gestión*), which includes, when appropriate, the mandatory nonfinancial information, and presents the recommendations or proposals to the Board of Directors, aiming to safeguard their integrity.

Pursuant to Article 529 ter 2 of the Spanish Companies Act, and paragraph 7 of Article 5 of our Board of Directors Regulations, under urgent and duly justified circumstances, decisions relating to the previous matters may be adopted by the delegated bodies or persons, which must be ratified in the first meeting of the Board of Directors held after the adoption of such decision by the delegated bodies or persons.

In accordance with applicable Spanish law, the Board of Directors Regulations and the Bylaws, the Chairperson of the Board of Directors and, where appropriate, the Vice-Chairperson, who acts as Chairperson in the event of the Chairperson's absence or incapacity, shall be elected by the Board of Directors from among its members, following a report prepared by the Appointments and Compensation Committee (as defined below). Pursuant to Article 529 septies of the Spanish Companies Act, applicable upon Admission, and to the Board of Directors Regulations, if the Chairperson is an executive director, a Lead Director (*consejero coordinador*) shall be appointed from among the independent directors, provided that the executive directors shall abstain from voting. The Lead Director shall have the power to request the call of the meetings of the Board of Directors and request the inclusion of new items on the agenda of the meetings, to coordinate and gather the non-executive directors and communicate their concerns to the Chairperson, to lead, if necessary, the regular evaluation of the Chairperson of the Board of Directors and to preside the Board of Directors in the absence of the Chairperson and the Vice-Chairpersons, where applicable. Upon Admission, our Chairperson will be Mr. Luis Valdivia, who is also an executive director. Accordingly, upon Admission, Ms. María Eugenia Girón will be the Lead Director of the Board of Directors.

The Secretary and, where appropriate, the Vice-Secretary of the Board of Directors do not need to be Directors, in which case they will have right to speak but not to vote at Board of Directors meetings.

Pursuant to article 529 decies of the Spanish Companies Act, and as explained below in the “*Board of Directors*” section and in the “*Board Committees*” section, the proposal of appointment or re-election of members of the Board of Directors of listed companies corresponds to the Appointments and Compensation Committee, in the case of independent directors, and to the Board itself in the remaining cases and such proposal of appointment or re-election must be preceded by a report by the Appointments and Compensation Committee.

The Bylaws and Board of Directors Regulations provide that the Chairperson of the Board of Directors may call a meeting whenever he or she considers such a meeting necessary or suitable. The Chairperson of the Board of Directors is also required to call a meeting when so requested by at least one third of the total number of members of the Board of Directors or, if applicable, if so requested by the Lead Director. If the Chairperson does not call such meeting within one month from such request, those Directors would be entitled to call the meeting directly. Pursuant to the Bylaws and in compliance with the Corporate Governance Code recommendations, the Board of Directors shall meet at least eight times per year.

Our Bylaws and Board of Directors Regulations provide that the majority (half plus one) of the members of the Board of Directors (attending in person or represented by proxy by another Director) constitutes a quorum. Except as otherwise provided by law and in the Board of Directors Regulations, resolutions of the Board of Directors are approved by an absolute majority of the Directors attending or represented at a Board of Directors meeting. The Bylaws and the Board of Directors Regulations do not contain any special majorities to pass any resolution different from those that are established by the legislation in force as of the date of this Prospectus. In case of a tie, the Chairperson shall have a casting vote.

The Board of Directors meeting can be held electronically by multiconference, phone or video conference, or any other equivalent system. In addition, Board of Directors resolutions can also be passed in writing in lieu of meeting (*por escrito y sin sesión*), provided that no Director objects to this procedure and that the requirements established in the law for such cases are complied with.

Pursuant to the Spanish Companies Act, Directors may contest resolutions passed by the Board of Directors or by any other management body, within 30 days of their adoption. Similarly, such agreements may be contested by any shareholder or shareholders who, in the case of listed companies, represent 0.1% of the share capital, within 30 days of becoming aware of such resolutions and provided not more than three months has elapsed since their adoption. When the resolution is against the public order, the right to challenge does not lapse. The causes, processing and effects of these challenges shall be subject to the same as those established for challenges to

resolutions passed at General Shareholders' Meeting except that they may be based on a breach of the Board of Directors Regulations.

Board of Directors Regulations

The Board of Directors is governed by the Bylaws and the Board of Directors Regulations. The Board of Directors Regulations develop the Bylaws and establish the principles for the functioning of the Board of Directors, including the basic rules for its composition, structure and functions and the standards of conduct of the Board of Directors members, including, among others, the Directors' general obligations, non-competition obligations, conflicts of interest management, duty of confidentiality, use of our assets and management of non-public information.

According to our Board of Directors Regulations, our Directors must tender their resignation to the Board of Directors, which may accept such resignation, in its discretion, under the following circumstances: (A) in case of proprietary directors, (i) when they, or the shareholder to whom they represent, transfer their shares in the Company, and (ii) in the corresponding number of Directors, when the shareholder to whom they represent reduce their stake in our share capital to a level that requires a reduction in the number of proprietary Directors appointed by such shareholder; (B) in case of executive directors, whenever the Board of Directors deems it appropriate and, in any case, when the executive Director ceases to perform executive roles to us and/or in the Group; (C) when such director's participation on the Board of Directors is contrary to applicable law or our Bylaws for reasons of ineligibility or incompatibility; (D) where the director breaches his or her duties resulting in a serious infringement of Spanish law or our Bylaws or causes a serious damage us; (E) when such director's participation on the Board of Directors jeopardizes or prejudices our interest, credit or reputation, or when the reasons for which the Director was appointed cease to exist; (F) when the Directors are seriously cautioned by the Board of Directors, following a report from the Audit Committee, for having infringed their obligations as Director or (G) when they are allegedly subject to criminal proceedings or to disciplinary proceedings for serious infringements instructed by the supervisors or regulators.

Directors must perform their duties and fulfill those imposed by law and our Bylaws with the diligence of an orderly businessman, taking into account the nature of the Director's role and the functions attributed to each of them; and subordinate, in any case, their particular interest to the interest of the company.

Directors

Our Board of Directors is currently composed of ten members: two executive Directors, three proprietary Directors and five independent Directors, one of whom, Ms. María Eugenia Girón, will be the Lead Director. The Lead Director has the powers attributed under Spanish law and our Board of Directors Regulations.

On April 9, 2021, our Board of Directors approved the delegation to our Chairperson, Mr. Luis Valdivia, and to our Vice-Chairperson, Mr. Fernando Rodríguez, of all powers and faculties except those that cannot be delegated by virtue of the Spanish Companies Act, so that any of them can joint and severally perform any of them.

The following table sets forth, as of the date of this Prospectus, the current composition of the Board of Directors, and is followed by a summary of professional background of each such Director.

Name	Date of first appointment	Expiry date of appointment	Age	Title	Category
Mr. Luis Valdivia	28/01/20	9/04/25	57	Chairperson Chief Executive Officer	Executive
Mr. Fernando Rodríguez	28/01/20	9/04/25	46	Vice-Chairperson	Executive
Mr. Eduardo Serra	9/04/21	9/04/25	74	Director	Proprietary
Ms. Ana Palacio	9/04/21	9/04/25	72	Director	Proprietary
Mr. Carlos González-Bueno	9/04/21	9/04/25	52	Director	Proprietary
Ms. Inés Juste	9/04/21	9/04/25	46	Director	Independent
Mr. Juan Carlos Ureta	9/04/21	9/04/25	64	Director	Independent
Ms. María Eugenia Girón	9/04/21	9/04/25	57	Lead Director	Independent
Mr. Fernando Lacadena	9/04/21	9/04/25	65	Director	Independent
Mr. Dean Tenerelli	9/04/21	9/04/25	56	Director	Independent

All the appointments have been approved by our Pre-Offering Sole Shareholder exercising the powers and faculties of the General Shareholders' Meeting on April 9, 2021. As of the date of this Prospectus, all the Directors have accepted their appointment, which is immediately effective, and the resolutions relating to their appointment

have been raised to public deed before a Spanish Public Notary on April 12, 2021 and have been submitted to the Commercial Registry of La Coruña for their registration.

Our Directors, Mrs. Ana Palacio, Mr. Eduardo Serra and Mr. Carlos González Bueno, have been appointed at the proposal of our Pre-Offering Sole Shareholder, therefore the three of them qualify as proprietary Directors.

The Board of Directors, at its meeting held on April 9, 2021, has appointed Mr. Ignacio Gómez-Sancha as the non-director Secretary of the Board of Directors.

The categories of our Directors have been determined pursuant to the definitions set forth in the Spanish Companies Act. As of the date of this Prospectus, the category assigned to each Director has not been confirmed by the Appointments and Compensation Committee (as defined below), as this Committee was not in place yet on the date of the appointments. However, as soon as possible, and possibly following Admission, the Appointments and Compensation Committee (as defined below) will confirm the assigned categories. Directors are responsible for all the matters established in the Spanish Companies Act, the Bylaws and the Board of Directors Regulations.

All members of the Board of Directors have designated our registered address, Calle Canton Grande, 6 – 6º, 15003, La Coruña, as their professional address for the purpose of this Prospectus.

Biographical information

Biographical information for each of the current members of the Board of Directors, including a brief description of each Director's business experience and education, is presented below.

Mr. Luis Valdivia

Mr. Valdivia is the founder, CEO, and Chairperson of our Board of Directors. He is a pioneer in the development of the renewable energy in Spain. Mr. Valdivia founded the Company 32 years ago and since then has worked at Ecoener. He has led the Group's internationalization.

Mr. Fernando Rodríguez

Mr. Rodríguez is the Executive Vice-Chairperson of our Board of Directors, and also our Head of Legal, and Head of the National Business Development. Mr. Rodríguez has 20 years of experience as a lawyer, the last 17 years within Ecoener and before then, three as an independent lawyer. He studied Law at the University of La Coruña.

Mr. Eduardo Serra

Mr. Serra began his career in the public sector, being Secretary of the State of Defense and also Minister of Defense for four (4) years. Mr. Serra held high-level executive positions in the private sector, as Chairperson of Telettra España, Chairperson of Peugeot-Talbot España and Chairperson of UBS España. He was also the founder and Chairperson of the telecommunications company Airtel and member of the Board of Directors of Deutsche Bank Spain. Mr. Serra currently serves as Chairperson of the Board of Directors of Everis (an NTT Data company) and is also the Chairperson of the consulting firm Eduardo Serra y Asociados, and member of the Board of Directors of Pharma Mar. Mr. Serra is actively involved with non-profit organizations such as Real Instituto Elcano or Museo del Prado. He is the Chairperson of Fundación Transforma España and Fundación España Constitucional. Mr. Serra holds a degree in Law from Universidad Complutense de Madrid and completed his studies as State's Attorney, being the number one in his class (1974).

Ms. Ana Palacio

Ms. Palacio is a lawyer and founder of the law firm Palacio & Asociados. Ms. Palacio held various positions in the public sector, holding different front line positions in the European Parliament (among them, Chair of the Internal Market Committee) and the Spanish Parliament. She has served as member of the Council of State of Spain and as Senior Vice-President and as General Counsel of the World Bank Group. She was the first woman in Spain Minister of Foreign Affairs. Ms. Palacio has also been Vice-President of the Executive Board of the multinational Nuclear Energy group Areva. Ms. Palacio is, at present, member of the Board of Directors of Enagás, Pharma Mar and AEE Power, a company specialized in the energy sector in Africa. Ms. Palacio is also member of the International Advisory Committee of Investcorp, member of the External Advisory Committee of Energy Futures Initiative (EFI) and member of the Board of the Atlantic Council of the United States. Additionally, Ms. Palacio is member of the governing bodies of several research and public institutions such as MD Anderson Cancer Center, Rand Corporation (Europe), the Scientific Board of Real Instituto Elcano and the Global Leadership Foundation. Ms. Palacio actively participates in international conferences and forums related to the energy sector,

in particular, the G-20 International Energy Forum or the Atlantic Council Energy & Economic Summit and Forum. Ms. Palacio has been a speaker at the International Energy Agency (IEA). Ms. Palacio holds a degree in Law, Political Science and Sociology and an Honorary Doctorate in Humanities from the University of Georgetown. She was awarded with the Sandra Day O'Connor Justice Prize in 2017.

Mr. Carlos González-Bueno

Mr. González-Bueno has more than 25 years of experience in the legal sector, having started his career as State Attorney in 1994. Mr. González-Bueno worked between 1997 and 2002 in the Government as an Undersecretary of State at the Ministries of Science and Technology and Industry and Energy and also as Director and President of the Spanish Patent and Trademark Office. Mr. González-Bueno has a wide expertise in litigation and arbitration as well as a strong experience in the patent and trademark market. He was a member of the Board of the state-owned industrial holding company Sociedad Estatal de Participaciones Industriales (SEPI) and CEO of the National Certificate Agency (*Agencia Nacional de la Certificación*) for six years. Mr. González-Bueno is also the founding partner of González-Bueno SLP and teaches at the Law School of Universidad Pontificia Comillas (ICADE). Mr. González-Bueno holds a degree in Law from Universidad Pontificia Comillas and completed his studies as State's Attorney (1994).

Ms. Inés Juste

Ms. Juste has been, since 2011, the Chairperson of Grupo Juste, a family-owned company and leading-player of the chemical-pharmaceutical industry. Ms. Juste is currently member of the Board of Directors of Renta 4 Banco, S.A., and of Instituto de Consejeros – Administradores (IC-A). Ms. Juste is the Vice-Chairperson of Confederación Española de Organizaciones Empresariales (CEOE) and Fundación Adecco. Ms. Juste has also been Chairperson of Asociación para el Desarrollo de la Empresa Familiar de Madrid (ADEFAM), member of the Board of Asociación Española de Industria Farmacéutica (Farmaindustria) and Vice-Chairperson of Federación de la Industria Química Española (FEIQUE). Ms. Juste holds a degree in Business Administration from Universidad Autónoma de Madrid and a Master in Business Management Administration from IE Business School. Ms. Juste has been awarded with several recognitions, such as the National Woman Entrepreneur award by FEDEPE and ASEME in 2020.

Mr. Juan Carlos Ureta

Mr. Ureta began his professional career in 1980 at the Ministry of Economy and Finance as State's Attorney. Mr. Ureta also worked as Accredited Stock Broker of the Madrid Stock Exchange until 1989. He has held board-level positions at companies such as Bolsas y Mercados Españoles (BME), Sociedad Rectora de la Bolsa de Madrid, S.A. (*Governing body of the Madrid Stock Exchange*), Iberclear and Indra, and has also been member of the Advisory Boards of Lucent Technologies and ING Direct. Mr. Ureta was Chairperson of the Instituto Español de Analistas Financieros (IEAF) for six years. Mr. Ureta co-founded and is currently the Executive Chairperson of Renta 4 Banco. Mr. Ureta holds a degree in Law, with an economic specialty from the Universidad de Deusto (being awarded with the National Prize for the completion of the University studies) and completed his studies as State's Attorney (1980) and Accredited Stock Broker (1984).

Ms. María Eugenia Girón

Ms. Girón has 20 years of experience in the premium and luxury industry. Ms. Girón currently serves at the Board of Directors of Corporación Financiera Alba where she Chairs the Compensations and Remunerations Committee as well as being a member of the Audit Committee. She also has board experience at foundations and institutions, being the Chairperson of the Board of Trustees of Fundación para la Diversidad, Vice-Chairperson of the Board of Oceana, member of the Board of Instituto de Consejeros – Administradores (IC-A), member of the Board of Trustees of Real Fábrica de Tapices and member of the Board of Trustees of IE University. She is Jury member for the Executive Agency for Small and Medium-sized Enterprises (EASME) at the European Commission. She is an active angel-investor in innovative European start-ups, being the co-founder of Rising Tides Europe programs. She has also been the Chairperson of the Board of Go Beyond Investing and is currently member of the Advisory Board of South Summit. Ms. Girón is an associate professor at IE University. Ms. Girón holds a degree in Industrial Engineering from Universidad Pontificia de Comillas (ICAI-ICADE) and an MBA from Harvard Business School.

Mr. Fernando Lacadena

Mr. Lacadena has more than 40 years of experience in the finance sector and is highly oriented towards business management as he has a broad expertise in finance management of large listed multinational corporations as well

as a strong background in the investment transactional market (M&A). He started his career in the auditing firm Arthur Andersen, after which he worked in ACS-Dragados Group and as CFO of the Sacyr Vallehermoso Group. Mr. Lacadena holds high-level positions in the real estate sector being currently the CFO of Merlin Properties SOCIMI, a leading real estate company in Spain listed on the IBEX-35, and before that, he was the CEO of Testa Inmuebles en Renta, leading its IPO process. He is also member of the Board of Directors (and Chairperson of its Audit Committee) of NH Hotel Group, a listed leading urban hotel chain in Europe and America. Mr. Lacadena is also the Chairperson of Asociación de Inmobiliarias con Patrimonio en Alquiler (ASIPA), the Spanish association of rental property companies. Mr. Lacadena holds a degree in Law and in Economics and Business Management from Universidad Pontificia de Comillas (ICADE).

Mr. Dean Tenerelli

Mr. Tenerelli has more than 30 years of experience in investing. During this time, he engaged with hundreds of management teams analyzing their strategic, competitive, regulatory, macroeconomic and financial challenges. Mr. Tenerelli started his investment career as an assistant portfolio manager at Artisan Partners after which he worked for one year at Credit Suisse Asset Management as an equity analyst, specialized in the telecom area. Mr. Tenerelli then joined T. Rowe Price, an American asset management firm, where he worked for the last 20 years principally managing the firms European equity strategy, but also co-managing Global and EAFE strategies. Mr. Tenerelli holds a degree in Economics from Rutgers University, an MBA from ESADE Business School and a Masters in International Management from Thunderbird (The American Graduate School of International Management).

Director's managerial positions and shareholdings

The following table sets out all entities¹⁴ and partnerships¹⁵ in which the members of the Board of Directors have been appointed as members of the administrative, management or supervisory bodies or partner at any time during the five-year period preceding the date of this Prospectus, indicating whether or not each person is still a member of any such bodies or holds any shares in any such entities. As allowed by the Prospectus Regulation, in the table below are only mentioned companies and partnerships that do not belong to our Group, therefore not including the name of our subsidiaries where members of our Board of Directors hold any of the above positions or shares.

Director	Entity	Sector	Position/Title	In office	Shareholdings
Mr. Luis Valdivia	N/A	N/A	N/A	N/A	N/A
Mr. Fernando Rodríguez	N/A	N/A	N/A	N/A	N/A
Mr. Eduardo Serra	Eduardo Serra y Asociados	Consulting	Founder and Chairperson	2001-ongoing	Yes
	Pharma Mar	Pharmaceutical	Board member	2007-ongoing	Yes
	Fundación Transforma España	R&D	Chairperson	2013-ongoing	No
	Deutsche Bank España	Banking	Board member	2014-2017	No
	Fundación España Constitucional	Political	Chairperson	2016-ongoing	No
	Everis (NTT Data company)	Consulting	Board member and Chairperson	2018-ongoing	No
Ms. Ana Palacio	Palacio & Asociados	Law	Founder	1987-ongoing	No
	Atlantic Council of the United States	International Affairs	Board member	2008-ongoing	No
	Investcorp	Investment	Member of the Advisory Board	2008-ongoing	No
	Pharma Mar	Pharmaceutical	Board member	2009-ongoing	Yes
	Council of State of Spain	Political	Elective member	2012-2018	No
	Real Instituto Elcano	International Strategy	Member of the governing body	2012-ongoing	No
	Enagás	Energy	Board member	2014-ongoing	No

¹⁴ We consider, to this effect, that the term “entity” includes all corporations that do not have an exclusive property, asset holding or family related purpose.

¹⁵ We consider that the term “partnership” excludes all shareholdings in publicly listed companies that are not considered significant under applicable laws.

Director	Entity	Sector	Position/Title	In office	Shareholdings
	The European House - Ambrosetti	Consulting	Member of the Advisory Board	2015-2016	No
	MD Anderson Cancer Center	Health	Member of the governing body	2015-ongoing	No
	AEE Power	Energy	Board member	2016-ongoing	No
	EFI	R&D	Member of the Advisory Board	2017-ongoing	No
	Global Leadership Foundation	Development	Member of the governing body	2018-ongoing	No
Mr. Carlos González-Bueno	González-Bueno S.L.P.	Law	Founding Partner	2004-ongoing	Yes
	Universidad Pontificia de Comillas (ICADE)	Education	Professor	2015-ongoing	No
	Spanish Arbitration Club	Law	Member of the Governing Board	2017-2020	No
Ms. Inés Juste	Grupo JUSTE	Pharmaceutical	Chairperson	2011-ongoing	Yes
	FEIQUE	Pharmaceutical	Vice-Chairperson	2012-2016	No
	Farmaindustria	Pharmaceutical	Board member	2012-2016	No
	ADEFAM	Business Development	Chairperson	2014-2017	No
	IC-A	Corporate Governance	Board member	2020-ongoing	No
	Renta 4 Banco	Banking and Capital Markets	Board member	2017-ongoing	Yes
	CEOE	Government Relations	Board member	2018-ongoing	No
Mr. Juan Carlos Ureta	Fundación Adecco	Human Resources	Vice-Chairperson	2016-ongoing	No
	Renta 4 Banco	Banking and Capital Markets	Board member and Chairperson	1989-ongoing	Yes
	Sociedad Rectora de la Bolsa de Madrid	Capital Markets	Board member and permanent committee member	1989-2019	No
	ING Direct	Banking	Member of the Advisory Board	2000-2016	No
	Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros (BME)	Capital Markets	Board member	2002-2007 2018-2020	No
Ms. María Eugenia Girón	Instituto Español de Analistas Financieros (IEAF)	Financial Services	Chairperson	2010-2016	No
	Oceana	Environmental	Board member and Vice-Chairperson	2007-ongoing	No
	Pedro García	Fashion	Member of the Advisory Board	2009-ongoing	No
	IE University	Education	Board member	2009-ongoing	No
	IE Business School	Education	Executive Director of the Premium and Prestige Business Observatory	2010-2019	No
	Fundación para la Diversidad	Foundation	Board member	2010-ongoing	No
			Chairperson	2015-ongoing	No
Grupo Suárez	Luxury goods	Member of the Advisory Board	2011-2018	No	

Director	Entity	Sector	Position/Title	In office	Shareholdings
	South Summit	Entrepreneurship	Member of the Advisory Board	2011-ongoing	No
	Real Fábrica de Tapices	Luxury goods	Member of the Advisory Board	2014-ongoing	No
	Corporación Financiera Alba	Investment	Board member	2016-ongoing	No
	IC-A	Corporate Governance	Board member	2017-ongoing	No
	European Innovation Council	Innovation Entrepreneurship	Member of Jury	2017-ongoing	No
	Go Beyond Investing AG	Entrepreneurship	Board member	2019-2021	Yes
	Bain & Company	Strategic Consulting	Advisor	2020-ongoing	No
Mr. Fernando Lacadena	ASIPA	Real Estate	Chairperson	2015-ongoing	No
	NH Hotel Group	Tourism	Board member	2016-ongoing	No
	Merlin Properties SOCIMI	Real Estate	CFO	2016-ongoing	No
Mr. Dean Tenerelli	T. Rowe Price	Investment	European Fund Manager	2000-2020	No

Board Committees

In compliance with the Spanish Companies Act, the Bylaws and the Board of Directors Regulations, the Board of Directors, at its meeting held on April 9, 2021, approved the creation of an audit committee (the “**Audit Committee**”), an appointments and compensation committee (the “**Appointments and Compensation Committee**”) and a sustainability committee (the “**Sustainability Committee**”), which are governed by the Spanish Companies Act, the Bylaws, the Board of Directors Regulations and the Internal Code of Conduct. The following is a brief description of the principal characteristics of the committees of the Board of Directors.

Audit Committee

The composition, responsibilities and rules of the Audit Committee are governed by the Spanish Companies Act, the Bylaws and the Board of Directors Regulations.

The Audit Committee shall have at least three members, with a maximum of five members, all of whom must be non-executive directors appointed by the Board of Directors, of whom the majority must be independent directors. The Audit Committee currently consists of three members in accordance with the resolution passed by the Board of Directors on April 9, 2021, effective upon Admission. Each member shall be appointed on the basis of his or her knowledge and expertise in accounting, audit or risk management or a combination thereof. As a group, the members of the Audit Committee shall have relevant technical knowledge relating to the business activity and industry to which we belong.

The Chairperson of the Audit Committee is selected by the Board of Directors from among its independent members, shall be replaced every four years and may be reelected after a year has elapsed since the removal. The Secretary of the Board of Directors may act as secretary of the Audit Committee. The members of the Audit Committee are as follows:

Name	Position/Title	Category
Mr. Fernando Lacadena.....	Chairperson	Independent
Mr. Dean Tenerelli.....	Member	Independent
Mr. Juan Carlos Ureta.....	Member	Independent

The Secretary non-director of the Audit Committee is Mr. Ignacio Gómez-Sancha.

The Audit Committee will be responsible for the following matters, together with any others that may be attributed to the Audit Committee by law, the Bylaws, the Board of Directors Regulations and the Corporate Governance Code:

- a) reporting to the General Shareholders’ Meeting on any matters within the Audit Committee’s authority;

- b) supervising the efficiency of our internal controls, internal audit and risk control and management functions, and discussing with our external auditors any significant weaknesses in the internal control systems identified during the audit process;
- c) overseeing the process of drafting and filing of our regulated financial information, and present recommendations and proposals to the Board of Directors in order to maintain its integrity;
- d) making proposals to the Board of Directors for submission to the General Shareholders' Meeting, regarding the appointment, re-election and substitution of the external auditors, the relevant terms and scope of work and preserving the independence of the auditors in the exercise of the audit works;
- e) liaising with our external auditors in order to receive information about any matters that might jeopardize such auditors' independence and any other matters related to the audit process and to any other legal communications regarding the auditing and technical standards applied to auditing, and receiving from the external auditors, annually, a declaration of independence in relation to the entity or its directly or indirectly related entities, together with detailed information on any additional services rendered and their corresponding fees;
- f) prior to the completion of the auditors' report on the annual accounts, issuing an annual report containing the Audit Committee's opinion on the independence of the appointed external auditors and describing any other services rendered by the external auditors or their related entities to us or our related entities;
- g) reporting on related-party transactions to be approved by the General Shareholders' Meeting or the Board of Directors and supervising the internal procedure established by us for those transactions whose approval has been delegated.
- h) reporting in advance to the Board of Directors on any matters envisaged in the legislation, Bylaws and the Board of Directors Regulations, and in particular:
 - i. the financial information and the management report, which shall include, when applicable, non-financial information, that we must publish from time to time; and;
 - ii. the creation or acquisition of shares in special purpose entities or companies which registered office is located in tax haven countries or territories.
- i) With respect to internal control and reporting systems:
 - i. supervise the preparation process and the completeness of the financial and nonfinancial information, as well as the internal control systems and management of risks concerning us (including operational, technological, legal, social, social environmental, political, reputational and corruption-related issues) and, where applicable, the Group, reviewing compliance with regulatory requirements, the appropriate delimitation of the consolidation scope and the correct application of accounting principles;
 - ii. monitor and ensure the independence of the internal audit unit; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the service's budget; approve its priorities and work programs; receive regular report-backs on its activities; and verify that senior management acts on the findings and recommendations set out on their reports;
 - iii. establish and supervise a mechanism whereby employees (and others related to us, such as Directors, shareholders, suppliers or contractors) can report, confidentially or anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for us; and
 - iv. ensure that the internal policies and control systems are effectively implemented in practice.
- j) With respect to the external auditor:
 - i. if applicable, investigate the circumstances giving rise to the resignation of the external auditor;
 - ii. ensure that the remuneration of the external auditor does not compromise its quality or independence;

- iii. ensure that we report any change of auditor in an other relevant information notice (*comunicación de otra información relevante*), together with an statement of, any disagreements arising with the outgoing auditor and the reasons for the same;
- iv. ensure that the external auditor has a yearly meeting with the Board of Directors in full to inform it of the work undertaken and developments in our accounting and risk situation; and
- v. ensure that we, together with the external auditor, adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

The Audit Committee will meet at least quarterly for reviewing the financial and, as the case may be, non-financial information required by the applicable law and every time its Chairperson considers it convenient. In any case, the Committee Chairperson will call a meeting of the Audit Committee whenever the Board of Directors or its Chairperson requests the preparation of a report or the adoption of a proposal, or whenever it is requested by any of the members of the Audit Committee. As for the rest of the matters regarding organization and functioning of the Audit Committee, it shall be governed by the Bylaws and the Board of Directors Regulations.

Appointments and Compensation Committee

The organization of the Appointments and Compensation Committee is regulated by the Spanish Companies Act, the Bylaws and the Board of Directors Regulations.

The members of the Appointments and Compensation Committee are appointed by the Board of Directors among its members. The Appointments and Compensation Committee will be comprised of between three and five members, all of which must be non-executive directors, of whom the majority must be independent directors.

The Chairperson of the Appointments and Compensation Committee is appointed by the Board of Directors among the independent members of this Committee. The Secretary of the Board of Directors may act as secretary of the Appointments and Compensation Committee.

The members of the Appointments and Compensation Committee are as follows:

Name	Position/Title	Category
Ms. María Eugenia Girón.....	Chairperson	Independent
Mr. Fernando Lacadena.....	Member	Independent
Ms. Inés Juste.....	Member	Independent

The Secretary non-director of the Appointments and Compensation Committee is Mr. Ignacio Gómez-Sancha.

The creation of the Appointments and Compensation Committee and the appointment of its initial members was approved by our Board of Directors on April 9, 2021, effective upon Admission.

The Appointments and Compensation Committee will be responsible for, amongst others, the following matters, together with any others that may be attributed to the Appointments and Compensation Committee by law, the Bylaws, the Board of Directors Regulations and the Corporate Governance Code:

- a) evaluating the competence, knowledge and experience required within the Board of Directors and evaluating the time and resources required for Directors to carry out their tasks effectively;
- b) setting representation objectives for the underrepresented gender in the Board of Directors, and setting the procedures to accomplish such objectives;
- c) issuing the proposals for the appointment, re-election or removal of independent Directors;
- d) reporting on proposals for the appointment, re-election or removal of other types of Directors;
- e) reporting on the appointment or removal of the senior management and on the basic terms of senior management agreements;
- f) examining and organizing, in the most appropriate way, the replacement of the Chairperson of the Board of Directors and of executive Directors and, if applicable, making proposals to the Board of Directors in order for such replacements to take place in an orderly and well-planned manner;

- g) making proposals to the Board of Directors on the compensation policies for directors, senior management, chief executive officers and executive committee, as well as the individual compensation and remaining contractual terms of executive Directors;
- h) review the compliance of our compensation policy;
- i) application, and ensuring that their individual compensation is proportionate to the amount paid to other Directors and to the senior management;
- j) ensure that any potential conflicts of interests do not affect the independence of the external advice provided to the committee; and
- k) verify the information on the remuneration of Directors and of the senior management contained in corporate documents, including the annual report on Directors' compensation.

The Appointments and Compensation Committee will meet, at least, three times per year, and its Chairperson will call a meeting whenever the Board of Directors or the Chairperson of the Board of Directors requests the preparation of a report or the adoption of a proposal within the Committee's authority, or whenever the Chairperson of the Board of Directors, the Committee Chairperson, or any Committee member requests such a meeting. In any event the Appointments and Compensation Committee shall meet as often as necessary for the proper discharge of its functions.

As previously indicated, neither the appointment of the current Directors was preceded by proposals and reports of the Appointments and Compensation Committee nor the category assigned to each Director confirmed by the Appointments and Compensation Committee, as this Committee was not in place yet on the date of each of the appointments. However, once this Committee is formed and as soon as practicable following Admission, it will issue the corresponding proposals and reports and confirm the classification of our Directors in accordance with applicable law and the Board of Directors Regulations.

Sustainability Committee

The composition, responsibilities and rules of the Sustainability Committee are governed by the Bylaws and the Board of Directors Regulations.

The members of the Sustainability Committee are appointed by the Board of Directors among its members. The Sustainability Committee will be comprised of between three and five members, all of which must be non-executive directors, of whom the majority must be independent directors.

The Chairperson of the Sustainability Committee is appointed by the Board of Directors among the independent members of this Committee. The Secretary of the Sustainability Committee is appointed by the Committee. Mr. Fernando Rodríguez has been appointed as Secretary of the Sustainability Committee due to his experience and knowledge on sustainability.

The members of the Sustainability Committee are as follows:

<u>Name</u>	<u>Position/Title</u>	<u>Category</u>
Ms. Inés Juste	Chairperson	Independent
Mr. Dean Tenerelli	Member	Independent
Ms. Ana Palacio	Member	Proprietary

The creation of the Sustainability Committee and the appointment of its initial members was approved by our Board of Directors on April 9, 2021, effective upon Admission.

The Sustainability Committee will be responsible for, amongst others, the following matters, together with any others that may be attributed to the Sustainability Committee by law, the Bylaws, the Board of Directors Regulations and the Corporate Governance Code:

- a) be aware of, drive, guide and supervise our actions in terms of corporate social responsibility and sustainability, reporting this to the Board of Directors, as well as ensuring that the corporate culture is aligned with our purpose and values;
- b) supervise and assess the different interest groups relations processes;
- c) drive our sustainability strategy;

- d) assess and review our plans in accordance with the social responsibility policies, monitoring our degree of compliance;
- e) promote the existence of a Code of Ethics, proposing its approval and any subsequent amendments to the Board of Directors, as well as promoting any issues relevant to raising awareness of, and compliance with, the Code of Ethics;
- f) review our internal policies and procedures to verify their efficacy in preventing inappropriate conduct and identifying any policies or procedures that would be more effective in promoting the highest ethical standards;
- g) advise, within its remit, on issues including employment, innovation, satisfaction, diversity, integration, non-discrimination, equality, work-life balance, accessibility and mobility;
- h) periodically review the corporate governance policies and propose to the Board of Directors, for approval or submission to the Annual General Meeting, any amendments or updates contributing to its development and continuous improvement;
- i) supervise compliance with legal requirements and corporate governance standards;
- j) report on the implementation by foundations connected to us of general interest and corporate social responsibility activities that are entrusted to them; and
- k) report to the Board of Directors, prior to its approval, of our annual corporate governance report, requesting the reports of the Audit Committee and the Appointments and Compensation Committee in relation to the sections of such report that are within their competencies, and, if published, the annual sustainability report or statement.

The Sustainability Committee will meet, at least, three times per year, and its Chairperson will call a meeting whenever the Board of Directors or the Chairperson of the Board of Directors requests the preparation of a report or the adoption of a proposal within the Committee's authority, or whenever the Chairperson of the Board of Directors, the Committee Chairperson, or any Committee member requests such a meeting. In any event the Sustainability Committee shall meet as often as necessary for the proper discharge of its functions.

Company's website

Upon Admission, our corporate website (www.ecoener.es) will meet the requirements imposed by Article 539 of the Spanish Companies Act, Ministerial Order ECC/461/2013 of March 20 and CNMV's Circular 3/2015 of June 23, and the remaining applicable Spanish securities market regulations, by virtue of which our website shall include, among other information, the following:

- a) Bylaws;
- b) General Shareholders' Meeting Regulations;
- c) Board of Directors Regulations;
- d) Annual reports on corporate governance;
- e) Information on the exercise of voting rights by the shareholders as well as documents with respect to general shareholders' meeting and its developments;
- f) The latest individual and consolidated (where applicable) financial statements and the annual reports of last five years;
- g) Certain non-financial information that must be mandatorily disclosed;
- h) Electronic forum for shareholders to be used for the purpose of facilitating communication among shareholders prior to the general shareholders' meeting;
- i) Inside information notices (*comunicación de información privilegiada*) and other relevant information notices (*comunicación de otra información relevante*);
- j) Shareholders agreements, if any;

- k) Reporting of significant stakes (*comunicación de participaciones significativas*);
- l) Average period of payment to suppliers;
- m) Contact and communication channels with shareholders and mechanism to allow voting; and
- n) Dividends payment calendar.

Additionally, and in accordance with the Prospectus Regulation, all registered prospectuses relating to us will be available on our website for at least ten (10) years.

Conflicts of Interests

Pursuant to Article 33 of the Board of Directors Regulations, Directors will face a conflict of interest where our interests collide directly or indirectly with the personal interest of a Director. There is a personal interest of a Director in a matter when it affects him or her or a related party, and, for proprietary Directors, when it affects the shareholder/s which appointed him or her or proposed his or her appointment or to persons directly or indirectly related to them.

Therefore, Directors are required to avoid situations in which their interests, whether on their own behalf or on behalf of others, may conflict with our corporate interest or with our duties as a listed company.

Pursuant to Article 229 of the Spanish Companies Act, Directors are required to report to the Board of Directors any circumstances that may give rise to a direct or indirect conflict of interest as soon as they become aware of such circumstances. In particular, our Directors (and related parties to directors) should abstain from:

- a) carrying out transactions with us, excluding ordinary transactions which are (i) of a limited amount, and (ii) undertaken in standard conditions applicable to all customers;
- b) using our name or their capacity as Director to unduly influence private transactions;
- c) using corporate assets, including confidential information on us, for private purposes;
- d) taking advantage of business opportunities that correspond to us;
- e) obtaining advantages or compensation from third parties other than us associated with their post unless they are a mere compliment; and
- f) carrying out activities, on their own or on behalf of third parties, which may compete, factually or potentially, with us or which could put the Director in a permanent conflict with our interests.

As a general corporate rule, members of the Board of Directors shall abstain from participating in the debate and voting on resolutions or decisions in connection with which such Directors or any person related to them are affected by a conflict of interest, whether direct or indirect.

According to the Amendments to the Spanish Companies Act, the new article 529 *vicies et seq* of the Spanish Companies Act contemplates a specific disclosure and approval procedure that should be complied with when our Directors engage in related-party transactions with (i) us or with our subsidiaries, or (ii) our shareholders who hold a stake of 10% or more of our share capital or voting rights, or (iii) shareholders who are represented in our Board of Directors, or (iv) other persons that should be considered as a related party according to applicable accounting rules. However, as an exception to the transactions listed above, the following are not considered related-party transactions and therefore would not be subject to the disclosure and approval procedure detailed below: (a) transactions entered between us and our wholly owned subsidiaries, save for the procedure envisaged for intra-group transactions (see section “*Intragroup transactions*” below); (b) the approval by the Board of Directors of the delegation contracts to be entered between us and our executive Directors, including our CEO or our senior managers performing executive duties, save for the obligation of each relevant executive Director to not participate in such meeting of the Board of Directors that will deliberate on his or her delegating contract; (c) transactions entered between us and our subsidiaries as long as no other related-party to us has any interests in said subsidiaries. General Shareholders’ Meeting shall have the authority to approve related-party transactions whose amount or value is equal to or exceeds 10% of the total asset items according to the last annual balance sheet approved by us. The relevant shareholder affected by the related party transaction shall not vote at the General Shareholders’ Meeting, except where the proposed resolution has been approved by the Board of Directors without the majority of independent directors voting against it. Notwithstanding the foregoing, the Board of Directors shall have the

authority to approve the rest of the related-party transactions. The conflicted Director or the Director representing or related to the conflicted shareholder must abstain from participating in the deliberation and voting of the corresponding resolution. However, Directors who represent or are related to the holding company in our Board of Directors may vote, in which case, if the decision or vote of such Directors is decisive for the approval of such transaction, it shall be up to such Director to prove that the decision was in the best interest of the company. The approval by either the General Shareholders' Meeting or the Board of Directors shall be informed and preceded by a report from the Audit Committee. The Board of Directors may delegated in certain circumstances the authority to approve related-party transactions, such as ordinary transactions entered into in the ordinary course of business and at arms-length, and transactions entered into pursuant to an agreement with standard conditions and applied to a large number of clients. Related-party transactions approved under the delegation granted by the Board of Directors shall not require the Audit Committee prior report, but the Board of Directors shall have in place an internal procedure for information and monitoring, where the Audit Committee must be involved, in order to supervise that all the applicable requirements mentioned are complied with.

To the best of our knowledge, as of the date of this Prospectus, there are no actual or potential conflicts of interest amongst our Directors and Senior Management (as defined below) and none are engaged in self-dealing or personally engaged in any business that could be deemed as part of our operations. See section "*Related Party Transactions*" and "*Non-Compete Obligation*".

Intragroup transactions

According to the Amendments to the Spanish Companies Act, the new article 231 bis of the Spanish Companies Act regulates the intragroup transactions, stating that the approval of transactions entered into by us with our Pre-Offering Sole Shareholder or other companies of our Group which are subject to conflict of interest shall correspond to the General Shareholders' Meeting when the business or transaction in which it consists, by its nature, is legally reserved to the authority of the General Shareholders' Meeting and, in any case, when the amount or value of the transaction or the total amount of the transactions exceeds 10% of the total assets of the company involved.

The approval of other transactions, different from the ones mentioned in the paragraph above, entered into by us with our Pre-Offering Sole Shareholder or other companies of our Group subject to conflict of interest shall be the responsibility of the Board of Directors. Notwithstanding the legal provisions regulating conflicts of interests, as described above in section "*Conflicts of Interests*", the approval of the transactions mentioned herein may be made with the involvement of the Directors who are related to and represent the Pre-Offering Sole Shareholder, in which case, if the decision or vote of such Directors is decisive for the approval of such transaction, it shall be up to the Company and, if applicable, to the Directors affected by the conflict of interest, to prove that such transaction is in accordance with the corporate interest in the event that it is challenged and that they used the required due diligence and loyalty in the event that they are held liable.

The approval of transactions entered into by us with our Pre-Offering Sole Shareholder or other companies of our Group subject to conflicts of interest may be delegated by the Board of Directors to other delegated bodies, executive directors or members of our Senior Management, provided that they are transactions entered into in the ordinary course of business, including those resulting from the execution of a framework agreement or contract, and concluded under arm's length conditions. As of the date of this Prospectus, the Board of Directors has not delegated any such authorizations.

Non-Compete Obligation

Directors are not entitled to hold office or render services for entities which are competitors of the Group. The General Shareholders' Meeting may waive this restriction. According to Article 32 of the Board of Directors Regulations, following the request by any shareholder, the General Shareholders Meeting may decide upon the dismissal of any Director who performs competing activities provided that the risk of damage to us has become relevant.

Before accepting any office in the management body of any company or entity outside the Group, Directors shall consult with the Appointments and Compensation Committee.

To the best of our knowledge, as of the date of this Prospectus, none of the Directors and Senior Management (as defined below) render services for entities which are competitors of the Group, with the exception of our Chairperson and CEO, Mr. Luis Valdivia, who is in the process of developing certain pre-existing projects (in which our Vice-Chairperson, Mr. Fernando Rodríguez, has a minority interest) through the Pre-Offering Sole Shareholder, Ecoener, S.L.U. To this effect, on April 9, 2021, the Pre-Offering Sole Shareholder authorized Mr.

Luis Valdivia and Mr. Fernando Rodríguez, in accordance with the Spanish Companies Act, to directly carry out the development of only certain pre-existing projects, as they are activities that could be considered as competing with the ones performed by us, based on the fact that no damages or economic impact to us may arise from these projects, is accordance with article 230.3 of the Spanish Companies Act. Any potential future project to be developed through Ecoener S.L.U. will be subject to the approval process set out in section “*Conflict of Interest*” above, according to which, such authorization shall be approved by the General Shareholders’ Meeting or the Board of Directors, depending on the circumstances, but in any case preceded by a report from the Audit Committee.

Internal Code of Conduct and Corporate Governance

Internal Code of Conduct

Pursuant to the reform of the LMV enacted by Royal Decree-Law 19/2018 of November 23 (*Real Decreto-ley 19/2018, de 23 de noviembre, de servicios de pago y otras medidas urgentes en materia financiera*) (“**Royal Decree-Law 19/2018**”), it is no longer mandatory to have an internal code of conduct in place (*Reglamento Interno de Conducta en los Mercados de Valores*) (the “**Internal Code of Conduct**”), however, we have implemented and defined a transparent set of rules and regulations for compliance with market abuse regulations which is compliant with MAR.

On April 9, 2021, the Board of Directors approved the Internal Code of Conduct, which will be effective upon Admission. The Internal Code of Conduct applies to, among other persons, all members of the Board of Directors, Senior Management and employees who have regular access to inside information, as defined under MAR.

The Internal Code of Conduct, among other things:

- a) establishes the restrictions on, and conditions for, the purchase or sale of our securities or other financial instruments by persons subject to the Internal Code of Conduct, and by those who possess inside information;
- b) provides that we shall not engage in open market acquisitions with a view to manipulating the market price of our securities or our other financial instruments, or to favoring any particular shareholder;
- c) provides that persons subject to the Internal Code of Conduct shall not engage in market manipulation with respect to our securities or other financial instruments; and
- d) provides that persons who have a conflict of interest shall act in good faith and with loyalty toward us and our shareholders and without regard to such person’s individual interests. Accordingly, such persons shall: (i) not act in their own interest at our expense or in the interest of particular shareholders at the expense of other shareholders; (ii) not participate in decisions that may affect other persons or entities with which such person has a conflict of interest; and (iii) report potential conflicts of interest to our Board of Directors.

Corporate Governance

The Spanish Companies Act sets out certain legal provisions related to corporate governance which are mandatorily applicable to Spanish listed companies on the Spanish Stock Exchanges. We believe that we comply with the requirements of the Spanish Companies Act.

In addition to the Spanish Companies Act, the Corporate Governance Code sets out certain non-binding recommendations on corporate governance to be considered (on a “comply or explain” basis) by the companies listed on the Spanish Stock Exchanges.

We believe that we substantially comply with the recommendations of the Corporate Governance Code. In particular, as of the date of this Prospectus, we comply with recommendations: 1, 8, 12, 13, 15, 16, 17, 22, 25, 26, 27, 28, 29, 30, 31, 33, 34, 35, 37, 38, 39, 40, 41, 42, 43, 47, 49, 50, 51, 52, 53, 56, 57, 58, 61, 62 and 64. Upon Admission, we will comply with recommendation 18. We are committed to follow strict corporate governance policies and we intend to adapt our practices to all the recommendations contained in the Corporate Governance Code, as soon as possible after Admission, in a consistent manner and to the extent they apply to us. However, as of the date of this Prospectus, our corporate governance practices depart from these recommendations in the following aspects:

- Recommendation 4: As of the date of this Prospectus, we only have one shareholder, Ecoener, S.L.U., and thus a policy of communication and contacts with shareholders, proxy advisors and institutional investors or a policy of communication of economic-financial, non-financial and corporate information has not yet been deemed as necessary for the moment.

Notwithstanding the above, once our Shares have been admitted to trading, we will consider as a priority the implementation of a policy of communication and contacts with our shareholders, proxy advisors and institutional investors and a policy of communication of economic-financial, non-financial and corporate information under the principles of transparency and respect to all parties. The Board of Directors will, as appropriate, approve these policies within a reasonable timeframe, and the policies will be subsequently made available in our corporate website together with information on how these policies will be implemented.

- Recommendation 7: Our Bylaws and remaining internal regulations envisaged all the mechanisms necessary to comply with this recommendation, but as we currently only have one shareholder we do not comply with paragraph 1 of the recommendation because we do not broadcast the General Shareholders' Meeting live in our corporate website. However, once our Shares have been admitted to trading, we will consider and decide to broadcast the General Shareholders' Meeting live in our corporate website, if deemed appropriate.
- Recommendation 11: As of the date of this Prospectus, we do not foresee to pay attendance bonus (*primas de asistencia*) to our shareholders for attendance at the General Shareholders' Meeting. Consequently, we have not approved an attendance bonus policy. Nevertheless, if we decide to start paying attendance bonus (*primas de asistencia*) to our shareholders, the Board of Directors will approve a general and stable attendance bonus policy in advance to its effective implementation.
- Recommendation 14: As of the date of this Prospectus, the Board of Directors has not approved a policy for selecting its members. The Board of Directors will approve such policy after Admission, which shall reflect the principles and criteria set out in the Board of Directors Regulations.
- Recommendations 45 and 46: As of the date of this Prospectus, we have not yet approved, through our Board of Directors, a risk control and management policy or a risk control and management control function that comply with these recommendations. Our Board of Directors is currently working on the implementation of an internal control and risk management system for the process of financial reporting (*SCIIF*) which it expects to have in place by September 30, 2021. In this regard, we undertake to approve a risk control and management policy and a risk control and management control function by September 30, 2021.
- Recommendations 54 and 55: As of the date of this Prospectus, the Board of Directors has not approved a reviewed sustainability policy nor a communication policy. The Board of Directors will approve, as soon as possible following Admission, a communication policy and a reviewed sustainability policy. In this regard, we will rely on our current Head of Sustainability and on our future Sustainability Committee, which will be effective upon admission.
- Recommendation 63: Currently we do not comply with this recommendation as the contractual arrangements with the executive Director does not expressly foresee any provisions to reclaim variable components of remuneration upon deviations from applicable indicators or inaccuracies.

We are committed to implementing all the applicable recommendations on corporate governance, despite the foregoing current deviations.

Moreover, as of the date of this Prospectus, the following recommendations are not applicable to us: 2, 3, 5, 6, 9, 10, 18, 19, 20, 21, 23, 24, 32, 36, 44, 48, 59, and 60.

Our Board of Directors approved on April 9, 2021 the creation of the audit unit contemplated in recommendations 40 and 41, and is in the process of hiring the person that will head this unit.

The Board of Directors will prepare an annual corporate governance report and such report will be submitted to the shareholders for information purposes. The report will be announced through the publication by us of another relevant information notice (*comunicación de otra información relevante*) and will be reproduced in the management reports (*informe de gestión*) of our individual and consolidated audited financial statements. The first report will be prepared in respect of the year ended December 31, 2021.

As set forth in the Board of Directors Regulations, the Audit Committee is required to periodically review our level of compliance and, where appropriate, of our subsidiaries, submitting its proposals and recommendations to the Board of Directors in order to improve such rules

Financial Information Control Systems

We intend to adopt policies and develop procedures and systems to implement the best practices in the market to control the Group’s financial information, taking into account the recommendations and procedures regarding control of financial information set by the CNMV (*Sistema de Control Interno de Información Financiera or SCIIF*). These policies and systems of internal control have not been approved yet and therefore we are not in compliance with the related corporate governance recommendations, see “*Corporate Governance*”. We expect to approve these policies by September 30, 2021.

Senior Management

Alongside our Board of Directors, the Group is managed on a day to day basis by our senior management, which comprises our Chief Executive Officer, our Head of Legal & Head of National Business Development, our Chief Financial Officer, our Head of Construction, our Head of International Business Development, our Head of Investors Relations, our Head of Sustainability, our Head of Compliance, our General Manager in Guatemala, our Contract Manager, our Business Manager in Dominican Republic, our Legal Counsel and our Responsible of Reporting and Management Control (collectively, the “**Senior Management**”).

The following table lists the members of our Senior Management as of the date of this Prospectus, and is followed by a summary of biographical information of each such member, with the exception of those members who also serve on our Board of Directors. For biographical information on the members of our Board of Directors, see “*Directors*”.

Name	Age	Position/Title
Mr. Luis Valdivia	57	CEO
Mr. Fernando Rodríguez	46	Head of Legal & National Business Development & Vice-Chairperson of the Board of Directors
Mr. Javier Grandal	44	CFO
Mr. Rubén Soto	52	Head of Construction
Mr. David Coll	45	Head of International Business Development
Mr. Luciano Eiroa	48	Head of Investors Relations
Ms. Elena Tilve	47	Head of Sustainability
Ms. Verónica Rodeiro	47	Head of Compliance
Mr. Daniel Álvarez	38	Head of International Administration
Mr. Ricardo Kreitz	41	General Manager in Guatemala
Mr. Alfonso García	37	Contract Manager
Ms. Patricia Forján	54	Business Manager in Panama
Mr. Carlos González	34	Business Manager in Dominican Republic
Ms. Belén Solla	34	Responsible of Reporting and Management Control

All members of the Senior Management designate our registered address, at Calle Canton Grande, 6 – 6°, 15003, La Coruña, as their professional address for the purposes of this Prospectus.

Mr. Javier Grandal

Mr. Grandal has 19 years of experience, the last three of them working for us as our CFO. Prior to joining us, Mr. Grandal worked as CFO at Inbove Group and at Arteixo Telecom.

Mr. Grandal holds a degree in Business and Management Administration from Universidad de Santiago de Compostela and has an MBA (Management Business Administration) from Caixanova.

Mr. Rubén Soto

Mr. Soto has 20 years of experience, the last 10 years within our Group, Prior to joining us, Mr. Soto worked as Project and Construction Manager in Spain and Central America. He holds a degree in Architecture from Universidad de La Coruña.

Mr. David Coll

Mr. Coll has 18 years of experience, the last five years within our Group. Prior to joining us, Mr. Coll worked for Grupo Adelanta, Genera Avante (Inveravante) and Capital Energy. He holds a degree in Industrial Engineering

from Universidad de La Coruña and has an MBA (Management Business Administration) from Escuela Europea de Negocios.

Mr. Luciano Eiroa

Mr. Eiroa has 20 years of experience, the last 11 of them working in our Group. Prior to joining us, Mr. Eiroa worked as Head of Companies Business Development at Caixanova. Mr. Eiroa holds a degree in Law from Universidad de Deusto and has an MBA (Executive Management Business Administration) from Caixanova.

Ms. Elena Tilve

Ms. Tilve is the Head of Sustainability of our Group. Ms. Tilve has 21 years of professional experience and she has worked the last five years within our Group. She studied at University of Santiago de Compostela.

Ms. Verónica Rodeiro

Ms. Rodeiro is the Head of Compliance of our Group. Ms. Rodeiro has 22 years of experience, the last 19 of them within our Group. Ms. Rodeiro studied at Universidad de La Coruña and has an Executive MBA from Comillas University. Prior to joining us she worked as business consultant.

Mr. Daniel Álvarez

Mr. Álvarez has 5 years of experience and has recently joined our Group. Prior to joining us, Mr. Álvarez worked as Corporate Finance Controller at Exlabesa, as CFO in Central America at Pescanova, Senior Controller at Iberconsa, and as Senior Auditor at EY. Mr. Álvarez studied at Universidad of Valladolid and has an MBA (Management Business Administration) from Escuela Europea de Negocios.

Mr. Ricardo Kreitz

Mr. Kreitz has 20 years of experience, the last five of them working in our Group. Prior to joining us, Mr. Kreitz worked as Commercial Manager of Genor and Head of special customers of EEGSA. He studied at Universidad Rafael Landivar and has an MBA (Management Business Administration in Strategic Management) from ESAC.

Mr. Alfonso García

Mr. García has 11 years of experience and recently joined our Group. Prior to joining us, Mr. García worked for Green Capital Energy, Cransolar, Técnicas Reunidas and Abengoa. Mr. García holds a degree in Industrial Engineering from Alfonso X University and has an MBA (Management Business Administration) from IE Business School.

Ms. Patricia Forján

Ms. Forján has more than 20 years of experience and has recently joined our Group. Prior to joining us, Ms. Forján worked as a Renewable Energy Market Consultant in the Canary Islands and as an Independent Consultant for Ecoener. Ms. Forján holds a degree in Public Relations, Advertising and Marketing from CENP (*Centro Español de Nuevas Profesiones*) and a postgraduate degree in Environmental Management from UEM (*Universidad Europea de Madrid*).

Mr. Carlos González

Mr. González has five years of experience and joined our Group one year ago. Prior to joining us, Mr. González was involved in the construction of civil and wind farms. He holds a degree in Civil Engineering.

Ms. Belén Solla

Ms. Solla González has 11 years of experience and has recently joined our Group. Prior to joining us, Ms. Solla worked as Manager at PwC and was responsible of Administration of Pension Funds of Abanca Seguros. Ms. Solla studied at Instituto de Estudios Bursátiles and Universidad de Santiago de Compostela.

Senior Management positions and shareholdings

The following table sets out all entities¹⁶ and partnerships¹⁷ in which the members of the Senior Management have been appointed as members of the administrative, management or supervisory bodies or partner at any time during the five-year period preceding the date of this Prospectus, indicating whether or not each person is still a member of any such bodies or holds any shares in any such entities. As allowed by the Prospectus Regulation, in the table below are only mentioned companies and partnerships that do not belong to our Group, therefore not including the name of our subsidiaries where members of our Senior Management hold any of the above positions or shares.

Senior Management	Entity	Sector	Position/Title	In office
Mr. Javier Grandal	Indobe Group	Telecom	CFO	2015-2017
Mr. David Coll	Genera Avante (Interavante)	Energy	Head of Development of Renewable Projects	2009-2018
	Capital Energy	Energy		2018-2019
Mr. Daniel Álvarez	Grupo Nueva Pescanova	Food	CFO Nicaragua and Honduras	2010-2015
	Grupo Iberconsa	Distribution	Controller Senior	2015-2017
	Exlabesa	Construction supplier	Corporate Financial Controller	2017-2020
Mr. Alfonso García	Capital Energy	Energy	Head of Contracts & Procurement	2019-2020
Ms. Belén Solla	PwC	Audit	Manager	2015-2019
	Abanca	Insurance	Responsible	2019-2020

As of the date of this Prospectus, other than Mr. Luis Valdivia, none of the senior managers mentioned above or members of our administrative, supervisory or management bodies hold any of our ordinary shares, see “*Share ownership*”.

Compensation

Directors Compensation

On March 22, 2021, our Pre-Offering Sole Shareholder exercising the powers and faculties of the General Shareholders’ Meeting amended our Bylaws and established the new compensation scheme of the members of our Board of Directors. Director’s compensation for performing the duties entrusted to them in their capacity as such shall consist of a fixed annual amount or attendance fees or a combination thereof.

The maximum annual aggregate compensation amount that we may annually pay to all of our Directors as remuneration for the items mentioned above shall be determined by the General Shareholders’ Meeting, and shall remain unchanged until and unless the shareholders decide otherwise. Nevertheless, the Board of Directors may reduce the amount in each relevant fiscal year depending on our financial situation, on the situation of comparable entities, or if it deems appropriate.

The Board of Directors shall determine the exact amount to be paid within the limit approved by the shareholders and the distribution thereof among the Directors, taking into account the duties and responsibilities assigned to each Director, the position held by each of them on the Board of Directors, their membership and attendance at the meetings of the Board committees within the Board of Directors and other objective circumstances which may be deemed relevant.

The Director’s compensation policy shall be set within the compensation system provided for in the Bylaws and shall be approved by the General Shareholders’ Meeting at least every three years as a separate item on the agenda. The Board of Directors’ proposal for the remuneration policy (i) shall be presented to the General Shareholders’ Meeting before the last year of the then applicable remuneration policy elapses, and the General Shareholders’ Meeting is entitled to approve such new remuneration policy and resolve that it shall be applicable since that

¹⁶ We consider, to this effect, that the term “entity” includes all corporations that do not have an exclusive property, asset holding or family related purpose.

¹⁷ We consider that the term “partnership” excludes all shareholdings in publicly listed companies that are not considered significant under applicable laws.

moment and for the following three years, and (ii) shall be motivated and must be accompanied by a specific report from the Appointments and Remunerations Committee. Both documents shall be made available to the shareholders through our corporate website from the time in the context of the call to convene the General Shareholders' Meeting. Shareholders may request that these documents are sent to them by post.

In accordance with our Bylaws and the compensation policies, non-executive directors will receive a yearly fixed amount that will take into consideration the Board meetings attended in the year, plus fixed amounts that will take into consideration factors including: (i) the chair of the Board, (ii) the chair of Board committees or (iii) the membership of these committees.

In accordance with our Bylaws and the compensation policies set forth below, executive directors may receive, depending on the terms agreed in their respective contracts, a yearly amount that fixed taking into consideration several factors including: (i) the number of Board meetings attended in the year, (ii) the base salary, (iii) an annual bonus that takes into consideration yearly objectives fixed and approved by the Board, and (iv) a long-term incentive plan. See "*—Management Incentive Plans*".

Furthermore, in accordance with article 529 novodecies of the Spanish Companies Act, our Pre-Offering Sole Shareholder exercising the powers and faculties of the General Shareholders' Meeting, upon the proposal of the Board of Directors, approved on April 9, 2021 a compensation policy that will be in force for the years 2021, 2022 and 2023 (the "**Directors' Compensation Policy**"). The Directors' Compensation Policy must contribute to our corporate strategy and to our long-term interests and sustainability, and must be adequate to the circumstances existing at each point in time, paying special attention to the evolution of the regulation of better practices, recommendations and national and international trends in relation to the remuneration of directors of listed companies and the prevailing conditions in the market, and must be proportional to the performance of executive duties by the executive Directors.

The Directors' Compensation Policy differentiates between the remuneration by reason of their office as Director and the remuneration for the performance of executive duties by the executive Directors. The Directors' Compensation Policy sets forth that the compensation of the members of our Board of Directors will consist of the following:

- The compensation of all the members of our Board of Directors (including for this purpose the executive Directors):
 - i. Each Director will receive a fixed annual amount of €50,000;
 - ii. Each Director will be entitled to receive an attendance fee of €1,500 for each Board meeting they personally attend, with a maximum of eight meetings per year;
 - iii. The Lead Director of our Board of Directors will receive an additional fixed annual amount of €10,000;
 - iv. Each Board committee Chairperson will receive an additional fixed annual amount of €20,000;
 - v. Each Board committee member (including the Chairperson of the relevant committee) will receive an additional fixed amount of €5,000; and
 - vi. Each Board committee member will receive an attendance fee of €1,000 for each Board committee meeting they personally attend, with a maximum of four meetings per year.

The estimated remuneration for our ten Directors, assuming all concepts above are accrued in full, would amount to (i) €837 thousand for the remaining of 2021, and (ii) €1,256 thousand for the year 2022.

The remuneration package for our two executive Directors set forth in their respective services agreements approved on April 9, 2021, by our Board of Directors (within the framework of the Directors' Compensation Policy approved by the Pre-Offering Sole Shareholder exercising the powers and faculties of the General Shareholders' Meeting) is as follows:

- a) Chief Executive Officer's contract:
 - i. A fixed annual amount of €50,000 for its condition as Director.
 - ii. A yearly base salary of €750,000 for its condition as executive Director.

- iii. Participation in the long-term incentive plan provided for the Senior Management. See below “*Management Incentive Plan*”.
- b) Executive Vice-Chairperson’s contract:
- i. A fixed annual amount of €50,000 for its condition as Director.
 - ii. Participation in the long-term incentive plan provided for the Senior Management. See below “*Management Incentive Plan*”.
 - iii. Apart from the above, the Executive Vice-Chairperson will continue to receive his salary as an employee of the Company, under its employment contract.

For the year ended December 31, 2020, a compensation of €30 thousand was granted to our Directors by virtue of their employment relation with us, as the role of Director was not remunerated in 2020. Please note that this figure is not representative of the compensation that will be paid to our Directors in the following years, as the number of Directors belonging to our Board of Directors will increase from four Directors to ten Directors. For the years ended December 31, 2019 and 2018, no compensation was granted to our Directors, as Grupo Ecoener, S.A. was incorporated in January 2020.

Senior Management Compensation

The compensation to be paid to our Senior Management in 2021, which we estimate to be €639 thousand and \$228 thousand (excluding our CEO), is higher in comparison to the one paid in 2020, which amounted to €537 thousand and \$228 thousand (excluding our CEO), due to (i) the incorporation of certain employees to the Senior Management and (ii) the new remuneration scheme approved by of Board of Directors which is in line with other comparable listed companies. See “*Management Incentive Plan*” for additional details.

Compensation paid to our Senior Management during the year ended on December 31, 2020 was paid by us or by another company that belongs to the Group that employs, or have employed during 2020, such as Ecoener, S.L.U. and Ecoener Ingeniería, S.L., some members of our Senior Management. On November 1, 2020, the Pre-Offering Sole Shareholder and the Company executed a framework agreement for the sale and purchase of the O&M and promotion and development business unit, by virtue of which the Pre-Offering Sole Shareholder transferred said business unit to the Company, together with certain employees and some of our senior managers referred to herein.

Management remuneration and Incentive Plan

On March 22, 2021, in the context of the Offering and with the aim of aligning the remuneration of our Senior Management and other employees with the interests of shareholders, clients and the Company itself, our Board of Directors approved a remuneration policy which varies depending on the responsibilities and duties of the relevant employee (the “**Remuneration Policy**”). The Remuneration Policy sets out its objectives, principles and establishes four different remuneration packages:

First remuneration package

This package will apply to the project managers of our construction division that have been elected as beneficiaries of this remuneration package, which as of the date of this Prospectus comprises two employees, who hold the position of project managers. This remuneration package will consist of a (i) a fixed remuneration, divided into a base salary, compensation in case of international mobility and other complements; and (ii) a variable remuneration associated with remaining at the Company for five years. If the employee remains at the Company for five years, they will receive a fixed amount as a long service bonus after the fifth year. The variable remuneration will amount to 10% of the base salary of the project manager, which is approximately €50 thousand.

In addition to the above, one of the project managers, as agreed in his employment contract, is entitled to receive a variable remuneration of up to €500 per MW built. For the year ending 2021, we estimate that the amount to be paid under this variable remuneration would be €15 thousand.

The estimated aggregate amount that we will pay on 2021 under this remuneration package is €135 thousand.

Second remuneration package

This package applies to the Country Managers of the overseas businesses.

Each Country Manager has different terms and conditions, which will vary depending on the terms and conditions negotiated by the parties. The main structure of their terms and conditions usually includes the following:

1. They may have a variable remuneration associated with remaining at the Company for five years. If the employee remains at the Company for five years, they will receive a fixed amount as a long service bonus after the fifth year. The variable remuneration will amount to 10% of the base salary of the Country Manager, which is approximately €50 thousand. The estimated amount for the period between 2021 and 2023 is zero euros.
2. They may receive certain social benefits such as a company car, life insurance, and similar benefits.
3. They may receive several return flight tickets to Spain.
4. They may receive shares of the project they are handling (with a maximum amount of 10%). It will depend on the success of the project/s owned by the relevant SPV located in the country where the Country Manager is located, and a requirement would be that the project/s enter into operation. The final amount on this remuneration concept would be determined depending on the time periods on which the construction is achieved and the MWs that enter into operation.

If the employee is dismissed and the dismissal is declared fair by the courts, the employees will lose all their accrued rights described above.

For this second remuneration package, the estimated aggregate amount for 2021 is €180 thousand.

Third remuneration package

This package will apply to our senior management.

Senior managers will receive the fixed remuneration and, potentially, an annual variable remuneration of 0.5% of the net profit declared by the Group at the end of the year. This amount will be divided equally by the number of employees included in the senior management team of the Ecoener Group at each relevant applicable time.

The estimated amount for 2021 for this remuneration package is zero euros.

Fourth remuneration package

This package will apply to the selected employees in the Ecoener Engineering division, which as of the date of this Prospectus comprises 20 employees.

This type of employee will receive the fixed remuneration and, potentially, an annual variable remuneration of €200 thousand to be shared among the selected employees in the Ecoener Engineering division. The amount will vary according to the performance of their duties as previously defined by the Engineering Director. For the year ending 2021, we estimate an amount of €100 thousand euros, and for the years ending 2022 and 2023, we estimate an amount of €200 thousand.

Therefore, under the four remuneration packages mentioned above, the estimate aggregate amount for 2021 is €415 thousand.

Long-term incentive plan for 2021-2023

Additionally, on March 22, 2021, our Board of Directors approved the long-term incentive plan for 2021-2023 (the “LTIP”). As of the date of this Prospectus, the LTIP is addressed to eight of our senior managers, and to our two Executive Directors, and in order to become a beneficiary an adherence letter should be executed between the relevant manager and us. The number of senior managers to whom the LTIP is addressed may be adjusted and revised over the time. As of the date of this Prospectus, eight managers have become a beneficiary of the LTIP, including our two Executive Directors. The LTIP consists in a payment in cash linked to the performance of the Management EBITDA* for the next three years. The total accumulated amount to be paid to the beneficiaries of the LTIP would be 0.5% of the Management EBITDA* of the year ended December 31, 2023, and beneficiaries would receive, if compliant with the applicable requirements, the percentage agreed in its letter of adherence, which is proportional to the total remuneration perceived by the beneficiary from us. In order to receive payment under the LTIP, the following requirements must be met: (i) as of December 31, 2023, the consolidated Management EBITDA* of the Group should be higher than €80 million; and (ii) the beneficiaries should have

remained in the Group from the adherence to the LTIP until December 31, 2023. Payment under the LTIP is expected to take place by the end of the first quarter of 2024.

If the requirements envisaged in the LTIP above are met and the consolidated Management EBITDA* of the year ended December 31, 2023 is at least equal to €80 million, the minimum amount to be paid to all beneficiaries of the LTIP considered as a whole will therefore be €400 thousand, which would be paid with profits generated from the normal course of business.

Directors and Officers (D&O) Insurance Policy

We maintain an insurance policy that protects the members of the Board of Directors, the executive Directors and Senior Management of the policy holder and its subsidiaries, from liabilities incurred as a result of actions taken in their capacity as Directors, executive Directors or as senior managers, respectively, up to an aggregate limit of approximately €10 million. The annual premium is €10,220. The policy holder is Ecoener, S.L.U., the insurer is AIG, and the policy covers all its subsidiaries. See “*Business – Insurance*” for more details.

Articles 228 and 229 of the Spanish Companies Act

Our corporate governance structure is compliant with Articles 228 and 229 of the Spanish Companies Act.

Share ownership

As of the date of this Prospectus, all of our shares are indirectly held by Mr. Luis Valdivia, our Chairperson and Chief Executive Officer, through our Pre-Offering Sole Shareholder, this is, Ecoener, S.L.U.

Family Relationships

There are no family relationships and no “close relatives”¹⁸ among (i) our Directors, (ii) our Directors and members of our Senior Management, or (iii) members of our Senior Management.

No Convictions and Other Negative Statements

To the best of our knowledge, none of our Directors or members of our Senior Management have, in the five years preceding the date of this Prospectus: (i) been convicted in relation to fraudulent offenses; (ii) acted as members of the board of directors of entities affected by bankruptcy, receivership or liquidation; (iii) been publicly incriminated and/or sanctioned by statutory or regulatory authorities (including designated professional bodies); or (iv) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer of securities or from acting in the management or conduct of the affairs of any issuer.

Agreements with Directors and Senior Management (including Post-Termination Benefits)

None of our Directors’, executive Directors’, senior managers’ or employees’ contracts include post-termination benefits.

¹⁸ “Close relatives” as defined in applicable regulations for related party transactions and, in particular, in Order EHA/3050/2004 of September 15, 2004 on information to be disclosed by listed companies regarding related party transactions.

PRINCIPAL SHAREHOLDERS

The following table sets forth certain information with respect to the ownership of the Shares prior to and after the settlement of the Offering, together with the expected shareholding of the public float, upon completion of the Offering, assuming that the Offering Price is €7.25, being the upper end of the Offering Price Range.

	Shares owned prior to the Offering		Shares owned after the Offering			
			Upon completion of the Offering (assuming no exercise of the Over-Allotment Option)		Upon completion of the Offering (assuming full exercise of the Over-Allotment Option)	
	Number	%	Number	%	Number	%
Ecoener, S.L.U. ⁽¹⁾	40,000,000	100%	40,000,000	61.5%	40,000,000	59.2%
GAM International Management Limited.....	0	0%	2,068,965	3.2%	2,068,965	3.1%
Public.....	0	0%	23,006,897	35.4%	25,514,483	37.8%
Total	40,000,000	100%	65,075,862	100%	67,583,448	100%

(1) Ecoener, S.L.U. is wholly owned by Mr. Luis Valdivia, our Chairperson and Chief Executive Officer.

As of the date of this Prospectus there are no shareholders agreements.

Principal Shareholder

As of the date of this Prospectus, GAM International Management Limited has entered into a subscription agreement where it irrevocably commits to purchase or subscribe for and pay for €15,000 thousand in Offer Shares at the Offering Price, without subsequent contractual selling restrictions following Admission and subject to the Offering Price being set within the Offering Price Range. Its stake in the share capital of the Company after the Offering, at an Offering Price of €7.25, being the upper end of the Offering Price Range, is stated in the table above. If the Offering Price is set at €5.90, being the lower end of the Offering Price Range, its stake in the share capital of the Company after the Offering, assuming no exercise of the Over-allotment Option, would be 3.6%. Please see “*Plan of Distribution*” for more information.

Change of Control of the Company

We are not aware of any arrangements that would result in a change of control in the Company at a subsequent date.

Lock-up Arrangements

See section “*Plan of Distribution—Lock-up*” for a discussion of certain lock-up arrangements.

DILUTION

Given that our Pre-Offering Sole Shareholder will not subscribe for any Shares in the Offering, and assuming that (i) the Initial Offer Shares are entirely subscribed by third party investors in the Offering at the lower end of the Offering Price Range; and (ii) the Over-Allotment Option is fully exercised, the stake of our Pre-Offering Sole Shareholder, Ecoener, S.L.U. in our share capital would represent approximately 54.1% of the total number of ordinary shares following the Offering, which is the maximum dilution of our Pre-Offering Sole Shareholder's stake following the Offering. Alternatively, if calculated based on the upper end of the Offering Price Range and if the Over-Allotment Option is not exercised, but maintaining all other factors, the stake of our Pre-Offering Sole Shareholder in our share capital would represent approximately 61.5% of the total number of ordinary shares following the Offering, which is the minimum dilution of our Pre-Offering Sole Shareholder's stake following the Offering.

As of December 31, 2020, there is a positive equity value per share that amounts to approximately €2,075.

Furthermore, we may decide to carry out additional share capital increases or other equity transactions in the future. In the event that share capital increases or such other equity transactions (as convertible bonds) were effected, shareholders could be diluted if they do not exercise their pre-emptive subscription rights or in the event such share capital increases or equity transactions exclude pre-emptive subscription rights for existing shareholders in accordance with Spanish law.

RELATED PARTY TRANSACTIONS

General Information

We may from time to time, in the course of our ordinary business activities, enter into agreements with or render services to related parties. In turn, related parties may render services or deliver goods to us as part of their business. We believe that all such transactions are conducted on an arm's-length basis and that the terms of these agreements are comparable to those currently contracted with unrelated third parties.

For IFRS purposes, a "related party" is a person or entity that is related to the entity that is preparing its financial statements. We are required to report all related party transactions, as defined in International Accounting Standard ("IAS") 24 "Related Party Transactions" in accordance with IFRS. For additional information on related party transactions, see the 2020 Audited Consolidated Annual Accounts included into this Prospectus.

The following are considered related parties: the Pre-Offering Sole Shareholder or, if applicable, the direct shareholders of the Group (including minority shareholders), our Directors, the key managing personnel of the Group and close relatives of all of the above, together with any entities related to them, as well as the entities in which we have interests that are consolidated using the equity method or subsidiary companies or joint business which have not been incorporated into our consolidated annual accounts as set forth in the annual consolidated financial statements of the Group.

During the years ended December 31, 2018, 2019 and 2020, we have entered into certain transactions with related parties, which are disclosed in our 2020 Audited Consolidated Annual Accounts and explained below.

In relation to our Pre-Offering Sole Shareholder, for the years ended December 31, 2018, 2019 and 2020, the only significant transactions are the ones derived from and related to the execution of the transfer of certain business units from the Pre-Offering Sole Shareholder, as explained in section "Operating and Financial Review—Main Factors Affecting the Comparability of the Group's Financial Condition and Results of Operations" and in note 20.b) to our 2020 Audited Consolidated Annual Accounts.

Balances during the period with sister companies and related parties

The pending balances with sister companies and related parties (excluding derivations from financing agreements) are as follow:

	December 31, 2020	December 31, 2019	December 31, 2018	January 1, 2018
<i>(in € thousands)</i>				
Long-term investments in group companies and associates	(1)	-	2,469	22,452
Short-term investments with related companies	376	325	525	-
Total assets with related parties	375	325	2,994	22,452
Long-term debts with related parties	8,479	3	-	-
Short-term debts – Other financial liabilities	6,322	-	-	-
Short-term debts with related parties	834	-	67	15
Trade and other payables	174	-	604	813
Total liabilities with related parties	15,809	3	671	828

Total assets with related parties

Long-term investments in group companies and associates accounts for the stake in Yerbamora, S.L., an inactive company as of December 31, 2020, which is accounted as an equity instrument under our 2020 Audited Consolidated Annual Accounts.

Short-term investments with related companies as of December 31, 2020, include €376 thousand corresponding to the balances receivable by some of the companies of the Group from our Pre-Offering Sole Shareholder, which

is the parent company for tax consolidation purposes. Our Pre-Offering Sole Shareholder entered into an agreement with all the relevant subsidiaries (i.e., all the Spanish subsidiaries in which our Pre-Offering Sole Shareholder holds, directly or indirectly, 75% of the shares) which regulates the tax burden derived from the consolidated Corporate Income Tax (“CIT”) as follows: (i) when these subsidiaries record taxable income, a tax receivable is recorded in favor of our Pre-Offering Sole Shareholder; while (ii) in the event that the aforementioned subsidiaries record negative taxable income or contribute with tax deductions and allowances, a tax payable is recorded in favor of the Group subsidiaries. In accounting terms, these receivables and payables are converted into credit and debit entries in a current account with our Pre-Offering Sole Shareholder, which accrues interest at Euribor.

As of January 1, 2018, there was an account receivable of the Group from the Pre-Offering Sole Shareholder in the amount of €22,452 thousand, which as a result of the sale transaction of Sociedad Lucense de Energia Hidráulica y Eólica, S.L. to the Group company Hidroeléctrica del Giesta, S.L. was cancelled in the same year.

Total liabilities with related parties

Long-term debts with related parties as of December 31, 2020, refers to an account payable of €8,479 thousand to our Pre-Offering Sole Shareholder, which corresponds to a credit account for the financing and development of projects. We entered into a current account agreement in March 10, 2020, by means of which all the receivables derived from business and commercial transactions with our Pre-Offering Sole Shareholder become credit or debit entries in a current account, which accrues interest at Euribor + 2%. The maximum balance is set at €10,000 thousand and matures in December 2022.

Short-term debts – Other financial liabilities as of December 31, 2020 amounts to €6,322 thousand of an account payable that certain subsidiaries hold with the Pre-Offering Sole-Shareholder, corresponding to construction and development work linked to construction carried out by our Pre-Offering Sole Shareholder in relation to Lomo del Moral and Arcos del Coronadero wind farms in San Bartolomé de Tijarana, all located in the Canary Islands.

Short-term debts with related parties as of December 31, 2020, amount to a total of €834 thousand, corresponding to due balances payable to the Pre-Offering Sole Shareholder for the CIT by the Group subsidiaries that are part of the tax consolidation group, as explained above.

Trade and other payables as of December 31, 2020 amount to a total of €174 thousand and correspond to the amounts payable to the Pre-Offering Sole Shareholder for the O&M services rendered by the Pre-Offering Sole Shareholder to certain subsidiaries holding generation facilities, prior to the transfer of the O&M business unit.

For more details on the information disclosed in the above table please see notes 10, 11, 15 20 and 28 to our 2020 Audited Consolidated Annual Accounts.

Transactions during the period with related parties

The significant transactions that were carried out with sister companies and related parties as of December 31, 2020, 2019 and 2018 fall under the following agreements:

Date	Related Party	Agreement	Description
March 10, 2020	Pre-Offering Sole Shareholder	Credit account agreement	With a maximum balance of €10,000 thousand, all the receivables derived from business and commercial transactions become credit or debit entries in a current account, which accrues interest at Euribor + 2%. On March 4, 2021, our Pre-Offering Sole Shareholder proceeded to set-off part of this receivable for an amount of €6,500 thousand ⁽¹⁾ .
May 31, 2020	Pre-Offering Sole Shareholder	Assignment of participating loans agreement	Assignment of the financial positions held by our Pre-Offering Sole Shareholder with the companies that were contributed in the Capital Increase Through In-kind Contributions of June 12, 2020

Date	Related Party	Agreement	Description
June 30, 2020	Pre-Offering Sole Shareholder	Sale and purchase agreement	Purchase of Oilean Telde Eólica Energy, S.L., holder of a 19.2 MW wind farm in San Bartolomé de Tirajana (Canary Islands)
November 1, 2020	Pre-Offering Sole Shareholder	Framework agreement for the transfer of business unit	Terms and conditions for the transfer of the O&M and Promotion and Development businesses ⁽²⁾ to the Company, originally carried out by our Pre-Offering Sole Shareholder
December 1, 2020	Pre-Offering Sole Shareholder	Subrogation agreement	Business transfer from our Pre-Offering Sole Shareholder of the management services provided to the relevant Group companies ⁽³⁾
December 1, 2020	Pre-Offering Sole Shareholder	Subrogation agreement	Business transfer from our Pre-Offering Sole Shareholder of the O&M services provided to the relevant Group companies ⁽⁴⁾

(1) This transaction, was carried out as a shareholder contribution by means of a write-off of part of the credits held by the Pre-Offering Sole Shareholder in the Company. See below “Subsequent events relating to related parties” and Note 28 to our 2020 Audited Consolidated Annual Accounts.

(2) Refers to all the works performed from the earliest stage of business opportunities identification until confirmation of the relevant project viability.

(3) Such management services include support for accounting, tax and administrative obligations compliance.

(4) Establishes the scope of the O&M and management services of the relevant plants and their holding companies.

Subsequent events relating to related parties

On March 4, 2021, our Pre-Offering Sole Shareholder capitalized €6,500 thousand of our long-term debt described above through a contribution to our net equity. Accordingly, such debt has been reduced from €8,479 thousand as of December 31, 2020 to €1,979 thousand, as of the date of this Prospectus.

Except as per described in the preceding paragraph, there have not been material changes to the figures included in the above tables regarding related party transactions between December 31, 2020 and the date hereof.

For a comprehensive description of all recent developments, see section “*Additional Information – Changes after December 31, 2020*”.

Remuneration to the Directors of the Company

For the year ended December 31, 2020, a compensation of €30 thousand was granted to our Directors. For the years ended December 31, 2019 and 2018, no compensation was granted to our Directors. For more details see section “*Management and Board of Directors–Compensation*”.

DESCRIPTION, EVOLUTION AND FUNCTIONING OF OUR SHARE CAPITAL

The following summary provides information concerning our share capital and briefly describes certain significant provisions of our Bylaws (*estatutos sociales*), the General Shareholders' Meeting Regulations and Spanish corporate law, the Spanish Companies Act, Spanish Act 3/2009 of April 3 on Structural Amendments of Private Companies (*Ley 3/2009, de 3 de abril, sobre modificaciones estructurales de las sociedades mercantiles*), the LMV and Royal Decree 878/2015 of October 2 on clearing, settlement and registry of negotiable securities in book-entry form, and transparency requirements for issuers of securities admitted to trading on an official secondary market (*Real Decreto 878/2015, de 2 de octubre, sobre compensación, liquidación y registro de valores negociables representados mediante anotaciones en cuenta, sobre el régimen jurídico de los depositarios centrales de valores y de las entidades de contrapartida central y sobre requisitos de transparencia de los emisores de valores admitidos a negociación en un mercado secundario oficial*).

This summary does not purport to be complete nor to describe all of the applicable provisions and regulations in connection with the matters described herein and is qualified in its entirety by reference to the Bylaws, the Spanish Companies Act and other applicable laws and regulations. Copies of the Bylaws are available (in Spanish) at the Commercial Registry of La Coruña, (in Spanish with an English translation for information purposes) at our principal headquarters located at Calle Canton Grande, 6 – 6º, 15003, La Coruña and on our website at www.ecoener.es and, from Admission, at the CNMV's offices.

On April, 9 2021, the General Shareholders' Meeting Regulations, the Board of Directors Regulations and the Internal Code of Conduct were approved. Copies of these documents are available at our website at www.ecoener.es.

General

We are a public limited company (*sociedad anónima*) registered with the Commercial Registry of La Coruña, under volume 3716, sheet 40, page C-59313, holder of Spanish tax identification number (NIF) A-70611538 and with LEI code 959800HBGZWHX69PE419, incorporated for an unlimited period of time pursuant to a public deed of incorporation granted before the Spanish Public Notary Mr. Enrique-Santiago Rajoy Feijóo on January 28, 2020, under number 213 of her notarial records, having our registered office in Calle Canton Grande, 6 – 6º, 15003, La Coruña, Spain.

As of the date of this Prospectus, our issued share capital is €12,800 thousand, divided into 40,000,000 ordinary shares with a par value of €0.32 per Share and each with an ISIN code ES0105548004, while the Offer Shares have the provisional ISIN code ES0105548012, and will bear the same ISIN code as our issued share capital from Admission. The ISIN codes have been allocated by the Spanish National Agency for the Codification of Securities (*Agencia Nacional de Codificación de Valores Mobiliarios*), an entity dependent upon the CNMV. Our entire share capital is fully subscribed and paid-up. As of the date hereof, we do not own any treasury shares (*autocartera*) and have not issued securities convertible or exchangeable into Shares, nor securities with warrants over the Shares.

Our Shares are represented by book entries and the entity responsible for maintaining the corresponding accounting records is Iberclear, with registered office at Plaza de la Lealtad, 1, 28014 Madrid, Spain.

We were originally incorporated with a share capital of €60,000 divided into 600 ordinary shares with a par value of €100 each, all of the same class, which were fully subscribed and paid up.

On June 12, 2020, our Pre-Offering Sole Shareholder, Ecoener, S.L.U., exercising the powers and faculties of the General Shareholders' Meeting, approved a capital increase through in-kind contributions in consideration for the contribution to us of the shares representing controlling stakes in the share capital of our subsidiaries amounting to €500,000 by means of the issuance of 5,000 new ordinary shares with a par value of €100 each and a premium of €950 per share. The shares issued were of the same class as the outstanding shares and were subscribed and paid in full by means of the contribution to our share capital of 39,625 shares representing the entire share capital of Energías de Pontevedra, S.L., 38,773 shares representing 97% of the share capital of Energías de Forcarei, S.L., 5,399,066 shares representing 99% of the share capital of Ecoener Inversiones de Centroamerica, S.A., 66,510 shares representing the entire share capital of Hidroeléctrica del Giesta, S.L., 10 shares representing the entire share capital of Ecoener Ingeniería, S.L., 39,200 shares representing the entire share capital of Sociedad Eólica Punta Maeda, S.L., 3,000 shares representing the entire share capital of Chajorra de Aluce, S.L., 3,000 shares representing the entire share capital of Amagante Herreño, S.L., 3,000 shares representing the entire share capital of Dama de Bandama, S.L., 2,250 shares representing 75% of the share capital of Conservilla Majorera, S.L., 3,000 shares representing the entire share capital of Picocernicalo, S.L., 2,250 shares representing 75% of the

share capital of Mosquera de Tamadaba, S.L., 3,000 shares representing the entire share capital of Colino Majorero, S.L., 553,000 shares representing the entire share capital of Yesquera de Aluce S.L., 2,250 shares representing 75% of the share capital of Cresta de Gallo, S.L., 3,000 shares representing the entire share capital of Canutillo de Sabinosa, S.L., 723,000 shares representing the entire share capital of Alamillo de Doramas, S.L., 2,500 shares representing the entire share capital of Tiraventos, S.L., 100 shares representing the entire share capital of Hierba Muda, S.L., 100 shares representing the entire share capital of Magarza del Anden, S.L., 100 shares representing the entire share capital of Tabaiba Solar, S.L., 1,100,609 shares representing the entire share capital of Dragmoc, S.L., 3,000 shares representing the entire share capital of Malva del Risco, S.L., 3,000 shares representing the entire share capital of Siempreviva Gigante, S.L., 3,000 shares representing the entire share capital of Herdanera, S.L., 3,000 shares representing the entire share capital of Salvia Blanca, S.L., 3,000 shares representing the entire share capital of Siempreviva Azul, S.L., 3,000 shares representing the entire share capital of Magarza Plateada, S.L., 3,000 shares representing the entire share capital of Risoela, S.L., 3,000 shares representing the entire share capital of Helecho de Cristal, S.L., 500 shares representing the entire share capital of Desarrollo Energético de la Mariña, S.L., 3,000 shares representing the entire share capital of Rosalito Palmero, S.L., 3,000 shares representing the entire share capital of Bejeque Rojo, S.L., 3,000 shares representing the entire share capital of Violeta de Anaga, S.L., 12,000 shares representing the entire share capital of Drago General Partner S.ar.l., 145,000 shares representing 96,6667% of the share capital of Ecoener Inversiones, S.C.A. SICAV-RAIF, 3,000 shares representing the entire share capital of Eólicos de Ferrol, S.L., 99 shares (*cuotas sociales*) representing 99% of the share capital of EFD Ecoener Fotovoltaica Dominicana, S.R.L., 99 shares (*cuotas sociales*) representing 99% of the share capital of EID Ecoener Inversiones Dominicana, S.R.L., 99 shares (*cuotas sociales*) representing 99% of the share capital of LCV Ecoener Solares Dominicana, S.R.L., 99 shares representing 99% of the share capital of Ecoener Renovables Panama, S.A., and 99 shares representing 99% of the share capital of Ecoener Solar Panama, S.A.

The in-kind contributions abovementioned were subject to compulsory valuation by Price Waterhouse Coopers (PwC), as independent expert appointed by the Commercial Registry, pursuant to the Spanish Companies Act and the Commercial Registry Regulations.

Consequently, our share capital following the abovementioned capital increase amounted to €560,000, represented by 5,600 fully subscribed and paid up ordinary shares with a par value of €100 each, all of the same class.

On March 22, 2021, our Pre-Offering Sole Shareholder, exercising the powers and faculties of the General Shareholders' Meeting, approved to increase our share capital against our voluntary reserves, from €560 thousand to €12,800 thousand issuing 122,400 shares of a par value of €100, up to a total number of 128,000 shares, all of them allocated to our Pre-Offering Sole Shareholder, and subsequently split the number of shares of the Company by reducing their nominal value from €100 to €0.32 per share, at a rate of 312.5 new shares for each old share, without altering the value of the then increased share capital. The reason for the split was to target a price per share in accordance with comparable listed companies in Spain. Consequently, immediately prior to the Offering, the Company's share capital amounts to €12,800 thousand represented by 40,000,000 fully subscribed and paid up ordinary shares with a par value of €0.32 each, all of the same class.

The summary table below outlines these main changes in our share capital since our incorporation:

<u>Date</u>	<u>Corporate action</u>	<u>Par value (€)</u>	<u>Aggregated Share premium</u>	<u>Number of issued/ redeemed shares</u>	<u>Total amount (€)</u>	<u>Number of resulting shares</u>	<u>Resulting share capital (€)</u>
January 28, 2020	Incorporation	60,000	N/A	600	60,000	600	60,000
June 12, 2020	In kind share capital increase	500,000	4,750,000	5,000	5,250,000	5,600	560,000
March 22, 2021	Share capital increase against voluntary reserves	12,240,000	N/A	122,400	12,240,000	128,000	12,800,000
March 22, 2021	Split	N/A	N/A	39,872,000	N/A	40,000,000	12,800,000

On April 9, 2021, our Pre-Offering Sole Shareholder exercising the powers and faculties of the General Shareholders' Meeting decided, among other things, to (i) apply for Admission and to carry out the Offering and granted the necessary authority to our Board of Directors to issue the Initial Offer Shares; (ii) appoint our Directors; (iii) create our corporate website; (iv) carry out the Offering and delegate to the Board of Directors the faculties

to execute it; (v) to approve the Directors' Compensation Policy; and (vi) to authorize the Board of Directors to increase the share capital of the Company within five years from April 9, 2021 in a maximum amount of 50% of the total share capital of the Company as of the date of this Prospectus, further authorizing the Board of Directors to disapply pre-emptive subscription rights of shareholders up to 20% of the share capital as of the date of this Prospectus in respect of issues of shares carried out under this authorization. See "*Plan of Distribution—Authorization of the Offering*" for information on our Pre-Offering Sole Shareholder, exercising the powers and faculties of the General Shareholders' Meeting's, and our Board of Directors' resolutions in connection with the Offering.

Dividend and Liquidation Rights

Holders of our Shares have the right to participate in distributions of profits and proceeds from liquidation, proportionally to their paid-up share capital. However, there is no right to receive a minimum dividend.

Unless the General Shareholders' Meeting decides otherwise, dividends become payable by us from the next day on which the distribution agreement is adopted by the General Shareholders' Meeting. Additionally, the General Shareholders' Meeting or the Board of Directors may also approve the distribution of interim dividends (*dividendos a cuenta*) provided that: (i) there is sufficient liquidity to pay the interim dividends according to a financial statement prepared by the Board of Directors and (ii) the amount to be distributed does not exceed the earnings obtained since the end of the previous financial year, after deducting the sum of the accumulated losses from previous years, the amounts to be allocated to mandatory reserves or any other reserves provided for in our Bylaws and the estimated tax due on the earnings.

According to the Spanish Companies Act, we may only pay dividends to our shareholders (once the mandatory reserve requirements and any requirements set out in our Bylaws have been met, if applicable) from our annual profits or distributable reserves (such as issuance premium), provided in both cases that (i) the value of our net equity (*patrimonio neto*) does not, and as a result of the payment of dividends will not, amount to less than the share capital; and (ii) the distributable reserves are equal or higher than the research and development expenses recorded as an asset in our consolidated balance sheet.

Prior to any dividend distribution from our annual profits, the Spanish Companies Act requires companies to allocate at least 10% of their annual profits to a non-distributable mandatory reserve (*reserva legal*) until such reserve amounts to, at least, 20% of the company's share capital. According to the Spanish Companies Act, mandatory reserves are only available for distribution to shareholders upon liquidation. As of December 31, 2020, the balance of our legal reserve was zero given that it was our first year of incorporation. On March 22, 2021, our Pre-Offering Sole Shareholder exercising the powers and faculties of the General Shareholders' Meeting, resolved to create the mandatory legal reserve for an amount of €2,560 thousand, which is equivalent to 20% of our share capital at the date of this Prospectus.

Our ability to distribute dividends in the near future, if any, and the amounts thereof will depend upon a number of factors, including, but not limited to, our earnings, financial condition, debt service obligations, cash requirements (including capital expenditure and investment plans), compliance with any covenants in our debt instruments (further details of which are set out in "*Operating and Financial Review—Liquidity and Capital Resources*"), market conditions and such other factors as may be deemed relevant at the time. In addition to being an operating entity ourselves, we are also a holding company and conduct part of our business through our subsidiaries. In this regard, the distribution of dividends will be subject to the prior fulfilment by our subsidiaries of the requirements set forth in their bylaws and applicable laws. See "*Operating and Financial Review—Liquidity and Capital Resources*" and "*Dividend Policy*".

In accordance with Article 947 of the Spanish Commercial Code (*Real Decreto de 22 de agosto de 1885, Código de Comercio*, the "**Spanish Commercial Code**"), a shareholder's right to any given dividend expires if unclaimed during five years after the date it becomes payable.

Any dividends paid in the future will be subject to taxation under Spanish law. See "*Taxation—Spanish Tax Considerations*".

In the year ended December 31, 2020 we have not distributed any dividends to our Pre-Offering Sole Shareholder. See "*Dividend Policy*" for more information.

In the event of our liquidation, the shareholders would be entitled to receive proportionately any assets remaining after payment of the debts and all applicable taxes and expenses related to the liquidation.

Shareholders' Meetings and Voting Rights

Calling a General Shareholders' Meeting

Pursuant to our Bylaws, the General Shareholders' Meeting Regulations and the Spanish Companies Act, our ordinary annual General Shareholders' Meeting shall be held on a date fixed by the Board of Directors within the first six months of each financial year. Extraordinary General Shareholders' Meeting may be called by the Board of Directors at any time, or at the request of shareholders representing at least 3% of the issued share capital. Following Admission, notices of all General Shareholders' Meeting will be published in the Official Gazette of the Commercial Registry or in one of the more widely circulated newspapers in Spain, on our corporate website (www.ecoener.es) and on the website of the CNMV, at least 30 calendar days prior to the date when the meeting is to be held, except as discussed in the following paragraph.

In addition, once our Shares are trading, if we offer our shareholders the ability to vote by electronic means accessible to all of them, the extraordinary General Shareholders' Meeting may be called on 15 days' notice. The decision to permit such reduction of the call period should be taken by a majority of not less than two thirds of the voting share capital, and the authorization shall be granted for a term which shall not exceed the date of the subsequent annual ordinary General Shareholders' Meeting.

Provided that the state of the art allows it and the Board of Directors so resolves at the time of the notice, shareholders eligible to attend the General Shareholders' Meeting, or their designated proxy holder (as explained hereafter), may do so via any electronic means that allow them to be connected in real time with the site or sites where the meeting is being held, as described in Article 11 of the General Shareholders' Meeting Regulations. Remote attendance by shareholders or their proxy holders will be considered for all purposes to be the same as attending the General Shareholders' Meeting in person.

Additionally, in accordance with article 182 bis of the Amendments to the Spanish Companies Act, provided that the state of the art and the company's bylaws allow it, the Board of Directors may convene a General Shareholders' Meeting to be held exclusively by electronic means, without physical assistance of the shareholders nor of their representatives. The General Shareholders' Meeting to be held exclusively by electronic means will be subject in all cases to (i) the prior identification and authentication of the shareholders and their representatives, and (ii) the possibility for all attendees to effectively participate in the meeting by appropriate remote electronic means, such as audio or video, complemented by the possibility of written text messages during the course of the meeting, both to allow the exercise in real time of the rights to speak, information, proposal and vote that correspond to them, and to follow the interventions of the remaining attendees by the aforementioned electronic means. The prior notice convening the General Shareholders' Meeting shall duly inform of the different procedures and requirements that shall be followed in order to (i) register and form the attendance list, (ii) exercise the shareholders rights during the meeting and (iii) duly reflect in the General Shareholders' Meeting's minutes the course of the meeting. In no case may the attendance be subject to prior registration more than one hour before the scheduled start of the meeting. The General Shareholders' Meeting to be held exclusively by electronic means shall be deemed to be held at the registered office, regardless of where the Chairperson of the meeting is located. Votes that have been casted by electronic means shall be confirmed by the Company to the shareholder by sending receipt of confirmation of his vote.

Authority of the General Shareholders' Meeting

The General Shareholders' Meeting has the authority to resolve on, amongst others, the following matters: (i) approval of the management carried out by the Directors during the previous fiscal year; (ii) approval of the individual and consolidated annual accounts of the previous year; (iii) approval of the non-financial information statement; (iv) allocation of the previous fiscal year results; (v) the appointment and removal of Directors, liquidators and, if applicable, auditors, and exercise of our action to enforce liability against any of them; (vi) approval of the remuneration policy for Directors; (vii) amendment of the Bylaws; (viii) capital increase and decrease or granting authority to increase the share capital to the Board of Directors; (ix) disapplication or limitation of the pre-emptive rights of subscription or granting authority to exclude or limit them to the Board of Directors; (x) acquisition, disposal or contribution to another company of essential assets (pursuant the Spanish Companies Act, the essential character of the asset is presumed when the amount of the transaction exceeds twenty-five percent of the value of assets stated in the last approved balance sheet); (xi) transformation, merger, spin-off or global transfer of assets and liabilities and transfer of the registered office abroad; (xii) our winding up; (xiii) approval of the final liquidation balance sheet; (xiv) the transfer of essential activities previously undertaken by us to subsidiaries, even if we maintain full ownership of such entities; (xv) transactions the effect of which is equivalent to our liquidation; (xvi) acquisition of treasury shares; and (xvii) any other matters specified by law or the Bylaws. All the foregoing matters can be dealt with at ordinary or extraordinary General

Shareholders' Meetings, provided that they are included in the agenda, with the exception of the approval of the annual accounts, the allocation of results, and the approval of the management, which may only be decided at an ordinary General Shareholders' Meeting.

The liability action against Directors shall be brought by us pursuant to a General Shareholder's Meeting decision, which may be adopted at the request of any shareholder even when not included on the agenda. Bylaws cannot require qualified majority for the adoption of such resolution. The General Shareholder's Meeting may consent or waive such action at any time, unless an objection is raised thereto by shareholders representing five per cent of the share capital. The decision to bring an action or reach a settlement shall entail the removal of the relevant Directors. The approval of the financial statements shall not preclude action for liability nor constitute a waiver of the action agreed or brought.

Also, the General Shareholder's Meeting shall vote separately on substantially independent matters. Even if included in the same item on the agenda, the following shall be voted separately: (i) the appointment, re-election, ratification or separation of Directors; (ii) the advisory vote on the annual report on Directors' remuneration; and (iii) in resolutions to amend the Bylaws, each substantially independent article or group of articles.

Voting and attendance rights

Each of our Shares entitles the holder to one vote at a General Shareholders' Meeting and there is no limit as to the maximum number of votes that may be issued by any shareholder, companies belonging to the same group or any person acting in coordination with any of the former. Shareholders are not required to hold a minimum number of Shares in order to exercise their right to attend any general shareholders' meeting. None of our shareholders have different voting rights.

Holders of record of any number of Shares with voting rights are entitled to attend our General Shareholders' Meeting with the right to speak and vote. The General Shareholders' Meeting notice shall indicate the date on which Shares must be held for a shareholder to be effectively entitled to attend the meeting and exercise any voting rights. Shareholders that are duly registered in the book-entry records (*anotaciones en cuenta*) managed by Iberclear and its participating entities at least five days in advance of the date of the General Shareholders' Meeting shall be entitled to attend and vote at such meeting.

Loyalty shares

The Amendments to the Spanish Companies Act set the possibility of shareholders of listed companies having double voting rights for their shares ("**Loyalty Shares**"), provided that they are envisaged and regulated in the bylaws of the relevant listed company. As of the date of this Prospectus, our Bylaws do not contain such regime for Loyalty Shares.

The following conditions would need to be met to implement Loyalty Shares:

- **General Shareholders' Meeting approval:** a general shareholders' meeting resolution passed by a qualified majority, in order to include the concept of loyalty shares (opt-in) in its bylaws.
- **Shareholder's decision:** that the shareholder concerned holds the shares uninterruptedly for a minimum of two years (the bylaws may require a longer holding period).
- **Shareholder's prerogative:** the double vote will be limited to those shares that the shareholder expressly indicates and the minimum holding period will only start at the moment the shareholder requests their registration in the special share register for shares with double voting rights. The shareholder may waive the double voting right at any time. The aforementioned special register will be available to all shareholders.

Listed companies that adopt the Loyalty Shares regime must include updated information on their website on the number of shares with double voting rights existing from time to time, as well as those registered shares which loyalty period provided for in the bylaws is pending completion.

Double voting rights will generally terminate when the shares are transferred, except in the case of intra-group transfers or, under certain conditions, transfers between family members or transfers through structural modifications.

Loyalty Shares must be taken into account for the purposes of, among others:

- i. calculating the quorum of the general shareholders' meeting and the relevant majorities for the approval of resolutions;
- ii. complying with the obligation to notify significant holdings; and
- iii. determining the existence of a controlling interest that triggers the obligation to launch a takeover bid.

Proxies

Any of our Shares may be voted by proxy. Proxies must be in writing or in electronic form acceptable under the Bylaws and are valid for a single General Shareholders' Meeting. Proxies may be given to any person, whether or not a shareholder. Proxies must specifically refer to a specific General Shareholders' Meeting. A proxy may be revoked by giving notice to us prior to the meeting or by the shareholder attending the meeting in person.

Intermediary entities appearing as holders of ordinary shares in the book-entry records shall facilitate to the ultimate beneficial owners the exercise of the rights to which a shareholder is entitled to, including the right to speak and vote in a General Shareholders' Meeting.

Proxy holders will be required to disclose any conflict of interest prior to their appointment. In the event a conflict of interest arises after the appointment, it must be immediately disclosed to the relevant shareholder. In both cases, the proxy holder shall not exercise the shareholder's rights unless the latter has given specific voting instructions for each resolution in respect of which the proxy holder is to vote on behalf of the shareholder. A conflict of interest in this context may in particular arise where the proxy holder is: (i) our Pre-Offering Sole Shareholder, or another entity controlled by such shareholder; (ii) a member of our Board of Directors, management or supervisory body, or of our Pre-Offering Sole Shareholder or another entity controlled by such shareholder; (iii) an employee or our auditor, or employee or auditor of our Pre-Offering Sole Shareholder or another entity controlled by such shareholder; or (iv) a natural person related to those mentioned in (i) to (iii) above.

A person acting as a proxy holder may hold a proxy from more than one shareholder without limitation as to the number of shareholders so represented. Where a proxy holder holds proxies from several shareholders, he or she will be able to cast votes for a shareholder differently from votes cast for another shareholder.

Entities appearing as holders of ordinary shares in the book-entry records but acting on behalf of different persons shall always be entitled to exercise voting rights in a divergent manner in order to comply with conflicting voting instructions received from their clients, who are the beneficial owners of the shares. These entities may also delegate voting rights to each of the indirect holders or their nominees, without limits on the number of delegations.

The Amendments to the Spanish Companies Act provide that where there are several intermediary entities holding the shares on behalf of the same beneficial owner, they shall transmit to each other without delay the information or confirmation referred to above until they reach said beneficial owner or the Company, unless the information or confirmation can be transmitted directly by one of the intermediary entities to them. Intermediary entities must publish on their websites all applicable fees for the services rendered. Fees charged by an intermediary to shareholders, companies, beneficial owners and other intermediary entities shall not be discriminatory and shall be proportionate to the actual costs incurred by them in providing the service.

Proxy advisors

The Amendments to the LMV introduce the notion of proxy advisors that are legal persons who analyze, on a professional and commercial basis, the information that listed companies are legally obliged to publish and, where appropriate, other information, in order to advise investors in the exercise of their voting rights by means of analysis, advice or voting recommendations. Proxy advisors must comply with certain legal requirements and, amongst others, shall publish a code of conduct that governs their services, including, if applicable, the corresponding code of ethics of the profession, and shall report on the manner in which they have done so.

Proxy advisors shall publish annually a report so that their clients are duly informed about the accuracy and reliability of their activities, containing certain information related to their research, advice and the voting recommendations they issue. This report shall be available on their websites. Proxy advisors shall promptly identify and disclose to their clients any actual or potential conflicts of interest or any business relationships that may influence the preparation of their research, advice or voting recommendations and the steps taken to eliminate, mitigate or manage actual or potential conflicts of interest.

Holding a General Shareholders' Meeting and adopting resolutions

Depending on whether the ordinary or extraordinary General Shareholders' Meeting is held on the first call or on the second call, our General Shareholders' Meeting Regulations provides as follows (meeting notices may include, and usually do, a second call for the meeting to be held at least 24 hours after the first date included in the meeting notice that would be held in accordance with the first call):

- **Quorum:** on the first call the presence in person or by proxy of shareholders representing at least 25% of its voting capital will constitute a quorum. If on the first call a quorum is not present, the meeting can be reconvened by a second call, which according to the Spanish Companies Act requires no quorum.
- **General rule for the adoption of resolutions:** resolutions are passed by a majority of the votes corresponding to the share capital present or represented at such meeting, except for the exceptions covered in the following paragraph.
- **Adoption of resolutions for reserved matters:** according to the Spanish Companies Act, a resolution in a General Shareholders' Meeting to increase or decrease our share capital, modify our Bylaws (including, without limitation, increases and reductions of share capital), issue convertible bonds and other securities whose competence is not legally attributed to other corporate body, suppress or limit pre-emptive right over new shares, transform, merge, spin-off, globally assign assets and liabilities and the transfer of our registered address abroad, requires the presence in person or by proxy of shareholders representing at least 50% of our voting capital on first call, and the presence in person or by proxy of shareholders representing at least 25% of our voting capital on second call. On second call, and in the event that less than 50% of our voting capital is represented in person or by proxy, such resolutions may only be passed upon the vote of shareholders representing two-thirds of our capital present or represented at such meeting. Pursuant to Article 201 of the Spanish Companies Act, the adoption of any agreement referred to in Article 194 of the Spanish Companies Act (which are those summarized above in this paragraph) will require an absolute majority of the votes issued by the attending shareholders (both personally and by proxy) if the attending shareholders represent more than 50% of the total share capital.

The Spanish Companies Act allows shareholders to voluntarily group their shares so that the share capital in aggregate is equal to or greater than the result of dividing the total share capital by the number of Directors on the Board. Such grouped shareholders have the right to appoint a corresponding proportion of the members of the Board of Directors (disregarding any fractions) provided that there is a vacancy. Shareholders who exercise this grouping right may not vote on the appointment of the remaining other Directors.

Legal effects of resolutions passed by the General Shareholders' Meeting and opposition to the resolutions of the General Shareholders' Meeting

A resolution passed at a General Shareholders' Meeting is binding on all shareholders, although a resolution which is (i) contrary to law or the Bylaws or our internal regulations, or (ii) prejudicial to our interest and beneficial to one or more shareholders or third parties, may be challenged. Damage to our interest is also caused when the resolution, without causing damage to corporate assets, is imposed in an abusive manner by the majority. An agreement is understood to have been imposed in an abusive manner when, rather than responding reasonably to a corporate need, the majority adopts the resolution in their own interests and to the unjustifiable detriment of the other shareholders. In the case of listed companies, the required fraction of our share capital needed to be able to contest is 1/1000. The right to contest would apply to those who were shareholders at the time when the resolution was passed (provided they hold at least 0.1% of the share capital), Directors and interested third parties. In the event of resolutions contrary to public order, the right to contest would apply to any shareholders (even if they acquired such condition after the resolution was passed), and any Director or third party.

In certain circumstances (for example, a change or significant amendment of the corporate purpose, transformation or transfer of registered address abroad), the Spanish Companies Act gives dissenting or absent shareholders (including non-voting shareholders) the right to separate from us. If this right were exercised, we would be obliged to repurchase the relevant shareholding(s) from the separating shareholder in accordance with the procedures established under articles 347 *et seq.* of the Spanish Companies Act.

Pre-emptive Rights and Increases of Share Capital

According to the Amendments to the Spanish Companies Act, shareholders have pre-emptive rights to subscribe for newly issued shares in consideration to cash contributions or newly issued bonds that are convertible into shares. Such pre-emptive rights may be waived under special circumstances by a resolution passed by the General

Shareholders' Meeting or the Board of Directors (in case the General Shareholders' Meeting of a listed company delegates the decision to increase our share capital or issue convertible bonds waiving pre-emptive rights to the Board of Directors) in the following terms:

- a. When the authority corresponds to the General Shareholders' Meeting, the process and requirements are the following: The exclusion of pre-emptive subscription rights shall generally require an independent expert's report, as provided for in Article 308 of the Spanish Companies Act, whenever the Board of Directors submits a proposal to the General Shareholders' Meeting to issue shares or convertible bonds with the exclusion of pre-emptive subscription rights, for an amount exceeding 20% of the share capital. In cases where the amount of the issue is less than 20% of the share capital, the company may, however, voluntarily obtain such independent expert's report. In those cases where the independent expert's report referred to above is not issued, the par value of the shares to be issued, plus, if applicable, the amount of the share premium, must correspond to the fair value resulting from the Consolidated Management Report. Unless the Directors justify otherwise, in which case they shall provide the appropriate report from an independent expert, and in any case for transactions not exceeding 20% of the capital, the fair value will be presumed to be the market value, established by reference to the stock market price, provided that it is not more than ten percent lower than the price of such stock market price. Shares may be issued at a price below fair value, and in this case the Consolidated Management Report must justify that the corporate interest requires not only the exclusion of the pre-emptive subscription right, but also the type of issue proposed. In addition, an independent expert's report shall be required, which shall specifically state the amount of the expected economic dilution and the reasonableness of the data and considerations included in the Consolidated Management Report prepared to justify the issue and the exclusion of subscription rights. The resolution adopted by the General Shareholders' Meeting to increase capital with the exclusion of subscription rights may already set the date, price and other conditions of the issue or delegate the fixing thereof to the Board of Directors. The Board of Directors may determine the issue price directly or establish such procedure for its determination as it deems reasonable, provided that it is appropriate, in accordance with accepted market practices, to ensure that the resulting issue price corresponds to the fair value.
- b. When the authority corresponds to the Board of Directors due to the prior delegation of the General Shareholders' Meeting, the process and requirements are the following: The delegation to increase the capital with exclusion of the preemptive subscription right may not refer to more than 20% of the share capital of the company at the time of authorization. The notice convening the General Shareholders' Meeting containing the proposal to delegate to the Board of Directors the faculty to increase the share capital must, if applicable, expressly authorize them to exclude the pre-emptive subscription right. A report from the directors justifying the proposal to delegate this power shall be made available to the shareholders at the time the General Shareholders' Meeting is called. The resolution to increase the share capital adopted on the basis of the delegation of the meeting must be accompanied by the corresponding supporting report from the Directors. Likewise, the company may voluntarily obtain the independent expert's report provided for in article 308 of the Spanish Companies Act.

Furthermore, pre-emptive rights will not be exercisable by shareholders in case of a share capital increase that is required for the purposes of implementing the conversion into shares of convertible bonds, completing a merger in which shares are issued as consideration, acquiring all or part of another company's assets, by means of capitalization of credit rights or against non-cash contributions. Pre-emptive rights are transferable, may be traded on the SIB and may be of value to existing shareholders since new shares may be offered for subscription at prices lower than prevailing market prices.

On April 9, 2021, our Pre-Offering Sole Shareholder exercising the powers and faculties of the General Shareholders' Meeting approved (i) an increase of our share capital by a maximum nominal amount of €6,272 thousand, equal to 19,600,000 of new shares (the "**Initial Offer Shares**") in connection with the Offering and, (ii) an additional increase of our share capital by a nominal amount of up to 10% of the nominal amount of the share capital referred to in (i) above in connection with the issue of the shares for the Over-allotment Option (the "**Over-allotment Shares**"), delegating into our Board of Directors the faculties to execute said share capital increases. The current Pre-Offering Sole Shareholder have irrevocably waived any pre-emptive rights regarding this capital increase.

Shareholder Claims

Pursuant to the Spanish Companies Act, Directors are liable to us, shareholders and creditors for any actions or omissions that are illegal or contravene the Bylaws and for failure to perform their legal and fiduciary duties diligently.

Subsequent ratification or approval of any such act or omission by the shareholders in a General Shareholders' Meeting does not forego Directors' liability. Under Spanish law, liability of the Directors is joint and several (*solidaria*), except to the extent any Director can demonstrate that he or she did not participate in the decision-making process related to the relevant act or omission, was unaware of its existence or if being aware of it, he or she used his or her best efforts to mitigate any damages produced to us or if he or she expressly disagreed with the decision-making relating to such act or omission.

Shareholders must generally bring actions against the Directors as well as any other actions against us or challenging corporate resolutions before the courts of the judicial district of our registered address (currently La Coruña, Spain).

Representation and Transfers of Shares

Our Shares are represented by book-entry records and are indivisible.

Iberclear (the managing entity for the Spanish clearance and settlement system of the Spanish Stock Exchanges) manages the central registry, which reflects the number of shares held by each of its participating entities from time to time as well as the amount of shares held by beneficial owners. Each participating entity, in turn, keeps a record of the owners of such shares. Since our Shares are represented by book-entry records, we will keep an electronic shareholder registry for which Iberclear shall report to us all transactions entered into by our shareholders in respect of the Shares. The shareholders or persons holding limited in rem rights or encumbrances on the Shares may obtain legitimation certificates as provided for under the laws governing shares represented by book entries.

Our Shares are freely transferable in accordance with the Spanish Companies Act, the LMV and any implementing regulations.

In the event of co-ownership of one or several Shares, co-holders must appoint a single representative to exercise their rights jointly on their behalf. However, they shall all be jointly and severally (*solidariamente*) liable towards us for any obligations in their capacity as shareholders.

As a general rule, transfers of shares quoted on the Spanish Stock Exchanges must be made through or with the participation of a member of a Spanish Stock Exchange. Brokerage firms, or dealer firms, Spanish credit entities, investment services entities authorized in other EU member states and investment services entities authorized by their relevant authorities and in compliance with the Spanish regulations are eligible to be members of the Spanish Stock Exchanges. See section "*Market Information*". Transfer of shares quoted on the Spanish Stock Exchanges may be subject to certain fees and expenses.

Restrictions on Foreign Investment

Exchange controls and foreign direct investments ("**FDI**") are regulated under Law 19/2003, of July 4 ("**Law 19/2003**"), as amended pursuant to Royal Decree-Law 8/2020, of March 17, and Royal Decree-Law 11/2020, of March 31 and Royal Decree-Law 34/2020, of 17 November, on urgent measures to support companies solvency, the energy sector and on tax measures. Foreign investments are generally liberalized unless they fall within the scope of article 7 bis of Law 19/2003, enacted in March 2020.

General regime

Article 7 bis of Law 19/2003 establishes a screening mechanism for certain FDI investments made by non-EU and non-EFTA residents, based on public order, public health and public security reasons (the "**Screening Mechanism**"). The Screening Mechanism aligns part of the Spanish foreign investment legal framework with Regulation (EU) 2019/452 of March 19, 2019 establishing a framework for the screening of FDI into the European Union.

For the purposes of the Screening Mechanism, the following persons are deemed to be "foreign investors":

- non-EU and non-EFTA residents; and
- EU or EFTA residents beneficially owned by non-EU and non-EFTA residents. This occurs when non-EU and non-EFTA residents ultimately possess or control, directly or indirectly, more than 25% of the share capital or voting rights of the investor, or otherwise exercise control, directly or indirectly, over the investor.

FDI is defined as any investment by virtue of which a foreign investor reaches ownership of 10% or more in the share capital of the Spanish company or where the transaction confers the foreign investor the “control” provided that the target carries out its business in specific sectors as defined below or, regardless of the target’s activity, the foreign investor has specific circumstances. Control should be understood as defined in article 7.2. of Act 15/2007 on Antitrust.

FDI in the following sectors are subject to the Screening Mechanism:

- Critical infrastructure, whether physical or virtual, including energy, transport, water, health, communications, media, data processing or storage, aerospace, defense, electoral or financial infrastructure, and sensitive facilities, as well as land and real estate crucial for the use of such infrastructure.
- Critical technologies and dual use items, key technologies for industrial leadership and capability and technologies developed under programmes and projects of particular interest for Spain, including telecommunications, artificial intelligence, robotics, semiconductors, cybersecurity, aerospace, defense, energy storage, quantum and nuclear technologies as well as nanotechnologies, biotechnologies and advanced materials and manufacturing systems.
- Supply of critical inputs in particular energy, understood as those regulated in the Electricity Sector Act 24/2013, of 26 December, and in the Hydrocarbons Sector Act 34/1998, of 7 October, or those referring to strategic connectivity services or raw materials, as well as food security.
- Sectors with access to sensitive information, including personal data, or the ability to control such information.
- Media.
- Other sectors designated by the Spanish government from time to time that may affect public security, order or health.

FDI investments by the following foreign investors are also subject to the Screening Mechanism, regardless of the business of the target:

- Investors directly or indirectly controlled by the government, including state bodies or armed forces, of a non EU/EFTA country. Control should be understood as defined in article 7.2. of Act 15/2007 on Antitrust.
- Investors that have already made an investment affecting national security, public order or public health in another EU Member State, including an investment in any of the abovementioned sectors.
- Investors that are potentially (severe risk) engaged in illegal or criminal activities affecting national security, public order or public health in Spain.

Gun jumping the Screening Mechanism will render the transaction invalid and without any legal effect, until the required authorization is obtained. In addition, fines up to the value of the investment could be imposed.

The Screening Mechanism proceedings can be summarized as follows:

- The ordinary procedure. A prior authorization from the Spanish Council of Ministers (*Consejo de Ministros*) is required to approve the FDI approval. The maximum legal term to issue a decision is six months.
- A simplified proceeding: On a transitional basis, the Second Transitional Provision of Royal Decree-Law 11/2020, sets out a simplified proceeding set forth below, which shall apply to requests for prior administrative authorization of the following FDI transactions:
 - a) Those in respect of which there is evidence by any legally valid means of the existence of an agreement between the parties or a binding offer where the price was already fixed, specified or subject to specification, prior to the entry into force of the Royal Decree-Law.
 - b) Those whose amount is equal to or greater than €1 million and less than €5 million, until the regulations developing Article 7 bis of Law 19/2003 are approved and enter into force.

In those cases, applications will be addressed to the Director General for International Trade and Investments (*Dirección General de Comercio Internacional e Inversiones*), who will decide on them within 30 days following a report from the Foreign Investments Board.

Pursuant to Royal Decree-Law 11/2020 and until regulations developing Article 7 bis of Law 19/2003 are approved and enter into force, FDI transactions whose amount is less than €1 million are exempted from the obligation of prior authorization.

Under both the ordinary and fast-track procedures, the application for a foreign investment authorization will be deemed rejected if the relevant authority does not respond to the authorization request within the corresponding maximum legal term.

Transitory Regime

Royal Decree-Law 34/2020, of 17 November, on urgent measures to support companies' solvency, the energy sector and on tax measures introduced a new transitory provision on foreign direct investments carried out by EU and EFTA companies (the "**New FDI Regulations**").

As explained above, pursuant to former regulations, only FDI carried out by non-EU companies or non-EFTA companies in specific sectors or when the investor has a special nature are subject to FDI approval.

The New FDI Regulations extend the need to seek for a prior approval to investments in strategic sectors (as defined by FDI regulations) carried out by investors resident in the EU or EFTA provided that: (i) the Spanish investment target is listed in a Spanish official secondary market (despite of the value of the transaction); or (ii) it is a non-listed Spanish target company to the extent that the value of the transaction is greater than €500 million.

For the purposes of the above provision, the Screening Mechanism will be required for investments carried out by non-Spanish companies as well as by Spanish companies whose beneficial owner is an European or EFTA companies (different from Spain). This is understood to be the case where the investor possesses or ultimately controls, directly or indirectly, more than 25% of the capital or voting rights in the investor, or where by other means exercises direct or indirect control of the investor.

This provision is however transitory and will only be in place until June 30, 2021.

In addition, Royal Decree 664/1999, of April 23, establishes that non-Spanish foreign investors who are not resident in a tax haven are required to file a notification with the Spanish Registry of Foreign Investments following an investment or divestiture, if any, solely for statistical, economic and administrative purposes. Where the investment or divestiture is made in shares of Spanish companies listed on any of the Spanish Stock Exchanges, the duty to provide notice of a foreign investment or divestiture lies with the relevant entity with whom the shares (in book-entry form) have been deposited or which has acted as an intermediary in connection with the investment or divestiture.

If the foreign investor is a resident of a tax haven, as defined under Spanish law (Royal Decree 1080/1991, of July 5), notice must be provided to the Registry of Foreign Investments prior to making the investment, as well as after consummating the transaction. However, prior notification is not necessary in the following cases:

- investments in listed securities, whether or not trading on an official secondary market;
- investments in participations in investment funds registered with the CNMV; and
- foreign shareholdings that do not exceed 50.0% of the capital of the Spanish company in which the investment is made.

Additional regulations to those described above apply to investments in some specific industries, including air transportation, mining, manufacturing and sales of weapons and explosives for civil use and national defense, radio, television, telecommunications and gambling. These restrictions do not apply to investments made by EU residents, other than investments by EU residents in activities relating to the Spanish defense sector or the manufacturing and sale of weapons and explosives for non-military use.

Exchange Control Regulations

Pursuant to Royal Decree 1816/1991 of December 20 relating to economic transactions with non-residents, as amended by Royal Decree 1360/2011 of October 7, and EC Directive 88/361/EEC, charges, payments or transfers

between non-residents and residents of Spain must be made through a registered entity, such as a bank or another financial institution registered with the Bank of Spain (*entidades registradas con el Banco de España*), through bank accounts opened abroad with a foreign bank or a foreign branch of a registered entity, in cash or by check payable to bearer. All charges, payments or transfers which exceed €6,010 (or its equivalent in another currency), if made in cash or by check payable to bearer, must be notified to the Spanish exchange control authorities.

Shareholder Information Rights

Under Spanish law, shareholders are entitled to receive certain company information, including information regarding any amendment to Bylaws, any increase or reduction in share capital, the approval of the annual accounts, any issuance of debt securities, a merger or spin-off, the winding-up or liquidation, or any other major corporate events or actions.

Furthermore, shareholders may request any reports or explanations that they consider necessary in respect of the matters included in the agenda of a General Shareholders' Meeting, either in writing beforehand until the fifth day prior to the date scheduled for the General Shareholders' Meeting in which case, the Board of Directors is obliged to provide these reports and explanations until the day before the General Shareholders' Meeting, or orally at the meeting, in which case and if the right of the shareholder could not be satisfied at the moment, the Board of Directors is obliged to provide these reports and explanations within the seven days following the conclusion of the General Shareholders' Meeting, except in the case where, in the Chairperson's opinion, public exposure of the information requested may be detrimental to our interests. However, this exception shall not apply should the request be backed by shareholders which together hold 25% or more of the share capital.

Reporting Requirements

Transactions affecting voting rights

Pursuant to Royal Decree 1362/2007 of October 19, (*Real Decreto 1362/2007, de 19 de octubre, que desarrolla la Ley del Mercado de Valores en relación con los requisitos de transparencia relativos a la información sobre los emisores cuyos valores estén admitidos a negociación en un mercado secundario oficial o en otro mercado regulado de la Unión Europea*) ("**Royal Decree 1362/2007**") any individual or legal entity which, by whatever means, purchases or transfers shares which grant voting rights in our Company, must notify us and the CNMV if, as a result of such transaction, the proportion of voting rights held by that individual or legal entity reaches, exceeds or falls below a threshold of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 60%, 70%, 75%, 80% and 90% of the total voting rights. Should the person or group effecting the transaction be resident in a tax haven (as defined in Royal Decree 1080/1991 of July 5), the threshold that triggers the obligation to disclose the acquisition or transfer of the Shares is reduced to 1% (and successive multiples thereof).

The individual or legal entity obliged to carry out the notification must serve the notification by means of the form approved by the CNMV from time to time for such purpose, within four trading days from the date on which the individual or legal entity acknowledged or should have acknowledged the circumstances that generated the obligation to notify (Royal Decree 1362/2007 deems that the obliged individual or legal entity should have acknowledged the aforementioned circumstance within two trading days from the date on which the transaction was entered into, regardless of the date on which the transaction takes effect). Should the individual or legal entity effecting the transaction be a non-resident of Spain, notice must also be given to the Spanish Registry of Foreign Investments maintained by the General Bureau of Commerce and Investments. See "*Restrictions on Foreign Investment*" above.

The reporting requirements apply not only to the purchase or transfer of shares, but also to those transactions in which, without a purchase or transfer, the proportion of voting rights of an individual or legal entity reaches, exceeds or falls below the threshold that triggers the obligation to report as a consequence of a change in the total number of voting rights of a company on the basis of the information reported to the CNMV and disclosed by it. In such a case, the transaction is deemed to be acknowledged within two trading days from the date of publication of the other relevant information notice (*comunicación de otra información relevante*) or the inside information notice (*comunicación de información privilegiada*), as applicable, regarding such transaction.

Regardless of the actual ownership of the shares, any individual or legal entity with a right to acquire, transfer or exercise voting rights granted by the shares, and any individual or legal entity which acquires, transfers or holds, whether directly or indirectly, other securities or financial instruments which grant a right to acquire shares with voting rights, will also have an obligation to notify us and the CNMV of the holding of a significant stake in accordance with the applicable regulations set out above.

All members of the Board of Directors must report to both us and the CNMV any percentage or number of voting rights in our share capital held by them at the time of becoming or ceasing to be a member of the Board of Directors within five trading days. Furthermore, all members of the Board of Directors must report any change in the percentage of voting rights they hold, regardless of the amount, as a result of any acquisition or disposition of the shares or voting rights, or financial instruments which carry a right to acquire or dispose of shares which have voting rights attached, including any stock based compensation that they may receive pursuant to any applicable compensation plans in place. Members of our Senior Management must also report any stock based compensation that they may receive pursuant to any applicable compensation plans in place or any subsequent amendment to any such plans. See section “*Management and Board of Directors*” for information on the ordinary shares held by members of the Board of Directors, Senior Management, and members of our administrative, supervisory or management bodies.

Moreover, pursuant to Article 30.6 of Royal Decree 1362/2007, in the context of a takeover bid, the following transactions should be notified to the CNMV: (i) any acquisition reaching or exceeding 1% of our voting rights, and (ii) any increase or decrease in the percentage of voting rights held by holders of 3% or more of our voting rights. The CNMV will immediately make public this information.

Disclosure requirements applicable to persons discharging managerial responsibilities

Pursuant to Article 19 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (“**MAR**”), persons discharging managerial responsibilities and any persons closely associated with them must similarly report to us and the CNMV any acquisition or disposal of our ordinary shares, derivative or financial instruments linked to our ordinary shares, regardless of the size of the relevant transaction, within three business days after the date the transaction is made, provided that transactions carried out by the relevant person within the calendar year reach €5,000 in the aggregate or the increased threshold set forth by the relevant competent authority as permitted by Article 19 of MAR. In this regard, in Spain, pursuant to Royal Decree-Law 19/2018, the LMV increased such threshold raising the referred amount up to €20,000 in the aggregate. The notification of the transactions must include particulars of, among others, the type of transaction, the date of the transaction and the market in which the transactions were carried out, the number of shares traded and the price paid.

Article 3.(25) of MAR defines persons discharging managerial responsibilities as a person within an issuer who is either (a) a member of the administrative, management or supervisory body of the issuer, or (b) a senior executive who is not a member of the bodies referred to in point (a), who has regular access to inside information relating directly or indirectly to the issuer and power to take managerial decisions affecting the future developments and business prospects of the issuer.

In certain circumstances established by Royal Decree 1362/2007, the notification requirements on the acquisition or transfer of shares also apply to any person or legal entity that, directly or indirectly, and independently of the ownership of the shares or financial instruments, may acquire, transmit or exercise the voting rights granted by those shares or financial instruments, provided that the aggregated proportion of voting rights reaches, increases above or decreases below, the percentages set forth by Spanish law.

Disclosure of shareholders agreements

The LMV and the Spanish Companies Act require parties to disclose certain types of shareholders agreements that affect the exercise of voting rights at a General Shareholders’ Meeting or contain restrictions or conditions on the transferability of shares or bonds that are convertible or exchangeable into shares of listed companies.

If the shareholders enter into such agreements with respect to our shares, they must disclose the execution, amendment or extension of such agreements to us and to the CNMV, file such agreements with the appropriate commercial registry and publish them through another relevant information notice (*comunicación de otra información relevante*). Failure to comply with these disclosure obligations renders any such agreement unenforceable and constitutes a violation of the LMV.

The agreement will have no effect with respect to the regulation of the right to vote in General Shareholders’ Meeting and restrictions or conditions on the free transferability of shares and bonds convertible into shares until such time as the aforementioned notifications, filings and publications are made.

Upon request by the interested parties, the CNMV may waive the requirement to report, file and publish the agreement when publishing the agreement could cause harm to the affected company.

For shareholders agreements existing as of the date of this Prospectus, see section “*Principal Shareholders*”.

Net Short Positions

In accordance with Regulation (EU) No 236/2012 of the European Parliament and of the Council of March 14, 2012 on short selling and certain aspects of credit default swaps (the “**Short Selling Regulation**”) (as further supplemented by several delegated regulations regulating technical aspects necessary for its effective enforceability and to ensure compliance with its provisions), net short positions on shares listed on the Spanish Stock Exchanges equal to, or in excess of, 0.2% of the relevant issuer’s share capital and any increases or reductions thereof by 0.1% are required to be disclosed to the CNMV.

If the net short position reaches 0.5%, and also at every 0.1% above that, the CNMV will disclose the net short position to the public. The Short Selling Regulation restricts uncovered short sales in shares, providing that a natural or legal person may enter into a short sale of a share admitted to trading on a trading venue only where one of the conditions established in Article 12 of the Short Selling Regulation has been fulfilled.

The notification or disclosure mentioned above shall be made not later than at 3:30 p.m. (CET) on the following trading day.

Notification is mandatory even if the same position has been already notified to the CNMV in compliance with transparency obligations previously in force in that jurisdiction.

The information to be disclosed is set out in Table 1 of Annex I of Delegated Regulation 826/2012, according to the format approved as Annex II of this Regulation. The information will be published, where appropriate, on a web page operated or supervised by the CNMV.

Moreover, pursuant to the Short Selling Regulation, where the CNMV considers that (i) there are adverse events or developments that constitute a serious threat to financial stability or to market confidence (such as: serious financial, monetary or budgetary problems, which may lead to financial instability, unusual volatility causing significant downward spirals in any financial instrument, etc.); and (ii) the measure is necessary and will not be disproportionately detrimental to the efficiency of financial markets in view of the advantages sought, it may, following consultation with the ESMA, take any one or more of the following measures:

- impose additional notification obligations by either (a) reducing the thresholds for the notification of net short positions in relation to one or several specific financial instruments; and/or (b) requesting the parties involved in the lending of a specific financial instrument to notify any change in the fees requested for such lending; and
- restrict short selling activity by either prohibiting or imposing conditions on short selling.

In addition, according to Short Selling Regulation, where the price of a financial instrument has fallen significantly during a single day in relation to the closing price on the previous trading day (10% or more in the case of a liquid share), the CNMV may prohibit or restrict short selling of financial instruments for a period not exceeding the end of the trading day following the trading day on which the fall in price occurs.

Finally, the Short Selling Regulation also vests powers to ESMA enabling it to take measures similar to the ones described above in exceptional circumstances, when the purpose of these measures is to deal with a threat affecting several EU member states and the competent authorities of these member states have not taken adequate measures to address it.

In that regard, on March 16, 2020, in the context of the COVID-19 pandemic, ESMA temporarily lowered the initial notification threshold of net short positions in relation to the issued share capital of companies to which Short Selling Regulation applies from 0.2% to 0.1% of the relevant issuer’s share capital for a three month period ending on June 17, 2020. Such measure was subsequently extended by ESMA through several ensuing decisions until March 18, 2021.

Share Repurchases

Pursuant to the Spanish Companies Act, we may only repurchase our own shares within certain limits and in compliance with the following requirements:

- the repurchase must be authorized by the General Shareholders’ Meeting in a resolution establishing the maximum number of shares to be acquired, the ownership title for the acquisition, the minimum and

maximum acquisition price and the duration of the authorization, which may not exceed five years from the date of the resolution;

- the repurchase, including the shares already acquired and currently held by us, or any person or company acting in our own name but on our behalf, must not bring our net worth (*patrimonio neto*) below the aggregate amount of the share capital and legal or non-distributable reserves. For these purposes, net worth means the amount resulting from the application of the criteria used to draw up the financial statements, subtracting the amount of profits directly allocated to such net worth, and adding the amount of share capital subscribed but not called and the share capital par value and issue premium recorded in the accounts as liabilities;
- the aggregate value of the shares directly or indirectly repurchased, together with the aggregate par value of the ordinary shares already held by us, must not exceed 10% of our share capital; and
- shares repurchased for valuable consideration must be fully paid-up. A repurchase shall be considered null and void if (i) the shares are partially paid-up, except in the case of free repurchase, or (ii) the shares entail ancillary obligations.

Treasury shares lack voting and economic rights (for example, the right to receive dividends and other distributions and liquidation rights). Such economic rights except the right to receive bonus shares, will accrue proportionately to all the shareholders. Treasury shares are counted for purposes of establishing the quorum for General Shareholders' Meeting as well as majority voting requirements to pass resolutions at General Shareholders' Meeting.

The MAR establishes rules in order to ensure the integrity of the European Community financial markets and to enhance investor confidence in those markets. This regulation maintains an exemption from the market manipulation rules regarding share buy-back programs by companies listed on a stock exchange in an EU Member State. Regulation 2016/1052 implements MAR with regard to the regulatory technical standards for the conditions applicable to buyback programs and stabilization measures. According to the provisions included in Regulation 2016/1052, in order to benefit from the exemption, an issuer implementing a buy-back program must comply with the following requirements:

- a) Prior to the start of trading in a buy-back program, the issuer must ensure the adequate disclosure of the following information:
 - i. The purpose of the program. According to Article 5.2 of MAR, the buy-back program must have as its sole purpose (a) to reduce the capital of the issuer; (b) to meet obligations arising from debt financial instruments convertible into equity instruments; or (c) to meet obligations arising from share option programs, or other allocations of shares, to employees or to members of the administrative, management or supervisory bodies of the issuer or of an associate company;
 - ii. The maximum pecuniary amount allocated to the program;
 - iii. The maximum number of shares to be acquired; and
 - iv. The period for which authorization for the program has been granted.
- b) The issuer must ensure that the transactions relating to the buy-back program meet the conditions included on Article 3 of Regulation 2016/1052. Specifically, the issuer must ensure that the purchase price is not higher than the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase is carried out. Furthermore, issuers must not purchase on any trading day more than 25% of the average daily volume of shares on the corresponding trading venue.
- c) Issuers shall not, for the duration of the buy-back program, engage on (a) selling of own shares; (b) trading during the closed periods referred to in Article 19.11 of MAR; and (c) trading where the issuer has decided to delay the public disclosure of inside information.

CNMV Circular 1/2017, dated April 26, on liquidity contracts entered into by issuers with financial institutions for the management of its treasury shares, as amended by CNMV Circular 2/2019, dated November 27, governs the disclosure requirements by issuers and the rules of conduct to be followed by financial intermediaries when

trading under a liquidity agreement for these trades to benefit from the safe harbor provided by such Circular and qualify as an accepted market practice for the purposes of MAR.

If an acquisition or series of acquisitions of our ordinary shares reaches or exceeds or causes our and our affiliates' holdings to reach or exceed 1% of the voting shares, we must notify our final holding of treasury shares to the CNMV. If such threshold is reached as a result of a series of acquisitions, such reporting obligation will only arise after the closing of the acquisition which, taken together with all acquisitions made since the last of any such notifications, causes our and our affiliates' holdings to exceed 1% of the voting shares. Sales and other transfers of the treasury shares will not be deducted in the calculation of such threshold. This requirement would also apply if the shares were acquired by one of our majority-owned subsidiaries.

Moreover, pursuant to Spanish Companies Act, the audited financial statements of a company must include a reference to any treasury shares.

As of the date of this Prospectus, neither we nor our subsidiaries hold any of our shares. On April 9, 2021, our Pre-Offering Sole Shareholder exercising the powers and faculties of the General Shareholders' Meeting authorized the acquisition of treasury stock (*autocartera*) for a period of five years from such date, up to a maximum of 10% of our share capital at any given time. The minimum and maximum acquisition price will be the nominal value and the weighted average price corresponding to the latest trading session increased by 10%.

MARKET INFORMATION

Prior to the Offering, there has been no public market for our Shares. We will apply to list our Shares on the Spanish Stock Exchanges and to have them quoted on the Automated Quotation System (*Sistema de Interconexión Bursátil or Mercado Continuo*) (the “SIB” or “**Mercado Continuo**”) of the Spanish Stock Exchanges. The Spanish securities market for equity securities comprises four stock exchanges located in Barcelona, Bilbao, Madrid and Valencia. We expect that our Shares will be listed on the Spanish Stock Exchanges and quoted on the SIB on or about April 30, 2021, under the symbol “ENER”.

Automated Quotation System

The SIB links the four Spanish Stock Exchanges, providing those securities listed on it with a uniform continuous market that eliminates certain of the differences between the local exchanges. The principal feature of the system is the computerized matching of bid and offer orders at the time of entry of the relevant order. Each order is executed as soon as a matching order is entered, but can be modified or cancelled until it is executed. The activity of the market can be continuously monitored by investors and brokers. The SIB is operated and regulated by Sociedad de Bolsas, S.A. (“**Sociedad de Bolsas**”), a company owned by the companies that manage the Spanish Stock Exchanges. All trades on the SIB must be placed through a brokerage firm, a dealer firm or a credit entity that is a member of a Spanish Stock Exchanges.

In a pre-opening session held from 8:30 a.m. to 9:00 a.m. (CET) each trading day, an opening price is established for each security traded on the SIB based on a real-time auction in which orders can be entered, modified or cancelled, but not executed. During this pre-opening session, the system continuously displays the price at which orders would be executed if trading were to begin at that moment. Market participants only receive information relating to the auction price (if applicable) and trading volume permitted at the current bid and offer price. If an auction price does not exist, the best bid and offer price and associated volumes are shown. The auction terminates with a random period of 30 seconds in which share allocation takes place. Until the allocation process has finished, orders cannot be entered, modified or cancelled. In exceptional circumstances (including the admission of new securities on the SIB) and after giving notice to the CNMV, Sociedad de Bolsas may establish an opening price without regard to the reference price (the previous trading day’s closing price), alter the price range for permitted orders with respect to the reference price and modify the reference price.

The computerized trading hours, known as the open session, are from 9:00 a.m. to 5:30 p.m. (CET). During the trading session, the trading price of a security is permitted to vary up to a maximum so-called ‘static’ range of the reference price, provided that the trading price for each trade of such security is not permitted to vary in excess of a maximum so-called ‘dynamic’ range with respect to the trading price of the immediately preceding trade of the same security. If, during the trading session, there are matching bid and offer orders for a security within the computerized system which exceed any of the above ‘static’ or ‘dynamic’ ranges, trading on the security is automatically suspended and a new auction is held where a new reference price is set, and the ‘static’ and ‘dynamic’ ranges will apply over such new reference price. The ‘static’ and ‘dynamic’ ranges applicable to each particular security are set up and reviewed periodically by Sociedad de Bolsas.

Between 5:40 p.m. and 8:00 p.m. (CET), trades may occur outside the computerized matching system without prior authorization of Sociedad de Bolsas (provided such trades are however disclosed to Sociedad de Bolsas), provided that they meet the minimum effective amount for high volume orders in respect of the relevant security.

Information with respect to the computerized trades which take place between 9:00 a.m. and 5:30 p.m. (CET) is made public immediately, and information with respect to trades which occur outside the computerized matching system is reported to the Sociedad de Bolsas by the end of the trading day and is also published in the Stock Exchange Official Gazette (*Boletín de Cotización*) and on the computer system by the beginning of the next trading day.

Clearing, Settlement and Book-entry System

The Spanish clearing, settlement and book-entry system was adapted by Law 11/2015 of June 18 on the recovery and resolution of credit institutions and investment firms (*Ley 11/2015, de 18 de junio, sobre recuperación y resolución de entidades de crédito y empresas de servicios de inversión*) and Royal Decree 878/2015 of October 2 to the provisions set forth in Regulation (EU) No 909/2014 of the European Parliament and of the Council of July 23, 2014 on improving securities settlement in the EU and on central securities depositaries, amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012. Following the implementation of this reform, transactions carried out on the SIB continue to be settled by Iberclear, as central securities depositary, and are cleared by BME Clearing, S.A., as central counterparty (“CCP”). Investors are urged to contact their agent or

custodian in Spain as soon as possible to make the arrangements necessary for registering the shares in their name on the Transaction Date (as defined below).

Iberclear and the CCP are owned by Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A., a holding company which also holds a 100% interest in each of the Spanish official secondary markets.

Shares of listed Spanish companies are represented in book-entry form. The book-entry system is a two-tier level registry: the keeping of the central book-entry register corresponds to Iberclear and the keeping of the detail records correspond to the participating entities in Iberclear.

Access to become a participating entity is restricted to (i) credit institutions, (ii) investment services companies that are authorized to render custody and administration of financial instruments, (iii) the Bank of Spain (*Banco de España*), (iv) the General Administration and the General Social Security Treasury, (v) other duly authorized central securities depositaries and central clearing counterparties and (vi) other public institutions and private entities when expressly authorized to become a participating entity in central securities depositaries.

The central registry managed by Iberclear reflects: (i) one or several proprietary accounts which will show the balances of the participating entities' proprietary accounts; (ii) one or several general third-party accounts that will show the overall balances that the participating entities hold for third parties; (iii) individual accounts opened in the name of the owner, either individual or legal person; and (iv) individual special accounts of financial intermediaries which use the optional procedure of settlement of orders. Each participating entity, in turn, maintains the detail records of the owners of such shares.

According to the above, Spanish law considers the owner of the shares to be:

- (i) the participating entity appearing in the records of Iberclear as holding the relevant shares in its own name;
- (ii) the investor appearing in the records of the participating entity as holding the shares; or
- (iii) the investor appearing in the records of Iberclear as holding shares in a segregated individual account.

BME Clearing is the CCP in charge of the clearing of transactions closed on the Spanish Stock Exchanges. BME Clearing interposes itself on its own account as seller in every purchase and as buyer in every sale. It calculates the buy and sell positions *vis-à-vis* the participants designated in such buy or sell instructions. The CCP then generates and sends to Iberclear the relevant settlement instructions.

The settlement and book-entry registration platform managed by Iberclear, which operates under the trade name of ARCO, receives the settlement instructions from BME Clearing and forwards them to the relevant participating entities involved in each transaction. ARCO operates under a T+2 settlement standard, by which any transactions must be settled within two business days following the date on which the transaction was completed.

Obtaining legal title to shares of a company listed on the Spanish Stock Exchanges requires the participation of a Spanish official stockbroker, broker-dealer or other entity authorized under Spanish law to record the transfer of shares. To evidence title to shares, at the owner's request, the relevant participating entity in Iberclear must issue a legitimation certificate (*certificado de legitimación*). If the owner is a participating entity or a person holding shares in a segregated individual account, Iberclear is in charge of the issuance of the certificate regarding the shares held in its name.

Euroclear and Clearstream, Luxembourg

Shares deposited with depositaries for Euroclear Bank, S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, Société Anonyme ("Clearstream"), and credited to the respective securities clearance account of purchasers in Euroclear or Clearstream against payment to Euroclear or Clearstream, will be held in accordance with the Terms and Conditions Governing Use of Euroclear and Clearstream, the operating procedures of the Euroclear System (as amended from time to time), the Management Regulations of Clearstream and the Instructions to Participants of Clearstream (as amended from time to time), as applicable. Subject to compliance with such regulations and procedures, those persons on whose behalf accounts are kept at Euroclear or Clearstream and to whom shares have been credited ("investors"), will be entitled to receive a number of shares equal to that amount credited in their accounts.

With respect to shares deposited with depositaries for Euroclear or Clearstream, such shares will be initially recorded in the name of Euroclear or one of its nominees or in the name of Clearstream or one of its nominees, as the case may be. Thereafter, investors may withdraw shares credited to their respective accounts if they wish to do so, upon payment of the applicable fees, if any, and once the relevant recording in the book-entry records kept by the members of Iberclear has occurred.

Under Spanish law, only the holder of record in Iberclear's registry is entitled to dividends and other distributions and to exercise voting, pre-emptive and other rights in respect of such shares. Euroclear (or its nominees) or Clearstream (or its nominees) will, respectively, be the sole record holders of the shares that are deposited with any depositaries for Euroclear and Clearstream until investors exercise their rights to withdraw such shares and record their ownership rights over the shares in the book-entry records kept by the members of Iberclear.

Cash dividends or cash distributions, as well as stock dividends or other distributions of securities, received in respect of the shares that are deposited with the depositaries for Euroclear and Clearstream will be credited to the cash accounts maintained on behalf of the investors at Euroclear and Clearstream, as the case may be, after deduction of any applicable withholding taxes, in accordance with the applicable regulations and procedures of Euroclear and Clearstream. See section "*Taxation*".

Euroclear and Clearstream will endeavor to inform investors of any significant events of which they become aware affecting the shares recorded in the name of Euroclear (or its nominees) and Clearstream (or its nominees) and requiring action to be taken by investors. Each of Euroclear and Clearstream may, at its discretion, take such action, as it shall deem appropriate in order to assist investors in exercising their voting rights in respect of the shares. Such actions may include: (i) acceptance of instructions from investors to grant or to arrange for the granting of proxies, powers of attorney or other similar certificates for delivery to us, or its agent; or (ii) exercise by Euroclear or its nominees and Clearstream or its nominees of voting rights in accordance with the instructions provided by investors.

In case we offer or cause to be offered to Euroclear or its nominees and Clearstream or its nominees, acting in their capacity as record holders of the ordinary shares deposited with the depositaries for Euroclear and Clearstream, respectively, any rights to subscribe for additional shares or rights of any other nature, each of Euroclear and Clearstream will, respectively, endeavor to inform investors of the terms of any such rights of which it becomes aware in accordance with the applicable provisions in the aforementioned regulations and procedures. Such rights will be exercised, insofar as practicable and permitted by applicable law, according to written instructions received from investors, or, alternatively, such rights may be sold and, in such event, the net proceeds to be received by us from the Offering will be credited to the cash account maintained on behalf of the investor with Euroclear or Clearstream.

Tender offers

Tender offers are governed in Spain by Articles 128 et seq. of the LMV and Royal Decree 1066/2007 of July 27 (*Real Decreto 1066/2007, de 27 de julio, de régimen de las ofertas públicas de adquisición de valores*) which implement Directive 2004/25/EC of the European Parliament and of the Council of April 21, 2004. Other than the referred tender offer regulation, there is no other special regulation in Spain that may govern mandatory tender offers over the Shares.

Tender offers in Spain may qualify as either mandatory or voluntary.

Mandatory tender offers must be launched for all the shares of the target company and all other securities that might directly or indirectly entitle a holder thereof to acquire or subscribe such shares (including, without limitation, convertible and exchangeable notes) at an equitable price, and not subject to any conditions, when any person or entity acquires control of a Spanish listed company, whether such control is obtained:

- by means of the acquisition of shares or other securities that directly or indirectly entitle a holder thereof to subscribe or acquire voting shares in such company;
- through shareholder agreements with shareholders or other holders of such securities; or
- as a result of other situations of equivalent effect as provided in the applicable Spanish regulation on tender offers (which constitute indirect control acquired through mergers, share capital decreases or changes in the target's treasury shares).

Pursuant to new paragraph 3 of article 131 of the LMV, as amended by the Amendments to the LMV, if, exclusively as a consequence of the variation in the total number of voting rights of a company resulting from the existence of Loyalty Shares with double voting rights, any shareholder should reach, directly or indirectly, a number of voting rights equal to or greater than 30%, such shareholder may not exercise the voting rights exceeding such percentage without launching a mandatory public tender offer aimed at the entire share capital. In this case, the tender offer shall be made within 3 months from the date on which the 30% threshold was exceeded and the rules relating to the determination of the equitable price shall apply to it. However, the launch of a tender offer shall not apply if, within 3 months from the date on which the threshold of 30% of the voting rights was exceeded, the obligor disposes of the number of shares necessary to reduce the voting rights in excess of the aforementioned percentages or waives the voting rights attached to its Loyalty Shares in excess of 30% of the voting rights.

A person or entity is deemed to have control over a target company, either individually or jointly with other parties acting in concert, whenever:

- it acquires, directly or indirectly, a percentage of the company's voting rights equal to or greater than 30%; or
- it has acquired a percentage that is less than 30% of the voting rights and appoints, during the 24-month period following the date of acquisition of such percentage, a number of directors that, together with those already appointed by it (if any), represents more than half of the members of the target company's board of directors. The Spanish regulation on tender offers also sets forth certain situations where directors are deemed to have been appointed by the bidder or persons acting in concert therewith unless evidence to the contrary is provided.

For the purposes of calculating the percentages of voting rights acquired, the Spanish regulation establishes the following rules:

- percentages of voting rights corresponding to: (i) companies belonging to the same group as the bidder; (ii) members of the board of directors of the bidder or of companies of its group (unless evidence to the contrary is provided); (iii) persons acting in concert with or on behalf of the bidder; (iv) voting rights which may be exercised freely and over an extended period by the bidder under proxy granted by the actual holders or owners of such rights, in the absence of their specific instructions with respect thereto; and (v) shares held by a nominee (such nominee being a third party whom the bidder totally or partially covers against the risks related to acquisitions or transfers of the shares or the possession thereof), will be deemed to be held by the bidder;
- both the voting rights arising from the ownership of shares and those enjoyed under a usufruct or pledge or under any other contractual title, will also be deemed to be held by the bidder;
- the percentage of voting rights shall be calculated based on the entire number of the company's shares with voting rights, even if the exercise of such rights has been suspended. Treasury stock held directly or indirectly by the target company (according to the information available on the date of calculation of the percentage of voting rights held by the bidder) shall be excluded from the calculation. Non-voting shares shall be taken into consideration only when they carry voting rights pursuant to applicable law; and
- acquisitions of securities or other financial instruments which entitle the holder to the subscription, conversion, exchange or acquisition of shares which carry voting rights will not result in the obligation to launch a tender offer until such subscription, conversion, exchange or acquisition occurs.

Notwithstanding the foregoing, upon the terms established in the applicable Spanish regulation on tender offers, the CNMV will conditionally exempt a person or entity from the obligation to launch a mandatory bid when another person or entity not acting in concert with the potential bidder, directly or indirectly holds an equal or greater voting percentage in the target company.

Spanish regulations establish certain exceptions where control is obtained but no mandatory tender offer is required, including, among others:

- Subject to the CNMV's approval, acquisitions or other transactions resulting from the conversion or capitalization of claims into shares of listed companies if their financial feasibility is subject to serious and imminent danger provided that such transactions are intended to ensure the company's financial

recovery in the long term. The approval of the CNMV will not be required if the acquisition takes place in the context of a refinancing agreement under the restated text of the Insolvency Act approved by Royal Legislative Decree 1/2020, dated May 5.

- In the event of a merger, provided that those acquiring control did not vote in favor of the merger at the relevant general shareholders' meeting of the target company and provided also that it can be shown that the primary purpose of the transaction is not the takeover but an industrial or corporate purpose.
- When control has been obtained after a voluntary bid for all of the securities, if either the bid has been made at an equitable price or has been accepted by holders of securities representing at least 50% of the voting rights to which the bid was directed (excluding voting rights already held by the bidder and those belonging to shareholders who entered into an agreement with the bidder regarding the tender offer).

The price of the mandatory tender offer is deemed to be equitable when it is at least equal to the highest price paid by the bidder or any person acting in concert therewith for the same securities during the twelve months preceding the announcement of the tender offer. Other rules used to calculate such equitable price are set forth in the applicable Spanish regulation. However, the CNMV may change the price determined pursuant to such rules in certain circumstances (such as, extraordinary events affecting the price or evidence of market manipulation).

Mandatory offers must be launched as soon as possible and at any event within one month from the acquisition of the control of the target company.

Voluntary tender offers may be launched in those cases in which a mandatory offer is not legally required. Voluntary offers are subject to the same rules established for mandatory offers except for the following:

- they might be subject to certain conditions (such as amendments to the bylaws or adoption of certain resolutions by the general shareholders' meeting of the target company, acceptance of the offer by a minimum number of shares of the target company, approval of the offer by the general shareholders' meeting of the bidder; and any other condition deemed by the CNMV to be in accordance with law), provided that the fulfillment of such conditions may be verified by the end of the offer acceptance period; and
- they may be launched at a price other than an equitable price.

Notwithstanding the foregoing, by way of exception, the price in a voluntary tender offer must be the higher of (i) the equitable price and (ii) the price resulting from an independent valuation report, and must at least consist of cash as an alternative if certain circumstances have occurred during the two years prior to the announcement of the offer (basically, the trading price for the shares being affected by price manipulation practices, market or share prices being affected by natural disasters, force majeure, or other exceptional events, or the target company being subject to expropriation or confiscation resulting in significant impairment of the target company's real value).

The Spanish regulation on tender offers sets forth further relevant provisions, including, among others:

- the board of directors of the target company will be exempt from the prohibition to carry out frustrating or defensive actions against a foreign bidder provided the latter's board of directors is not subject to equivalent passivity rules and subject to prior approval by the company's general shareholders' meeting within the 18-month period before the date of the public announcement of the tender offer;
- defensive measures included in a listed company's bylaws and transfer and voting restrictions included in agreements among a listed company's shareholders will remain in place whenever the company is the target of a tender offer, unless the shareholders decide otherwise (in which case any shareholders whose rights are diluted or otherwise adversely affected shall be entitled to compensation at the target company's expense); and
- squeeze-out and sell-out rights will apply provided that following a mandatory tender offer (or as a result of a voluntary offer for all of the target's share capital) the bidder holds shares representing at least 90% of the target company's voting share capital and the tender offer has been accepted by the holders of securities representing at least 90% of the voting rights over which the offer was launched.

We have never been the target of a tender offer by a third-party bidder over the Shares.

PLAN OF DISTRIBUTION

The Underwriting Agreement

We and the Underwriters are expected to enter into an underwriting agreement (the “**Underwriting Agreement**”) with respect to the Initial Offer Shares and the Over-allotment Shares, if any, in each case being offered by us, upon the finalization of the book-building period (expected to be on or about April 28, 2021 and the Underwriting Agreement to be entered into on or about April 28, 2021). Subject to the satisfaction of certain conditions set out in the Underwriting Agreement, each Underwriter will agree, severally but not jointly, to procure subscribers for or, failing which, to subscribe themselves for, the total number of Initial Offer Shares as is set forth opposite its name in the following table:

Underwriters	% Initial Offer Shares
Société Générale.....	50
Banco de Sabadell, S.A.	7
Caixabank, S.A.....	14
Crédit Agricole Corporate and Investment Bank	10
HSBC Continental Europe	14
Banco Cooperativo Español, S.A.	5

In consideration of the agreement by the Underwriters to subscribe and procure subscribers for the Initial Offer Shares, we will pay to the Underwriters a base fee totaling 3% of the aggregate Offering Price of the Offer Shares sold in the Offering (including Over-allotment Shares, if and to the extent the Over-allotment Option is exercised). In addition, we may, at our sole discretion, pay to the Underwriters a discretionary fee of up to 1% of the aggregate Offering Price of the Offer Shares sold in the Offering (including Over-allotment Shares, if and to the extent the Over-allotment Option is exercised) to be distributed among the Underwriters as determined by us.

The Underwriting Agreement provides that the obligations of the Underwriters are subject to certain customary conditions precedent. We will give the Underwriters customary representations and warranties in the Underwriting Agreement.

The Underwriting Agreement will also provide that we will, subject to certain exceptions, indemnify the Underwriters against certain liabilities, including liabilities under applicable securities laws that may arise in connection with the Offering.

The exact number of underwritten Initial Offer Shares to be underwritten by each of them shall be fixed if and when the Underwriting Agreement is entered into. We will inform the market of any amendment of the number or identity of Underwriters, or of the percentage of Initial Offer Shares underwritten by any of them which may occur through the publication of another relevant information notice (*comunicación de otra información relevante*).

If one or more of the Underwriters shall fail to procure subscribers for or to subscribe the Shares which it or they are obliged to procure subscribers for or to subscribe under the Underwriting Agreement (the “**Defaulted Shares**”), the Sole Global Coordinator shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other Underwriters, to subscribe all, but not less than all, of the Defaulted Shares in such amounts as may be agreed upon and upon the terms of the Underwriting Agreement; if, however, the Sole Global Coordinator shall not have completed such arrangements within such 24-hour period, then: (i) if the number of Defaulted Shares does not exceed 10% of the number of Shares to be subscribed on such date, each of the non-defaulting Underwriters shall be obliged, severally and not jointly, to itself purchase the full amount thereof in the proportions that their respective underwriting commitments bear to the underwriting commitments of all non-defaulting Underwriters; or (ii) if the number of Defaulted Shares exceeds 10% of the number of Shares to be subscribed on such date, the Underwriting Agreement shall terminate without liability on the part of any non-defaulting Underwriter and the Offering will be revoked.

The Offering

We are offering between 30,813,559 and 25,075,862 of our ordinary shares, representing between 43.5% and 38.5% of our share capital following Offering (representing between 77.0% and 62.7% of our share prior to the Offering), being such number of shares as it is required, at the Offering Price, to provide us with gross proceeds of approximately €181.8 million. In addition, in the case of full exercise of the Over-Allotment Option, we will issue a number of additional shares representing 10% of the Initial Offer Shares, to provide us with gross proceeds of approximately €200 million.

We expect that the Offering will take place according to the tentative calendar set out below:

Event	Date ⁽¹⁾
Approval and registration of this Prospectus with the CNMV	April 15, 2021
Commencement of the Book-building period in which proposals are made by Qualified Investors	April 15, 2021
Finalization of the Book-building period	April 28, 2021
Execution of the Underwriting Agreement	April 28, 2021
Publication of an inside information notice (<i>comunicación de información privilegiada</i>) with setting of the Offering Price and the number of Initial Offer Shares	April 28, 2021
Selection of offers to subscribe Offer Shares	April 28, 2021
Final allocation of the Offer Shares	April 28, 2021
Prefunding of Initial Offer Shares by the Sole Global Coordinator and Joint Bookrunner	No later than 9:00 am (CET) on April 29, 2021
Granting of the public deed of share capital increase	April 29, 2021
Filing and registration of the public deed of share capital increase with the Commercial Registry	April 29, 2021
Expected Transaction Date of the Offering and publication of an “other relevant information notice” (<i>comunicación de otra información relevante</i>)	April 29, 2021
Expected Admission and commencement of Stabilization Period (on or about)	April 30, 2021
Settlement Date (on or about)	May 3, 2021
End of Stabilization Period (no later than)	May 30, 2021

- (1) Each of the times and dates included in the above tentative calendar is subject to change without prior notice. Any change, including in particular any lengthening or shortening of the tentative calendar, will be made public by publishing the corresponding other relevant information notice (*comunicación de otra información relevante*) with the CNMV.

Any offer or sale of the Shares in the United States will be made by the Underwriters, their affiliates or agents, who are registered United States broker-dealers, pursuant to applicable U.S. securities laws. Banco Cooperativo Español, Caixabank and Sabadell are only participating in the Offering outside the United States under Regulation S of the U.S. Securities Act. Banco Cooperativo Español, Caixabank and Sabadell are not broker-dealers registered with the SEC and will not be offering or selling securities in the United States or to U.S. nationals or residents.

The Offering will be conducted through a book-building process. During the book-building period, which is expected to start on April 15, 2021 and end on April 28, 2021 (both inclusive), the Underwriters will market the Offer Shares among investors in accordance with, and subject to, the selling and transfer restrictions set forth in this Prospectus. Investors may make their subscription proposals during this period, indicating the number of Offer Shares they would be interested to acquire.

The book-building period may be reduced or extended by agreement by us and the Sole Global Coordinator and Joint Bookrunner. In the event there is such a reduction or extension of the book-building period, we will inform the market through the publication of another relevant information notice (*comunicación de otra información relevante*).

Subscription proposals by investors for the Offer Shares constitute only an indication of their interest in the Offer Shares and shall not be binding on any investors or us. The confirmation of such subscription proposals shall be irrevocable.

In order to expedite the listing of the Initial Offer Shares, it is expected that Société Générale (in its capacity as Sole Global Coordinator and Joint Bookrunner and prefunding entity), will subscribe and pay for the Initial Offer Shares on the Transaction Date of the Offering, acting in the name and on behalf of the Underwriters, and each Underwriter acting on behalf of the final investors. Payment for the Initial Offer Shares by the prefunding bank is expected to be made to us by 9:00 am CET on the Transaction Date in an account maintained by the Company with Caixabank, as the agent bank (the “**Agent Bank**”), and the Initial Offer Shares will come into existence once registered with the Commercial Registry of La Coruña and recorded in book-entry form with Iberclear.

In particular, the transaction date of the Offering (*fecha de operación bursátil*) (the “**Transaction Date**”) is expected to be on or about April 29, 2021. On the Transaction Date, investors’ payment orders will be processed via the Spanish Stock Exchanges and Iberclear and investors will become unconditionally bound to pay for, and entitled to receive, the relevant Offer Shares subscribed for in the Offering.

Payment by the final investors for the Initial Offer Shares will be made no later than the second business day after the Transaction Date against delivery through the facilities of Iberclear of the Initial Offer Shares to final investors, which is expected to take place on or about May 3, 2021 (the “**Settlement Date**”).

The Agent Bank will be responsible for, among other things: issuing a certificate confirming payment for the Initial Offer Shares for the purposes of notarizing the corresponding capital increase, maintaining the Initial Offer Shares prefunded by Société Générale (in its condition as Sole Global Coordinator and Joint Bookrunner and prefunding entity), once issued, and following the creation of the relevant book entries in Iberclear, deposited in the securities accounts held with it by Société Générale, until settlement of the Offering; instructing the entities participating in the Offering on the procedures applicable to its execution; receiving information on the selection and confirmation of subscription proposals and collaborating, from an operational perspective, in the allocation of the Initial Offer Shares to the final investors; and cooperating with us in the Admission process.

As of the date of this Prospectus, GAM International Management Limited has entered into a subscription agreement where it irrevocably commits to purchase or subscribe for and pay for €15,000 thousand in Offer Shares at the Offering Price, without subsequent contractual selling restrictions following Admission and subject to the Offering Price being set within the Offering Price Range.

Offering Expenses

Due to the difficulty in determining the expenses incurred as of the date of this Prospectus, for purely informational purposes, the following table sets forth the estimated expenses payable by us in relation to the Offering (excluding any applicable VAT):

Expenses⁽⁴⁾	<i>(in € millions)</i>
Underwriting commissions ⁽¹⁾	8.0
Iberclear fee, Spanish Stock Exchanges fee and CNMV fee ⁽²⁾	0.1
Legal expenses and others (notary public, registration with the Commercial Registry, legal publishing, legal and financial advice, audit services and Public Offering of Securities Insurance (“ POSI ”) insurance ⁽³⁾)	3.8
Total	<u>11.9</u>

Note:

- (1) Assuming that (i) the Offering is approximately €200 million (including the Over-Allotment Shares); (ii) all the Offer Shares (including the Over-allotment Shares) have been placed or underwritten by each of the Underwriters and that the Over-allotment Option has been entirely exercised; and (iii) the discretionary commission is paid in full.
- (2) Assuming the Over-allotment Option is exercised in full, therefore raising gross proceeds of approximately €200 million.
- (3) The POSI insurance covers for the liability issues associated with the Offering process.
- (4) The total amount of expenses contained in the table, this is, €11.9 million, assumes that the Over-allotment Option is exercised in full, and that the discretionary commission payable to the Underwriters is paid in full. If the Over-allotment Option is not exercised, the total expenses of the Offering would amount to €11.2 million.

Pricing of the Offering

Prior to the Offering, there has been no public market for our ordinary shares.

Offering Price Range

The indicative non-binding Offering Price Range is between €5.90 to €7.25 per Offer Share. However, the Offering Price may be outside this range. The Offering Price Range has been determined by us, after consultation with the Sole Global Coordinator and Joint Bookrunner, and no independent experts were consulted in determining the Offering Price Range.

The Offering Price Range is indicative only and not binding, it may change during the course of the Offering and the Offering Price may be set higher or lower than the Offering Price Range. There can be no assurance that the prices at which the Shares will trade in the public market after the Offering will not be lower than the Offering Price Range or that an active trading market for the Shares will develop and continue after the Offering.

Offering Price and number of Initial Offer Shares

The Offering Price and the exact number of Initial Offer Shares to be issued in the Offering will be determined by us after consultation with the Sole Global Coordinator and Joint Bookrunner upon the finalization and on the basis of the book-building process. The Offering Price and the number of Initial Offer Shares will be announced through an inside information notice (*comunicación de información privilegiada*) reported to the CNMV no later than April 28, 2021, prior to the execution of the Underwriting Agreement. No independent experts will be consulted in determining the Offering Price.

Expenses and taxes charged to investors

We will not charge investors any expenses in addition to the Offering Price.

Subscribers of Offer Shares may be required to pay stamp taxes and other charges in compliance with the laws and practices of their country of subscription in addition to the Offering Price.

In addition, subscribers will have to bear the commissions payable to the financial intermediaries through which they will hold the Offer Shares, including those commissions related to administration and security custody which are freely set by the relevant financial intermediaries and notified to CNMV or Bank of Spain (*Banco de España*), as the case may be.

Withdrawal and Revocation of the Offering

Withdrawal of the Offering

We expressly reserve the right to withdraw the Offering, postpone it, defer it or suspend it temporarily or indefinitely for any reason at any time before the setting of the Offering Price. In case of withdrawal of the Offering, we will notify the CNMV, the Agent Bank and the Sole Global Coordinator and Joint Bookrunner on behalf of the Underwriters of such circumstance, on the date on which the withdrawal takes place or as soon as practicable thereafter.

Revocation of the Offering

The Offering will be revoked:

- (i) if the Underwriting Agreement is not signed on or before 03:00 a.m. (CET) time on the date following the day on which the Offering Price is due to be set (which is expected to be set on April 28, 2021) or such later date as is determined in case of any postponement thereof duly notified to the CNMV;
- (ii) if the Offering is suspended or withdrawn by any judicial or administrative authority;
- (iii) if our ordinary shares are not admitted to listing on the Spanish Stock Exchanges before 11:59 p.m. (CET) on May 7, 2021; or
- (iv) if the Underwriting Agreement is terminated upon the occurrence of customary termination provisions set forth in the Underwriting Agreement no later than the moment of registration in the Commercial Registry of the capital increase's public deed on the Transaction Date:
 - a. there has been, in the good faith judgment of the Sole Global Coordinator, a breach by the Company of any of the representations or warranties contained in the Underwriting Agreement or any of the representations and warranties of the Company contained in this Underwriting Agreement is not, or has ceased to be, true and correct, or a material breach by the Company of any of the undertakings given in this Underwriting Agreement has occurred;
 - b. the CNMV or any other competent authority suspends or revokes any necessary approval for the Offering;
 - c. since the time of execution of this Agreement, there has been, in the good faith judgment of the Sole Global Coordinator, any Material Adverse Effect (as these terms are defined in the Underwriting Agreement);
 - d. there has occurred (i) any material adverse change in the financial markets in Spain, the United States, the United Kingdom or in any member state of the EEA, or the international financial markets, (ii) any outbreak of hostilities or escalation thereof or other calamity or crisis or (iii) any change or development involving a prospective change in national or international political, financial or economic conditions, or currency exchange rates, in each case, the effect of which event, individually or together with any other such event, in the good faith judgment of the Sole Global Coordinator, makes it impracticable or inadvisable to market the Shares or to enforce contracts for the sale of the Shares;
 - e. if trading generally on the Spanish Stock Exchanges, the London Stock Exchange, the New York Stock Exchange or in the NASDAQ System has been suspended or limited, or minimum

or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of such exchanges or by such system or by order of any governmental or regulatory authority, or a material disruption has occurred in commercial banking or securities settlement, payment or clearance services in Spain, the United States, the State of New York, the United Kingdom or any member state of the EEA;

- f. a moratorium on banking activities has been declared by the competent authorities of any of the European Union, Spain, the United States, the State of New York, the United Kingdom or any member state of the EEA;
- g. at any time the Company publishes an amendment or supplement to the Prospectus, or regulatory information notice (*comunicación de información privilegiada u otra información relevante*), pursuant to applicable law or regulation, that seeks to correct any untrue statement of a material fact or omission to state a material fact necessary in order that the Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, if the effect of any such amendment or supplement or the decision to publish such regulatory information notice (*comunicación de información privilegiada u otra información relevante*), or decision not to so publish, by the Company, in the good faith judgment of the Sole Global Coordinator, (A) materially and adversely affects the Managers' compliance with securities laws, or (B) makes it impracticable or inadvisable to market the Shares or to enforce contracts for the sale of the Shares.

Consequences of withdrawal, revocation or publication of a supplement

In case of withdrawal or revocation of the Offering, all offers to subscribe or purchase shall be cancelled and all subscription or purchase orders related to the Offering shall be terminated. Additionally, we shall have no obligation to issue and deliver the Initial Offer Shares and the investors (including for the purposes of this section, the Underwriters on behalf of the final investors) shall have no obligation to subscribe or purchase, as the case may be, the Initial Offer Shares.

In the event that any investor has already subscribed Shares (expected on April 29, 2021) before termination of the Offering takes place and:

- (i) also before registration of the deed relating to the share capital increase, we will revoke all our corporate resolutions relating to the share capital increase and not affect the share capital increase, in which case the Agent Bank will release the aggregate amount of the Offering Price as soon as practicable and in no event later than the business day immediately following such termination, together with interest calculated at the statutory rate (*interés legal*) (currently set at 3% annual rate) from the date on which the relevant investor paid for the Initial Offer Shares until the date on which we repay the subscription price; or
- (ii) after registration of the deed relating to the share capital increase, we will (a) repay the subscription price paid by each holder of the Initial Offer Shares in respect of their relevant Initial Offer Shares, together with interest calculated at the statutory rate (*interés legal*) (currently set at 3%) from the date on which the investors paid for the Initial Offer Shares until the date on which we repay the subscription price, and (b) reduce our share capital and cancel the Initial Offer Shares.

The investors subscribing Offer Shares shall be deemed to have consented to the aforementioned repurchase of Offer Shares.

Moreover, pursuant to Article 23 (1) and (2) of the Prospectus Regulation, a supplement to the Prospectus can be published until the date of Admission, however, investors shall only have the right, exercisable within three business days after the publication of the supplement, to withdraw their acceptances in case a supplement to this Prospectus is published before the closing of the offer period or the delivery of the securities, whichever occurs first. Therefore, once the deed in relation to the share capital increase is registered with the Commercial Registry, a revocation period will not be available even if a supplement to this Prospectus is published.

Simultaneously, upon the issuance of the subscription proposals, investors subscribing in the Offering shall be deemed to have consented to the aforementioned transactions.

Authorization of the Offering

On April 9, 2021 and April 14, 2021, our Pre-Offering Sole Shareholder exercising the powers and faculties of the General Shareholders' Meeting decided to apply for Admission and to carry out the Offering and granted the necessary authority to our Board of Directors to issue the Initial Offer Shares. On April 9, 2021, our Board of Directors effectively resolved to apply for Admission, to carry out the Offering and to acknowledge the Pre-Offering Sole Shareholder authorization to carry out a capital increase in connection with the Offering and sub-delegated the faculties and powers to Mr. Luis Valdivia and Mr. Fernando Rodríguez, Chairperson and Vice-Chairperson, respectively, of the Board of Directors.

The share capital increase resolution contemplates the possibility of an incomplete subscription. However, in the event of a reduction of the size of the Offering, we shall publish a supplement to the Prospectus pursuant to Article 23 (1) and (2) of the Prospectus Regulation, and investors shall only have the right, exercisable within three business days after the publication of the supplement, to withdraw their acceptances.

On April 14, 2021, our Pre-Offering Sole Shareholder, represented by its sole director, Mr. Luis Valdivia, determined the indicative Offering Price Range for the Offering and resolved to set the size of the Over-allotment Option at 10% of the Initial Offer Shares.

For the avoidance of doubt, no application has been made or is currently intended to be made for the Shares to be admitted to listing or trading on any exchange other than the Spanish Stock Exchanges and the SIB.

No pre-emptive subscription and/or acquisition rights are applicable in relation to the Offering, taking into account that the existing Pre-Offering Sole Shareholder has irrevocably waived its pre-emptive rights over the Offer Shares.

The Offering is not subject to any administrative approval or authorization besides the regime applicable to the approval by the CNMV of this Prospectus for the purposes of the Offering and the subsequent Admission in accordance with the LMV and related regulation.

Admission

Following completion of the Offering we will, by not later than the Transaction Date (expected to occur on April 29, 2021), apply for admission to listing of all of our issued and outstanding ordinary shares on the Spanish Stock Exchanges for trading through the SIB. Admission is expected to be effective on April 30, 2021. We will publish any change in the date expected for Admission through the publication of another relevant information notice (*comunicación de otra información relevante*) with the CNMV.

We are aware of, and undertakes to comply with, all the statutory requirements and conditions for the admission, maintenance and delisting of the Shares on the Spanish Stock Exchanges, pursuant to the applicable laws and the requirements of the relevant governing bodies.

Stabilization

In connection with the Offering, Société Générale, or any of its agents, as stabilizing manager (the “**Stabilizing Manager**”), acting on behalf of the Underwriters, may (but will be under no obligation to) to the extent permitted by applicable law, engage in transactions that stabilize, support, maintain or otherwise affect the price, as well as over-allot Shares or effect other transactions, all with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail in the open market. Any stabilization transactions shall be undertaken in accordance with applicable laws and regulations, in particular, MAR and Regulation 2016/1052.

The stabilization transactions shall be carried out in the Spanish Stock Exchanges through the SIB for a maximum period of 30 calendar days after the commencement of trading of the Shares on the Spanish Stock Exchanges, provided that trading is carried out in compliance with the applicable rules, including any rules concerning public disclosure and trade reporting. The stabilization period is expected to commence on April 30, 2021 and end no later than May 30, 2021 (the “**Stabilization Period**”).

For this purpose, the Stabilizing Manager may carry out an over-allotment of Shares in the Offering, which may be covered by the Stabilizing Manager pursuant to one or several securities loans granted by the Pre-Offering Sole Shareholder. The Stabilizing Manager is (i) not required to enter into such transactions and (ii) such transactions may be effected on a regulated market and may be taken at any time during the Stabilization Period. However, neither the Stabilizing Manager nor any of its agents are under any obligation to effect stabilizing transactions and there is no assurance that the stabilizing transactions will be undertaken. Such stabilization, if commenced, may

be discontinued at any time without prior notice, without prejudice of the duty to give notice to the CNMV of the details of the transactions carried out under Regulation 2016/1052. In no event will measures be taken to stabilize the market price of the Shares above the Offering Price. In accordance with Article 5.5 of MAR and Article 6.2 of Regulation 2016/1052, the details of all stabilization transactions will be notified by the Stabilizing Manager to the CNMV no later than closing of the seventh daily market session following the date of execution of such stabilization transactions.

Additionally, in accordance with Articles 5.4 and 5.5 of MAR and Article 6.3 of Regulation 2016/1052, the following information will be disclosed to the CNMV by the Stabilizing Manager within one week of the end of the Stabilization Period: (i) whether or not stabilization transactions were undertaken; (ii) the date on which stabilization transactions started; (iii) the last date on which stabilization transactions occurred; and (iv) the price range within which any stabilization transactions were carried out, for each of the dates during which stabilization transactions were carried out.

Liquidity Providers

There are no entities that have a firm commitment to act as intermediaries in secondary trading providing liquidity through bid and offer rates.

Over-allotment Option

In connection with the Offering, we will grant to the Underwriters, acting severally and not jointly, an option to subscribe up to the maximum number of the Over-allotment Shares at the Offering Price. The Over-allotment Option is exercisable by the Stabilizing Manager, on behalf of the Underwriters, upon notice to us, on one occasion in whole or in part, only for the purpose of covering over allotments (if any) and to cover any short positions resulting from stabilization transactions (if any), no later than 30 calendar days after the date of commencement of trading of the Shares on the Spanish Stock Exchanges. Any Over-allotment Shares made available pursuant to the Over-allotment Option will rank *pari passu* in all respects with the Initial Offer Shares, including for all dividends and other distributions declared, made or paid on the Initial Offer Shares, will be purchased on the same terms and conditions as the Initial Offer Shares being sold in the Offering and will form a single class for all purposes with the other Shares.

The exercise of the Over-allotment Option is not subject to any conditions and will be notified by means of the corresponding other relevant information notice (*comunicación de otra información relevante*) including the date in which the Over-allotment Option will be exercised together with the number of shares.

Lock-up

Company lock-up

During a period from the date of the execution of the Underwriting Agreement to and including 180 days from the Settlement Date (the “**Lock-up Period**”), neither us nor any of our subsidiaries nor any person acting on our behalf (other than the Underwriters, as to whom we do not give any undertaking) will, without the prior written consent of the Sole Global Coordinator and Joint Bookrunner, directly or indirectly:

- i. issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any ordinary shares or other shares of the Company or other securities that are substantially similar to the ordinary shares, or any securities convertible into or exercisable or exchangeable for ordinary shares or other shares of the Company or other securities that are substantially similar to the ordinary shares or file any prospectus under the Prospectus Regulation or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing;
- ii. enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any ordinary shares or other shares of the Company; or
- iii. enter into any other transaction with the same economic effects as sub-clauses (i) and (ii) above, or agree to do or announce or otherwise publicize the intention to do any of the foregoing,

whether any such swap or transaction described in sub-clause (i), (ii) or (iii) above is to be settled by delivery of ordinary shares or any securities convertible into or exercisable or exchangeable for ordinary shares, in cash or otherwise.

The foregoing sentence shall not apply to the issue of the Shares by the Company in the context of the Offering.

Sole Shareholder lock-up

The Pre-Offering Sole Shareholder undertakes with each Underwriter that, during a period from the date of the execution of the Underwriting Agreement to and including 180 days after the Settlement Date, neither the Pre-Offering Sole Shareholder nor any of its affiliates nor any person acting on its or their behalf (other than the Underwriters, as to whom the Pre-Offering Sole Shareholder will give no undertaking) will, without the prior consent of the Sole Global Coordinator and Joint Bookrunner, directly or indirectly:

- i. offer, pledge, sell, announce an intention to sell or contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any ordinary shares or other shares of the Company or other securities that are substantially similar to the ordinary shares, or any securities convertible into or exercisable or exchangeable for ordinary shares or other shares of the Company or other securities that are substantially similar to the ordinary shares or file any prospectus under the Prospectus Regulation or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing;
- ii. enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any ordinary shares or other shares of the Company; or
- iii. enter into any other transaction with the same economic effect as sub-clauses (i) and (ii) above, or agree to do or announce or otherwise publicize the intention to do any of the foregoing,

whether any such transaction or swap described in sub-clauses (i), (ii) or (iii) above is to be settled by delivery of ordinary shares or any securities convertible into or exercisable or exchangeable for ordinary shares, in cash or otherwise.

The restrictions in (i), (ii) and (iii) above shall not apply to:

- a) such ordinary shares held by the Pre-Offering Sole Shareholder as may be lent by such Pre-Offering Sole Shareholder to the Sole Global Coordinator and Joint Bookrunner pursuant to a stock lending agreement between the Sole Global Coordinator and Joint Bookrunner and such Pre-Offering Sole Shareholder; and
- b) transfers of ordinary shares by the Pre-Offering Sole Shareholder in favor of its affiliates, provided that (x) such transferees shall agree to be bound by the lock-up obligations of the Pre-Offering Sole Shareholder as are set forth in the Underwriting Agreement for the remainder of such 180-day period and (y) any such inter-company transfers of ordinary shares shall be performed on terms and conditions that do not conflict with the Offering.

Other Relationships

Each of the Underwriters is a full service financial institution engaged in various activities, which may include the provision of investment banking, commercial banking and financial advisory services. The Underwriters, their respective affiliates and any investment vehicle, directly or indirectly connected therewith in the ordinary course of business may have in the past engaged in investment banking and/or commercial banking transactions with us and our affiliates from time to time for which they may have received customary fees and reimbursement of expenses and may in the future, from time to time, engage in transactions with and perform services for us and our affiliates in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates or any other investment vehicle directly or indirectly related thereto may hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) relating to our share capital and our affiliates for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments.

In addition, certain of the Underwriters or their affiliates or any other investment vehicle directly or indirectly related thereto are, or may in the future be, lenders, and in some cases agents or managers for the lenders, under certain of our credit facilities and other credit arrangements and our affiliates. In their capacity as lenders, such

lenders may, in the future, seek a reduction of a loan commitment to us and our affiliates, or impose incremental pricing or collateral requirements with respect to such facilities or credit arrangements, in the ordinary course of business. In addition, certain of the Underwriters or their affiliates or any other investment vehicle directly or indirectly related thereto that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. A typical such hedging strategy would include these Underwriters or their affiliates or any other investment vehicle directly or indirectly related thereto hedging such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities. The Underwriters, their affiliates and any other investment vehicle directly or indirectly related thereto may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Underwriters do not consider any of the arrangements describe above to be material in the context of the Offering.

MATERIAL CONTRACTS

The contracts set out below (not being contracts entered into in the ordinary course of business) have (i) been entered into by us within the two years immediately preceding the date of this Prospectus and are or may be material to us; or (ii) been entered into at any time and contain provisions under which we have any obligation or entitlement which is or may be material to the Group as of the date of this Prospectus.

Green Project Bond

On September 10, 2020, Ecoener Emisiones, S.A.U. (the “**Bond Issuer**”), a company fully owned by Grupo Ecoener, S.A.U., issued a €130 million non-recourse senior debt consisting of: (i) €39 million guaranteed class A1 bonds bearing a 2.35% interest rate due December 31, 2040 (the “**Class A1 Bonds**”), and (ii) €91 million guaranteed class A2 bonds bearing a 2.35% interest rate due December 31, 2040 (the “**Class A2 Bonds**”, and together with the Class A1 Bonds, the “**Senior Bond**” or the “**Green Project Bond**”), to (i) replace existing senior debt facilities amounting to €53,779 thousand in the case of Hidroeléctrica del Giesta, S.L.U.; €44,971 thousand in Dragmoc, S.L.U.; €19,240 thousand in Desarrollo Energético de la Mariña, S.L.U.; €8,736 thousand in Yesquera de Aluce, S.L.U. and €3,274 thousand in Energías de Pontevedra, S.L.U. totaling the afore-mentioned €130 million, (ii) fund project related capital expenditures, and (iii) corporate general purposes and pay any ancillary costs. The obligations under the Senior Bond are unconditionally and irrevocably guaranteed, on a joint and several basis, by: (i) Energías de Pontevedra, S.L.U., (ii) Drago Renovables, S.L., (iii) Mocan Renovables, S.L., (iv) Hidroeléctrica del Giesta, S.L.U., (v) Sociedad Lucense de Energía Hidráulica y Eólica, S.L.U., (vi) Hidroeléctrica de Oourol, S.L., and (vii) Yesquera de Aluce, S.L.U., all of them companies that belong to the Group (the “**Bond Guarantors**” or “**ProjectCos**” and together with the Bond Issuer the “**Bond Obligors**”). In addition, the Senior Bond has the benefit of certain security arrangements (mainly, a Spanish law share pledge over the shares of the Bond Issuer, a Spanish law quota share pledge over the quota shares of each Bond Obligor held by the Bond Issuer or any of its affiliates (including its subsidiaries, holding company or any subsidiary of that holding company) and a promissory security on project assets of the Bond Obligors) (the “**Senior Bond Security**”).

For the avoidance of doubt, as of the date of this Prospectus, our Shares are not pledged nor encumbered in any way.

The assets included in the Green Project Bond perimeter have no expected capital expenditures needs and are eligible for the Spanish Specific Regulated Regime, which provides high visibility over the generated cash flows, backed by a high warranted availability through full scope O&M contracts. Assets included under the Senior Bond perimeter are: Llanos de la Aldea wind facility, San Bartolomé wind facility, Ciervas hydropower facility, San Bartolomé hydropower facility, Peneda hydropower facility, Arnoya hydropower facility, Landro hydropower facility, Xestosa hydropower facility, Oourol wind facility and Lalín wind facility, altogether representing a 59% of our assets as of the date of this Prospectus.

The Senior Bond has received an E1 Green Evaluation from the rating agency Standard & Poor’s (S&P). The Senior Bond has obtained an overall score of 85 out of 100, equivalent to a Green Evaluation score of E1, the highest score on S&P’s scale of E1 to E4. The overall score has been calculated by taking the weighted aggregate of the transaction’s Transparency (79), Governance (93) and Mitigation scores (86).

The issuance was privately placed with international institutional investors (Aviva Investors, Schroders and Manulife), with Société Générale acting as placement agent. The Senior Bond is listed on the Open Market of the Frankfurt Stock Exchange.

Senior Bond payments will be made subject to a paying agency agreement dated September 10, 2020 entered into between, among others, the Bond Issuer, the Bond Guarantors, The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar, The Bank of New York Mellon SA/NV, London Branch as principal paying agent, and the transfer agents and the paying agents named therein.

The Senior Bond will mature on December 31, 2040 and will be redeemed in 41 instalments on each interest payment date according to an amortization schedule provided for in the Senior Bond trust deed (the “**Trust Deed**”).

Notwithstanding the above, the Senior Bond may be redeemed at the option of the Bond Issuer, in whole or in part (not less than €100,000 and integral multiples thereof in excess of such amount or, in each case, the lesser amount as is then outstanding on any payment date), as well as for tax reasons as a result of any change in the tax laws of Spain provided that certain conditions are fulfilled, by giving not less than 30 nor more than 60 days’ prior written notice to the bondholders.

Additionally, in the event of a change of control (i.e. the Pre-Offering Sole Shareholder ceasing to own -directly or indirectly- at least 51% of the shares of the Bond Issuer), each bondholder will have the option (the “**Change of Control Put Option**”) to require the Bond Issuer to redeem or, at the option of the Bond Issuer, purchase or procure the purchase of all or part of its Senior Bond.

Other early redemption events include, among others:

- *illegality*: the Bond Issuer shall redeem the Senior Bond of bondholders for whom it becomes unlawful to purchase or hold the Senior Bond.
- *disposal proceeds*: the Bond Issuer shall redeem the Senior Bond with the consideration receivable by the Bond Obligors for the disposal of shares in a ProjectCo or the relevant plants.
- *insurance proceeds*: the Bond Issuer shall redeem the Senior Bond with any proceeds payable in respect of any claim under any insurance (except for third-party liability insurance) as well as any other compensation received by, or for the account of, the Bond Obligors in connection with any relevant plants which have not been used to repair, reinstate or replace the relevant project assets within 12 months after their receipt.
- *lock-up proceeds*: the Bond Issuer shall redeem the Senior Bond with any projects’ excess cash flows, which are to be transferred to a revenue reserve account in order to rebalance the Regulated Three-Year Projected Debt Service Coverage Ratio and Non-Regulated Three-Year Projected Debt Service Coverage Ratio (as these terms are defined in the Trust Deed), upon failure to meet the relevant distribution requirements on three consecutive payment dates.
- *equity cure*: the Bond Issuer may redeem the Senior Bond upon an equity cure, meaning that the Bond Obligors may, within 30 days from the date of delivery of the compliance certificate, duly signed by two directors of the Bond Issuer, and evidencing the breach of a financial covenant, provide or procure the provision of additional equity in an amount at least sufficient (but not in excess of the amount required) to remedy the relevant breach by applying the required amount to the prepayment, purchase or cancellation of the Senior Bond at par.

The Senior Bond bears 2.35% interest on the outstanding principal amount from September 10, 2020, which shall be payable semi-annually in arrears on June 30 and December 31 in each year.

As long as the Senior Bond remains outstanding, the Bond Obligors have agreed to comply with certain information undertakings, mainly relating to financial performance, project-related issues, environmental, social and governance aspects, and events of default. The Trust Deed also provides for financial covenants. In particular, the Bond Obligors shall ensure on each payment date (semi-annually) that: (i) the Debt-Service Coverage Ratio is at least 1.05x; (ii) the Project-Life Coverage Ratio is at least 1.10x; and (iii) the Debt-Service Coverage Ratio lock-up is at least 1.15x.

Additionally, there are other conditions of the Senior Bond such as:

- limitations on the disposal of assets: the Bond Obligors shall not enter into transactions to sell, lease, transfer or otherwise dispose of any asset other than those permitted under the Trust Deed (i.e. obsolete assets or shares in a ProjectCo or the relevant plants where certain financial conditions are met);
- limitations on distributions: the Bond Obligors shall not pay, make or declare any distribution other than from the available amounts in the distribution account. Transfers of amounts to the distribution account shall only be permitted upon compliance with the relevant financial covenants and provided that the following requirements are met: (i) the relevant distribution requirements are fulfilled for both the preceding and the transfer payment date; (ii) no amount of such transfer was received by the relevant Bond Obligor after the preceding payment date; and (iii) the amount was available for transfer in accordance with priority of payment rules;
- limitations on acquisitions: the Bond Obligors shall not acquire any company, business, asset or undertaking that it is not required to carry out the operation and maintenance of the relevant plants;
- limitations on mergers: the Bond Obligors shall not enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction other than to the extent permitted; and

- limitations on shares: the Bond Obligors shall ensure that their shares comply with the relevant security arrangements, are fully paid and are not subject to any option to purchase or similar rights. Additionally, they shall ensure that no transfer restrictions apply and that no person other than the holder of the shares has any rights, benefits or interests in the shares. Limitations also apply on the issuance of shares as well as the granting of securities convertible into share capital or rights to call for issuance of further shares.

Other obligations assumed by the Bond Obligors include limitations on additional indebtedness and granting of guarantees and securities, change of business restrictions, related-party transactions limitations, restrictions on operating expenditures and general compliance obligations, and a Promissory First Ranking Security Interests). The Promissory First Ranking Security Interests needs to be executed in the event that (i) the historic debt service cover ratio (Historic DSCR) falls below 1.10:1; or (ii) the occurrence of an event of default pursuant to the Green Project Bond documentation. See section “*Risk Factors – Risks Relating to the Offering and the Shares – There can be no assurance that we will be able to pay dividends in the future and we do not anticipate paying any dividends for the three years following the Offering*”.

Under the terms of the Trust Deed, the triggering of an event of default, such as non-performance of payment obligations or financial ratios, misrepresentations, cross-default, and non-compliance with other obligations under the relevant transaction’s documents, among others, may cause that the Senior Bond become immediately due and payable and the Enforcement of the Senior Bond Security.

The Senior Bond and the Trust Deed as well as any other related non-contractual obligations are governed by English law.

Power Purchase Agreements

In some countries where we currently operate, we have a solid track record in negotiating and structuring PPAs and other types of off-take arrangements with different compensation mechanisms and different risk profiles.

Under our PPAs, an “off-taker” (often a government agency or a state-owned electricity utility) purchases from us the power generated by our hydropower facilities, wind farms and solar PV plants. PPAs typically range up to 20 years and the sales price for each KWh of electricity produced may be, in accordance with the agreements entered into with third-party off-takers, fixed or variable on the basis of inflation-based indices. During the term of the PPA, we operate the hydropower facility, wind farm or solar PV plant remaining responsible for the operation and maintenance of the assets for the entire duration of the agreement. Depending on the jurisdiction, at the end of the PPA contractual term, the “off-taker” may be able to extend the term of the PPA, require that we dismantle the asset or choose to buy the plant from us. We entered into PPAs where we commit to produce a certain amount of energy during an agreed time period, generally on an annual, monthly or hourly basis, bearing the risk of not being able to supply the contracted amount of electricity, with the risk of incurring in penalties or, in some exceptional and limited events, the termination of the PPA. Alternatively, under certain circumstances, we also enter into “take-or-pay” PPAs, where the off-taker must take and pay for all electrical output produced by the plant whenever it is generated at a fixed price per megawatt hour, adjusted annually for inflation. As of today, we have signed a “take-or-pay” off-take arrangement with Empresa Nacional de Energía Eléctrica.

The main features of our off-take agreement in Guatemala and Honduras are the following:

Asset	Technology	Country - Region	Energy (GWh) 2020 ⁽¹⁾	Remuneration Scheme	
				PPA Maturity	Off-Taker
AH Las Fuentes II	Hydropower facility	Guatemala	36.0	Several	
PPA 1 San Andrés 1			13.5	2030	DEOCSA
PPA 2 San Andrés 2					DEORSA
PPA 3 Tres Ríos 1			9.0	2031	EEGSA
PPA 4 Tres Ríos 2					EEGSA
PPA 5 San Andrés 2			13.5	2031	DEOCSA
ISF Llanos del Sur	Solar PV	Honduras	25.8	2035	ENEE

(1) From a total electricity production in 2020 of 36.0 (GWh) equivalent to an installed capacity of 14MW, the column reflects the total electricity production contracted under each PPA.

(2) From a total electricity production in 2020 of 25.8 (GWh) equivalent to an installed capacity of 16.2MW, this column reflects the total electricity production contracted under this PPA.

(3) In respect of the PPA prices, in Honduras we sell our energy under PPA at 132 \$/Mw-h (because of its indexation) plus a capacity payment that equals to 5 \$/MW-h, per 20 years. In Guatemala under PPAs at 98 \$/MWh, 88 \$/MWh and 92\$/MWh (average 92\$/MWh).

Sales Intermediation Agreement

Besides, we have executed a sales representation agreement by means of which, Axpo acts as representative of our assets In Operation in Spain and we pay a fee for these specific services.

The totality of the energy production of 2020 financial year of the Group's generation facilities in Spain was sold to the *Pool* within the framework of an addenda to the sales intermediation agreement executed with Axpo (i.e. an income guarantee agreement), effective from January 1 to December 31, 2020, for which a fixed amount was received for each MWh produced in respect of the settlement carried out by OMIE of the electricity produced by some of our facilities in Spain. We have formalized a novation agreement to the sales intermediation agreement effective from January 1 to December 31, 2021, for which it is ensured that all the energy produced by its facilities in Spain will be sold at the price per MWh within a band agreed in the contract.

For our assets In Operation in Spain subject to the Specific Remuneration (all of our Assets In Operation as of the Date of this Prospectus except for El Rodeo, La Caleta, Las Casillas I, Arcos del Coronadero and Lomo del Moral), such price settlement is on top of the Specific Remuneration and they intend to give us predictable cash flows in respect of the proceeds resulting from the *Pool* price settlement made by OMIE, and to minimize the potential impact of the Price Market Adjustment in a given year, but are independent (and they do not affect) the Specific Remuneration.

For our assets In Operation as of the date of this Prospectus subject to a merchant scheme in Spain (El Rodeo, La Caleta, Las Casillas I, Arcos del Coronadero and Lomo del Moral) such agreement guarantees stable cash flows pursuant to the fixed amount or price resulting from the band agreed.

For further details regarding the Specific Remuneration, please refer to "*Regulation*".

Non-recourse Finance Agreements

As of December 31, 2020 we have entered into the following non-recourse project finance agreements for a total amount of €42,190 thousand: (i) our project finance in Honduras granted by Banco Atlántida, for the construction and operation of the Llanos del Sur solar PV plant; and (ii) our project finance in Guatemala granted by Banrural, for the construction and operation of Las Fuentes II hydropower facility.

Honduras – Llanos del Sur project finance

The non-recourse project finance agreement in Honduras was entered into between Llanos del Sur Fotovoltaica, S.A., and Banco Atlántida in two (2) separate agreements (one in December 16, 2016 and the other one in May 23, 2018). Both agreements, considered together, amount for a total of \$19,493 thousand with an outstanding balance of €13,421 thousand as of December 31, 2020. The project finance agreement matures on December 16, 2028, with a repayment schedule based on quarterly instalments, at an annual interest rate of 7.30%. The guarantee securing the debt is a pledge (*fideicomiso de garantía*) over the asset Llanos del Sur solar PV plant.

The project finance agreement gathers certain restrictive covenants and operating and financial restrictions on our business. In particular, and in order to be able to pay distributions, we shall ensure that the Debt-Service Coverage Ratio is at least 1.2x. Unless expressly authorized by the bank, we shall be compliant with the following: (i) that the total solvency ratio (total liabilities/total assets) is below 75%, and (ii) that the leverage ratio (total liabilities/total equity) is below 3x on the first year of the financing agreement, 2.5x on the second and 2.0x on the subsequent years.

Under this project finance agreement there is a DSRA requirement consisting of two quarterly instalments of principal and interests currently amounting to \$1,388 thousand, and Llanos del Sur Fotovoltaica, S.A. is also subject to customary limitations on the disposal of assets and certain indebtedness restrictions, according to which it shall (i) not incur (unless expressly authorized by Banco Atlántida) in any additional debt with other financial or non-financial institutions, subsidiaries nor enter into leasing contracts for the acquisition of equipment, machinery or real estate (except for operations strictly related to the operation and maintenance of Llanos del Sur solar PV plant); and (ii) not grant loans, guarantees or sureties to its shareholders or third parties. Additionally, upon a change of control at the level of Llanos del Sur Fotovoltaica, S.A., Banco Atlántida would be entitled to

accelerate the facility if it considers that such change of control could impact the conduct of the business activity and the debt repayment under the facility.

Guatemala – Las Fuentes II project finance

For the financing of Las Fuentes II hydropower facility in Guatemala, we initially entered, through Energías del Ocosito, S.A., into two non-recourse project finance agreements with Banrural (one in July 23, 2014 and the other one in March 2, 2016) (together, the “**Initial Finance Agreements**”), which, considered together, amounted for a total of \$39,379 thousand. In November 6, 2020, we entered into a third agreement with Banrural of \$37,090 thousand for the total repayment and cancellation of the Initial Finance Agreements (the “**Project Finance Agreement**”). The Project Finance Agreement matures on 2040, with a repayment schedule based on monthly instalments, at an annual interest rate of 1.05% and, as of December 31, 2020, presented an outstanding balance of €28,769 thousand. This Project Finance Agreement contains a DSRA requirement of \$1,000,000, that shall be established and maintained. The debt under this Project Finance Agreement is guaranteed by (i) Ecoener Inversiones de Centroamérica, S.A., and Ecoener Ingeniería, S.L., as guarantors (*garantía fiduciaria condicionada*); and (ii) a pledge (*fideicomiso de garantía*) over the asset Las Fuentes II hydropower facility. Additionally, upon a change in the financial situation of Energías del Ocosito, S.A., Banrural would be entitled to accelerate the facility if it considers that such variation could potentially impact the debt repayment.

Financing in the Canary Islands

We have entered into 43 non-recourse Loans granted by 39 individual investors for the financing of certain assets located in the Canary Islands through our wholly owned subsidiary Ecoener Inversiones, a venture capital entity incorporated under the laws of Luxembourg, created with the purpose of facilitating investors to materialize their investments in the Canary Islands (*Reserva de Inversiones en Canarias*). As a venture capital entity, each Loan is considered as a financing instrument issued by Ecoener Inversiones, which enables investors to benefit from the special tax regime applicable to the subscription of financing instruments set out in Act 19/1994 of 6 July, amending the Economic and Tax Regime of the Canary Islands. For more details on the structure of Ecoener Inversiones, see section “*Business – Activities along the value chain – Engineering, procurement and construction (EPC) (1 to 2 years): Contracting and construction*”.

The funds raised through the Loans have been used to finance the construction of the following two wind farm assets: La Caleta wind farm and Las Casillas I wind farm, fully owned by the following Group subsidiaries: (i) Alamillo de Doramas, S.L., and (ii) Cardo de Plata, S.L., (together, the “**Canary Islands SPVs**”).

The total outstanding balance of the Loans, as of December 31, 2020 was €12,650 thousand.

These Loans are subject to the following same general conditions (although there are some particularities specific to each asset): (i) short term duration (five years from the beginning of operations of the relevant wind farm), (ii) low annual fixed interest of 1%, and (iii) restriction to the disposal of assets. The Loans are secured by pledges over the shares of the Canary Islands SPVs.

Additionally, the Loans provided that in the event of a change of control, the Investors may require Ecoener Inversiones to repay the Loans in full, together with the ordinary and default interest, if such change of control takes place without their prior authorization. The transfer of shares among Group companies will not trigger this change of control provision. For the purposes of this provision, “change of control” means the direct or indirect transfer (partial or total), of the shareholder’s stake in Ecoener Inversiones and Ecoener Inversiones in the relevant Canary Islands SPV, resulting in the shareholder or Ecoener Inversiones ceasing to own directly a stake in Ecoener Inversiones or the Canary Islands SPVs of at least 75%. As a result of the Offering, the Pre-Offering Shareholder (defined as the shareholder under the Loans) will cease to have at least 75% of Ecoener Inversiones and the Canary Islands SPVs, while we will continue owning directly 100% of Ecoener Inversiones and Ecoener Inversiones 100% of the Canary Islands SPVs. In light of such provisions, we have requested such prior consent from the Investors. As of the date of this Prospectus, we have gathered the formal authorization of Investors who in aggregate hold €11,525 thousand, representing 91% of the total outstanding balance of the Loans, Investors who in aggregate hold €900 thousand, representing 6% of the total outstanding balance stated that a prior authorization is not required in this case, and the remaining Investors (who in aggregate hold €225 thousand, representing around 2% of the total outstanding balance) have not formally replied nor opposed to the potential change of control. As of the date of this Prospectus, given the outstanding authorizations to be formally received, in case any investor who has not answered to us on time, considered that its prior authorization is required and was to enforce the repayment under the Loan, the maximum aggregate amount that we will have to repay would be €225 thousand.

Material contracts relating to the Offering

For a description of the material contracts relating to the Offering, see section “*Plan of Distribution—The Underwriting Agreement*”.

SELLING AND TRANSFER RESTRICTIONS

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been taken or will be taken in any jurisdiction that would permit a public offering or sale of the Offer Shares, or possession or distribution of this Prospectus (or any other Offering or publicity material relating to the Offer Shares), in any country or jurisdiction where action for that purpose is required or doing so may be restricted by law.

None of the Offer Shares may be offered for subscription, sale or purchase or be delivered, and this Prospectus and any other Offering material in relation to the Offer Shares may not be circulated, in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration.

United States

Due to the following restrictions, purchasers of Offer Shares in the United States are advised to consult legal counsel prior to making any offer for, resale, pledge or other transfer of the Offer Shares

Restrictions under the U.S. Securities Act

The Offer Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Underwriters may offer Shares (i) in the United States only through their U.S. registered broker affiliates or broker-dealers registered under the U.S. Securities Exchange Act of 1934 (as amended, the “**Exchange Act**”) to the extent permitted by Rule 15a-6 under the Exchange Act to persons reasonably believed each to be a QIB (as defined in Rule 144A under the U.S. Securities Act) in reliance on Rule 144A under the U.S. Securities Act or (ii) outside the United States in compliance with Regulation S.

In addition, until 40 days after the later of the commencement of the Offering and the last transaction date of the Offering, any offer or sale of Offer Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another available exemption from registration under the U.S. Securities Act.

Regulation S

Each subscriber or purchaser of the Offer Shares outside the United States will be deemed by its acceptance of the Offer Shares to have represented and agreed, on its own behalf and on behalf of any investor accounts for which it is subscribing for or purchasing the Offer Shares, that neither us or any of our affiliates nor any of the Underwriters, nor any person representing us, any of its affiliates or any of the Underwriters, has made any representation to it with respect to the Offering or sale of any Offer Shares, other than the information contained in this Prospectus, which Prospectus has been delivered to it and upon which it is solely relying in making its investment decision with respect to the Offer Shares, it has had access to such financial and other information concerning us and the Offer Shares as it has deemed necessary in connection with its decision to purchase any of the Offer Shares, and that (terms defined in Regulation S shall have the same meanings when used in this section);

- a) the purchaser understands and acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state of the United States, and may not be offered, sold or otherwise transferred except pursuant from an exception from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities law;

- b) the purchaser, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares, is acquiring the Offer Shares in an “offshore transaction” meeting the requirements of Regulation S and was located outside the United States at the time the buy order for the Offer Shares was originated;
- c) the purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus;
- d) the Offer Shares have not been offered to it by means of any “directed selling efforts” as defined in Regulation S; and
- e) we shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above stated restrictions.

Rule 144A

Each purchaser of the Offer Shares within the United States will be deemed by its acceptance of the Offer Shares to have represented and agreed on its behalf and on behalf of any investor accounts for which it is subscribing for or purchasing the Offer Shares, that neither us nor any of our affiliates nor any of the Underwriters, nor any person representing us, any of our affiliates or any of the Underwriters, has made any representation to it with respect to the Offering or sale of any Offer Shares, other than the information contained in this Prospectus, which Prospectus has been delivered to it and upon which it is solely relying in making its investment decision with respect to the Offer Shares, that it has had access to such financial and other information concerning us and the Offer shares as it has deemed necessary in connection with its decision to purchase any of the Offer Shares, and that (terms defined in Rule 144A shall have the same meanings when used in this section):

- a) the purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;
- b) the purchaser (i) is a QIB, (ii) is aware that the sale to it is being made in reliance on Rule 144A, and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB;
- c) the purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act;
- d) if, prior to the date that is one year after the later of the date of the Offering and the last date on which the Offer Shares were acquired from us or any of our affiliates (the “**Resale Restriction Termination Date**”), the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, such Offer Shares may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act, (ii) in an “offshore transaction” complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act, or (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available), and (B) in accordance with all applicable securities laws of the states of the United States and any other jurisdiction and agrees to give any subsequent purchaser of such shares notice of any restrictions on the transfer thereof;
- e) the Offer Shares have not been offered to it by means of any general solicitation or general advertising;
- f) the Offer Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for resales of any Offer Shares;
- g) the purchaser will not deposit or cause to be deposited such Offer Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Offer Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act;
- h) the Offer Shares (to the extent they are in certificated form), unless otherwise determined by us in accordance with applicable law, will bear a legend to the following effect:

THE SECURITY EVIDENCED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”),

OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) (1) TO A PERSON WHO THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT FOR REALES OF THIS SECURITY; and

- i. we shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above stated restrictions.

Each purchaser acknowledges that we and the Underwriters will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agrees that if any of the acknowledgements, representations or agreements deemed to have been made by such purchaser by its purchase of Offer Shares are no longer accurate, it shall promptly notify us and the Underwriters; if it is acquiring Offer Shares as a fiduciary or agent for one or more investor accounts, each purchaser represents that it has sole investment discretion with respect to each such account and full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Terms defined in Rule 144A or Regulation S shall have the same meanings when used in this section.

Each purchaser of the Offer Shares will be deemed by its acceptance of the Offer Shares to have represented and agreed that it is purchasing the Offer Shares for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control.

Any Offer Shares offered and sold to investors located in the United States will be “restricted securities” (as defined in Rule 144 under the U.S. Securities Act), and such Offer Shares may not be reoffered, resold, pledged or otherwise transferred, except: (i) outside the United States in accordance with Rule 903 or Rule 904 under Regulation S; (ii) to a QIB in a transaction that is exempt from registration under the U.S. Securities Act and that meets the requirements of Rule 144A; (iii) pursuant to an effective registration statement under the U.S. Securities Act; (iv) in accordance with Rule 144 under the U.S. Securities Act; or (v) in another transaction not requiring registration under the U.S. Securities Act; and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

European Economic Area

In relation to each Member State of the European Economic Area (each a “**Relevant State**”), no Shares have been offered or will be offered pursuant to the Offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the Shares may be offered to the public in that Relevant State at any time:

- a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Underwriters for any such offer; or
- c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Shares shall require us or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the Offering and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

United Kingdom

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which has been approved by the Financial Conduct Authority, except that the Shares may be offered to the public in the United Kingdom at any time:

- a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Underwriters for any such offer; or
- c) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000 (as amended) (“**FSMA**”),

provided that no such offer of the Shares shall require us, any member of the Group or any Underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

In the United Kingdom, the Offering is only addressed to, and is directed only at, “qualified investors” within the meaning of the UK Prospectus Regulation, who are also (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order; or (iii) persons to whom it may otherwise lawfully be communicated (all such persons being referred to as “**relevant persons**”). This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

For the purposes of this provision, the expression an “offer to the public” in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression “UK Prospectus Regulation” means the UK version of Regulation (EU) No 2017/1129 as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018.

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook (“**PROD**”) (the “**UK MiFIR Product Governance Rules**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any 'manufacturer' (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the Shares which are the subject of the Offering have been subject to a product approval process, which has determined that such Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook (“**COBS**”); and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU (the “**UK Target Market Assessment**”). Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the UK

Target Market Assessment, the Underwriters will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of COBS 9A and COBS 10A respectively; or (b) a recommendation to any investor or group of investors to invest in, or purchase or take any other action whatsoever with respect to the Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

Each Underwriter based in the United Kingdom is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, and each Underwriter severally represents, warrants and agrees that: (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (as amended) (“**FSMA**”) with respect to anything done by it in relation to the Shares in, from or otherwise involving the United Kingdom; and (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) in connection with the issue or sale of the Shares in circumstances in which Section 21(1) of FSMA does not apply to the Company. Each of these Underwriters is acting exclusively for us and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to the Offering and will not be responsible to anyone other than us for providing the protections afforded to their respective clients nor for providing advice in relation to the Offering or any transaction or arrangement referred to in this Prospectus.

Australia

This document is not a prospectus, product disclosure statement or other disclosure document under Chapter 6D or Part 7.9 of the Corporations Act 2001 (Cth) (“**Corporations Act**”) and has not been and will not be lodged with the Australian Securities and Investments Commission (“**ASIC**”). This document does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under Chapter 6D or Part 7.9 of the Corporations Act. The Offering is made only to persons to whom it is lawful to Offer Shares in Australia without disclosure to investors under Chapter 6D of the Corporations Act.

As no prospectus, product disclosure statement or other disclosure document will be lodged with ASIC, any offer in Australia of the Offer Shares may only be made to persons who are ‘sophisticated investors’ within the meaning of section 708(8) of the Corporations Act) or ‘professional investors’ (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the Offer Shares without disclosure to investors under Chapter 6D of the Corporations Act. If any recipient of the document is not a ‘sophisticated investor’ or a ‘professional investor’ and does not otherwise fall within one or more of the exemptions contained in section 708 of the Corporations Act, no offer of, or invitation to apply for, the Offer Shares shall be deemed to be made to such recipient and no applications for the Offer Shares will be accepted from such recipient. Any offer to a recipient in Australia, and any agreement arising from acceptance of such offer, is personal and may only be accepted by the recipient.

No offer or issue of the Offer Shares has been made or will be made to any person with the purpose of such person selling or transferring the Offer Shares, or granting, issuing or transferring interests in, or options over, the Offer Shares. In addition, the Offer Shares must not be offered for sale or transfer, nor any interest in or option over them be granted, issued or transferred in Australia in the period of 12 months after the date of issue under the Offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. An Investor (as defined below) acquiring Offer Shares must observe such Australian on-sale restrictions.

This document contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this document is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

By applying for Offer Shares under the document, each person to whom Offer Shares are issued (an “**Investor**”):

- a) confirms that they are (a) a ‘sophisticated investor’ (within the meaning of section 708(8) of the Corporations Act), a ‘professional investor’ (within the meaning of section 708(11) of the Corporations Act) or otherwise permitted to invest in the Offer Shares pursuant to one or more exemptions contained in section 708 of the Corporations Act, and (b) a ‘wholesale client’ (within the meaning of section 761G of the Corporations Act);

- b) acknowledges that if they on-sell Offer Shares within 12 months from the date of their issue, the Investor will be required to lodge a prospectus, product disclosure statement or other disclosure document with ASIC unless either:
 - i. that sale is to another ‘sophisticated investor’ or ‘professional investor’ or is otherwise permitted pursuant to one or more exemptions contained in section 708 of the Corporations Act; or
 - ii. the sale offer is received outside Australia; and
- c) undertakes not to sell the Offer Shares in any circumstances other than those described in paragraphs (b)(i) and (ii) above for 12 months after the date of issue of such Offer Shares, unless the Investor lodges a prospectus, product disclosure document or other disclosure document with ASIC.

This document is not, and under no circumstances is to be construed as, an advertisement or public offering of the Offer Shares in Australia.

No action has been taken to authorize or cause the issue or distribution in the Commonwealth of Australia, any of its states, territories or possessions or any political subdivision thereof, or to any resident of Australia, of this document or any other document inviting applications or offers to subscribe for or buy the Offer Shares. The document may only be distributed in Australia or to any resident of Australia to persons who are Investors as described in paragraph (a) above and any offer of Offer Shares may only be made to such Investors in Australia, in each case subject to the conditions set out above, on behalf of each Underwriter by its affiliate holding an Australian Financial Services License permitting such license holder to distribute the document and to offer the Offer Shares to such Investors in Australia.

Japan

The Offer Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No 25 of 1948, as amended (the “**FIEA**”)). This Prospectus is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity, organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEA and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Switzerland

The Offer Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“**SIX**”) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other Offering or marketing material relating to the Offer Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other Offering or marketing material relating to the Offering, we or the Offer Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Offering will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (“**FINMA**”), and the Offering has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“**CISA**”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Shares.

Canada

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided

that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offering.

ENFORCEMENT OF CIVIL LIABILITIES

We are a Spanish company and our assets are located outside of the United States. In addition, a majority of our current directors and executive officers are resident in Spain. As a result, it may be difficult for shareholders in the United States to effect service of process on, or enforce foreign judgments obtained against, us or these persons in foreign courts predicated solely upon the civil liability provisions of U.S. securities laws. Furthermore, there is doubt that a lawsuit based upon U.S. federal or state securities laws, or the laws of any non-Spanish jurisdiction, could be brought in an original action in Spain and that a foreign judgment based upon such laws would be enforceable in Spain.

VALIDITY OF THE SHARES AND LEGAL MATTERS

The validity of the Shares offered and certain other matters governed by Spanish law will be passed upon for us by Latham & Watkins LLP, our Spanish counsel, and for the Underwriters by Linklaters, S.L.P., Spanish counsel to the Underwriters.

Certain other matters governed by English and U.S. federal law will be passed upon for us by Latham & Watkins LLP, our English and U.S. counsel, and for the Underwriters by Linklaters S.L.P., English and U.S. counsel to the Underwriters.

INDEPENDENT AUDITORS

The audited consolidated annual accounts of Grupo Ecoener, S.A.U. and its subsidiaries as at and for the year ended December 31, 2020, included in this Prospectus, have been audited by KPMG Auditores, S.L., independent auditors, as stated in their report also included in this Prospectus. The report includes an emphasis of matter paragraph drawing attention to note 2(a) of the consolidated annual accounts, which states that these consolidated annual accounts are the first to be prepared by the Group under IFRS-EU, and the Group has opted to prepare comparative information as though the subsidiaries contributed to the Group or acquired by it in 2020 already formed part of the Group at January 1, 2018.

The audited consolidated financial statements of Ecoener, S.L.U. and its subsidiaries as at and for the year ended December 31, 2019, incorporated by reference in this Prospectus, have been audited by KPMG Auditores, S.L., independent auditors, as stated in their report also incorporated by reference in this Prospectus. The report includes an emphasis of matter paragraph drawing attention to note 2 of the consolidated financial statements, which states that the consolidated financial statements for 2019 are the first that the Sole Director has prepared under IFRS-EU. These standards generally require comparative information to be presented in the financial statements. The comparative figures for the prior year therefore differ from those presented in the approved consolidated annual accounts for 2018. This report also includes an other matter paragraph drawing attention to note 2, which states these consolidated financial statements have not been prepared to meet legal requirements, but rather for information purposes with regard to the financial information to be included in the prospectus for the stock market flotation of the Company's subsidiary Grupo Ecoener, S.A.U. and have been audited by applying International Standards on Auditing.

The audited consolidated annual accounts of Ecoener, S.L.U. and its subsidiaries as at and for the year ended December 31, 2018, incorporated by reference in this Prospectus, have been audited by KPMG Auditores, S.L., independent auditors, as stated in their report also incorporated by reference in this Prospectus.

ADDITIONAL INFORMATION

Information on the Company

Our legal name is Grupo Ecoener, S.A.U. and we operate under the commercial name “Ecoener”. We are registered with the Commercial Registry of La Coruña, under volume 3716, sheet 40, page C-59313, holder of Spanish tax identification number (NIF) A-70611538 and LEI code 959800HBGZWHX69PE419, and our phone number is +34 981 217 003.

We were incorporated for an unlimited period of time pursuant to a public deed of incorporation granted on January 28, 2020 before the Spanish Public Notary Mr. Enrique-Santiago Rajoy Feijóo, under number 213 of his notarial records, having its registered office at Calle Canton Grande, 6 – 6º, 15003, La Coruña, Spain.

The principal legislation under which we operate, and under which our existing ordinary shares were issued and under which the Shares will be issued, is the Spanish Companies Act and the regulations enacted thereunder.

Our financial year ends on December 31.

We are domiciled in Spain and are resident in Spain for tax purposes.

KPMG Auditores, S.L., with registered office at Paseo de la Castellana 259 C, C.P. 28046, Madrid, Spain, holder of Spanish tax identification number (NIF) B-78510153 and registered with the R.O.A.C. (Registro Oficial de Auditores de Cuentas—Official Registry of Auditors) under the number S0702 and in the Commercial Registry of Madrid under volume 11.961, section 8, H.M – 188,007, inscription 9, is our appointed auditor.

KPMG Auditores, S.L. was appointed as independent auditor of Grupo Ecoener, S.A.U. by a decision passed by its Pre-Offering Sole Shareholder on December 28, 2020, for the years 2020 to 2022 (both inclusive), and has not resigned, has not been removed or has not been reappointed as its independent auditor during the period covered by the historical financial information, and prior to the date of this Prospectus.

Company’s Group

The table below shows our significant subsidiaries, including name, country of incorporation or residence, registered office, main service, the proportion of ownership interest held (whether directly or indirectly) and, if different, the proportion of voting power held, as of the date of this Prospectus:

Subsidiary/Group company	Country of incorporation and registered office	Main service	Direct interest (%)	Indirect interest (%)
Drago Renovables, S.L.....	La Coruña	Promotion, construction and operation of renewable energy production plants	-	75%
Mocan Renovables, S.L.....	La Coruña	Promotion, construction and operation of renewable energy production plants	-	75%
Hidroeléctrica del Giesta, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	-	100%
Hidroeléctrica de Oourol, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	-	70%
Soc. Lucense de Energía Hidráulica, S.L.....	La Coruña	Promotion, construction and operation of renewable energy production plants	-	100%
Energías de Pontevedra, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	-	100%
Ecoener Invers. de Centroamérica S.A.	Guatemala	Promotion, construction and operation of renewable energy production plants	99,99%	0,01%
Hidro Quetzal, S.A.	Guatemala	Promotion, construction and operation of renewable energy production plants	-	75,89%
Ecoener Ingeniería, S.A.	Guatemala	Promotion, construction and operation of renewable energy production plants	-	98%
Energías del Ocosito, S.A. ...	Guatemala	Promotion, construction and operation of renewable energy production plants	-	75,89%
Energías de Forcarei, S.L.....	La Coruña	Promotion, construction and operation of renewable energy production plants	97%	-

Subsidiary/Group company	Country of incorporation and registered office	Main service	Direct interest (%)	Indirect interest (%)
Sociedad Eólica Punta Maeda, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Bencomia de Risco, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Magarza del Andén, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Cardo de Plata, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	-	100%
Hierba Muda, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Tabaiba Solar, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Ecoener Ingeniería, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Comercializadora Centroamericana de Energía La Ceiba, S.A.	Guatemala	Promotion, construction and operation of renewable energy production plants	-	100%
Llanos del Sur Fotovoltaica, S.A.	Honduras	Operation of a solar photovoltaic plant	-	50%
Ecoener Ingeniería Honduras, S.A.	Honduras	Promotion, construction and operation of renewable energy production plants	-	98,04%
Chajorra de Aluce, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Amagante Herreño, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	51%	-
Dama de Bandama, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Picocernicalo, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Colino Majorero, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Canutillo de Sabinosa, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Alamillo de Doramas, S.L. ...	La Coruña	Promotion, construction and operation of renewable energy production plants	19%	81%
Malva de Risco, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Tiraventos, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Siempreviva Gigante, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Herdanera, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Salvia Blanca, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Siempreviva Azul, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Magarza Plateada, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Risoela, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Helecho de Cristal, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Rosalito Palmero, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-

Subsidiary/Group company	Country of incorporation and registered office	Main service	Direct interest (%)	Indirect interest (%)
Bejeque Rojo, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Eólicos de Ferrol, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Drago General Partner, S.À.R.L.	Luxembourg	Promotion, construction and operation of renewable energy production plants	100%	-
Ecoener Inversiones SCA, SICAV-RAIF.	Luxembourg	Promotion, construction and operation of renewable energy production plants	96,67%	3,33%
Violeta de Anaga, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Ecoener Emisiones, S.A.U.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Oilean Telde Eolica Energy, S.L.	Canary Islands	Promotion, construction and operation of renewable energy production plants	100%	-
Violeta Palmera, S.L.	Canary Islands	Promotion, construction and operation of renewable energy production plants	100%	-
Eólicos del Matorral, S.L.	Canary Islands	Promotion, construction and operation of renewable energy production plants	100%	-
Ecoener Mirazul Dos, S.A.	Nicaragua	Promotion, construction and operation of renewable energy production plants	99%	1%
Yesquera de Aluce, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	-	100%
Cardoncillo Gris, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Yerbamora, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	50%	-
LCV Ecoener Solares Dominicana, S.R.L.	Dominican Republic	Promotion, construction and operation of renewable energy production plants	99%	-
EFD Ecoener Fotovoltaica Dominicana, S.R.L.	Dominican Republic	Promotion, construction and operation of renewable energy production plants	99%	1%
Ecoener Solar Panamá, S.A.	Panama	Promotion, construction and operation of renewable energy production plants	99%	-
Ecoener Renovables Panamá, S.A.	Panama	Promotion, construction and operation of renewable energy production plants	99%	-
Ecoener Ingeniería Panamá, S.A.	Panama	Promotion, construction and operation of renewable energy production plants	99%	-
Ecoener Operación y Mantenimiento, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Ecoener Servicios Constructivos, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Eólicos Herculinos, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
EID Ecoener Inversiones, S.R.L.	Dominican Republic	Promotion, construction and operation of renewable energy production plants	99%	1%
Fonte dos Arcos, S.L.	La Coruña	Promotion, construction and operation of renewable energy production plants	100%	-
Hidroeléctrica de Santa Cruz II	Guatemala	Operation of a solar photovoltaic plant	-	99%

Changes after December 31, 2020

Construction activity

In relation to the construction and development activity associated with construction, the latter being understood as the management of the work necessary for the subsequent execution of construction activities, while the physical construction activity strictly includes the implementation and completion of the works and commissioning of the installation. Both activities have historically been carried out by the Pre-Offering Sole

Shareholder on a discontinued basis, through the hiring of personnel for work and services only during the periods in which it has had facilities under construction.

The last facilities built by the Pre-Offering Sole Shareholder have been the five wind farms in San Bartolomé de Tirajana (Gran Canaria, Canary Islands). On December 31, 2020, the Pre-Offering Sole Shareholder terminated the contracts of all the workers who had been hired for the execution of the works, due to the completion of such works. As of December 31, 2020, these facilities have been completed and it is not expected that the Pre-Offering Sole Shareholder, Ecoener, S.L.U., will have other activity within the Group other than being the controlling shareholder of the Company and, therefore, of the Group. Therefore, the projects under the Pipeline will be developed and promoted by the Group in 2021 and onwards. In this regard, Grupo Ecoener, S.A.U., has not received personnel, rights or obligations related to the construction and development activity.

Since January 1, 2021, Grupo Ecoener, S.A.U. has built twelve solar PV plants in San Bartolomé de Tirajana (Gran Canaria, Canary Islands), as well as a wind farm in the same geographical area through its subsidiaries.

Credit facility agreements with Banco de Sabadell

Arcos del Coronadero and Lomo del Moral credit facility agreement in Spain

On February 23, 2021, for the financing of the construction and operation of the wind farms of Lomo del Moral and Arcos del Coronadero in Spain, we entered, through Violeta Palmera, S.L. and Eólicos del Matorral, S.L. into a credit facility agreement with Banco de Sabadell, for a maximum amount of €6,415 thousand. This credit facility agreement matures on June 30, 2037 and has a repayment schedule based on semester instalments, at an annual interest rate of 2.70%.

This credit facility agreement contains certain restrictive covenants and restrictions on our business. In particular, we shall ensure that the Debt-Service Coverage Ratio is at least 1.05x; and the leverage ratio (Outstanding debt/Equity plus debt amount to be paid in that period) is always below 65%. Furthermore, cash distributions are restricted and subject to the fulfillment of some requirements, including, among others, the Debt-Service Coverage Ratio shall be at least 1.20x and the payment of the first instalment.

Under this agreement, Violeta Palmera, S.L. and Eólicos Matorral, S.L. are subject to other customary limitations on the disposal of the assets and other restrictions according to which they shall mainly: (i) not incur in any additional debt with other financial or non-financial institutions; (ii) not grant loans, guarantees or any other financing instruments to third parties and (iii) not enter into securities transactions (unless expressly authorized by Banco de Sabadell) nor invest in securities. This credit facility is secured by (i) pledges over the 100% of the shares of Violeta Palmera, S.L. and Eólicos Matorral, S.L. (ii) pledges over the credit rights arising from bank accounts related to the projects; and (iii) pledges over the credit rights arising from the agreements entered into by Violeta Palmera, S.L. and Eólicos Matorral, S.L.

Finally, pursuant to the provisions of the guarantee agreement related to the credit facility agreement, Violeta Palmera, S.L. and Eólicos Matorral, S.L. shall constitute a mortgage and/or pledges over the assets of the project if; (i) the Debt-Service Coverage Ratio is under 1.1x; or (ii) if any of the causes for early maturity set forth in the agreement are met. Finally, in the event of a change of control, i.e. Grupo Ecoener, S.A. ceasing to own 100% of the share capital, directly or indirectly of Violeta Palmera, S.L. and Eólicos Matorral, S.L. during the construction of the wind farms or 50.01% during its operation, Banco de Sabadell shall be entitled to terminate the agreement and claim the payment of the outstanding debt, interests and other expenses set forth in the agreement.

Solar PV plants in San Bartolomé de Tirajana (Gran Canaria, Canary Islands) credit facility agreement in Spain

On March 23, 2021, for the financing of the construction and operation of 12 solar PV plants in the Canary Islands, we entered, through Canutillo de Sabinosa, S.L., Bencomia de Risco, S.L. and Tabaiba Solar, S.L., into a credit facility agreement with Banco de Sabadell, for a maximum amount of €16,770 thousand. This credit facility agreement matures on December 31, 2037 and has a repayment schedule based on semester instalments, at an annual interest rate of 2.70%.

This credit facility agreement contains certain restrictive covenants and restrictions on our business. In particular, we shall ensure that the Debt-Service Coverage Ratio is at least 1.05x; and the leverage ratio (Outstanding debt/Equity plus debt amount to be paid in that period) is always below 56%. Furthermore, cash distributions are restricted and subject to the fulfillment of some requirements, including, among others, the Debt-Service Coverage Ratio shall be at least 1.20x and the payment of the first instalment.

Under this agreement, Canutillo de Sabinosa, S.L., Bencomia de Risco, S.L. and Tabaiba Solar, S.L. are subject to other customary limitations on the disposal of the assets and other restrictions according to which they shall mainly: (i) not incur in any additional debt with other financial or non-financial institutions; (ii) not grant loans, guarantees or any other financing instruments to third parties and (iii) not enter into securities transactions (unless expressly authorized by Banco de Sabadell) nor invest in securities. This credit facility is secured by (i) pledges over the 100% of the shares of the Canutillo de Sabinosa, S.L., Bencomia de Risco, S.L. and Tabaiba Solar, S.L. (ii) pledges over the credit rights arising from bank accounts related to the projects; and (iii) pledges over the credit rights arising from the agreements entered into by Canutillo de Sabinosa, S.L., Bencomia de Risco, S.L. and Tabaiba Solar, S.L.

Finally, pursuant to the provisions of the guarantee agreement related to the credit facility agreement, Canutillo de Sabinosa, S.L., Bencomia de Risco, S.L. and Tabaiba Solar, S.L. shall constitute a mortgage and/or pledges over the assets of the project if; (i) the Debt-Service Coverage Ratio is under 1.05x; or (ii) if any of the causes for early maturity set forth in the agreement are met. Finally, in the event of a change of control, i.e. Grupo Ecoener, S.A. ceasing to own 100% of the share capital, directly or indirectly of Canutillo de Sabinosa, S.L., Bencomia de Risco, S.L. and Tabaiba Solar, S.L. during the construction of the solar PV plants or 50.01% during its operation, Banco de Sabadell shall be entitled to terminate the agreement and claim the payment of the outstanding debt, interests and other expenses set forth in the agreement.

Wind farm in San Bartolomé de Tirajana (Gran Canaria, Canary Islands) credit facility agreement in Spain

On March 31, 2021, for the financing of the construction and operation of a wind farm in the Canary Islands, we entered, through Oilean Telde Eólica Energy, S.L., into a credit facility agreement with Banco de Sabadell, for a maximum amount of €16,475 thousand. This credit facility agreement matures on June 30, 2038 and has a repayment schedule based on semester instalments, at an annual interest rate of 2.70%.

This credit facility agreement contains certain restrictive covenants and restrictions on our business. In particular, we shall ensure that the Debt-Service Coverage Ratio is at least 1.05x; and the leverage ratio (Outstanding debt/Equity plus debt amount to be paid in that period) is always below 65%. Furthermore, cash distributions are restricted and subject to the fulfillment of some requirements, including, among others, the Debt-Service Coverage Ratio shall be at least 1.20x and the payment of the first instalment.

Under this agreement, Oilean Telde Eólica Energy, S.L. is subject to other customary limitations on the disposal of the assets and other restrictions according to which they shall mainly: (i) not incur in any additional debt with other financial or non-financial institutions; (ii) not grant loans, guarantees or any other financing instruments to third parties and (iii) not enter into securities transactions (unless expressly authorized by Banco de Sabadell) nor invest in securities. This credit facility is secured by (i) pledges over the 100% of the shares of Oilean Telde Eólica Energy, S.L. (ii) pledges over the credit rights arising from bank accounts related to the projects; and (iii) pledges over the credit rights arising from the agreements entered into by Oilean Telde Eólica Energy, S.L.

Finally, pursuant to the provisions of the guarantee agreement related to the credit facility agreement, Oilean Telde Eólica Energy, S.L. shall constitute a mortgage and/or pledges over the assets of the project if; (i) the Debt-Service Coverage Ratio is under 1.05x; or (ii) if any of the causes for early maturity set forth in the agreement are met. Finally, in the event of a change of control, i.e. Grupo Ecoener, S.A. ceasing to own 100% of the share capital, directly or indirectly of Oilean Telde Eólica Energy, S.L. during the construction of the wind farm or 50.01% during its operation, Banco de Sabadell shall be entitled to terminate the agreement and claim the payment of the outstanding debt, interests and other expenses set forth in the agreement.

Debt capitalization

On March 4, 2021, our Pre-Offering Sole Shareholder proceeded to capitalize part of the receivable it had with the Group for an amount of €6,500 thousand arising from a debt agreement dated March 10, 2020 granted by the Pre-Offering Sole Shareholder for the financing and development of projects. This transaction was carried out as a shareholder contribution by means of a compensation of part of the receivables held by the Pre-Offering Sole Shareholder from the Company. See *Note 28 to our 2020 Audited Consolidated Annual Accounts*.

Management Incentive Plan

On March 22, 2021, in the context of the Offering and with the aim of aligning the remuneration of our Senior Management and other employees with the interests of shareholders, our Board of Directors approved a remuneration policy that contains four different remuneration packages applicable to (i) employees in the Ecoener Construction division; (ii) Country Managers of the overseas business; (iii) the members of the Senior

Management; and (iv) selected employees in the Ecoener Engineering division. For further details regarding the particular conditions of each package, see section “*Management and Board of Directors—Compensation—Management Incentive Plan*”.

Additionally, on March 22, 2021, our Board of Directors approved the long-term incentive plan for 2021-2023 (the “**LTIP**”). As of the date of this Prospectus, the LTIP is addressed to eight of our senior managers, and to our two Executive Directors, and in order to become a beneficiary an adherence letter should be executed between the relevant manager and us. The number of senior managers to whom the LTIP is addressed may be adjusted and revised over the time. As of the date of this Prospectus, eight managers have become a beneficiary of the LTIP, including our two Executive Directors. The LTIP consists in a payment in cash linked to the performance of the Management EBITDA* for the next three years. The total accumulated amount to be paid to the beneficiaries of the LTIP would be 0.5% of the Management EBITDA* of the year ended December 31, 2023, and beneficiaries would receive, if compliant with the applicable requirements, the percentage agreed in its letter of adherence, which is proportional to the total remuneration perceived by the beneficiary from us. In order to receive payment under the LTIP, the following requirements must be met: (i) as of December 31, 2023, the consolidated Management EBITDA* of the Group should be higher than €80 million; and (ii) the beneficiaries should have remained in the Group from the adherence to the LTIP until December 31, 2023. Payment under the LTIP is expected to take place by the end of the first quarter of 2024.

If the requirements envisaged in the LTIP above are met and the consolidated Management EBITDA* of the year ended December 31, 2023 is at least equal to €80 million, the minimum amount to be paid to all beneficiaries of the LTIP considered as a whole will therefore be €400 thousand, which would be paid with profits generated from the normal course of business.

Capital increase

On March 22, 2021, our Pre-Offering Sole Shareholder, in the context of the Offering and in order to meet the requirements of securities and share capital of listed companies, upon the proposal of the Board of Directors, approved a capital increase through the issuance of new shares against freely available or unrestricted reserves. Consequently, we increased our share capital in the amount of €12,240 thousand to the figure of €12,800 thousand as of the date of this Prospectus, through the issuance of 122,400 new shares of €100 of nominal value each, of the same class and series and with the same rights as those outstanding.

Simultaneously, our Pre-Offering Sole Shareholder approved on that same date the reduction of the nominal value of the shares, multiplying, consequently, the number of outstanding shares. The reduction of the nominal value of the Company's shares, which goes from €100 per share to €0.32 per share in order to increase the number of outstanding shares, provide the share with sufficient liquidity in the market and adjust the foreseeable market value of our shares. As a result of the split, we increased our number of issued shares from 128,000 to 40,000 thousand shares. Finally, we transformed the representation of our shares into book-entry form and designated Iberclear as the entity responsible for maintaining the corresponding accounting records,

DOCUMENTATION INCLUDED OR INCORPORATED BY REFERENCE

The following documentation is included or incorporated by reference into this Prospectus:

- Our audited consolidated annual accounts as of and for the year ended December 31, 2020 of the Company and its subsidiaries, which have been prepared in accordance with IFRS-EU, and other provisions of the financial reporting framework applicable in Spain, and includes comparative figures as of and for the years ending December 31, 2019 and 2018, in Spanish language (https://ecoener.es/bloqueador-de-informacion/?url_redirect=https://ecoener.es/informacion-financiera/31-de-diciembre-de-2020-cuentas-auditadas-consolidadas-auditadas). The English version of our audited consolidated annual accounts as of and for the year ended December 31, 2020 of the Company and its subsidiaries, which have been prepared in accordance with IFRS-EU and other provisions of the financial reporting framework applicable in Spain, is attached to this Prospectus as F-pages;
- Ecoener, S.L.U. and its subsidiaries' English language audited consolidated financial statements as of and for the year ended December 31, 2019 that have been prepared in accordance with IFRS-EU (<https://ecoener.es/31-december-2019-ecoener-s-l-u-and-its-subsidiaries-audited-consolidated-financial-statements/>); and
- Ecoener, S.L.U. and its subsidiaries' Spanish language audited consolidated annual accounts as of and for the year ended December 31, 2018 that have been prepared under in accordance with the applicable financial reporting framework in Spain (https://ecoener.es/bloqueador-de-informacion/?url_redirect=https://ecoener.es/31-de-diciembre-de-2018-cuentas-auditadas-consolidadas) as well as an English translation of said consolidated annual accounts (https://ecoener.es/en/information-blocker/?url_redirect=https://ecoener.es/en/31-december-2018-consolidated-financial-statements/).

The abovementioned audited consolidated annual accounts come along with their respective consolidated management report for Grupo Ecoener S.A.U., including all of their respective annexes and with their respective auditors' reports, which are all either included or incorporated by reference into this Prospectus.

The abovementioned audited consolidated financial statements come along with their respective appendices and with their respective auditors' report for Ecoener S.L.U., which are all incorporated by reference into this Prospectus.

DOCUMENTS ON DISPLAY

Copies of the following documents will be available free of charge at our corporate website (www.ecoener.es) up to Admission, except documents mentioned under items (i) and (iv), and will also be available for inspection in physical form up to Admission during business hours on weekdays at our registered address in Calle Canton Grande, 6 – 6º, 15003, La Coruña, Spain:

- (i) our deed of incorporation together with the relevant deeds of share capital increase, which will only be available for inspection in physical form;
- (ii) the Bylaws (which, following Admission, will also be available only in Spanish on our corporate website, www.ecoener.es);
- (iii) Board of Directors Regulations, General Shareholders' Meeting Regulations (which are also available only in Spanish on the website of the CNMV, www.cnmv.es, and on our corporate website, www.ecoener.es) and the Internal Code of Conduct (which is also available on our corporate website, www.ecoener.es);
- (iv) certificates of the corporate resolutions approved by us in connection with the Offering and the Admission, which will only be available for inspection in physical form;
- (v) the (a) 2020 Audited Consolidated Annual Accounts in Spanish and English language, which includes comparative figures as of and for the years ending December 31, 2019 and 2018; (b) the Sole Shareholder 2019 Audited Consolidated Financial Statements in English and (c) the Spanish language Sole Shareholder 2018 Audited Consolidated Annual Accounts, together with a translation in English language (which, following Admission, will also be available on the website of the CNMV, www.cnmv.es, and on our corporate website, www.ecoener.es);
- (vi) the audited financial statements mentioned in (v) include their respective consolidated report of the sole director for Ecoener, S.L.U. and the 2020 Consolidated Management Report for Grupo Ecoener, S.A.U., including all of their respective annexes, and with their respective auditors' reports.

Documents which have access to the Commercial Registry are also available for inspection by investors.

Pursuant to the Prospectus Regulation, this Prospectus is available on the CNMV's website (www.cnmv.es) and on our corporate website (www.ecoener.es) and will be available for at least 10 years after its publication on the aforementioned websites. Hyperlinks used for the information incorporated by reference into this Prospectus shall remain functional for at least 10 years after the publication of this Prospectus.

Neither our corporate website (www.ecoener.es), nor the CNMV's website or any other website referred to in this Prospectus, nor any of their contents, are considered part of or are incorporated into this Prospectus, whether by reference or otherwise, except as otherwise provided herein. The CNMV has not examined nor approved our corporate website nor any of its contents.

SPANISH TRANSLATION OF THE SUMMARY

A. Introducción y advertencias

EL PRESENTE RESUMEN DEBE LEERSE COMO UNA INTRODUCCIÓN A ESTE FOLLETO. CUALQUIER DECISIÓN DE INVERTIR EN ACCIONES DE GRUPO ECOENER, S.A.U. (LA “SOCIEDAD” Y, JUNTO CON SUS FILIALES, “ECOENER” O EL “GRUPO”) DEBE BASARSE EN LA CONSIDERACIÓN DE ESTE FOLLETO EN SU CONJUNTO POR PARTE DEL INVERSOR. EL INVERSOR PUEDE PERDER LA TOTALIDAD O PARTE DEL CAPITAL INVERTIDO EN LAS ACCIONES.

EN CASO DE PRESENTACIÓN ANTE UN TRIBUNAL DE CUALQUIER DEMANDA RELACIONADA CON LA INFORMACIÓN CONTENIDA EN EL PRESENTE FOLLETO O INCORPORADA POR REFERENCIA AL MISMO, ES POSIBLE QUE EL INVERSOR DEMANDANTE, EN VIRTUD DE LA LEGISLACIÓN ESPAÑOLA, TENGA QUE ASUMIR LOS COSTES DE TRADUCCIÓN DEL FOLLETO Y DE CUALQUIER DOCUMENTO INCORPORADO POR REFERENCIA AL MISMO ANTES DE INICIAR CUALQUIER PROCEDIMIENTO JUDICIAL.

LA RESPONSABILIDAD CIVIL CORRESPONDE SÓLO A LAS PERSONAS QUE HAYAN PRESENTADO EL RESUMEN, INCLUYENDO CUALQUIER TRADUCCIÓN DEL MISMO, PERO SÓLO SI EL RESUMEN ES ENGAÑOSO, INEXACTO O INCOHERENTE CUANDO SE LEE JUNTO CON LAS DEMÁS PARTES DE ESTE FOLLETO, O SI, LEÍDO CONJUNTAMENTE CON EL RESTO DE ESTE FOLLETO, OMITIÓ INFORMACIÓN FUNDAMENTAL PARA AYUDAR A LOS INVERSORES A DECIDIR SI DEBEN INVERTIR O NO EN LAS ACCIONES DE LA SOCIEDAD.

La Sociedad es una sociedad anónima que opera bajo el nombre comercial de “Ecoener”. La Sociedad está inscrita en el Registro Mercantil de La Coruña, al tomo 3716, folio 40, hoja C-59313, titular del número de identificación fiscal (*NIF*) español A-70611538 y del número LEI 959800HBGZWHX69PE419. El domicilio social y el número de teléfono de la Sociedad son: Calle Cantón Grande, 6 – 6º, 15003, La Coruña, España y +34 981 217 003, respectivamente. El código ISIN asignado a las acciones actualmente emitidas es ES0105548004, sin embargo, las Acciones Ofertadas tienen el siguiente código ISIN provisional ES0105548012, y llevarán el mismo código ISIN que las acciones actualmente emitidas a partir de la Admisión. No se ofrecerá ni se solicitará la admisión a negociación de ninguna otra clase de acciones de la Sociedad. Todas las acciones de la Sociedad son de la misma clase.

Este Folleto ha sido aprobado por y registrado con la Comisión Nacional del Mercado de Valores (la “CNMV”) el 15 de abril de 2021. Los inversores pueden contactar con la CNMV en el siguiente número de teléfono: +34 900 535 015. Este Folleto se encuentra disponible en el sitio web de la Sociedad (www.ecoener.es) y en el sitio web de la CNMV (www.cnmv.es). Ni el sitio web de la Sociedad, ni el de la CNMV, ni ningún otro al que se haga referencia en este Folleto, ni ninguno de sus contenidos, forman parte o se incorporan a este Folleto, ya sea por referencia o de otra manera, salvo que se indique lo contrario. La CNMV no ha examinado ni aprobado nuestra página web corporativa ni ninguno de sus contenidos.

Los términos en mayúsculas que no se definen en este Resumen tienen el significado definido en otras secciones del Folleto.

B. Información clave sobre el emisor

B.1 ¿Quién es el emisor de los valores?

La denominación social del emisor es Grupo Ecoener, S.A.U. y su nombre comercial es “Ecoener”. La Sociedad está constituida como sociedad anónima en España, de acuerdo con la legislación española y, en particular, con la Ley de Sociedades de Capital. Tiene su domicilio social en Calle Cantón Grande, 6 – 6º, 15003, La Coruña, España y su número de teléfono es +34 981 217 003. La Sociedad está constituida por tiempo indefinido y tiene el número de identificación fiscal (*NIF*) español A-70611538.

La escritura de constitución de la Sociedad fue otorgada el 28 de enero de 2020 y fue inscrita en el Registro Mercantil de La Coruña el 28 de febrero de 2020. El 12 de junio de 2020, Ecoener, S.L.U., nuestro accionista único antes de la Oferta (el “**Accionista Único Previo a la Oferta**”), en ejercicio de los poderes y facultades de la junta general de accionistas (la “**Junta General de Accionistas**”), aprobó una ampliación de capital mediante aportaciones no dinerarias de las acciones representativas de las participaciones de control en el capital social de nuestras filiales por importe de 500.000€ mediante la emisión de 5.000 nuevas acciones ordinarias de 100€ de

valor nominal cada una y con una prima de 950€ por acción. El 22 de marzo de 2021, nuestro Accionista Único Previo a la Oferta, en ejercicio de los poderes y facultades de la Junta General de Accionistas, aprobó, entre otros asuntos, (i) modificar del sistema de representación de las acciones (anotaciones en cuenta) así como designar a Iberclear como entidad encargada del registro contable de las acciones de la Sociedad; y (ii) aumentar el capital social de la Sociedad con cargo a reservas voluntarias, de 560 miles de euros a 12.800 miles de euros, cifra del capital social a fecha del presente Folleto, emitiendo 122.400 acciones de 100 euros de valor nominal, hasta un número total de 128.000 acciones, todas ellas asignadas a nuestro Accionista Único Previo a la Oferta, y posteriormente desdoblar el número de acciones de la Sociedad reduciendo su valor nominal de 100 a 0,32 euros por acción, a razón de 312,5 acciones nuevas por cada acción antigua, sin alterar el valor del capital social entonces ampliado.

A pesar de que la Sociedad se constituyó en 2020, comenzamos a operar en 1988, con sede en La Coruña, España, concentrando nuestra actividad en España (Galicia). En 2005 iniciamos la expansión de nuestra internacionalización, que se ha traducido en una presencia geográfica diversificada. A la fecha de este Folleto, estamos trabajando en 11 países en los que operamos, construimos o desarrollamos activos o proyectos de energías renovables. Con equipos de trabajo en cuatro países a la fecha de este Folleto, contamos con 65 empleados.

Somos una entidad operativa y también la sociedad de cabecera del Grupo. En la fecha del presente Folleto, las siguientes filiales tienen proyectos En Explotación y En Construcción: Hidroeléctrica del Giesta, S.L., Energías de Pontevedra, S.L., Hidroeléctrica de Oural, S.L., Sociedad Lucense de Energía Hidráulica y Eólica, S.L., Drago Renovables, S.L., Mocan Renovables, S.L., Yesquera de Aluce, S.L., Cardo de Plata, S.L., Alamillo de Doramas, S.L., Violeta de Anaga, S.L., Eólicos del Matorral, S.L., Llanos del Sur Fotovoltaica, S.A., Energías del Ocosito, S.A., Dama de Bandama, S.L., Siempreviva Gigante, S.L., Rosalito Palmero, S.L., Tabaiba Solar, S.L., Canutillo de Sabinosa, S.L., Bencomia de Risco, S.L. y EFD Ecoener Fotovoltaica Dominicana, S.R.L.

Ecoener es una empresa multi-tecnológica global e integrada con una cartera de activos operativos de alta calidad y a largo plazo y con un posicionamiento único para ofrecer un crecimiento sostenible y altamente rentable.

Nuestras actividades principales se dividen en (i) explotación de instalaciones hidroeléctricas, (ii) explotación de parques eólicos, (iii) explotación de plantas solares fotovoltaicas (“PV”), (iv) comercialización de energía y (v) otros servicios.

Ecoener es un grupo multi-tecnológico integrado verticalmente y activo, con recursos propios en todos los procesos de la cadena de valor de la energía, incluyendo el desarrollo, la ingeniería, la adquisición y la construcción (“EPC”), la operación y el mantenimiento (“O&M”) de instalaciones hidroeléctricas, parques eólicos y plantas solares PV, y la comercialización de energía, todo ello con una trayectoria probada y con más de 32 años de experiencia en el sector. Contamos con nuestras propias capacidades de EPC y O&M, lo que nos permite conservar los márgenes de beneficio asociados a estos servicios.

Hemos instalado el 21% de la capacidad hidroeléctrica en España durante los últimos 12 años. Asimismo, hemos instalado en España la primera planta solar fotovoltaica con paneles solares de alta eficiencia y hemos sido la primera compañía en España en instalar la tecnología de aerogeneradores Enercon E-70. En 2017, pusimos en marcha el 30,5% de la capacidad eólica instalada en España.

Nuestra cartera de activos (*Portfolio*) se compone de activos “En Explotación” (*In Operation*) y “En Construcción” (*Under Construction*). Nuestra cartera de proyectos (*Pipeline*) clasifica los proyectos en “Pendiente” (*Backlog*), “Desarrollo avanzado” (*Advanced Development*) y “Fase Inicial” (*Early Stage*).

En lo que respecta a nuestro *Portfolio*, a la fecha del presente Folleto, nuestras filiales son propietarias de instalaciones de energía renovable En Explotación en tres países (España, Guatemala y Honduras), con una capacidad total de, aproximadamente, 141 MW (52 MW correspondientes a instalaciones hidroeléctricas, 73 MW correspondientes a parques eólicos y 16 MW correspondientes a plantas solares fotovoltaicas), de los cuales 116 MW (48 MW correspondientes a instalaciones hidroeléctricas, 60 MW correspondientes a parques eólicos y 8 MW correspondientes a plantas solares fotovoltaicas) son atribuibles a la participación que poseemos en dichos proyectos.

A la fecha del presente Folleto, tenemos en nuestro *Pipeline*, proyectos de energía renovable con una capacidad instalada potencial (es decir, la cantidad de electricidad que un generador puede producir en condiciones ideales) de aproximadamente 1.527 MW, consistente en proyectos en *Backlog* (284 MW), *Advanced Development* (64 MW) y *Early Stage* (1.179 MW).

La siguiente tabla presenta cierta información sobre la titularidad de las acciones ordinarias de la Sociedad antes y después de la Oferta.

Titular	Antes de la Oferta		Después de la Oferta ⁽³⁾			
	Número de Acciones	%	Opción de Sobreasignación no ejercida	%	Opción de Sobreasignación ejercida en su totalidad ⁽¹⁾	%
D. Luis Valdivia ⁽²⁾	40.000.000	100	40.000.000	61,5	40.000.000	59,2
GAM International Management Limited.....	—	—	2.068.965	3,2	2.068.965	3,1
Free Float	—	—	23.006.897	35,4	25.514.483	37,8

(1) Todas nuestras acciones tienen los mismos derechos de voto.

(2) Por medio de Ecoener, S.L.U.

(3) Asumiendo que el Precio de la Oferta se encuentra en el extremo superior del Rango de Precios de la Oferta.

En la fecha del presente Folleto, los miembros del Consejo de Administración de la Sociedad son diez.

B.2 ¿Cuál es la información financiera clave sobre el emisor?

La escritura de constitución de la Sociedad fue otorgada el 28 de enero de 2020 y fue inscrita en el Registro Mercantil de La Coruña el 28 de febrero de 2020.

El 12 de junio de 2020, nuestro Accionista Único Previo a la Oferta, Ecoener, S.L.U., en ejercicio de los poderes y facultades de la Junta General de Accionistas, aprobó una ampliación de capital mediante aportaciones en especie como contraprestación a la aportación a nuestro favor de las participaciones dominantes en el capital social de nuestras filiales. Por lo tanto, la Sociedad es un emisor de valores de renta variable con un historial financiero complejo a los efectos del artículo 18 del Reglamento Delegado (UE) 2019/980, por lo que la información prescrita por el Anexo 1 del Reglamento Delegado (UE) 2019/980 no representa con exactitud la situación del emisor. En consecuencia, la información financiera incluida en el presente Folleto, con el fin de representar fielmente nuestra compañía y permitir a los inversores realizar una evaluación informada sobre la Sociedad de acuerdo con el artículo 6(1) del Reglamento de Folletos, se ha obtenido de las cuentas anuales consolidadas auditadas de Grupo Ecoener, S.A.U. y sociedades dependientes a fecha de y para el ejercicio cerrado a 31 de diciembre de 2020, que han sido preparadas de acuerdo con las Normas Internacionales de Información Financiera adoptadas por la Unión Europea (“NIIF-UE”) y que han sido auditadas por KPMG Auditores, S.L. Estas cuentas anuales consolidadas a fecha de y para el ejercicio cerrado a 31 de diciembre de 2020 incluyen cifras comparativas no auditadas para los ejercicios cerrados a 31 de diciembre de 2019 y de 2018. La información financiera del ejercicio 2019 respecto de la cual existe una opinión de auditores es la correspondiente a las cuentas anuales consolidadas auditadas de Ecoener, S.L.U. (Accionista Único Previo a la Oferta) y sociedades dependientes a fecha de y para el ejercicio cerrado a 31 de diciembre de 2019 preparadas de acuerdo con las NIIF-UE. La información financiera del ejercicio 2018 respecto de la cual existe una opinión de auditores es la correspondiente a las cuentas anuales consolidadas auditadas de Ecoener, S.L.U. (Accionista Único Previo a la Oferta) y sociedades dependientes a fecha de y para el ejercicio cerrado a 31 de diciembre de 2018 preparadas de acuerdo con el marco de información financiera aplicable en España.

Hemos seguido el criterio de incluir dentro del presente Folleto la información financiera no auditada a 31 de diciembre de 2019 y de 2018 y para los ejercicios terminados en dichas fechas, incluida a efectos comparativos dentro de las cuentas anuales consolidadas auditadas de la Sociedad a 31 de diciembre de 2020 y para el ejercicio terminado en dicha fecha, que han sido elaboradas de acuerdo con las NIIF-UE con el fin de seguir un criterio de homogeneidad y porque no difieren significativamente de la información financiera del Accionista Único Previo a la Oferta.

Cuenta de Resultados Consolidada

	Ejercicio anual terminado al 31 de diciembre de		
	2020	2019	2018
	auditado	no auditado	
	<i>(en miles de euros)</i>		
Importe neto de la cifra de negocios.....	36.897	33.736	31.167
Resultado de Explotación.....	17.161	11.227	10.846
Resultado consolidado del ejercicio procedente de operaciones continuadas.....	5.768	5.832	136
<i>Resultado atribuido a la Sociedad Dominante.....</i>	<i>3.457</i>	<i>5.305</i>	<i>350</i>
<i>Resultado atribuido a participaciones no dominantes.....</i>	<i>2.311</i>	<i>527</i>	<i>(214)</i>

Balance de Situación Consolidado

	A 31 de diciembre de		
	2020	2019	2018
	auditado	no auditado	
	<i>(en miles de euros)</i>		
Total activo.....	228.928	195.862	193.592
Total patrimonio neto.....	11.616	15.414	17.730
Deuda Financiera Neta* ⁽¹⁾	182.193	123.089	122.224

(1) La Deuda Financiera Neta es una medida alternativa de rendimiento.

Estado de Flujos de Efectivo Consolidado

	Ejercicio anual terminado al 31 de diciembre de		
	2020	2019	2018
	auditado	no auditado	
	<i>(en miles de euros)</i>		
Flujos de efectivo de las actividades de explotación consolidados (1)	9.118	14.885	13.038
Flujos de efectivo de las actividades de inversión consolidados (2)	(32.668)	(9.075)	(4.141)
Flujos de efectivo de las actividades de financiación consolidados (3)	24.547	(2.139)	(4.152)
Aumento neto del efectivo o equivalentes (1+2+3)	997	3.671	4.745
<i>Efectivo o equivalentes al comienzo de ejercicio</i>	<i>12.684</i>	<i>9.013</i>	<i>4.268</i>
<i>Efectivo o equivalentes al final de ejercicio</i>	<i>13.681</i>	<i>12.684</i>	<i>9.013</i>

B.3 ¿Cuáles son los principales riesgos específicos del emisor?

Los factores de riesgo más importantes específicos del emisor son:

Riesgos relacionados con nuestra situación financiera

- Contamos con un endeudamiento sustancial y podríamos incurrir en un mayor endeudamiento en el futuro.

Riesgos relacionados con nuestro negocio e industria

- Nuestra capacidad instalada total asciende a 141 MW para nuestros activos *In Operation* (de los cuales 116 MW son atribuibles a nuestra participación en dichos proyectos) y 142 MW de nuestros activos *Under Construction* son atribuibles a nosotros. Nuestro *Pipeline*, que incluye proyectos en

distintas fases de desarrollo, *Early Stage*, *Advanced Development* y *Backlog*, suma una capacidad instalada total de 1.527 MW. Del total de la capacidad instalada prevista en nuestro *Pipeline*, 1.179 MW corresponden a nuestros proyectos del *Early Stage*, que son proyectos que se encuentran en una fase inicial de desarrollo y, por tanto, con menos probabilidad de éxito. En este contexto, es posible que no podamos completar con éxito nuestros proyectos en *Early Stage* y *Advanced Development* así como concluir el desarrollo de nuestro *Pipeline*, que está sujeto a ajustes y cancelaciones inesperadas y, por lo tanto, no es un indicador preciso de nuestros ingresos o ganancias futuras. Las limitaciones en la disponibilidad de la red eléctrica, incluida nuestra incapacidad para obtener el acceso a las líneas de transmisión/distribución o el control de los emplazamientos adecuados de forma oportuna y rentable, podrían afectar negativamente a nuestra actividad, estrategia de crecimiento, resultados de las operaciones, situación financiera y perspectivas.

- Nuestras operaciones requieren la obtención de licencias, autorizaciones, concesiones y permisos para nuestros proyectos, lo que puede suponer un proceso largo y complejo. La no obtención o renovación de dichas autorizaciones, licencias, concesiones y permisos o el incumplimiento de las condiciones de dichas autorizaciones, licencias y permisos puede tener un efecto material adverso en nuestro negocio, estrategia de crecimiento, resultados de las operaciones, situación financiera y perspectivas.
- Nuestros acuerdos de venta de energía (*off-take arrangements*), incluyendo nuestra remuneración regulada, nuestros Contratos de compraventa de Energía (*Power Purchase Agreements*), así como nuestras ventas a mercado (*merchant*), pueden exponernos a ciertos riesgos que pueden afectar a nuestro negocio, estrategia de crecimiento, resultados de las operaciones, situación financiera y perspectivas. Nuestros ingresos y beneficios están expuestos a los precios de la electricidad.

Riesgos legales y regulatorios

- Operamos en un sector muy regulado y estamos expuestos a cambios normativos en las múltiples jurisdicciones en las que tenemos presencia.

C. Información clave sobre los valores

C.1 ¿Cuáles son las características principales de los valores?

Las Acciones son acciones ordinarias de valor nominal de 0,32 euros cada una.

El código ISIN asignado a las acciones actualmente emitidas es ES0105548004, mientras que las Acciones de la Oferta Inicial tienen el siguiente código ISIN provisional ES0105548012 y llevarán el mismo código ISIN que las acciones actualmente emitidas a partir de la Admisión. No habrá oferta o solicitud de admisión a negociación para ninguna otra clase de acciones de la Sociedad. Todas las acciones de la Sociedad son de la misma clase.

Las Acciones de la Oferta Inicial se crearán de conformidad con la Ley de Sociedades de Capital y tendrán el mismo rango (*pari passu*) en todos los aspectos que las acciones anteriormente existentes, incluso en lo que respecta al derecho de voto y al derecho a recibir todos los dividendos y otras distribuciones declaradas, realizadas o pagadas sobre el capital social de la Sociedad. Cada Acción, incluidas las Acciones Ofertadas, tiene un voto en la Junta General de Accionistas de la Sociedad. No hay restricciones a los derechos de voto de las Acciones.

Los tenedores de Acciones tienen los derechos y se encuentran sujetos a las obligaciones establecidos en los Estatutos Sociales. En particular, los siguientes derechos son inherentes a la condición de accionista:

- Derecho a asistir y votar en la junta general de accionistas.
- Derechos de suscripción preferente en los aumentos de capital social mediante aportaciones dinerarias y para cualquier nueva emisión de bonos convertibles en acciones.
- Derecho a ejercitar las acciones de los accionistas.
- Derechos de información.
- Dividendos y derechos de liquidación.

La Sociedad no prevé distribuir dividendos en los próximos tres años. Tras ese período, la Sociedad reevaluará su política de distribución de dividendos y el pago de futuros dividendos se basará, entre otras cosas, en los resultados financieros y las perspectivas comerciales de la Sociedad.

C.2 ¿Dónde se negociaran los valores?

Se solicitará la admisión a negociación de las acciones ordinarias de la Sociedad en las Bolsas de Valores de Barcelona, Bilbao, Madrid y Valencia (las “**Bolsas de Valores Españolas**”) para que negocien a través del SIB (Sistema de Interconexión Bursátil o Mercado Continuo) de las Bolsas de Valores Españolas. La Sociedad prevé que sus acciones ordinarias se negocien en las Bolsas de Valores Españolas el o a partir del 30 de abril de 2021 con el símbolo “ENER”.

C.3 ¿Existe alguna garantía inherente a los valores?

No aplicable.

C.4 ¿Cuáles son los principales riesgos específicos de los valores?

Los factores de riesgo más importantes específicos para los valores son los siguientes:

- Tras la Oferta, el accionista mayoritario de la Sociedad continuará ejerciendo una influencia significativa sobre la compañía, nuestra gestión y nuestras operaciones, y sus intereses pueden no estar alineados con los intereses del resto de accionistas.
- Nuestras Acciones están expuestas a riesgos de negociación y otros factores externos.
- No podemos garantizar el pago de dividendos en el futuro y no prevemos el pago de dividendos durante los tres años siguientes a la Oferta.

D. Información clave sobre la admisión a negociación en un mercado regulado

D.1 ¿En qué condiciones y bajo qué calendario puedo invertir en este valor?

Esperamos que el calendario provisional de la Oferta sea el siguiente:

Hito	Fecha⁽¹⁾
Aprobación y registro del Folleto con la CNMV	15 de abril de 2021
Inicio del periodo de recepción de ofertas (<i>Book-building period</i>) por Inversores Cualificados	15 de abril de 2021
Finalización del periodo de <i>Book-building period</i>	28 de abril de 2021
Firma del contrato de suscripción (<i>Underwriting Agreement</i>)	28 de abril de 2021
Comunicación de información privilegiada con el Precio de la Oferta y el número de Acciones de la Oferta Inicial	28 de abril de 2021
Selección de ofertas para la suscripción de Acciones Ofertadas	28 de abril de 2021
Asignación final de Acciones Ofertadas	28 de abril de 2021
Prefinanciación de las Acciones de la Oferta Inicial por el Coordinador Global y Agente de Colocación	No más tarde de las 9:00 am (CET) el 29 de abril de 2021
Otorgamiento de la escritura de aumento de capital social	29 de abril de 2021
Presentación e inscripción de la escritura pública de aumento de capital social en el Registro Mercantil	29 de abril de 2021
Fecha Estimada de Transacción de la Oferta y comunicación de otra información relevante	29 de abril de 2021
Fecha Estimada de Admisión e inicio del Periodo de Estabilización (en o en torno a)	30 de abril de 2021
Fecha de Liquidación (en o en torno)	3 de mayo de 2021
Fin del Periodo de Estabilización (no más tarde de)	30 de mayo de 2021

(1) Cada una de las fechas incluidas en el calendario provisional anterior está sujeta a cambios sin previo aviso. Cualquier cambio, incluyendo, en particular, cualquier aplazamiento o reducción del calendario provisional, se hará público mediante la publicación de la correspondiente comunicación de otra información relevante con la CNMV.

Asumiendo que las Acciones de la Oferta Inicial son suscritas en su totalidad en la Oferta a un Precio de la Oferta que se encuentre en el extremo superior del Rango de Precios de la Oferta y que la Opción de Sobreasignación no sea ejercida, la participación del Accionista Único Previo a la Oferta en la Sociedad representaría aproximadamente 61,47% del número total de acciones ordinarias después de la Oferta.

Bajo tales asunciones, si las Acciones de la Oferta Inicial son suscritas en su totalidad a un Precio de la Oferta que se encuentra en el extremo superior del Rango de Precios de la Oferta y la Opción de Sobreasignación es ejercida en su totalidad, la participación del Accionista Único Previo a la Oferta sería de 59,19% del total de acciones existentes después de la Admisión.

Debido a la dificultad para determinar los gastos incurridos a la fecha del presente Folleto, a efectos meramente informativos, los gastos estimados a pagar por nosotros en relación con la Oferta ascenderán a, aproximadamente, 11,2 millones de euros (IVA aplicable excluido) si la Opción de Sobreasignación no se ejercita y aproximadamente, 11,9 millones de euros (IVA aplicable excluido) en caso de que la Opción de Sobreasignación (hasta el 10% de las Acciones de la Oferta Inicial) se ejercite en su totalidad.

Quienes suscriban las Acciones Ofertadas podrían estar obligados a pagar, además del Precio de la Oferta, los impuestos sobre el timbre y otros cargos, de acuerdo con las leyes y prácticas de su país de compra.

Asimismo, los adquirentes deberán soportar las comisiones que deban abonarse a los intermediarios financieros a través de los cuales serán titulares de las Acciones Ofertadas, incluyendo aquellas comisiones de administración y custodia de valores que sean fijadas libremente por los correspondientes intermediarios financieros y comunicadas a la CNMV o al Banco de España, según corresponda.

D.2 ¿Quién es el oferente o la persona que solicita la admisión a negociación?

El oferente de las Acciones de la Oferta Inicial es la Sociedad (véase la sección “B. Información clave sobre el emisor” de este Resumen). El oferente de las Acciones Adicionales en caso de que la Opción de Sobreasignación sea ejercitada, en todo o en parte, será la Sociedad también. La Opción de Sobreasignación será ejercitable, en todo o en parte, por Soci t  G n rale en su calidad de gestor de estabilizaci n, actuando en nombre de los Colocadores (*Underwriters*), durante un periodo de 30 d as naturales a partir de la fecha de inicio de negociaci n de las acciones ordinarias de la Sociedad en las Bolsas Espa olas a trav s del SIB.

D.3  Por qu  se ha elaborado este folleto?

El presente Folleto constituye un folleto relativo a nosotros a los efectos de los Art culos 3 y 4 del Reglamento de Folletos. El presente Folleto ha sido aprobado como tal por la CNMV en su condici n de autoridad competente en virtud de la Ley del Mercado de Valores y de las correspondientes normas de desarrollo en Espa a para la admisi n de las acciones ordinarias de la Sociedad en las Bolsas Espa olas.

La Sociedad espera obtener unos ingresos brutos de, aproximadamente, 181,8 millones de euros a trav s de la emisi n de entre 25.075.862 y 30.813.559 de Acciones de la Oferta Inicial, representativas de entre el 38,5% y 43,5% del capital social tras la Oferta, siendo el n mero de Acciones de la Oferta Inicial el necesario, seg n el Precio de la Oferta, para obtener los mencionados ingresos brutos de 181,8 millones de euros. La Sociedad espera pagar comisiones y gastos de las Acciones de la Oferta Inicial por un importe de, aproximadamente, 11,2 millones de euros (IVA aplicable excluido), con cargo a dichos ingresos brutos obtenidos en la Oferta. En consecuencia, esperamos obtener unos ingresos netos de, aproximadamente, 170,6 millones de euros mediante la emisi n de las Acciones de la Oferta Inicial en la Oferta.

Si la Opci n de Sobreasignaci n se ejerce en su totalidad, la Sociedad emitir  las Acciones Adicionales y obtendr  unos ingresos netos adicionales de hasta, aproximadamente, 17,5 millones de euros una vez deducidos 0,7 millones de euros en concepto de comisiones y gastos adicionales.

Utilizaremos los ingresos de la emisi n de las Acciones de la Oferta Inicial en el siguiente orden: (i) para pagar los gastos de la Oferta, y (ii) para financiar inversiones para el desarrollo y la construcci n de los proyectos identificados dentro de nuestro *Pipeline* con el fin de ampliar nuestro *Portfolio*. En particular, esperamos utilizar (i) alrededor de 11,9 millones de euros para pagar los gastos de la Oferta si se ejerce la Opci n de Sobreasignaci n en su totalidad; y (ii) alrededor de 188,1 millones de euros para financiar inversiones para el desarrollo y la construcci n de los proyectos identificados dentro de nuestro *Pipeline*, con el fin de ampliar nuestro *Portfolio*.

Los ingresos de la Oferta no se utilizar n para amortizar el bono verde de 130 millones de euros emitido el 10 de septiembre de 2020 ni ning n otro endeudamiento financiero de la Sociedad.

**GRUPO ECOENER, S.A.U. AND SUBSIDIARIES' AUDITED CONSOLIDATED ANNUAL
ACCOUNTS IN ENGLISH AS OF DECEMBER 31, 2020 AND FOR THE YEAR THEN ENDED,
WHICH HAVE BEEN PREPARED IN ACCORDANCE WITH IFRS-EU, AND INCLUDE
COMPARATIVE FIGURES AS OF DECEMBER 31, 2019 AND 2018 AND FOR THE YEARS THEN
ENDED**



Auditor's Report on Grupo Ecoener, S.A.U. and Subsidiaries

(Together with the consolidated annual accounts
and consolidated management report of Grupo
Ecoener, S.A.U. and subsidiaries for the year
ended December 31, 2020)



KPMG Auditores, S.L.
Calle de la Fama, 1 1º
15001 A Coruña

Independent Auditor's Report on the Consolidated Annual Accounts

To the Sole Shareholder of Grupo Ecoener, S.A.U.

Opinion

We have audited the consolidated annual accounts of Grupo Ecoener, S.A.U. (the "Parent") and its subsidiaries (together the "Group"), which comprise the consolidated balance sheet at December 31, 2020, and the consolidated profit and loss account, consolidated statement of recognised income and expenses, consolidated statement of changes in net equity and consolidated cash flows statement for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at December 31, 2020, and of its consolidated 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 of the financial reporting framework applicable in Spain.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

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



Most Relevant Aspects of the Audit

The most relevant aspects of the audit are those that, in our professional judgment, have been considered as the most significant risks of material misstatement in the audit of the consolidated annual accounts of the current period. These risks were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

Revenue recognition (see notes 2 (e), 4 (m) and 21 to the consolidated annual accounts)

Under net revenues, the Group mainly recognizes remuneration obtained from the production of electricity from renewable energy sources. Revenue recognition is an area subject to material misstatement, particularly in relation to the application of the regulatory framework in force and the appropriate timing of recognition of revenue from the sale of energy in the corresponding year.

Our audit procedures included, among others, understanding the regulatory framework for the areas of activity in which the Group operates and the process for recognizing revenue from energy sales, obtaining remuneration settlements to establish revenues recognized and outstanding balances, for which we requested evidence of subsequent collection where appropriate. We also assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

Recoverable amount of non-current assets (see notes 4 (g), 5 and 6 to the consolidated annual accounts)

The Group has property, plant and equipment amounting to Euros 175,764 thousand and intangible assets amounting to Euros 7,951 thousand. When there are indications of impairment of these assets, the Group assesses annually whether the carrying amount of the assets exceeds their recoverable amount. The recoverable amount is determined by estimating projections of discounted cash flows expected from the assets to determine the value in use. Value in use requires the application of valuation techniques that involve the exercising of judgment by management and the Directors as well as the use of estimates. Due to the high level of judgment, the uncertainty associated with these estimates and the significance of the carrying amount of these assets, this has been considered a relevant aspect of our audit.

Our audit procedures included, among others, understanding the Group's estimation process for determining the recoverable amount of the aforementioned assets. We assessed the criteria used by the Group to identify indications of impairment and the methodology used in estimating the recoverable amount using the discounted cash flow method. We also evaluated the reasonableness of the key assumptions used with the assistance of our valuation specialists. In addition, we assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.



Emphasis of Matter

We draw your attention to note 2(a) to the accompanying consolidated annual accounts, which states that these consolidated annual accounts are the first to be prepared by the Group under IFRS-EU. As indicated in this note, the Group has opted to present comparative information as though the subsidiaries contributed to the Group or acquired by it in 2020 already formed part of the Group at 1 January 2018. This is because prior to that date they formed part of the same higher group (Ecoener, S.L.U. and subsidiaries). In this respect, the Group has measured its assets and liabilities at that date in accordance with the values determined by the sole shareholder (Ecoener, S.L.U.) at the transition date. Our opinion is not modified in respect of this matter.

Other Information: Consolidated Management Report

Other information solely comprises the 2020 consolidated management report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated management report. Our responsibility for the consolidated management report, in accordance with the requirements of prevailing legislation regulating the audit of accounts, consists of assessing and reporting on the consistency of the consolidated management report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned consolidated annual accounts, and assessing and reporting on whether the content and presentation of the consolidated management report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described in the preceding paragraph, the information contained in the consolidated management report is consistent with that disclosed in the consolidated annual accounts for 2020 and the content and presentation of the report are in accordance with applicable legislation.

Directors' Responsibility for the Consolidated Annual Accounts

The Parent's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent's Directors 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 have no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts 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 legislation regulating the audit of accounts 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 annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, 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 the Parent's Directors.
- Conclude on the appropriateness of the Parent's 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 annual accounts 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 annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.
- 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 annual accounts. 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 Parent's Directors 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.



From the significant risks communicated to the Directors of Grupo Ecoener, S.A.U., we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the most significant risks.

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

KPMG Auditores, S.L.

On the Spanish Official Register of Auditors ("ROAC") with No. S0702

Daniel Fraga Romero

On the Spanish Official Register of Auditors ("ROAC") with No. 18135

April 9, 2021



KPMG AUDITORES, S.L.

2021 Núm. 04/21/00570

Informe de auditoría de cuentas sujeto
a la normativa de auditoría de cuentas
española e internacional

Grupo Ecoener, S.A.U. and subsidiaries

Consolidated Annual Accounts

as of December 31, 2020 and for the year then ended.

Consolidated Management Report

as of December 31, 2020 and for the year then ended

(Prepared in accordance with the International Financial Reporting Standards as adopted by the European Union)

GRUPO ECOENER, S.A.U AND SUBSIDIARIES

Consolidated Balance Sheet
as of December 31, 2020
(expressed in thousands of euros)

Consolidated Assets	Note	31.12.2020	31.12.2019	31.12.2018
Non-current assets				
Intangible assets	5	7,951	7,462	7,849
Goodwill		3,905	3,975	4,186
Concession arrangements		1,840	2,245	2,428
Other intangible assets		2,206	1,242	1,235
Right of use assets	8	7,750	5,019	5,225
Property, plant and equipment	6	175,764	152,108	149,231
Land and buildings		83,059	85,103	90,488
Machinery and equipment		72,609	52,123	54,645
Fixed assets in progress		20,096	14,882	4,098
Long-term investments in group companies and associates	11	1	-	2,469
Long-term financial investments	10 and 11	454	755	1,362
Credits to third parties		414	711	1,270
Derivatives		-	-	49
Other financial assets		40	44	43
Deferred tax assets	19	5,033	4,183	2,071
Other non-current assets	18	681	716	712
Total non-current assets		197,634	170,243	168,919
Current assets				
Inventories		230	-	67
Work in progress		57	-	67
Advances to suppliers		173	-	-
Trade and other receivables	10 and 11	13,703	9,802	12,719
Customers for short-term sales and services		5,904	6,065	5,766
Other trade debtors		-	105	3,142
Other credits with tax authorities	19	7,799	3,462	3,555
Other receivables		-	170	256
Current tax assets	19	828	-	-
Short-term investments in group companies and associates	10 and 20.a	376	325	525
Short-term financial investments	10 and 11	1,661	1,848	2,046
Credits to third parties		249	142	538
Other financial assets		1,412	1,706	1,508
Other current assets	18	815	960	303
Cash and cash equivalents		13,681	12,684	9,013
Cash		13,681	12,684	9,013
Total current assets		31,294	25,619	24,673
Total assets		228,928	195,862	193,592

The attached explanatory notes 1 to 28 and the Appendix I are an integral part of the Consolidated Annual Accounts for the financial year 2020.

GRUPO ECOENER, S.A.U AND SUBSIDIARIES

Consolidated Balance Sheet
as of December 31, 2020
(expressed in thousands of euros)

Consolidated Net Equity and Liabilities	Note	31.12.2020	31.12.2019	31.12.2018
Share capital		560	-	-
Issue premium		4,750	-	-
Other reserves		(5,840)	1,259	7,954
Other Shareholder's contributions		73	-	-
Income for the year attributable to the Parent Company		3,457	5,305	350
Exchange differences		(356)	817	656
Equity attributed to Parent Company equity holders	13	2,644	7,381	8,960
Non-controlling interest	13	8,972	8,033	8,770
Total net equity	13	11,616	15,414	17,730
Non-current liabilities				
Long-term provisions	14	1,356	681	473
Other provisions		1,356	681	473
Long-term debts	15	185,518	153,444	152,116
Debt with financial institutions		39,947	116,478	120,472
Lease liabilities		6,724	26,272	29,267
Obligations and other marketable securities		116,096	-	-
Long-term debt with related parties	20	8,479	3	-
Derivatives		-	1,317	-
Other financial liabilities		14,272	9,374	2,377
Deferred tax liabilities	19	126	-	60
Grants	16	3,607	3,618	-
Non-current accounts payable	15	163	3,403	2,325
Other long-term payable accruals	18	2,464	2,580	2,696
Total non-current liabilities		193,234	163,726	157,670
Current liabilities				
Short-term debts	15	19,133	13,553	13,448
Debt with financial institutions		3,184	10,010	9,239
Lease liabilities		392	3,104	3,014
Obligations and other marketable securities		6,382	-	-
Short-term debt with related parties		834	-	67
Derivatives		1,554	-	-
Other financial liabilities		6,787	439	1,128
Trade and other accounts payable	15	4,685	3,052	4,627
Short-term suppliers		4	2	-
Other trade payables		3,729	2,176	4,032
Wages payable		9	11	-
Other debts with tax authorities	19	943	863	595
Current tax liabilities	19	142	-	-
Short-term accruals	18	118	117	117
Total current liabilities		24,078	16,722	18,192
Total net equity and liabilities		228,928	195,862	193,592

The attached explanatory notes 1 to 28 and the Appendix I are an integral part of the Consolidated Annual Accounts for the financial year 2020.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Consolidated Profit and Loss Account
for the year ended December 31, 2020

(expressed in thousands of euros)

Consolidated Profit and Loss Account	Note	2020	2019	2018
Net Revenues	21.a	36,897	33,736	31,167
Sales		36,034	33,046	30,982
Rendering services		863	690	185
Changes in inventories of finished and semi-finished products		(5)	(74)	(67)
Supplies		(3,652)	(3,512)	(2,316)
Raw materials and other consumables		(3,625)	(3,484)	(2,313)
Work performed by other companies		(27)	(28)	(3)
Other operating income		119	125	119
Other income		118	123	119
Government's grants		1	2	-
Personnel expenses		(1,852)	(1,890)	(1,895)
Salaries, wages and similar items		(1,516)	(1,530)	(1,599)
Social charges	21.b	(336)	(360)	(296)
Other operating expenses		(9,111)	(10,092)	(8,454)
External services		(8,047)	(5,193)	(4,500)
Taxes		(2,044)	(1,849)	(2,477)
Losses, impairment, and variation of provisions for trade operations	9 and 10	980	(3,050)	(1,477)
Depreciation and amortization	5 and 6	(8,140)	(7,953)	(7,861)
Government grants for non-financial assets and others		12	-	-
Impairment and income from disposal of fixed assets	5 and 6	2,739	642	(786)
Gains or losses on disposals and other		2,739	642	(786)
Other income		154	245	939
Operating income		17,161	11,227	10,846
Financial income	10	235	620	40
Financial expense		(10,299)	(6,122)	(7,422)
With related parties		(168)	-	-
Debts with third parties	10.b and 11.b	(10,091)	(6,086)	(7,406)
Lease expense	8	(35)	(30)	(10)
Change in financial provisions	14	(5)	(6)	(6)
Changes in fair value of financial instruments	10.b and 15	(2,281)	(1,367)	(434)
Net exchange gains/(losses)		377	10	(2,869)
Impairment from disposals of financial instruments		-	(438)	(48)
Impairment and losses		-	(438)	(48)
Net financial loss		(11,968)	(7,297)	(10,733)
Income/(loss) before tax		5,193	3,930	113
Income tax benefit/(expense) for the year	19	575	1,902	23
Net income/(loss) from continued operations		5,768	5,832	136
Net income/(loss) attributed to the Parent Company	13	3,457	5,305	350
Net income/(loss) attributed to non-controlling interest	13	2,311	527	(214)
		2020	2019	2018
Profit / (Loss) by share				
Basic and diluted	27	0.61732	-	-

The attached explanatory notes 1 to 28 and the Appendix I are an integral part of the Consolidated Annual Accounts for the financial year 2020.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Consolidated Statement of Changes in Net Equity
for the year ended December 31, 2020

A) Consolidated Statement of Recognised Income and Expenses
(expressed in thousand euros)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net income/(loss) from continued operations	<u>5,768</u>	<u>5,832</u>	<u>136</u>
Other comprehensive income/(loss)			
Total income/(loss) recognised directly in consolidated equity			
Exchange differences	(1,173)	161	723
Other comprehensive income/(loss), net of tax	<u>(1,173)</u>	<u>161</u>	<u>723</u>
Total recognised income	<u><u>4,595</u></u>	<u><u>5,993</u></u>	<u><u>859</u></u>
Income/(loss) attributable to the Parent Company	2,284	5,466	1,073
Income/(loss) attributable to non-controlling interest	2,311	527	(214)

The attached explanatory notes 1 to 28 and the Appendix I are an integral part of the Consolidated Annual Accounts for the financial year 2020.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Consolidated Statement of Changes in Net Equity
as of December 31, 2020

B) Consolidated Statement of Changes in Net Equity

(expressed in thousand euros)

	Share Capital	Issue premium	Other reserves	Profit for the year attributable to Parent Company	Other Shareholder' contributions	Exchange differences	Non- controlling interest	Total
Balance as of January 1, 2018	-	-	28,681	-	-	(67)	9,539	38,153
Recognised income/(loss) for the year	-	-	-	350	-	723	(214)	859
Transactions with shareholders or owners								
Dividends and refunds of contributions (Note 13)	-	-	(7,623)	-	-	-	-	(7,623)
Sole-shareholder contribution (Note 13)	-	-	6,701	-	-	-	60	6,761
Changes in consolidation perimeter	-	-	101	-	-	-	(351)	(250)
Transactions with the Sole Shareholder (Notes 7 and 13)	-	-	(19,998)	-	-	-	-	(19,998)
Other movements	-	-	92	-	-	-	(264)	(172)
Balance as of December 31, 2018	-	-	7,954	350	-	656	8,770	17,730
Recognised income/(loss) for the year	-	-	-	5,305	-	161	527	5,993
Transactions with shareholders or owners								
Year 2018 income distribution	-	-	350	(350)	-	-	-	-
Dividends and refunds of contributions (Note 13)	-	-	(8,760)	-	-	-	(512)	(9,272)
Capital increase (Note 13)	-	-	3,379	-	-	-	-	3,379
Changes in consolidation perimeter	-	-	(38)	-	-	-	-	(38)
Other movements (Note 6)	-	-	(1,626)	-	-	-	(752)	(2,378)
Balance as of December 31, 2019	-	-	1,259	5,305	-	817	8,033	15,414
Recognised income/(loss) for the year	-	-	-	3,457	-	(1,173)	2,311	4,595
Transactions with shareholders or owners								
Group establishment	60	-	-	-	-	-	-	60
Non-cash contributions (Notes 7 and 13)	500	4,750	(5,323)	-	73	-	-	-
Year 2019 income distribution	-	-	5,305	(5,305)	-	-	-	-
Dividend and refunds of contributions (Note 13)	-	-	(8,061)	-	-	-	(1,514)	(9,575)
Sole-shareholder contribution	-	-	375	-	-	-	-	375
Other movements	-	-	605	-	-	-	142	747
Balance as of December 31, 2020	560	4,750	(5,840)	3,457	73	(356)	8,972	11,616

The attached explanatory notes 1 to 28 and the Appendix I are an integral part of the Consolidated Annual Accounts for the financial year 2020.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Consolidated Cash Flows Statement for the year ended December 31, 2020

(expressed in thousands of euros)

Consolidated Cash Flows Statement	Notes	2020	2019	2018
Cash flow from consolidated operating activities				
Consolidated income/(loss) before tax	13	5,193	3,930	113
Adjustments to reconcile net income to operating cash flows:				
Depreciation and amortization	5 and 6	8,140	7,953	7,861
Losses, impairment, and variation of provisions for trade operations (+/-)	10.b	(980)	3,050	1,477
Variation of provisions		5	6	6
Impairment and income from disposals of fixed assets (+/-)	5 and 6	(2,739)	(642)	786
Financial income (-)	10.b	(235)	(620)	(40)
Financial expense (+)	10.b	10,294	6,116	7,416
Net exchange gains/(losses) (+/-)		(377)	(10)	2,869
Changes in fair value of financial instruments (+/-)	10.b	2,281	1,367	434
Impairment from disposals of financial instruments (+/-)		-	438	48
Attribution of Government grants received (-)		(13)	(2)	-
Other income and expenses (+/-)		(3,166)	424	2,159
Changes in consolidated working capital				
Inventories (+/-)		(57)	67	332
Trade and other receivables (+/-)		(2,919)	(133)	(2,509)
Other current assets (+/-)		5	-	-
Trade and other accounts payable (+/-)		1,626	(1,575)	(1,073)
Other consolidated cash flows from operating activities				
Interest payments (-)		(7,615)	(5,910)	(6,623)
Interest collections (+)		40	603	21
(Payments) collections from income tax (-/+)		(365)	(177)	(239)
Cash flows from consolidated operating activities		9,118	14,885	13,038
Cash flows used in consolidated investing activities				
Investment payments				
Group and associated companies	6	(3,300)	-	(250)
Intangible assets		(1,106)	(52)	(103)
Property, plant and equipment		(28,946)	(11,828)	(4,115)
Other financial assets		-	-	(135)
Divestment charges				
Group and associated companies		-	2,469	-
Intangible assets		42	1	-
Property, plant and equipment	6	-	-	462
Other financial assets		642	335	-
Cash flows used in consolidated investing activities		(32,668)	(9,075)	(4,141)
Cash flows from/ (used in) consolidated financing activities				
Collections and payments for equity instruments				
Equity instruments issue (+)	13	435	3,379	6,701
Equity refunds (-)	13	(5,050)	(4,729)	-
Grants received (+)		-	3,620	-
Collections and payments for financial liability instruments				
Issue and return and payment of debts				
Obligations and other marketable securities (+)	15.b	130,000	-	-
Debt with financial institutions (+)		130	6,016	7,100
Other debts (+)		20,223	7,436	-
Lease liabilities (+)		-	11	-
Debt repayment				
Obligations and other marketable securities (+)	15.b	(5,498)	-	-
Debt with financial institutions (+)		(82,466)	(9,239)	(7,721)
Other debts (+)		(4,365)	(1,427)	(43)
Lease liabilities (+)		(24,337)	(2,663)	(2,566)
Payments for dividends and remuneration of other equity instruments.				
Dividends (-)	13	(4,525)	(4,043)	(1,623)
Remuneration of other equity instruments (-)	13	-	(500)	(6,000)
Cash flows from/ (used in) consolidated financing activities		24,547	(2,139)	(4,152)
Net increase in cash and cash equivalents		997	3,671	4,745
Cash and cash equivalents at the beginning of the year		12,684	9,013	4,268
Cash and cash equivalents at the end of the year		13,681	12,684	9,013

The attached explanatory notes 1 to 28 and the Appendix I are an integral part of the Consolidated Annual Accounts for the financial year 2020.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(1) Nature, Activities and Composition of the Group

Grupo Ecoener, S.A.U. (hereinafter, the “Parent Company”, the “Company” or “Grupo Ecoener” together with its subsidiaries, the “Group”) was incorporated as a sole-shareholder public limited company in accordance with Spanish legislation on January 28, 2020, and registered in the Mercantile Registry of La Coruña in Volume 3,716 of the Archive, General Section, on page 40, number C-59,313. Its registered office is established at C/ Cantón Grande, nº 6 - 6º (La Coruña). Grupo Ecoener, S.A.U. is a subsidiary company of Ecoener, S.L.U. its sole shareholder (hereinafter, the “Sole Shareholder” or “Ecoener, S.L.U.”), currently owning 100% stake of its shares. Grupo Ecoener, S.A.U. plans for its shares to be admitted to listing on the Spanish Stock Exchange during 2021.

The corporate purpose of the Parent Company is as follows:

1. Administration and management services. The provision of all aspects of business administration and management services, whether through its professionals or by coordinating the services of collaborating professionals.
2. Intermediation in all manner of mercantile transactions and the performance thereof on behalf of third parties, while complying with the legislation in force in this connection.
3. The provision of technical assistance services in general, and the design, description, development and execution of all manner of technical projects, particularly those relating to the development and construction of public and private works.
4. The administration and management of all types of assets and the business development thereof.
5. The generation of electricity from renewable energy sources such as wind, hydropower, solar power, biomass and other sources, as well as the design, development, construction, management, maintenance, operation and closure and dismantling of the corresponding production facilities.
6. Ownership, through concession arrangements or administrative authorizations, of the activities and facilities described above, and by virtue of such ownership, perform the pertinent registration formalities at the corresponding administrative registries.
7. The performance of purchase and sale transactions and transfers, the arrangement of mortgages, leases and usufructs, and the completion of any other legal transactions in relation to the production or facilities described above.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

8. The provision of services to third parties in addition to technical assistance in relation to the activities and facilities described above, including, but not limited to, administrative and environmental management services and services relating to the commissioning of new facilities, in addition to comprehensive management, including operation and maintenance, of the production facilities that are in operation.

At year 2020 closing, the Group operates the following hydropower and wind facilities that perform their activities under its correspondent concession agreements:

Facility	Company	Country	Region	Start date of the concession	Expiry date of the concession	Land regime
San Bartolomé hydropower plant (1.2 MW) *	Hidroeléctrica del Giesta, S.L.	Spain	Galicia	25/04/1997	09/01/2025	Own
Cierves hydropower plant (5 MW) *	Hidroeléctrica del Giesta, S.L.	Spain	Galicia	25/05/2000	09/08/2045	Own
Peneda hydropower plant (10 MW) *	Hidroeléctrica del Giesta, S.L.	Spain	Galicia	30/09/1993	07/07/2041	Own
Arnoya hydropower plant (10 MW) *	Hidroeléctrica del Giesta, S.L.	Spain	Galicia	07/07/1993	07/01/2042	Own
Landro hydropower plant (9.2 MW)	Sociedad Lucense de Energía Hidráulica y Eólica, S.L.	Spain	Galicia	18/07/2008	18/07/2048	Own
Xestosa hydropower plant (2.9 MW)	Hidroeléctrica de Oourol, S.L.	Spain	Galicia	06/08/2008	06/08/2058	Own
Las Fuentes II hydropower plant (14.2 MW)	Energías del Ocosito, S.A.	Guatemala	Retalhuleu	03/10/2011	02/10/2061	Lease
Singular Lalin wind farm (3 MW)	Energías de Pontevedra, S.L.	Spain	Galicia	07/08/2008	07/08/2048	Own

* The holder company of the concessions regarding San Bartolomé, Cierves, Peneda and Arnoya hydropower plants is a third party. The group company Hidroeléctrica del Giesta, S.L. is currently a lessee of such concessions.

Moreover, as of December 31, 2020, the Group owns the following renewable energy facilities (Hydropower, Wind and Solar Photovoltaic) operating under their corresponding administrative authorizations.

Facility	Company	Country	Region	Start date of the concession	Land regime
Oourol wind farm (18 MW)	Hidroeléctrica de Oourol, S.L.	Spain	Galicia	01/01/2008	Own
San Bartolomé wind farm (9.2 MW)	Mocan Renovables, S.L.	Spain	Canary Islands	18/07/2017	Lease
Llanos de la Aldea wind farm (20 MW)	Drago Renovables, S.L.	Spain	Canary Islands	18/07/2017	Lease
Llanos del Sur solar photovoltaic plant (16.2 MW)	Llanos del Sur Fotovoltaica, S.A.	Honduras	Choluteca	21/07/2015	Lease
La Caleta wind farm (5.6 MW)	Cardo de Planta, S.L.	Spain	Canary Islands	17/09/2020	Lease
El Rodeo wind farm (4.8MW)	Yesquera de Aluce, S.L.	Spain	Canary Islands	04/12/2020	Lease
Las Casillas 1 wind farm (4.0MW)	Alamillo de Doramas, S.L.	Spain	Canary Islands	23/12/2020	Lease

It is worth mentioning that administrative authorizations do not contemplate, unlike the concession arrangements, an expiry date.

The dates of the first production discharges from the facilities of La Caleta and El Rodeo have taken place on September 17, 2020 and December 4, 2020, respectively.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

Additionally, in April 2021 it is expected to obtain the operation commissioning approval for two new wind farms, located in Gran Canaria accounting for 4 MW each. These facilities are denominated Lomo del Moral and Arcos del Coronadero, and are owned by Grupo Eólicos del Matorral, S.L. and Violeta Palmera, S.L., respectively. Such facilities will operate under the corresponding applicable administrative authorizations. Additionally, none of these facilities will operate under a regulated remunerated scheme.

The main activities performed by the Group are the electricity generation and sale from renewable sources such as hydropower, wind and solar photovoltaic energies, as well as the designing, promotion, development, management and operation as well as maintenance of the correspondent renewable energy production facilities owned by the Group.

The detail of companies appertaining to the consolidation perimeter of the Group as of December 31, 2020, with an information regarding ownership percentages, as well as other relevant information, is shown in the attached Annex I, which is an integral part of these notes to this consolidated annual account.

Restructuring operation

As part of its business strategy during the year 2020, Ecoener, S.L.U. as Sole-Shareholder of the Group decided to transfer to Grupo Ecoener, S.A.U., the following businesses:

- a) The totality of the ownership of its renewable energy facilities;
- b) Its promotion and development activities of renewable energy facilities, understood as, all the work carried out from the earliest stages of identification of business opportunities until the confirmation of project feasibility and;
- c) Its activity of operation and maintenance of renewable energy facilities.

For further explanation, the Sole Shareholder has not transferred to Grupo Ecoener, S.A.U. certain real estate properties and the construction and development business associated with the construction of the wind farms under construction at the end of the year.

In relation to the construction and development activity associated with the construction, the latter being understood as the management of the work necessary for the subsequent execution of construction activities, while the physical construction activity strictly comprises the performance and completion of the installation and commencing work of the facility. Both activities have historically been carried out by the Sole Shareholder on a discontinued basis, through the hiring of personnel for work and services only during the periods in which it has had facilities under construction.

In this regard, the construction activity does not have permanent human resources or relevant materials, and when it has been carried out it has been through the coordination of human and technical resources contracted specifically for the construction of a facility and were disengaged when said construction was finished. The last facilities built by the Sole Shareholder have been the five wind farms in San Bartolomé de Tirajana (Gran Canaria, Canary Islands) owned by the subsidiaries of Grupo Ecoener, S.A.U., Cardo de Plata, S.L., Yesquera de Aluce, S.L., Alamillo de Doramas, S.L., Violeta Palmera, S.L. and Eólicos del Matorral, S.L.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

On December 31, 2020, the Sole Shareholder terminated the contracts of all the workers who had been hired for the execution of the works, due to the completion of said works. Once these facilities have been completed, it is expected Ecoener, S.L.U. to have no other activity other than the holding company, and therefore has no personnel related to the aforementioned construction and development activity.

In this regard, Grupo Ecoener, S.A.U. has not received any employees, rights or obligations related to the construction and development activity associated with the restructuring transaction.

Since January 1, 2021, and without having been part of the restructuring operation detailed above, Grupo Ecoener, S.A.U., through its subsidiary, Aquis Querquennis, S.L. (incorporated under the name Ecoener, Servicios Constructivos, S.L.), build twelve solar photovoltaic plants in San Bartolomé de Tirajana (Gran Canaria, Canary Islands) owned by the group companies Canutillo de Sabinosa, S.L., Tabaiba Solar, S.L. and Bencomia de Risco, S.L., as well as a wind farm in the same geographical area for the investee Oilean Telde Eólica Energy, S.L.

Of the five wind farms built in 2020, three were commissioned in 2020 and the other two are expected to be commissioned in April 2021. This construction was carried out by the Sole Shareholder during the 2020 financial year. During the fiscal year 2021, testing work was carried out by the supplier contracted to supply the wind turbines, in accordance with the contract for the supply and installation of the wind turbines (see note 6).

Additionally, the Group has a portfolio of projects in different development stages, the construction of which has not commenced at the beginning of 2021. This construction will be carried out by Grupo Ecoener, S.A.U. For this purpose, Grupo Ecoener, S.A.U. has hired the necessary personnel to have a permanent structure to undertake the construction and associated development of energy generation facilities from renewable sources. In order to favour the stability of the activity, those personnel considered as essential will be linked with incentives for permanence to be received after a period of five years.

The transfer of the business units has been carried out mainly through the transfer of entities under common control of Ecoener, S.L.U. (Note 7). Therefore, Grupo Ecoener, S.A.U. has become the Parent Company of a Group made up of subsidiaries. In this regard, the legal agreements carried out to perform the aforementioned reorganization were the following:

- As of June 12, 2020, Ecoener, S.L.U. decided to increase Grupo Ecoener, S.A.U. capital in 500 thousand euros throughout the creation of 5,000 new registered shares with a par value of 100 euros per share and an associated Issue premium of 4,750 thousand euros associated to 950 euros per share (Note 13), which were fully subscribed and paid up through a 100% non-monetary contribution of the subscribed capital for certain subsidiaries (Notes 7 and 13). The operation does benefit from the merger tax regime.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

- As of November 1, 2020, Ecoener S.L.U. and Grupo Ecoener S.A.U. signed a business sale contract on which Ecoener, S.L.U. sells to Grupo Ecoener, S.A.U. the Operation & Maintenance (O&M) and Promotion and Development from the earliest stages of identification of businesses opportunities to the confirmation of project feasibility, thus subrogating Grupo Ecoener, S.A.U. in the obligations that regarding the employees and the contracts that the Sole Shareholder had. The ownership of the assets and liabilities of the business, as well as the correspondent contracts, are transferred from December 1, 2020, while employees will be transferred on successive dates starting from November 1, 2020 having concluded at the end of 2020 (Notes 7 and 13). Subsequently, but on the same date on which the sale and purchase agreement was executed, Ecoener, S.L.U. waived the outstanding receivable from Grupo Ecoener, S.A.U. for the completion of the aforementioned transaction. The operation does not benefit from the merger tax regime.
- As of November 9, 2020, Ecoener, S.L.U. sold the company Ecoener Ingeniería Panamá, S.A. to Grupo Ecoener, S.A.U.
- As of November 11, 2020, Ecoener, S.L.U. sold the company Bencomia del Risco, S.L. to Grupo Ecoener, S.A.U.

As a result of the incorporation of the Parent Company and the corporate restructuring operations described in this note and in Notes 7 and 13, the companies affected by the aforementioned operation have been presented as subsidiaries of the Parent Company, due to the fact that the restructuring operation is carried out under the framework of an operation under common control.

Changes in the consolidation perimeter

The main variations in the consolidation perimeter of the Group, considering what was already disclosed in the previous paragraphs, in 2020 were the following:

- Incorporation of the following companies owned at 100% by Ecoener : Violeta Palmera, S.L, Eólicos del Matorral, S.L., Ecoener Mirazul Dos, S.A., Ecoener Emisiones S.A.U., Yerbamora, S.L., Fonte de Arcos, S.L., Ecoener Servicios Constructivos, S.L., Ecoener Operación y Mantenimiento, S.L., Eólicos Herculinos, S.L., Cardoncillo Gris S.L., Ecoener Solar Panamá, S. A., Ecoener Renovables Panamá, S. A., LCV Ecoener Solares Dominicana, S.R.L., EID Ecoener Inversiones Dominicana S.R.L., EFD Ecoener Fotovoltaica Dominicana, S.R.L.
- Dissolution of Corporación Hidroeléctrica Guatemalteca, S.A.

The main variations in the consolidation perimeter of the Group in 2019, considering what was already disclosed, were the following:

- Incorporation of the following companies owned at 100%: Eólicos de Ferrol, S.L.; Drago General Partner SARL y Ecoener Inversiones, SCA SICAV-RAIF.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

- Dissolution of the following companies of the Group: Hidroeléctrica Cuatro Chorros del Chicaman, Hidroeléctrica San Bartolomé, Hidroeléctrica de Santa Cruz III, Hidro Soloma S.A., Hidroeléctrica San Pedro Soloma I S.A., Hidroeléctrica San Pedro Soloma II S.A. e Inversiones Renovables Guatemaltecas.

The main variations in the consolidation perimeter of the Group in 2018, considering what was already disclosed, were the following:

- Incorporation of the following companies owned at 100% counting with a share capital of 3,000 euros each, Malva de Risco, S.L.U., Siempreviva Gigante, S.L.U., Herdanera, S.L.U., Salvia Blanca, S.L.U., Siempreviva Azul, S.L.U., Magarza Plateada, S.L.U., Risoela, S.L.U., Helecho de Cristal, S.L.U., Rosalito Palmero, S.L.U. and Bejeque Rojo, S.L.U.
- Acquisition of the remaining 10% stake corresponding to external partners of Sociedad Lucense de Energía Hidráulica y Eólica, S.L.
- Dissolution of Promotora Enerxética Chandrexa de Queixa, S.L., Hidro Santiago, S.A., Hidroeléctrica del Río Grande, S.L., Ecoener Centrales Hidroeléctricas Guatemaltecas, S.A. and Hidroeléctrica La Esperanza.

Within the movements of shareholdings between group companies, the following are noteworthy:

- Incorporation of the group company, Ecoener Emisiones, S.A.U. with a share capital of 60,000 euros fully subscribed and paid up by the Parent Company on April 16, 2020.

On June 19, 2020, Ecoener Emisiones, S.A.U. carried out a share capital increase, fully subscribed by the Company, in the amount of 257 thousand euros through the creation of 2,570 new shares with a par value of 100 euros each. The capital increase was decided with a share premium of 950 euros per share, amounting to 2,442 thousand euros. The capital increase was subscribed by means of a non-monetary contribution of the following shares owned by the Parent Company:

- o Energías de Pontevedra, S.L.,
 - o Desarrollo Energético de la Mariña, S.L.,
 - o Dragmoc, S.L.,
 - o Yesquera de Aluce, S.L.
- As of December 2, 2020, the Parent Company approved the merger by absorption of the companies Dragmoc, S.L. and Desarrollo Energético de la Mariña, S.L. by Ecoener Emisiones, S.A.U.
- As of June 25, 2020, Grupo Ecoener, S.A.U. sold to Ecoener Emisiones, S.A.U. 66,510 shares of the group company Hidroeléctrica del Giesta, S.L.U., representing 100% of its share capital. The sale price was set at 19,754,000 euros, paid by Ecoener Emisiones, S.A.U. by means of a schedule with its last collection date in 2025.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(2) Basis of presentation of the consolidated annual accounts

(a) Fair view

As mentioned in Note 1, the Group was established in 2020 mainly through the contribution of entities under common control of the Sole Shareholder. For this reason, and given that the Company was created in 2020, no consolidated annual accounts were prepared in previous periods.

Grupo Ecoener, S.A.U., and its subsidiaries, form part of Grupo Ecoener, S.L.U., whose statutory consolidated annual accounts are prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (hereinafter, the “IFRS-EU”).

The recording of transactions between entities under common control is outside the scope of IFRS 3 “Business Combinations”. In this sense, and in the absence of specific standards for this type of transaction, the contributions of the shares of the companies described in Note 7 have been recorded in the consolidated annual accounts of Grupo Ecoener, S.A.U. using the consolidated carrying amounts according to IFRS-EU in the consolidated financial statements of the Sole Shareholder.

As Grupo Ecoener, S.A.U. was created in 2020 as a result of a transaction under common control, the Board of Directors of the Parent Company of Grupo Ecoener, S.A.U. has decided to present the consolidated annual accounts for the year ended December 31, 2020, including comparative figures for the years 2019 and 2018, and considering January 1, 2018 as the start date of the first period presented, in order to present comparable information for three years in order to facilitate the disclosures required by the applicable regulation in relation with the prospectus to be prepared for the Initial Public Offering of its shares. Notwithstanding the foregoing, the amounts related to the 2020 capital contribution have been presented under “Reserves” as of January 1, 2018 and, subsequently, have been reclassified to “Share capital” and “Share premium” for the year 2020.

These annual accounts are the first set of consolidated annual accounts prepared by Grupo Ecoener, S.A.U. under IFRS-EU and consequently, they have been prepared in accordance with the requirements of IFRS 1 - First-time adoption of IFRS, as explained in note 2.b.

These consolidated annual accounts have been prepared from the accounting records of the Group in accordance with IFRS-EU (hereinafter the “Consolidated Annual Accounts”), in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council, of July 19, 2002, on the application of International Accounting Standards (“IAS”), and other provisions of the regulatory framework for financial information applicable to the Group in order to show the fair view of the consolidated equity and the consolidated balance sheet of Grupo Ecoener, S.A.U. and its subsidiaries as of December 31, 2020, of the consolidated profit and loss account, of the consolidated cash flows statement and of the consolidated statement of changes in net equity corresponding to the year ended on such date.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

After the analysis performed on the current situation of the economic environment derived from the pandemic caused by Covid-19, and considering that the Group's activities have been classified as an essential service, the Board of Directors of the Parent Company have drawn the conclusion that there are no material uncertainties that could generate significant doubts about the ability of the Group to continue as a going concern.

These Consolidated Annual Accounts have been prepared by the Board of Directors on March 31, 2021 and are pending approval by the General Shareholders' Meeting. However, the Group expects them to be approved without changes.

(b) Basis of accounting

These Consolidated Annual Accounts are the first ones prepared by the management of Grupo Ecoener, S.A.U. in accordance with IFRS-EU, in force in 2020 but applied from January 1, 2018. Grupo Ecoener, S.A.U. has prepared these Consolidated Annual Accounts in accordance with IFRS 1 - First-time Adoption of International Financial Reporting Standards, as detailed in Note 2.i.

The Consolidated Annual Accounts have been prepared on a historical cost basis, except for financial assets at fair value with changes in results or in equity, which are recorded at fair value and any changes in fair value are reflected in income or equity and fully corresponding to the derivatives identified in Note 15.

There is no mandatory accounting principle or assessment criterion, which, having a significant effect on the Consolidated Annual Accounts, has ceased to be applied in their preparation.

(c) IFRS-EU Standards and IFRIC Interpretations effective from January 1, 2020

During the year 2020, the following modifications published by the IASB and adopted by the European Union entered into force and, therefore, have been considered in the preparation of these Consolidated Annual Accounts:

- Amendments to references to the conceptual framework in IFRS standards
- Amendments to IAS 1 and IAS 8: Definition of material
- Amendments to IFRS 9, IAS 39 and IFRS 17: Reform of the benchmark interest rate
- Amendments to IFRS 3 Business Combinations
- Amendments to IFRS 16 Leases: Covid-19 Related rental concessions

These modifications do not have a significant impact on these financial statements and, therefore, it has not been reported in this regard.

In preparing the Consolidated Annual Accounts of Grupo Ecoener, S.A.U. the IFRS in force in 2020 have been applied from the date of first application of IFRS for Grupo Ecoener, S.A.U., for example, as of January 1, 2018.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(d) Standards, improvements and interpretations that cannot be adopted in advance or that have not been approved by the European Union

At the date of preparation of these Consolidated Annual Accounts, the following IFRS standards and amendments to IFRS had been published by the IASB but are not mandatory:

Standards or amendments to Standards		IASB Effective date	Mandatory application in annual reporting periods beginning on or after
IFRS 4	Amendments to IFRS 4 Insurance contracts - deferral of IFRS 19	January 1, 2021	January 1, 2021
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2	January 1, 2021	January 1, 2021
Annual improvements to IFRS standards Cycle 2018-2020	Annual improvements to IFRS standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)	January 1, 2022	Pending
Amendments to IAS 1	Amendments to IAS 1 Presentation of financial statements: Classification of liabilities as current or non-current and classification of liabilities as current or non-current - Postponement of the effective date	January 1, 2023	Pending
IFRS 17	IFRS 17 Insurance contracts and its amendments	January 1, 2023	Pending

It is not expected, for any additional standards, modifications and interpretations not yet adopted, to have a significant impact on the Group's financial statements.

(e) Regulation of the economic sector to which the Group belongs

The main regulations governing the activities carried out by the Group in its main geographies are briefly described below. References to laws, regulations and other administrative and regulatory documents refer to the full text thereof.

Spain

The sectorial regulation in Spain underwent changes throughout 2014, consolidating the reforms initiated in 2013. Consequently, the main rules that regulate the Spanish sector are:

- Royal Decree-Law 9/2013, of July 12, containing urgent measures to guarantee the financial stability of the electricity system. This regulation establishes the remuneration principles to be applied to existing Renewable Energy Facilities in operation on the date on which it came into force.
- Act 3/2013, of June 4, on the creation of the Comisión Nacional de los Mercados y la Competencia (“CNMC”).

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

- The Act 24/2013, of December 26, on the Electricity Sector. This law sets out the general rules applicable to the entire electricity sector, and incorporates the main principles set out by Royal Decree Law 9/2013 in respect of the renewable energy sector.
- Royal Decree-Law 17/2019, of November 22, setting the Renewable Energy Facilities' regulated rate of return, and which responds to the process of cessation of activity of thermal generation plants.
- Royal Decree-Law 23/2020, of June 23, approving new measures in the energy sector that aim to promote renewable energy generation and support the recovery of the economy in line with the European Green Deal. Royal Decree-Law 23/2020 requires the Spanish government to develop a new remuneration framework for renewable energy sources and electricity generation based on long-term energy prices (the remuneration of renewable energy, known as REER), different from the Specific Remuneration scheme set forth by Royal Decree-Law 9/2013. Besides, Royal Decree-Law 23/2020 established some provisions regarding the validity of the access and connection permits and provided for specific milestones that needs to be complied by renewable developers to secure the validity of such access and connection permits.
- Royal Decree 1955/2000, of December 1, which regulates the transportation, distribution, sale and supply of electricity and sets out the procedure for authorizing electricity facilities.
- Royal Decree 413/2014, of June 6, governing electricity production from renewable energy sources, combining heat, power and waste. This royal decree implements the rules contained in both Royal Decree Law 9/2013 and the 2013 Electricity Law regarding the specific remuneration regime applicable to Renewable Energy Facilities.
- Royal Decree 960/2020, of November 3, which develops the new remuneration regime applicable to renewable energy facilities.
- Royal Decree 1183/2020, of December 29, on access and connection to the transmission and distribution network.
- Ministerial Order IET/1045/2014, of June 16, establishing the remuneration parameters applicable to existing electricity generation facilities using renewable energy sources, combining heat, power and waste.
- Ministerial Order ETU/130/2017, of February 17, updating the retributive parameters of the standard installations applicable to certain electricity production facilities from renewable energy sources, cogeneration and waste for application to the regulatory semi-period starting January 1, 2017.
- Ministerial Order TED/1161/2020, of December 4, regulating the first auction mechanism for REER to be awarded and the indicative calendar for the period 2020-2025 is established.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

The reforms in the regulation of the electricity sector in 2013 and 2014 did not alter Law 15/2012, of December 27, in which the Spanish Government approved a generalized tax of 7% on electricity generation, as well as new taxes for nuclear power and large-scale hydropower generation, as well as a new taxes on coal. The tax has been applicable since January 2013. In 2018, Royal Decree 15/2018, of October 5, on urgent measures for the energy transition and the protection of consumers, provided an exemption from the electric power generation taxes to the electricity produced and shared with the electrical system during six months since its enforcement, coinciding with the months of greatest demand and highest prices in the wholesale electricity markets, in line with the ultimate goal pursued by such regulation. This entails modifying the accounting of the tax base and the instalment payments regulated by tax regulations.

During the years 2020, 2019 and 2018, Spanish companies have received, in addition to income from the sale of energy to the market, additional income not associated with the sale of energy derived from the corresponding investment incentive according to the specific fixed remuneration regime subject to by virtue of order the Ministerial Order IET /1045/2014 of the Royal Decree 413 / 2014, updated for the period 2017-2019 by the Ministerial Order ETU/130/2017, of February 17, which modifies the investment remuneration to be received by each facility in the corresponding semi-period. Additionally, companies with production facilities in the Canary Islands have received an income corresponding to an investment incentive for reducing the cost of generation of the facilities approved Order IET / 1459/2014, of August 1 and by Order IET / 2735/2015, of December 17, updated for the period 2017-2019 by the aforementioned Order ETU / 130/2017, of February 17.

Honduras

In Honduras, our energy production is sold under the relevant Power Purchase Agreement (“PPA”) with the sovereign government of Honduras, in particular with the National Electric Power Company (Empresa Nacional de Energía Eléctrica) (“ENEE”). ENEE is the generation company which provides the electric production to the system operator, which acts as the connection between ENEE and the distribution companies and is responsible for the operation of the national electricity system.

On the other side, the Electricity Regulatory Commission (Comisión Reguladora de Energía Eléctrica) (“CREE”) is an independent and specialized body responsible of the Energy Public Policy and the adequate functioning of the electricity sector.

The Honduran electricity sector was liberalized since the promulgation in 2013 of the “General Law of the Electricity Industry” (“LGIE”)” pursuant to Decree 404-2013. According to the LGIE, the electricity sector is divided into four main segments: generation, transmission, distribution and commercialization of electricity. Additionally, the LGIE contains provisions on the import and export of electricity.

Additionally, in 2007, under the Decree 70-2007, the “Law for the Promotion of Electricity Generation through Renewable Resources” was passed and approved. This regulation contains provisions to encourage public and/or private investment in electricity generation projects using national renewable resources.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

The LGIE establishes a new structure, organization and operation of the electrical sector where the CREE becomes a fundamental pillar as the regulator and supervisor of the electricity sector, being responsible for the supervision of the energy production plants and the transmission systems coordinating their operations and guaranteeing safe electric supply as well as the best use of energy.

Among others, the main functions of the CREE include i) Granting operating licenses for transmission and distribution; ii) Passing and preparing the necessary regulations; iii) Applying sanctions, and, iv) Defining the methodology for the calculation of transmission and distribution tariffs.

Finally, as established in the Official Gazette of the Republic of Honduras, dated March 5, 2013, regarding the publication of the Short-Term Marginal Cost and its incentives contained in the Decree 138-2013 of the Republic of Honduras, No 33,191 of August 1, 2013, of Reform to Article 2 and its numerals 1), 2), 3) and 5) of Decree 70-2007 containing the Law for the Promotion of Electric Energy Generation with Renewable Resources, those generation plants with a commencing date prior to August 1, 2015 are entitled to receive during the term of the supply contract the collection of an additional incentive of \$30 per MWh generated. The incentive is accrued monthly, as it consists of a higher selling price for each MWh generated.

Guatemala

In Guatemala, our energy production is mainly sold under the relevant PPAs and through contracts through which we sell as wholesale suppliers the excess not contracted under PPAs.

Guatemala counts with two regulatory authorities for the electricity sector: (i) the National Electric Energy Commission (CNEE), responsible for issuing and enforcing energy regulations and establishing transmission and distribution rates, and (ii) the Market Authority Wholesaler (AMM), in charge of supervising the operations of the National Electric System.

Electricity sector regulation is liberalized since 1996. The GEL (“Ley General de Electricidad”) established the regulatory framework of the electricity industry in Guatemala. Under the GEL, electricity generation is unrestricted, and, for such purposes, companies do not need to obtain authorization or special licenses from the government. Governmental authorization or concessions are only required to operate transmission and distribution assets, and, in the case of a power plant with expected or installed capacity above 5 MW when relating to hydropower natural resources. Also, pursuant to the GEL, energy prices are freely determined by the energy market, except for transmission and distribution services, which are subject to regulation. Regarding the Group, the entire price is freely determined since distribution and transmission services do not apply.

(f) Comparative information

The Consolidated Annual Accounts for the year ended December 31, 2020 present solely and exclusively for comparative purposes, the consolidated balance sheet, the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in net equity and the consolidated cash flow statement as of December 31, 2019 and December 31, 2018.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

As a result of the incorporation of the Parent Company, and the corporate restructuring of the operations of Grupo Ecoener S.L.U. consisting of the contribution of the subsidiaries engaged in renewable energy production, O&M and Promotion and Development activities that it owned, to the Parent Company (see Note 7), it was considered appropriate including, for comparative purposes, the amounts at which the assets and liabilities of the contributed companies were accounted for in the consolidated financial information as of 31 December 2019 and 2018, prepared under IFRS-EU, of the precedent owner of these investments and current shareholder of the Group's Parent Company (Grupo Ecoener, S.L.U.). This policy is consistent with the accounting policy chosen by the Group for transactions under common control, which consists of recording holdings in group companies received in exchange for equity instruments at the carrying amount at which these holdings were shown in the consolidated annual accounts of the previous group under which they were accounted. This criteria requires the Company to record the transaction in consolidated equity in 2018 and 2019 between the contributed subsidiaries and their previous shareholder Ecoener, S.L.U. that involved a transfer of assets between both (mainly, contributions of partners and distribution of dividends, see note 13). Note 2.(i), includes the accounting policy applied by the Group for the recognition of transactions under common control.

To determine the comparative figures of these Consolidated Annual Accounts, the Group compares the figures of the audited financial statements for the year 2019, prepared under IFRS-EU, of the Sole Shareholder excluding the companies and business activities that have not become part of the Group as of December 31, 2020 (See Note 1).

(g) Functional currency and presentation currency

These Consolidated Annual Accounts are presented in thousand euros, rounded to the nearest thousand, with the euro being the functional and presentation currency of the Group.

(h) Critical aspects of the valuation and estimation of the relevant uncertainties and judgments in the application of accounting policies

The preparation of the Consolidated Annual Accounts in accordance with IFRS-EU requires the adoption of certain judgments and estimates that affect the application of accounting policies and the recorded amounts of certain assets, liabilities, income and expenses in the process of applying the Group accounting policies. Estimates are constantly reviewed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under these circumstances.

In the Consolidated Annual Accounts, estimates made by the Sole Director of the Parent Company have occasionally been used to quantify some assets, liabilities, income, expenses, and commitments that are recorded herein. These estimates refer primarily to:

- The useful life of intangible and tangible fixed assets. Management reviews its estimates of the useful life of depreciable assets on each corresponding closing date, based on expected use of the assets (See Notes 4.e and 4.f.).

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

- The evaluation of potential impairment losses of intangible and fixed assets and property investments. When evaluating impairment, management estimates the recoverable amount of each facility based on expected future cash flows and uses an interest rate to discount them. The uncertainty in the estimate refers to the assumptions about future operating results and the determination of an appropriate discount rate. (Note 4.g).
- The determination of the fair value of certain financial instruments. Management uses valuation techniques to determine the fair value of financial instruments (when there are no active market prices). This involves developing estimates and assumptions consistent with how market participants would price and value the instrument. Management bases its assumptions on observable data to the extent possible, but these are not always available. In that case, management uses the best information available. Notwithstanding, the estimated fair values may vary with respect to the real prices that would be reached in a transaction carried out under conditions of mutual independence, at the date of presentation (Note 26).
- The recoverability of deferred tax assets. The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future tax income will be available compared to against which deductible temporary differences and tax losses pending to be compensated (Note 19).
- The calculation of loss allowance recoverability: When evaluating the impairment of accounts receivable, management estimates individually the expected credit loss throughout a payment calendar plan. Uncertainty in these estimates is related to factors that affect the credit situation of third parties, such as dissolutions or decrease in activity.
- The lease term estimation. Lease term is the non-cancellable period of the lease, plus (i) the periods covered by a lease extension option, provided that it is reasonably certain that it will be exercised; and (ii) the periods covered by an option to cancel the lease, provided that it is reasonably certain that it will not be exercised.
- The Parent Company's directors consider the assessment of the lease term to be a relevant estimate and a key input in calculating the amount of the lease liability. In determining the lease term, they consider all relevant facts and circumstances that create an economic incentive to exercise or waive renewal and early termination options.

Likewise, even though the estimates made by the Sole Director of the Parent Company have been calculated based on the best information available as of December 31, 2020, it is possible that events that may take place in the future require their modification in the upcoming financial years. The effect on the Consolidated Annual Accounts of the modifications that, if any, arise from the adjustments to be made during the coming years would be recorded prospectively as a change of estimate.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(i) First application of International Financial Reporting Standards

Grupo Ecoener, S.A.U. has prepared these Consolidated Annual Accounts in accordance with IFRS 1. As explained in Note 1, Grupo Ecoener, S.A.U. is a subgroup of Ecoener, S.L.U, which prepared consolidated annual accounts for 2019 in accordance with IFRS-EU and the Interpretations of the International Financial Reporting Standards Interpretations Committee (IFRIC) applicable at the closing date and which have been adopted by the European Union. Such consolidated annual accounts of the Sole Shareholder have been audited and will be posted on the Group's web site.

In accordance with IFRS 1, if a subsidiary company adopts IFRS-EU for the first time once its Parent Company had already adopted it, such entity must value its assets and liabilities in the opening balance sheet of its financial statements, choosing between the following treatments:

- The carrying amounts already included in the consolidated annual accounts of the Parent Company, established on the date of transition of the parent to IFRS, without considering adjustments derived from the consolidation procedure and the effect of the business combination by which the parent acquired the dependent; or
- The carrying amounts applying the rest of IFRS Standards, based on the date of first adoption by the dependent company. In this case, the options chosen by the dependent company from the adoption of IFRS 1 could differ from those selected by its parent company.

Grupo Ecoener, S.A.U. has chosen to value its assets and liabilities in its first Consolidated Annual Accounts according to IFRS-EU considering the accounting values as of January 1, 2018 included in the consolidated financial statements of the Sole Shareholder as of December 31, 2019, eliminating consolidation adjustments made by the Parent Company. Consequently, Grupo Ecoener, S.A.U. has adopted the same options derived from IFRS 1 Standard as those chosen by Ecoener, S.L.U.

With respect to the consolidation adjustments, in order to determine the values at which the transfer has been made, the following considerations have been made:

- a) Due to the fact that the construction company that carried out the construction and associated development of some of the Company's operating facilities was Ecoener, S.L.U., and that this company does not form part of the consolidation scope of Grupo Ecoener, S.A.U., the margin originated by the construction of these plants has not been eliminated, including those that have been in progress during the year 2020. (see note 1). The aforementioned construction and development margins were as follows (in thousands of euros):

	2020	2019	2018	01.01.2018
Construction margin	7,633	2,684	2,854	2,992
Development margin related to construction	1,454	230	-	-
Total untransferred margins	9,087	2,914	2,854	2,992

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

Specifically, the impact of not eliminating this margin has resulted in an increase in the value of the assets for the amounts indicated in the table above. As detailed in notes 5 and 6, the Directors of the Parent Company have performed impairment tests on the assets at the end of 2020, 2019 and 2018.

- b) The accounts payable related to the construction of renewable energy facilities and the accounts payable related to certain real estate properties held by the Sole Shareholder have not been part of the business transferred to Grupo Ecoener, S.A.U., amounting to 9,542 thousand euros as of December 31, 2019 and 257 thousand euros as of December 31, 2018.
- c) In addition, accounts payable of the Group to its Sole Shareholder have been generated (see note 20) at the end of 2020.
- d) Moreover, on January 1, 2018, as a consequence of the existence of an account receivable with the Sole Shareholder, that is partially cancelled stemming from the Hidroeléctrica del Giesta, S.L. transaction (see notes 13 and 20).

(3) Distribution of earnings of the Parent Company

The proposed distribution of the 2020 earnings of the Parent Company to be presented to the Sole Shareholder is as follows (in thousand euros):

	<u>2020</u>
Basis of distribution	
Net income	<u>11,303</u>
Distribution	
Legal reserve	2,560
Voluntary reserve	<u>8,743</u>
	<u>11,303</u>

Profit attributed directly to equity cannot be distributed, either directly or indirectly.

(4) Applied Accounting Principles and Valuation and Consolidation Standards

(a) Subsidiaries

Subsidiaries are those companies over which the Parent Company, directly or indirectly, through subsidiaries, exercises control. Control is achieved when the Parent Company: (i) has the power over the investee; (ii) is exposed, or has rights, to variable returns from its involvement with the investee; and (iii) has the ability to use its power to affect its returns.

The subsidiaries have been consolidated by including in the Consolidated Annual Accounts their income, expenses and cash flows. Transactions and balances with subsidiaries and unrealized profit or losses have been eliminated in the consolidation process after making the corresponding adjustments and eliminations of intra-group transactions, among others. Information on the subsidiaries included in the consolidation of the Group is included in Appendix I.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

In the consolidation process, transactions, balances and unrealized gains between Group companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment loss on the asset transferred.

The acquisition method is used to account for the acquisition of subsidiaries. The cost of acquisition is the fair value of the assets delivered, the equity instruments issued, and the liabilities incurred or assumed at the date of acquisition, including any contingent consideration depending on future facts or in the accomplishment of certain conditions.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date.

Subsequent changes not produced during the transitional accounting period in the fair value of contingent consideration that is considered an asset or liability are recognized in accordance with IFRS 9 in profit and loss account or as a change in other comprehensive income. Contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Costs directly attributable to the acquisition are recognized directly in the consolidated income statement.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account respectively from and up to the effective date of the transaction.

For each business combination, the Group may choose to recognize any minority interest in the acquiree at fair value or for the proportionate part of the minority interest of the recognized amounts of the acquiree's identifiable net assets. The excess of the acquisition cost over the fair value of the net assets identified in the transaction is recognized as consolidation goodwill.

The accounting policies of the subsidiaries have been adapted to the Group's accounting policies, for their adaptation to IFRS-EU.

The financial statements of the subsidiaries used in the consolidation process refer to the same presentation date and the same period as those of the Parent Company.

As customary practice, the consolidated annual accounts do not include the tax effect that, where appropriate, could derive from incorporating into the Parent Company's equity the reserves and undistributed profits of the consolidated subsidiaries, since it is estimated that they will be transfers of reserves not subject to tax at source, as it is considered that these reserves will be used as a source of self-financing in each company.

In the case of Llanos del Sur Fotovoltaica, S.A., the Group controls the company having a 50% shareholding, the remaining percentage being held by a local private partner, due to the following factors:

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

- The company limits its activity to the operation of a solar photovoltaic plant that has subscribed a single PPA for 100% of its production with the company Nacional de Energía Eléctrica de Honduras until the year 2035, remaining 14 years of contract to date.
- On the other hand, the company has signed an operation and maintenance contract for a period of 15 years (renewable upon completion) with the group company Ecoener Ingeniería Honduras, S.L. The general manager is empowered to cancel, extend or make any decision regarding the plant maintenance contract, as well as any decision regarding the energy sale contract.
- The company does not have staff and it can be considered that its only relevant activity is the operation and maintenance activity.
- Regarding the financing of the plant, the Board of Directors makes the decisions regarding this aspect.
- The Board of Directors is made up of 2 members with Grupo Ecoener, S.A.U. accounting for one member, who holds the position of Chairman of the Board of Directors. Resolutions within the Board of Directors are taken by simple majority and in the event of a tie, the Chairman of the Board of Directors has a casting vote.
- Modifications to the Board of Directors are made based on the agreements reached by majority in the Shareholders' Meeting. Considering that Grupo Ecoener, S.A.U. owns 50% of the company, changes to the Board of Directors require the authorization of the Group.
- No veto rights are contemplated in company resolutions or any other type of right that limits the management capacity of the company by the Group.
- The management of all the relevant activities of the group company is carried out by the general manager appointed by the Board of Directors.
- Finally, it is not expected that changes will be made to such management, however, Group's management will periodically reassess the control of such company.

(b) Non-controlling interest

The non-controlling interest in the subsidiaries is recorded on the first consolidation date by the ownership percentage in the fair value of the identifiable net assets. Non-controlling interests in subsidiaries acquired prior to the transition date were recognized at the percentage of equity interest at the first consolidation date.

The share of the Group and the non-controlling interest in the profit and loss account and in the statement of changes in net equity of the subsidiaries, once the adjustments and eliminations derived from the consolidation considered, is determined from the share percentages existing at the year-end.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

The results and each of the components recognised in other comprehensive income of the subsidiaries are assigned to the equity attributable to the Parent Company and the non-controlling interest in accordance with their percentage ownership, even if this implies a debit balance regarding non-controlling interest. The agreements signed between the Group and the subsidiaries under non-controlling interest are recognised as a separate transaction.

(c) Transactions, balances and cash flows in foreign currency and translation of foreign operations

The items included in the consolidated financial statements of each of the Group's entities are valued using the currency of the primary economic environment in which the entity operates (functional currency). The Consolidated Annual Accounts are presented in thousands of euros, which is the Group's presentation currency.

Foreign currency transactions have been translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of these transactions and from the translation at closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated profit and loss account.

The results and financial position of all Group entities (none of which have the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency applying the following criteria:

- Assets and liabilities are translated using the exchange rate as of the balance sheet closing date.
- Income and expenses for each profit and loss account are translated at monthly average exchange rates, unless this measure is not a reasonable approximation of the cumulative effect of rates existing at the transaction dates, in which case income and expenses are translated at the date of their transactions.
- Exchange differences resulting from the application of the above criteria are recognized as exchange differences in net equity.
- Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

The subsidiaries with a different functional currency compared to the Parent Company are as follows:

Company	2020	2019	2018
	Functional currency		
Ecoener Inversiones de Centroamérica, S.A.	Quetzal	Quetzal	Quetzal
Hidroeléctrica de Santa Cruz, S.A.	Quetzal	Quetzal	Quetzal
Hidroeléctrica de Santa Cruz II, S.A.	Quetzal	Quetzal	Quetzal
Hidroeléctrica de Santa Cruz III, S.A.	Quetzal	Quetzal	Quetzal
Corporación Hidroeléctrica Guatemalteca, S.A.	Quetzal	Quetzal	Quetzal
Hidro Quetzal, S.A.	Quetzal	Quetzal	Quetzal
Inversiones Renovables Guatemaltecas, S.A.	Quetzal	Quetzal	Quetzal
Ecoener Ingeniería, S.A.	Quetzal	Quetzal	Quetzal
Energías del Ocosito, S.A.	Quetzal	Quetzal	Quetzal
HidroSoloma, S.A.	Quetzal	Quetzal	Quetzal
Hidroeléctrica Cuatro Chorros de Chicamán, S.A.	Quetzal	Quetzal	Quetzal
Hidroeléctrica San Bartolomé, S.A.	Quetzal	Quetzal	Quetzal
Hidroeléctrica San Pedro Soloma I, S.A.	Quetzal	Quetzal	Quetzal
Hidroeléctrica San Pedro Soloma II, S.A.	Quetzal	Quetzal	Quetzal
Gestión de Obras y Servicios Guatemaltecos, S.A.	Quetzal	Quetzal	Quetzal
Comercializadora Centroamericana de Energía La Ceiba, S.A.	Quetzal	Quetzal	Quetzal
Llanos del Sur Fotovoltaica, S.A.	Lempira	Lempira	Lempira
Ecoener Ingeniería Honduras, S.A.	Lempira	Lempira	Lempira
LCV Ecoener Solares Dominicana, S.R.L.	Dominican Peso	-	-
EID Ecoener Inversiones Dominicana, S.R.L.	Dominican Peso	-	-
EFD Ecoener Fotovoltaica Dominicana, S.R.L.	Dominican Peso	-	-
Ecoener Solar Panamá, S.A.	Balboas	-	-
Ecoener Ingeniería Panamá, S.A.	Balboas	-	-
Ecoener Mirazul Dos, S.A.	Cordoba	-	-
Ecoener Renovables Panamá, S.A.	Balboas	-	-

As a result of the application of IFRS 1, the functional currency of the companies in which the Group's subsidiaries report has been evaluated and it has been concluded that although part of their operations are carried out in dollars (see Note 12), the functional currency of each of them is the currency of the country in which their operations are located.

(d) Intangible assets

Intangible assets are recognized initially at their acquisition or production cost. As of December 31, 2020, 2019 and 2018, no production costs had been capitalized.

Intangible assets are presented in the consolidated balance sheet at their acquisition cost value minus the amount of accumulated amortization and impairment adjustments.

Advances on account of fixed assets are initially recognized at cost. In subsequent years, provided that the period between payment and receipt of the asset exceeds one year, advances bear interest at the suppliers' incremental rate.

Costs incurred in carrying out activities that contribute to developing the value of the Group's business, such as goodwill, trademarks and similar items generated internally, as well as establishment expenses, are recorded as expenses in the consolidated profit and loss account as incurred.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(i) Goodwill

Goodwill represents the excess of acquisition cost over the fair value of the stake in the identifiable net assets of the subsidiary on the acquisition date, as detailed in note 4 (a).

Goodwill is not amortized and is reviewed annually or when a triggering event exists, to analyse possible losses due to impairment of its value, being recorded in the consolidated balance sheet at its cost value less accumulated impairment losses. Any impairment loss is recognized immediately as an expense and is not subsequently reversed.

Goodwill arising from the acquisition of companies with a functional currency other than the euro is valued in the functional currency of the acquired company, converting assets acquired and liabilities assumed to euros using the exchange rate as of the opening balance sheet date.

(ii) Concession arrangements

As described in Note 1, the Group operates several assets through service concession arrangements granted by different public entities. As described in Note 5, Concession arrangements in the consolidated balance sheet includes a PPA (Power Purchase Agreement) contract of the group company Energías del Ocosito, S.A. amounting to 2,734 thousand euros.

In the case of contracts expiring in 2031, during the first five years of the licence agreement, the direct owner has the possibility of recovering the PPA under certain conditions established in the contracts. The Group Administrators consider that these conditions will not be met.

(iii) Easement rights

The Company has easement rights contracts for the land on which the plants and generation facilities are located, which are amortized according to the duration of each contract.

(iv) Software

Other intangible assets' heading also considers software acquired at its acquisition cost. Software maintenance costs are accounted for as expenses as they are incurred.

(v) Subsequent costs

Subsequent costs incurred in intangible assets are recorded as an expense unless the expected future economic benefits of the assets increase.

(vi) Useful life and amortization

The amortization of intangible assets is carried out by distributing the depreciable amount in a systematic way over their useful life by applying the following criteria:

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

	Amortization method	Estimated useful life years (hydropower technology)
Concession arrangements	Straight-Line	(*)
Patents, licenses, trademarks and similar items	Straight-Line	10
Software	Straight-Line	4
Other intangible assets	Straight-Line	10-25-50

(*) In the PPA effective period

For these purposes, the amortizable amount is the acquisition cost less, if applicable, its residual value. The Group has no registered assets with relevant residual value.

In particular, the easement rights acquired, included in other intangible assets, for the operation of renewable energy plants are amortized in the concession period. Intangible assets incorporated after the beginning of the calculation of the concession period are amortized on a straight-line basis over the time that remains until its completion.

The Group reviews the residual value, the useful life, and the amortization method of intangible assets at the end of each year. Changes in the initially established criteria are recognised as a change in estimate.

(vii) Impairment of intangible assets

The Group assesses and determines the valuation corrections due to impairment and the reversal of impairment losses of intangible assets in accordance with the criteria mentioned in section (g) *Impairment of non-financial assets subject to depreciation*.

(e) Property, plant and equipment

Property, plant and equipment is presented at its acquisition cost, less accumulated amortization and, where applicable, accumulated impairment losses.

The cost of fixed assets includes the best estimation of the costs of dismantling or removal, as well as the rehabilitation of the place on which it is located, if they constitute obligations incurred because of its use and for purposes other than the production of inventories. The cost of property, plant and equipment also includes the development costs associated with the construction of facilities.

(i) Depreciation

The depreciation of property, plant and equipment is carried out by allocating their depreciable amount of the asset in a systematic way over the asset's useful life. For these purposes, the depreciable amount is the acquisition cost less its residual value. The Group determines the depreciation expense independently for each item that has a significant cost in relation to the total cost of the item and a different useful life from the rest of the same.

The depreciation of fixed assets is carried out by distributing the depreciable amount systematically throughout its useful life by applying the straight-line depreciation method over the following years of estimated useful life:

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

	Estimated useful life years for hydropower technology	Estimated useful life years for wind technology	Estimated useful life years for solar photovoltaic technology
Constructions	29-42	25-36	25
Technical facilities and machinery	8-50	8-50	8-50
Other facilities, tools and furniture	3-10	3-10	3-10
Other fixed assets	3-10	3-10	3-10

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

In accordance with current regulations, hydropower production plants are subject to a temporary concession arrangement. In accordance with the terms of the concession arrangement, at the end of the established terms, the facilities revert to be property of the Governments in conditions of good use. The Group does not consider necessary to make any provision for this item, since said facilities are permanently kept in good use and given the assets subject to the concession arrangement are depreciated using the shorter of the useful life and the life of the concession arrangement.

(ii) Subsequent costs

After the initial recognition of the asset, only costs incurred that result in an increase of an asset's capacity or productivity or that lengthen an asset's useful life are capitalised and the carrying amount of any replaced assets must be written off. In this sense, costs derived from the maintenance of fixed assets are recorded in results as they are incurred.

(iii) Impairment of fixed assets

The Group assesses and determines the valuation corrections for impairment and the reversal of losses due to impairment of fixed assets in accordance with the criteria mentioned in section (g) Impairment of non-financial assets.

(f) Capitalization of borrowing cost

The Group includes in the cost of fixed assets that requires a period of more than one year to be ready for use, exploitation or sale (qualified assets), the borrowing costs related to specific or generic financing are directly attributable to its acquisition, construction or production costs.

To the extent that funds has been specifically obtained, the amount of borrowing cost to be capitalised is determined based on the financial expenses accrued by it, less the returns obtained from temporary investments made with these funds. In those cases, in which the financing interrupts the development of activities performed in the qualified assets in progress, the financial expenses related to it are not capitalised. The amount of interest to be capitalised corresponding to generic financing is determined by applying a weighted average interest rate to the investment in progress, discounting the part specifically financed, with the limit of financial expenses accrued in the consolidated profit and loss account.

No interest expense has been capitalized during 2020, 2019 and 2018.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(g) Impairment of non-financial assets subject to depreciation

The Group follows the criterion of evaluating the existence of trigger events that could reveal the potential impairment of non-financial assets subject to depreciation, to check whether the carrying amount of said assets exceeds their recoverable value. The Group considers that there is an indication of impairment if an impairment has already been recognized and/or losses have been recorded.

The Group performs an analysis to detect when any group company presents signs of impairment. In addition, regardless of the existence of any trigger event, the Group tests, at least annually, the potential impairment that could affect goodwill and intangible assets with indefinite useful lives, as well as intangible assets not yet available for use. It also considers changes in the regulatory regime of assets that could have an impact on their profitability as an indication of impairment or due to changes in the projections of significant cash flows.

Hence, regardless of the existence of any indication of impairment, the Group tests, at least annually, the potential impairment that could affect goodwill and intangible assets with indefinite useful lives, as well as intangible assets not yet available for use.

The recoverable amount of assets is the higher between its fair value less selling cost or its value in use. The determination of the asset's value in use is based on the expected future cash flows that will result from the use of the asset, expectations about possible variations in the amount or timing of the cash flows, the time value of money, the price to be paid for bearing the uncertainty related to the asset and other factors that market participants would consider in the valuation of future cash flows related to the asset.

The recoverable value must be calculated for an individual asset, unless the asset does not generate cash inflows that are, to a large extent, independent of those corresponding to other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash generating unit (CGU) to which it belongs.

The Group identifies as CGU each of the renewable energy production facilities it owns.

The Group assesses on each closing date whether there is any indication that the impairment loss recognised in previous years no longer exists or may have decreased.

Losses related to the impairment of each CGU initially reduce, if applicable, the value of the goodwill assigned to it and then the other non-current assets of the CGU, allocating them based on their carrying amount with the limit for each of them being the higher between its fair value less selling cost, its value in use and zero.

Impairment losses corresponding to goodwill are not reversible. Impairment losses on other assets are only reversed if there is a change in the estimates used to determine the recoverable value of the asset. The reversal of the impairment loss is recorded with a credit to the consolidated profit and loss account. However, the reversal of the loss cannot increase the carrying amount of the asset above the carrying amount it would have had, net of depreciation, if the impairment had not been recorded.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

In 2020, the Group has recorded the reversal of the impairment provided for in previous years on the assets of the Xestosa hydroelectric power plant for 2,929 thousand euros and has not recorded any impairment loss. In 2019, the Group has recorded the reversal of an impairment of 1,175 thousand euros on the assets of Energías de Pontevedra and has recorded an impairment of 2,305 thousand euros on the assets of the Las Fuentes II hydropower plant. In 2018, no impairments or reversal of impairments were recorded (Notes 5 and 6).

(h) Leases

The Group as lessee:

The Group assesses whether a contract is or contains a lease at the inception of the contract. The Group recognizes a right of use asset and a lease liability for all lease contracts in which it is the lessee, except short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognizes the lease payments as operating expense on a straight-line basis over the term of the lease, unless there is another systematic basis more representative of the time frame in which the economic benefits of the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid on the commencement date, discounted using the implicit rate in the lease. If this rate cannot be easily determined, the Group uses its incremental borrowing rate.

Lease payments included in the value of the liability are comprised of:

- fixed lease payments, less lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate on the commencement date;
- the amount that lessee is expected to pay with residual value guarantees;
- the exercise price of the call options, if the lessee is reasonably certain of exercising the options; and
- Penalties payment for termination of the lease, if the term of the lease reflects the exercise of an option to terminate the lease.

The lease liability is presented on a separate line in the consolidated balance sheet.

The carrying amount of the lease liability increases when the interest on said liability is reflected (using the effective interest method) and decreases when the lease payments made are reflected.

The Group remeasures the lease liability (and makes the corresponding adjustments to the asset related to the right of use assets) when:

- The lease term has changed or there is a change in the assessment of the exercise of a call option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

- Lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is measured by discounting the revised lease payments using the initial discount rate (at unless changes in lease payments are due to a change in a variable interest rate, in which case a revised discount rate is used).
- A lease is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right of use assets include the initial valuation of the corresponding lease liability, lease payments made on or before the commencement day, and any initial direct costs. Subsequently, they are measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for the costs of dismantling and disposing of a leased asset, restoring the site where it is located, or restoring the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and value as indicated in IAS 37. Costs are included in the asset related to the right of use, unless those costs are incurred to produce inventories.

Right of use assets are depreciated over the shortest period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the asset for the right of use reflects that the Group expects to exercise a purchase option, the asset related to the right of use is depreciated over the useful life of the underlying asset. Depreciation begins on the lease commencement date.

Right of use assets are presented on a separate line item in the consolidated balance sheet.

The Group applies IAS 36 “Impairment of Assets” to determine whether an asset with a right of use is impaired and records any impairment loss, as described in note 4.g.

Variable rents that do not depend on an index or rate are not included in the valuation of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers their accrual occurs under the heading “Other operating expenses” in the consolidated profit and loss account.

Additionally, IFRS 16 allows the lessee not to separate non-leased components and instead account for any leases and non-leased components as a single arrangement.

(i) Financial instruments

(i) Classification and presentation of financial instruments

Financial instruments are classified at the time of their initial recognition as a financial asset, a financial liability or an equity instrument, in accordance with the economic substance of the contractual agreement and with the definitions of financial assets, financial liabilities or equity instruments set forth in IAS 32 “Financial Instruments: Presentation”.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

For valuation purposes, the Group classifies its financial instruments in the categories of financial assets and liabilities at fair value with changes in financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income, separating equity instruments designated in that manner from other financial assets.

The Group classifies a financial asset at amortized cost, if it is maintained within the framework of a business model whose objective is to maintain financial assets to obtain cash flows and the contractual conditions of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding (“SPPI”).

The Group as of December 31, 2020, 2019 and 2018 accounts the totality of its financial assets and liabilities at an amortized costs expect for derivatives, which are classified at fair value with changes in consolidated profit and loss account.

(ii) Compensation principles

A financial asset and a financial liability are offset only when the Group has the enforceable right to offset the recognized amounts and has the intention to settle for differences or to realize the asset and settle the liability simultaneously. For the Group to have the currently enforceable right, it must not be contingent on a future event and must be legally enforceable in the ordinary course of operations, in the event of judicially declared insolvency or liquidation and in the event of non-payment.

(iii) Financial assets at fair value with changes in the consolidated profit and loss account

Financial assets at fair value with changes in the consolidated profit and loss account are initially recognised at fair value. Transaction costs directly attributable to the purchase or issue are recognised as an expense in the consolidated profit and loss account as they are incurred.

The fair value of a financial instrument at the initial recognition is usually the price of the transaction, unless said price contains different elements of the instrument, in which case, the Group determines its fair value. If the Group determines that the fair value of an instrument differs from the transaction price, it records the difference in results, to the extent that the value has been obtained by reference to a price quoted in an active market for an identical asset or liability or has been obtained from a valuation technique that has only used observable data. In all other cases, the Group recognizes the difference in results, insofar as it arises from a change in a factor that market participants would consider when determining the price of the asset or liability (IFRS 7.28 a).

After their initial recognition, they are recognised at fair value, recording the variations in results. Interest and dividends accrued are included in the items by their nature. The fair value is not reduced by the transaction costs that may be incurred due to its eventual sale or disposal by other means.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

The Group determines the change in the fair value attributable to credit risk, initially calculating the internal rate of return at the beginning of the period using the fair value and the contractual flows and deducting the reference interest rate from said rate to determine the rate specific to the credit risk component, provided that the change in the reference interest rate is not significant and that there are no other factors that imply relevant changes in fair value. On each closing date, the Group discounts the contractual flows at the rate determined as the sum of the reference rate on that date, plus the specific rate of the credit risk component. The difference between the fair value at the end of the year and the previous amount represents the variation related to credit risk.

(iv) Financial assets and liabilities at amortized cost

Financial assets and financial liabilities at amortized cost are initially recognized at fair value, plus or minus transaction costs incurred and are subsequently valued at amortized cost, using the effective interest rate method, which is the discount rate that equals the value of all expected future flows of a financial asset, excluding impairment losses, to the value of said financial asset at the time of its initial recognition.

(v) Reclassification of financial instruments

The Group reclassifies financial assets when their business model is modified. The Group does not reclassify financial liabilities.

If the Group reclassifies a financial asset from amortized cost to fair value through consolidated profit and loss account, it recognizes the difference between the fair value and the carrying amount in profit and loss account. Thereafter, the Group does not record interest separately from the financial asset. If the Group reclassifies a financial asset from fair value through profit and loss account to amortized cost, the fair value at the date of reclassification is considered the new gross carrying amount for the purposes of applying the effective interest rate method and recording credit losses.

If the Group reclassifies a financial asset from the amortized cost category to fair value through consolidated profit and loss account, it recognizes the difference between the fair value and the carrying amount in other comprehensive income. The effective interest rate and the recording of expected credit losses are not adjusted for the reclassification. However, the cumulative amount of expected credit losses is recorded against other comprehensive income and disclosed in the notes.

If the Group reclassifies a financial asset from fair value through other comprehensive income to amortized cost, it is reclassified at fair value. The amount deferred in equity is adjusted from the carrying amount of the asset. The effective interest rate and the recording of expected credit losses are not adjusted for reclassification.

If the Group reclassifies a financial asset from fair value through profit and loss account to fair value through other comprehensive income, the effective interest rate and expected credit losses are determined at the date of reclassification at the fair value at that time.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

If the Group reclassifies a financial asset from fair value through other comprehensive income to fair value through profit and loss account, the amount deferred in equity is reclassified to profit or loss. From that moment on, the Group does not record the interest on the financial asset separately.

(vi) Impairment

Group recognises a loss allowance for expected credit losses on financial assets measured at amortised cost, lease receivables and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Group always recognises lifetime expected credit losses for trade receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors (including, but not limited to, external ratings, audited financial statements, management accounts and cash flow projections and available press information on customers), general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition.

Lifetime expected credit losses represent the expected credit losses that will result from all possible events of default during the life of the financial instrument.

(vii) Derecognition of financial assets

The Group applies the criteria for the derecognition of financial assets to a part of a financial asset, to a part of a group of similar financial assets, to a financial asset or to a group of similar financial assets.

Financial assets are derecognized when the rights to receive cash flows related to them have expired or have been transferred and the Group has substantially transferred the risks and benefits derived from their ownership.

The cancellation of a financial asset in its entirety implies the recognition of results for the difference between its carrying amount and the sum of the consideration received, net of transaction expenses, including the assets obtained or liabilities assumed and any deferred gain or loss in other comprehensive income, except for equity instruments designated at fair value with changes in other comprehensive income.

The Group directly reduces the carrying amount of a financial asset when it has reasonable expectations of partial or total recovery.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(viii) Interests and dividends

The Group recognizes interest by the effective interest rate method, which is the discount rate that equates the carrying amount of a financial instrument with the estimated cash flows over the expected life of the financial instrument, based on its contractual conditions and without considering expected credit losses, except for financial assets acquired or originated with incurred losses.

Interest is recognized on the gross book value of financial assets, except for financial assets acquired or originated with incurred credit losses and financial assets with credit impairment. For the former, the Group recognizes interest based on the effective interest rate adjusted for the initial credit risk and for the latter, the Group recognizes interest based on the amortized cost.

Estimated changes in cash flows are discounted at the effective interest rate or interest rate adjusted for the original credit risk and are recognized in income.

Dividend income from investments in equity instruments is recognized in the consolidated profit and loss account when the rights for the Group to their perception have arisen, it is probable that the economic benefits will be received and the amount can be reliably estimated.

The Group recognizes, as financial income and expenses, interest on late payment in commercial operations in accordance with the legal and contractual conditions agreed. If this interest is eventually offset, the Group recognizes the transaction according to its substance. The Group recognizes the legal right of compensation for collection management costs incurred when it is probable that they will be collected. The Group recognizes the expense for claiming collection management costs in accordance with its accounting policy for provisions.

(ix) Disposals and modifications of financial assets

The Group derecognizes a financial liability or part of it when it has complied with the obligation contained in the liability or is legally exempted from the main responsibility contained in the liability, either by virtue of a judicial process or by the creditor.

The exchange of debt instruments between the Group and the counterparty or the substantial modifications of the liabilities initially recognized are accounted for as a cancellation of the original financial liability and the recognition of a new financial liability, provided that the instruments have substantially different conditions.

The Group considers that the conditions are substantially different if the present value of the discounted cash flows under the new conditions, including any commission paid, net of any commission received, and using the original effective interest rate to calculate the discount, differs at least by 10 percent of the discounted present value of the cash flows still remaining from the original financial liability.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

If the exchange is recorded as a cancellation of the original financial liability, the costs or commissions are recognized in profit and loss account, forming part of the result thereof. Otherwise, the modified cash flows are discounted at the original effective interest rate, recognizing any difference with the previous carrying amount, in results. Likewise, costs or commissions adjust the carrying amount of the financial liability and are amortized using the amortized cost method over the remaining life of the modified liability.

The Group recognizes the difference between the carrying amount of the financial liability, or a part of it, cancelled or transferred to a third party and the consideration paid, including any asset transferred other than the cash or liability assumed in the consolidated profit and loss account.

(x) Derivatives

The Group uses derivative financial instruments to manage its financial risk as a consequence, mainly, of variations in interest rates and energy prices (see Note 9). These derivative financial instruments, whether they have been classified as hedges or not, are accounted for at fair value (both on initial recognition and on subsequent valuations).

All derivative financial instruments must be recognized as assets or liabilities in the consolidated balance sheet, at their fair value, and changes must be recognized in the consolidated profit and loss account for the year, except in cases where, by opting for “hedge accounting”, the effective part of the hedge relationship should be recorded in equity (fair value, cash flow and net investment hedges in a currency other than the euro).

In 2018, 2019 and 2020, the Group does not have any derivative financial instrument that has been classified for accounting purposes as hedging, only counting on derivatives that do not meet the criteria established to be classified as hedging, therefore the positive or negative variation arising from updating them at fair value is recorded directly in the consolidated profit and loss account for the year.

(j) Inventories

The goods and services included in this heading are valued at their cost (acquisition Price or production cost).

The acquisition cost includes the amount invoiced by the seller after deducting any discount, reduction or other similar items, as well as the interest incorporated into the nominal amount of the debt, plus the additional expenses that occur until the goods are located for sale and others directly attributable to the acquisition, as well as financial expenses as provided in section (d) and indirect taxes not recoverable from the Public Treasury.

When the net realizable value of inventories is lower than the acquisition price or production cost, the Group will make the appropriate valuation adjustments, recognising them as an expense in the consolidated profit and loss account.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(k) Cash and cash equivalents

As of December 31, 2020, 2019, and 2018, cash and cash equivalents included cash on hand and demand bank deposits with financial institutions.

For the purposes of the consolidated cash flows statement, bank overdrafts payable on demand, which are part of the Group's cash management, are included as cash and cash equivalents. Bank overdrafts are recognized in the consolidated balance sheet as financial liabilities for debts with financial institutions.

The Group classifies cash flows corresponding to interest received and paid as operating cash flows and dividends received and paid as financing cash flows.

(l) Provisions and contingencies

The Group in preparing these Consolidated Annual Accounts, has distinguished between:

1. Provisions: credit balances that cover current obligations derived from past events, the cancellation of which is likely to cause an outflow of resources, but which are indeterminate in terms of their amount and/or cancellation time.
2. Contingent liabilities: possible obligations arising from past events, the future materialization of which is conditioned on the occurrence, or not, of one or more future events independent of the Group future conditions.

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. No provisions are recognized for future operating losses.

The financial effect of the provisions is recognised as financial expenses in the consolidated profit and loss account.

The provisions do not include the tax effect, nor the expected earnings from the disposal or abandonment of assets

The amounts recognized in the consolidated balance sheet correspond to the best estimate at the closing date of the disbursements required to settle the present obligation, after taking into account the risks and uncertainties related to the provision and, when significant, the financial effect produced by discounting, provided that the disbursements to be made in each period can be reliably determined. The discount rate is determined on a pre-tax basis, considering the time value of money, as well as the specific risks that have not been considered in the future flows related to the provision at each closing date.

The consolidated balance sheet includes all provisions with respect to which it is considered probable that the obligation will have to be accomplished. Contingent liabilities are not recognised in the consolidated balance sheet but are reported on the notes to the Consolidated Annual Accounts as they are not considered remote. The breakdown of the provisions that the Group maintained in the consolidated balance sheet is detailed below:

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

- *Tax provisions*

The amount of tax provisions corresponds to the estimated amount of tax payables determined following the general criteria set out above. Provisions are charged to income tax for the year, financial expenses for interest charges as a result of late payment and other income for any penalties. The effects of changes in the estimate of provisions from previous years are recognised in the items by their nature, except in the case of correcting an error.

- *Provisions for dismantling, restoration and similar items*

The provisions referred to in this heading are recognised following the general criteria for recognition of provisions and are recorded at the higher cost value of the items of fixed assets with which they are related when they arise from the acquisition or construction of them. It is calculated by estimating the current value of the estimated disbursements associated with the dismantling of said assets, taking into account all the available information at the end of the year.

Variations in the provision derived from changes in the amount, in the time structure of the disbursements or in the discount rate at the end of the year, increase or decrease the cost value of fixed assets with the limit of the carrying amount of this item, recognising the excess in the consolidated profit and loss account.

Changes in the amount of the provision that become apparent once the useful life of the fixed asset has ended are recognised in the consolidated profit and loss account as they occur.

(m) Revenue recognition

Revenue is derived from the sale of energy and the provision of services. To determine revenue recognition, the Group follows the five-step process in accordance with IFRS 15:

1. Identify the contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognize revenue when the entity satisfies a performance obligation.

The Group carries out transactions consisting of the sale of energy and the provision of services. In all cases, the total transaction price of a contract is distributed among the various performance obligations based on their relative standalone selling prices. The transaction price of a contract excludes any amount charged on behalf of third parties.

Revenue is recognized at a point in time or over time, when the Group satisfies the performance obligations by transferring the control over the committed goods or services to its customers.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(i) Income from energy sales

Net Revenues from the sale of energy derives from contracts entered with external customers, or by signing agreements to ensure the price of the energy sold. From these contracts, a single obligation is derived, which is the delivery of energy. These contracts establish a consideration for the delivery of energy, established short-term supply agreements in Spain and long-term supply agreements in Guatemala and Honduras. In the future, it is estimated that there will be contracts that are referenced to the pool price. Electricity sales are recognized as income when they are delivered to the customer based on the quantities supplied during the period, even when they have not been invoiced at the closing date of the correspondent exercise.

In relation to contracts with clients, the following are the most representative:

- The totality of the energy production of the 2020 financial year of the Group's generation facilities in Spain was sold to the market within the framework of an income guarantee contract, signed with the company Axpo Iberia, S.L., effective from January 1 to December 31, 2020, for which a fixed amount was received for each MWh produced. Such contract was a physical delivery contract and the Parent Company has applied the own use exception established in IFRS 9.
- The Group has formalized an agreement, signed with the company Axpo Iberia, S.L., effective from January 1 to December 31, 2021, for which it is ensured that all the energy produced by its facilities in Spain will be sold at the price per MWh within a band agreed in the contract (the contract does not establish a fixed amount but covers the total production of the renewable facility). This contract is settled on an annual basis and although monthly settlements are made for differences in the position, it is not possible to determine the final net position until the end of the year. The Parent Company's management has concluded that by virtue of the foregoing it meets the definition of a derivative instrument established by IFRS 9 (see Note 15).
- The entire production of the Planta Solar Fotovoltaica Llanos del Sur plant is sold under a PPA contract valid until 2035. The direct holder of said contract is the company, Grupo Llanos del Sur Fotovoltaica, S.A. The counterpart of said contract is the Honduran state company, "Empresa Nacional Energía Eléctrica", the contract being backed by the sovereign guarantee of the Republic of Honduras. Through this contract, Llanos del Sur Fotovoltaica sells all of the energy produced at a fixed price that can be updated annually based on the consumer price index published by the US Department of Labor and the power generated by the Photovoltaic Plant at a fixed price (fixed monthly payment per installed power).
- The production of the Central Hidráulica Las Fuentes II is sold within the framework of PPA contracts that always regulate volumes of energy and power to be delivered and the associated remuneration. The differences between the plant's production and the volumes of the PPA are compensated with sales or acquisitions in the Guatemalan electricity market. The PPA contracts have been assigned by their direct holders in exchange for an economic consideration consisting of a part of the revenue obtained from the exploitation of the contracts. This consideration is recorded under the external services caption. The current PPA contracts are as follows:

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

- Supply Contract Power for Difference with Load Curve for users of the Final Distribution service of the Social Rate with Deocsa (Energuate), for a capacity of 1,248 KW at a fixed price and supplies hourly blocks of energy partially upgradeable based on the variation of an annual price index. The contract is valid until the year 2030.
- Supply Contract Power for Difference with Load Curve for users of the Final Distribution service of the Social Rate with Deorsa (Energuate), for a capacity of 1,248 KW and valid until 2030. The counterpart of the PPA contract is Deorsa (Energuate). It is agreed to supply a power of 1,248 KW per month at a fixed price and by hourly blocks of energy partially upgradeable based on the variation of an annual price index.
- Supply Contract Power for Difference with Load Curve for users of the Final Distribution service of the Social Rate with Empresa Eléctrica de Guatemala, S.A. (Energuate), for a capacity of 1,687.50 KW and valid until 2031. The counterpart of the PPA contract is Empresa Eléctrica de Guatemala, S.A. It is agreed to supply a power of 1,248 kW / month at a fixed price and by partially upgradeable hourly energy blocks based on the variation of an Annual Price Index.
- Supply Contract Power for Difference with Load Curve for users of the Final Distribution service of the Non-Social Rate with Empresa Eléctrica de Guatemala, S.A. (Energuate), for a capacity of 1,687.50 KW and valid until 2031. The counterpart of the PPA contract is Empresa Eléctrica de Guatemala, S.A. Through this contract, a price is fixed upgradeable based on the variation of an annual price index and supply blocks of energy by service hours.
- Supply Contract Power by Difference with Load Curve for users of the Final Distribution service of the Social Rate with Deocsa (Energuate), for a capacity of 3,375 KW and valid until 2031. The counterpart of the PPA contract is Deocsa (Energuate). A partially upgradeable price is set based on a maximum interannual variation of 2.248% and a minimum of 0%.

Additionally, some facilities in Spain count with regulated scheme, destined, in order to favour the development of energy generation from renewable sources, to guarantee a minimum profitability threshold in the long-term of said facilities. These are considerations that are recognized as revenue for the Group, over time, to the extent that the facilities remain in operation, generating energy that is delivered to the market. Among these variable remunerations are:

1. Investment remuneration revenue: The Spanish companies of the Group record as investment remuneration the amount for this concept established in RD 9/2013 and subsequent developments (see Note 2.b). The detail of the production facilities that receive income from investment remuneration is as follows:

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

Renewable facility	Subsidiary	Code	Regulatory life since COD (in years)	Regulatory regime (year)
Ourol wind farm (18 MW)	Hidroeléctrica de Ourol, S.L.	IT-00657	20	2027
San Bartolomé wind farm (9.2 MW)	Mocan Renovables, S.L.	IT-03124	20	2037
Llanos de la Aldea wind farm (20 MW)	Drago Renovables, S.L.	IT-03124	20	2037
San Bartolomé hydropower plant (1.2 MW)	Hidroeléctrica del Giesta, S.L.	IT-00698	25	2022
Cierves hydropower plant (5 MW)	Hidroeléctrica del Giesta, S.L.	IT-00701	25	2025
Peneda hydropower plant (10 MW)	Hidroeléctrica del Giesta, S.L.	IT-00704	25	2028
Arnoya hydropower plant (10 MW)	Hidroeléctrica del Giesta, S.L.	IT-00704	25	2028
Landro hydropower plant (9.2 MW)	Sociedad Lucense de Energía Hidráulica y Eólica, S.L.	IT-00709	25	2033
Xestosa hydropower plant (2.9 MW)	Hidroeléctrica de Ourol, S.L.	IT-00709	25	2033
Singular Lalin wind farm (3 MW)	Energías de Pontevedra, S.L.	IT-00635	20	2028.

2. Revenue from investment incentives: Companies with production facilities in Canary Islands of the Group, Drago Renovables, S.L. and Mocan Renovables, S.L., register as an investment incentive the amount for said concept established in Order IET / 1459/2014 and subsequent developments. The detail of the production facilities that receive investment incentive income is as follows:

Renewable facility	Subsidiary	Code	Regulatory life since COD (in years)	Regulatory regime (year)
San Bartolomé wind farm (9.2 MW)	Mocan Renovables, S.L.	IT-03124	20	2037
Llanos de la Aldea wind farm (20 MW)	Drago Renovables, S.L.	IT-03124	20	2037

3. Revenue from adjustments due to deviations from the market price: The Spanish companies of the Group which are owners of production facilities that receive income from investment remuneration, record the corresponding “adjustment value” as income for the year in accordance with article 22 of RD 413/2014 for the difference, if applicable, if it occurs between the average daily and intraday price for the year and the upper and lower limits established in the aforementioned standard and in the corresponding parameter orders.

In this case, given that the obligation to be fulfilled by the Group is the delivery of energy, the full price of each transaction is associated with the fulfilment of said obligation.

In this way, to the extent that the Group complies with the energy delivery obligation, it recognizes the revenue for the agreed remuneration.

As of December 31, 2020, 2019 and 2018, it is recorded under Non-current accounts payable in the amount of 163 thousand euros, 3,403 thousand euros and 2.325 thousand, respectively, the adjustment for deviations to market price for 2020, 2019 and 2018, the compensation of which will take place as from the regulatory half-period after the one in which they were recorded and during the remaining regulatory useful life of the wind farms and hydroelectric plants operated by the Group, as well as the debit amount to be compensated in the long term corresponding to the regulatory half-period 2014-2016 (Note 15).

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

The Company's policy is to present the creditor or debtor position held in the long and short-term and by virtue of the regulatory sub-period. Specifically, the detail of the aforementioned long-term and short-term price adjustments is as follows:

	<u>Minimum payments</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Non-current accounts payable	(163)	(3,403)	(2,325)
Short-term suppliers	-	(399)	-
Short-term trade receivables for sales and services	<u>462</u>	<u>-</u>	<u>90</u>
Total	<u>299</u>	<u>(3,802)</u>	<u>(2,235)</u>

(ii) Provisions of services

The Group provides services in the following areas:

- Intermediation of the purchase and sale of electricity other than that produced in the facilities owned by the Group. The net amount of the revenue figure includes the amount of electricity sales in Central America, since the free marketer is considered a principal agent and not a commission agent for the supply made. Consequently, sales and purchases of energy (such as toll costs) are recorded at the total amount.
- Operation and maintenance services of electricity generation facilities from renewable sources. At the end of 2020, the Group has provided services to third parties in this concept for insignificant amounts and in any case, it is not part of its main line of business.

(n) Income tax

Income tax benefit or expense includes both current and deferred tax.

As indicated in Note 19, some Group companies are taxed, in relation to corporation tax, in accordance with the Special Tax Consolidation Regime provided for in the tax legislation in force in Spain. The parent company of the tax group is Ecoener, S.L.U.

The Parent Company has a formalized agreement with the subsidiaries referred to in the preceding paragraph that regulates the distribution of the tax burden derived from the consolidated corporation tax. In accordance with this agreement, when such subsidiaries obtain positive tax bases, a tax credit is generated in favour of the Parent Company. If said subsidiaries obtain negative tax bases or contribute deductions and tax credits to the share, a debit will be generated in favour of the Parent Company when the consolidated Group compensates or deducts them.

Assets or liabilities for current income tax are valued at the amounts expected to be paid or recovered from the tax authorities, using the regulations and tax rates enacted or substantively enacted, or approved and pending publication on the year-end date.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

Current or deferred income tax is recognised in income unless it arises from a transaction or economic event that was recognised in the same year or in a different one against net equity or from a business combination.

i. Recognition of deferred tax liabilities

The Group recognises all deferred tax liabilities except those arising from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, on the date of the transaction, it does not affect the accounting result or the tax base or correspond to taxable temporary differences related to investments in subsidiaries, associated and multi-group companies over which the Group has the ability to control the timing of their reversal and it is unlikely that their reversal will occur in the foreseeable future.

ii. Recognition of deferred tax assets

The Group recognises deferred tax assets whenever it is probable that there will be enough future tax earnings to offset them or when tax legislation contemplates the possibility of future conversion of deferred tax assets into a credit due from the Tax Authority. However, the assets that arise from the initial recognition of assets or liabilities in a transaction that is not a business combination, and, on the date of the transaction, does not affect the accounting result or the taxable base, they are not recognised. Likewise, it recognizes the deferred tax assets corresponding to deductible temporary differences related to investments in subsidiaries to the extent that the temporary differences will revert in the foreseeable future and it is expected to generate future taxable profit to offset the differences.

It is considered probable that the Group has sufficient taxable profit to recover deferred tax assets, provided that there are taxable temporary differences in a sufficient amount, related to the same tax authority and referred to the same taxpayer, whose reversal is expected in the same financial year in which the deductible temporary differences are expected to revert or in years in which a tax loss, arising from a deductible temporary difference, can be offset with earlier or later earnings.

In determining future taxable profit, the Group takes tax planning opportunities into account, if it intends to adopt them or is likely to adopt them.

iii. Valuation of deferred tax assets and liabilities

Deferred tax assets and liabilities are valued at the tax rates that will be applicable in the years in which it is expected to realize the assets or pay the liabilities, based on the regulations and rates that are in force or approved and pending publication and once the tax consequences that will derive from the way in which the Group expects to recover assets or settle liabilities have been considered. For these purposes, the Group has considered the deduction for the reversal of temporary measures developed in the thirty-seventh transitory provision of Act 27/2014, of November 27, on corporation tax, as an adjustment to the tax rate applicable to the temporary difference deductible associated with the non-deductibility of the depreciations made in 2013 and 2014.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

iv. Compensation and classification

Deferred tax assets and liabilities are recognised in the consolidated balance sheet as non-current assets or liabilities, regardless of the expected date of realization or settlement.

At each accounting closing, the recorded deferred tax assets are reconsidered, making the appropriate corrections to them, to the extent that there are doubts about their future recovery. Likewise, at each closing, deferred tax assets not recorded in the consolidated balance sheet are evaluated and are recognised to the extent that their recoverability with future tax benefits becomes probable.

For those companies that do not belong to the tax Group, the corresponding regulations of the legislation of the country of origin are applied, contemplating double taxation agreements and conventions, where appropriate.

(o) Classification of assets and liabilities between current and non-current

The Group presents the consolidated balance sheet classifying assets and liabilities between current and non-current. For these purposes, current assets or liabilities are those that meet the following criteria:

- i) Assets are classified as current when they are expected to be carried out or they are intended to be sold or consumed in the course of the normal cycle of the Group's operation, they are held primarily for trading purposes, they are expected to be carried out within the twelve-month period after the closing date or it is cash or cash equivalents, except in those cases in which they cannot be exchanged or used to settle a liability, at least within the twelve months following the closing date.
- ii) Liabilities are classified as current when they are expected to be settled in the Group's normal operating cycle, they are held primarily for trading, they must be settled within a twelve-month period from the closing date or the Group does not have the unconditional right to postpone the cancellation of the liabilities for the twelve months following the closing date.
- iii) Financial liabilities are classified as current when they must be settled within the twelve months following the closing date, even though the original term is for a period of more than twelve months and there is a refinancing or restructuring agreement for long-term payments that has concluded after the closing date and before the Consolidated Annual Accounts were prepared.

(p) Transactions between Group companies

Transactions between Group companies, except those related to mergers, spin-offs and non-monetary contributions of businesses, are recognised at the fair value of the consideration given or received. The difference between said value and the agreed amount is recorded according to the underlying economic nature.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(q) Environmental information

The Sole Director of the Parent Company estimates that there are no significant contingencies related to the protection and improvement of the environment, not considering it necessary to constitute a provision for environmental risks and expenses as of December 31, 2020, 2019 and 2018. During the financial years 2020, 2019 and 2018, the Group has not received grants of an environmental nature.

(r) Grants

Grants are recognized when there is reasonable assurance that the grant will be received, and all conditions imposed will be met. When the allowance is related to an item of expenses, it is recognized as income in a systematic way during the period in which the related expenses are recorded, for which the allowance has been awarded as compensation. When the grant is related to an asset, it is recorded as income on a straight-line basis over the expected useful life of the corresponding asset.

When the Group receives grants through non-monetary assets, the asset and the grant are recorded at their nominal value and are recorded on a straight-line basis in the consolidated profit and loss account during the asset's useful life, based on its consumption pattern.

IAS 20.24 allows two alternative ways of presenting asset-related government grants. The Group has chosen to present the grants in the consolidated balance sheet as Government grants and systematically recognizing them as income over the useful life of the asset.

(s) Financial information by segment

The Group comprises five operating segments: i) operation of hydropower plants, ii) operation of wind farms, iii) operation of solar photovoltaic plants, iv) electricity commercialization and v) provision of other services (note 25).

The operating segments, except for the specificities of the generation technology used in each of them, are jointly managed.

The only inter-segment transactions are those related to the transfer from the "Other Services" segment to the "Operation of hydropower plants", "Operation of wind farms" and "Operation of solar photovoltaic plants" segments once the plants have been completed, both of the assets and the related debt.

Inter-segment sales prices are established following the standard commercial terms and conditions available to unrelated third parties, except for the transfer of assets and liabilities from the "Other Services" segment to the "Operation of hydroelectric plants", "Operation of wind farms" and "Operation of solar photovoltaic plants" segments upon completion of the plants, which is carried out at consolidated values.

For management purposes, the Group uses the same accounting valuation policies as those used in its consolidated annual accounts.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(t) Business combinations

The Group applies the accounting acquisition method for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are charged to the consolidated income statement as incurred.

Assets acquired and liabilities assumed are generally measured at fair value at the date of acquisition. See Notes 4.a and 4.e.i.

(5) Intangible Assets and Goodwill

a) Intangible assets

The composition and movements in the accounts considered intangible assets, except goodwill, as of December 31, 2020, 2019 and 2018 were as follows:

	2020			Total
	Concession arrangements	Other intangible assets	Intangible assets in progress	
Cost as of January 1, 2020	3,017	1,982	-	4,999
Additions / Transfers	-	1,110	-	1,110
Disposals	-	(42)	-	(42)
Exchange Differences	(282)	-	-	(282)
Cost as of December 31, 2020	2,735	3,050	-	5,785
Accumulated amortization as of January 1, 2020	(772)	(653)	-	(1,425)
Amortization	(262)	(104)	-	(366)
Disposals	-	-	-	-
Exchange differences	139	-	-	139
Accumulated amortization as of December 31, 2020	(895)	(757)	-	(1,652)
Accumulated impairment as of January 1, 2020	-	(87)	-	(87)
Accumulated impairment as of December 31, 2020	-	(87)	-	(87)
Net carrying amount as of December 31, 2020	1,840	2,206	-	4,046

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

	2019			
	Concession arrangements	Other intangible assets	Intangible assets in progress	Total
Cost as of January 1, 2019	2,977	1,931	-	4,908
Additions / Transfers	-	52	-	52
Disposals	-	(1)	-	(1)
Exchange differences	40	-	-	40
Cost as of December 31, 2019	3,017	1,982	-	4,999
Accumulated amortization as of January 1, 2019	(549)	(566)	-	(1,115)
Amortization	(217)	(89)	-	(306)
Disposals	-	-	-	-
Exchange differences	(6)	2	-	(4)
Accumulated amortizations as of December 31, 2019	(772)	(653)	-	(1,425)
Accumulated impairment as of January 1, 2019	-	(130)	-	(130)
Disposals	-	43	-	43
Accumulated impairment as of December 31, 2019	-	(87)	-	(87)
Net carrying amount as of December 31, 2019	2,245	1,242	-	3,487
	2018			
	Concession arrangements	Other intangible assets	Intangible assets in progress	Total
Cost as of January 1, 2018	2,998	1,835	1,222	6,055
Additions / Transfers	-	103	-	103
Disposals	-	(7)	(1,222)	(1,229)
Exchange differences	(21)	-	-	(21)
Cost as of December 31, 2018	2,977	1,931	-	4,908
Accumulated amortization as of January 1, 2018	(339)	(490)	-	(829)
Amortization	(213)	(83)	-	(296)
Disposals	-	7	-	7
Exchange differences	3	-	-	3
Accumulated amortizations as of December 31, 2018	(549)	(566)	-	(1,115)
Accumulated impairment as of January 1, 2018	-	(130)	-	(130)
Accumulated impairment as of December 31, 2018	-	(130)	-	(130)
Net carrying amount as of December 31, 2018	2,428	1,235	-	3,663

Additions and transfers for the year 2020 mainly correspond to the Punta Maeda substation associated to the wind facility whose work was pending completion at the end of the year ended December 31, 2020 and other assets that in 2019 and 2018 it was classified as property, plant and equipment in progress (see note 6).

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

The heading “Other intangible assets” mainly includes, in addition to the substation associated with the Punta Maeda wind farm, the easement rights acquired as rights of way for power lines and accesses for the operation of hydropower plants and wind farms, as well as computer applications.

Concession arrangements include the assignment contract signed between the Company Energías del Ocosito, S.A. and Hidroeléctrica Tres Ríos, S.A. on May 23, 2016, whereby Hidroeléctrica Tres Ríos, S.A. grants energy generation and supply rights to Distribuidora de Electricidad de Occidente, S.A. until April 30, 2030. The detail of the payments committed by the Company Energías del Ocosito, S.A. for the assignment of the PPA, are the following (in thousand euros):

	Minimum payments		
	2020	2019	2018
One year	193	210	208
Between one and five years	963	1,050	1,041
More than five years	659	927	1,128
Less current part	(193)	(210)	(208)
Total non-current	1,622	1,977	2,169

b) Fully amortized assets

The cost of intangible assets that are fully amortized and still in use as of December 31, 2020, 2019 and 2018 is as follows (in thousand euros):

	2020	2019	2018
Other intangible assets	63	61	56
	<u>63</u>	<u>61</u>	<u>56</u>

c) Goodwill

Goodwill recognised in intangible assets corresponds to the positive difference from the first consolidation adjustments arising from the integration in these Consolidated Annual Accounts of the net assets of the following companies (in thousand euros):

Company	2020	2019	2018
Hidroeléctrica del Giesta, S.L.	3,669	3,669	3,669
Corporación Hidroeléctrica Guatemalteca	-	70	281
Other	236	236	236
	<u>3,905</u>	<u>3,975</u>	<u>4,186</u>

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

The composition and movements in goodwill as of December 31, 2020, 2019 and 2018 are as follows:

	Thousand euros		
	2020	2019	2018
Cost as of January 1,	3,975	4,186	4,186
Disposals	(70)	-	-
Impairment	-	(211)	-
Net carrying amount as of December 31,	3,905	3,975	4,186

Goodwill disposals correspond to the dissolution of the company Corporación Hidroeléctrica Guatemalteca, S.A., whose dissolution generated a loss of 215 thousand euros in 2020.

The goodwill of Hidroeléctrica de Giesta, S.L. is allocated to its correspondent cash generating unit (CGU), and compared to its recoverable amount.

As described in the registration and valuation regulations, for analysing the valuation of the assets, management classifies the Cash Generating Units (CGUs) according to its different renewable energy facilities.

The recoverable amount of the assets that appertain to each CGU is determined by estimating the value in use, which for calculation purposes is considered similar to the market value. Management uses the income approach as a method for assets valuation, specifically applying discounted cash flows using a rate reflecting the time value of money and the risks associated with the expected cash flows.

The cash flows for the performance of impairment test considered are those arising from the business plan approved by the Board of Directors. Said business plan is reviewed periodically, and at least once a year, by the management and submitted to the Board of Directors for review.

The Group establishes the cash flows for each asset considering the useful life of the facility that composes each CGU and, for those facilities subject to a concession period, such period is considered as a variable for analysing the recovery of the assets.

The business plan considers an average inflation rate of 1.8% in the long term and the evolution of exchange rates is projected based on the curves published by International Organizations.

For the validation of year ended December 31, 2020 results, an independent expert was hired to review the impairment tests of the Group's main assets. The expert was PricewaterhouseCoopers, which issued its report dated as of February 11, 2021.

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

Discount rates

Discount rates reflect the current assessment of the specific market risks of each of the CGUs, considering the time value of money and the individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The calculation of the discount rate is based on the specific circumstances of the Group and its industry and takes the average rate of cost of capital (WACC) as a starting point. The WACC considers both debt and equity. The cost of equity is derived from the return expected by the Group's investors.

The cost of debt is obtained from the interest the Group is required to pay for borrowings. Segment-specific risks have been incorporated by applying correcting factors. In the impairment tests' analysis as of December 31, 2020, the cash flows have been discounted using a weighted average cost of capital rate (WACC) of 5.1% (6.3% for 2019 and 2018) for assets in Spain and 7% (7.8% for 2019 and 8.6% for 2018) for assets of companies from Guatemala.

In 2020, the WACC used by the Group was lower mainly as a result of the change in interest rates and the downward change in the country risk associated with the assets where the Group's facilities are located.

Additionally, as required by IAS 36, a sensitivity analysis has been performed on the main variables included in the impairment tests, the main ones being the energy sales price curve and the WACC. Specifically, the following sensitivities have been performed:

- In the case of the price curve, the impairment tests have been sensitized assuming upward and downward variations of 5% of the energy sales price, keeping all the other variables constant.
- In the case of the WACC, sensitivities have been performed using rates in the range of 4% and 8%, depending on the type of asset and the country in which it is located.

No impairment of the facilities has been detected as a result of the impairment tests or sensitivity analyses.

Cash flows assumptions

Management's key assumptions include stable profit margins, based on the business plan approved by the Board of Directors and established based on past experience in the different CGU's. Group management considers this to be the best available input for forecasting this markets' trends at the end of 2020, 2019 and 2018.

For the year-end 2020, and considering the Parent Company's intention to go public, it has been determined that these assumptions were reviewed by an independent expert (PricewaterhouseCoopers) as of February 2021, in order to verify their appropriateness in relation with the market to which they belong and their specific situations.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

Goodwill impairment

Annually, the Group performs a review of the recoverable amount of its Goodwill. As of December 31, 2019, the analysis concluded the need to impair the goodwill of Corporación Hidroeléctrica Guatemalteca, S.A. by 211 thousand euros, recorded under Other reserves, considering the difficulties presented by the project in the development of its expected activity. As of December 31, 2020, and 2018, no impairment of goodwill has been revealed.

d) Intangible assets subject to guarantees

Intangible assets subject to guarantees are detailed in Note 6.

(6) Property, plant and equipment

The composition and movements in Property, plant and equipment as of December 31, 2020, 2019 and 2018 have been the following:

	2020 (in thousand euros)						Total
	Land	Buildings	Technical facilities and machinery	Other facilities, tools and furniture	Other fixed assets	Assets under construction and advances	
Cost as of January 1, 2020	1,738	119,521	83,182	218	506	14,882	220,047
Additions	-	44	3,707	34	146	28,780	32,711
Disposals	-	-	(55)	-	-	(135)	(199)
Transfers	-	4,184	19,166	(11)	92	(23,431)	-
Exchange differences	(7)	(4,939)	-	-	(7)	-	(4,953)
Cost as of December 31, 2020	1,731	118,810	106,000	241	737	20,096	247,615
Accumulated depreciation as of January 1, 2020	(464)	(30,451)	(29,478)	(217)	(352)	-	(60,962)
Depreciation	(32)	(3,714)	(3,668)	(13)	(79)	-	(7,506)
Exchange differences	37	598	-	30	-	-	665
Accumulated depreciation as of December 31, 2020	(459)	(33,567)	(33,146)	(200)	(431)	-	(67,803)
Accumulated impairment as of January 1, 2020	(174)	(5,067)	(1,735)	-	(1)	-	(6,977)
Reversals	109	1,731	1,088	-	1	-	2,929
Accumulated impairment as of December 31, 2020	(65)	(3,336)	(647)	-	-	-	(4,048)
Net carrying amount as of December 31, 2020	1,207	81,852	72,262	41	306	20,096	175,764

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

	2019 (in thousand euros)						Total
	Land	Buildings	Technical facilities and machinery	Other facilities, tools and furniture	Other fixed assets	Assets under construction and advances	
Cost as of January 1, 2019	1,746	118,968	83,025	217	530	4,306	208,792
Additions	-	523	157	1	29	11,118	11,828
Disposals	-	-	-	-	(54)	(542)	(596)
Exchange differences	(8)	30	-	-	1	-	23
Cost as of December 31, 2019	1,738	119,521	83,182	218	506	14,882	220,047
Accumulated depreciation as of January 1, 2019	(434)	(26,630)	(25,937)	(217)	(331)	-	(53,549)
Depreciation	(30)	(3,798)	(3,541)	-	(72)	-	(7,441)
Disposals	-	-	-	-	54	-	54
Exchange differences	-	(23)	-	-	(3)	-	(26)
Accumulated depreciation as of December 31, 2019	(464)	(30,451)	(29,478)	(217)	(352)	-	(60,962)
Accumulated impairment as of January 1, 2019	(193)	(2,969)	(2,640)	-	(2)	(208)	(6,012)
Impairments	-	(2,305)	-	-	-	-	(2,305)
Reversals	19	207	905	-	1	208	1,340
Accumulated impairment as of December 31, 2019	(174)	(5,067)	(1,735)	-	(1)	-	(6,977)
Net carrying amount as of December 31, 2019	1,100	84,003	51,969	1	153	14,882	152,108
	2018 (in thousand euros)						
	Land	Buildings	Technical facilities and machinery	Other facilities, tools and furniture	Other fixed assets	Assets under construction and advances	Total
Cost as of January 1, 2018	2,478	119,207	82,638	217	428	4,647	209,615
Additions	-	4	387	-	72	1,165	1,628
Disposals	(730)	(225)	-	-	(18)	(1,471)	(2,444)
Transfers	-	-	-	-	48	(48)	-
Exchange differences	(2)	(18)	-	-	-	13	(7)
Cost as of December 31, 2018	1,746	118,968	83,025	217	530	4,306	208,792
Accumulated depreciation as of January 1, 2018	(403)	(22,836)	(22,377)	(212)	(301)	-	(46,129)
Depreciation	(31)	(3,760)	(3,532)	(5)	(39)	-	(7,367)
Exchange differences	-	(34)	(28)	-	9	-	(53)
Accumulated impairment as of January 1, 2018	(193)	(2,969)	(2,640)	-	(2)	(208)	(6,012)
Accumulated impairment as of December 31, 2018	(193)	(2,969)	(2,640)	-	(2)	(208)	(6,012)
Net carrying amount as of December 31, 2018	1,119	89,369	54,448	-	197	4,098	149,231

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

a) General information

In addition to the restructuring operations, as of June 30, 2020, 100% of the company Oilean Telde Eólica Energy, S.L. was acquired from the Parent Company's Shareholder for an amount of 3,300 thousand of euros. The Sole Shareholder had acquired the aforementioned company from a third party during the first quarter of 2020.

Prior to the purchase by the Company from the Sole Shareholder, a call option on a number of shares representing 40% of the share capital of Oilean Telde Eólica, S.L. was acquired from a third party in order to eliminate the possibility of future dilution in the aforementioned company at the will of a third party. In this regard, as of June 22, 2020, the Group decided to acquire the aforementioned option for an amount of 300 thousand euros.

In the case of such acquisition, it is an acquisition in which there are no outputs yet (there are no goods and services provided to customers yet) and, in the absence of these, there is no substantive process either (since the transaction does not include workers with the necessary skills or experience). Thus, the transaction produced is classified as a purchase of assets to the extent that it is the acquisition of a set of assets and activities that, upon performing the aforementioned concentration test, leads to the conclusion that it is not a business combination under IFRS 3. This transaction has resulted in an addition to property, plant and equipment under construction for a total amount of 3,300 thousand euros, since the acquisition consisted of development work associated with a renewable energy facility to be built by the Group.

As of December 31, 2020, 3,707 thousand euros are recorded among the additions for the year, relating to the incorporation of a substation at the companies of Grupo Amagante Herreño, S.L., Tabaiba Solar, S.L., Violeta Palmera S,L, and Eólicos del Matorral S,L, Canutillo de Sabinosa, S.L. y Yesquera de Aluce, S.L.

The transfers received during 2020 relate to capitalized fixed assets of the three wind farms completed in such year by the Group companies Cardo de Plata, S.L., Yesquera de Aluce, S.L. and Alamillo de Doramas, S.L., as well as to the fixed assets of fourteen facilities that began to be built in 2020 and are owned by Violeta Palmera, S.L., Eólicos del Matorral, S.L., Tabaiba Solar, S.L., Bencomia de Risco, S.L. and Canutillo de Sabinosa, S.L.

Facility	Group Company Owner	Construction Company
Lomo del Moral wind farm (*)	Eólicos del Matorral, S.L.	Sole Shareholder
Arcos del Coronadero wind farm (*)	Violeta Palmera, S.L.	Sole Shareholder
SET Ampliación Llanos de la Aldea	Bejeque Rojo, S.L.	Aquis Querquennis, S.L.
La Florida 3 wind farm	Oilean Telde Eólica Energy, S.L.	Aquis Querquennis, S.L.
Juncalillo del Sur solar photovoltaic plant	Canutillo de Sabinosa, S.L.	Aquis Querquennis, S.L.
Barranco de la Grea solar photovoltaic plant	Canutillo de Sabinosa, S.L.	Aquis Querquennis, S.L.
Bocabarranco solar photovoltaic plant	Canutillo de Sabinosa, S.L.	Aquis Querquennis, S.L.
Tartaguera solar photovoltaic plant	Canutillo de Sabinosa, S.L.	Aquis Querquennis, S.L.
Corral de Espino solar photovoltaic plant	Canutillo de Sabinosa, S.L.	Aquis Querquennis, S.L.
Llanos de la Aldea I solar photovoltaic plant	Bencomia de Risco, S.L.	Aquis Querquennis, S.L.
Llanos de la Aldea II solar photovoltaic plant	Bencomia de Risco, S.L.	Aquis Querquennis, S.L.
Llanos de la Aldea III solar photovoltaic plant	Bencomia de Risco, S.L.	Aquis Querquennis, S.L.
Aldea Blanca I solar photovoltaic plant	Tabaiba Solar, S.L.	Aquis Querquennis, S.L.
Aldea Blanca II solar photovoltaic plant	Tabaiba Solar, S.L.	Aquis Querquennis, S.L.
Aldea Blanca III solar photovoltaic plant	Tabaiba Solar, S.L.	Aquis Querquennis, S.L.
Aldea Blanca IV solar photovoltaic plant	Tabaiba Solar, S.L.	Aquis Querquennis, S.L.

(*) Assets that are scheduled to come into operation in April 2021.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

The main additions in 2020 related to Assets under construction correspond to the fixed assets used for construction of three wind farms of the companies of Grupo Cardo de Plata S.L., Yesquera de Aluce S.L. and Alamillo de Doramas S.L. as well as the additions associated with the fourteen wind farms under construction and the acquisition of the Oilean Telde Eólica Energy, S.L. described above.

The transfers recorded as of December 31, 2020 correspond mainly to the completed projects of La Caleta, Las Casillas I and El Rodeo wind farms, which entered in operation this year.

The main derecognitions in 2020 correspond to capitalized expenses from projects whose processing has been abandoned.

The main additions in 2019 under the heading Fixed Assets in progress relate to the construction of three wind farms in the Canary Islands promoted by the Group companies Cardo de Plata S.L., Yesquera de Aluce S.L., Eólicos del Matorral, S.L., Violeta Palmera, S.L. and Alamillo de Doramas S.L.

The main disposals in 2019 related to Assets under construction and advances of the group company Sociedad Eólica Punta Maeda, S.L. which generated a 534 thousand euros loss in the consolidated profit and loss account.

The main disposals in 2018 corresponded to the sale of land from the group company Hidro Soloma, S,A, whose net carrying amount amounted to 433 thousand euros, generating a profit of 29 thousand euros recorded in the consolidated profit and loss Account, as well as the sale of several land, buildings and fixed assets under construction, whose net carrying amount was 2,002 thousand euros, generating a loss of 1,461 thousand euros, recorded in the consolidated profit and loss account.

The breakdown of the accumulated impairment by subsidiary as of December 31, 2020, 2019 and 2018 is as follows (in thousand euros)

Subsidiary	2020	2019	2018
Energías del Ocosito, S.A.	2,305	2,305	-
Hidroeléctrica de Ouroil, S.L.	1,743	4,672	4,672
Hidroeléctrica San Bartolomé, S.A.	-	-	208
Energías de Pontevedra, S.L.	-	-	1,132
	4,048	6,977	6,012

b) Fully depreciated assets

The detail of property, plant and equipment that are fully depreciated and still in use as of December 31, 2020, 2019 and 2018 is as follows (in thousand euros):

	2020	2019	2018
Technical facilities and machinery	144	122	122
Other facilities, tools and furniture	180	176	165
Other fixed assets	188	115	158
	512	413	445

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

c) Fixed assets subject to guarantees

As of December 31, 2020, as a consequence of the bond issue (see note 15), the Group has the following property, plant and equipment subject to guarantees (in thousands of euros):

<u>Company</u>	<u>Project</u>	<u>Intangible Assets</u>	<u>Property, plant and equipment</u>	<u>Total</u>
Hidroeléctrica de Oourol, S.L.	Oourol wind farm and Xestosa hydropower plant	297	18,865	19,162
Hidroeléctrica del Giesta, S.L.	Peneda, Arnoy, Cierves and San Bartolomé hydropower plants	3,748	13,481	17,229
Sociedad Lucense de Energía Hidráulica y Eólica, S.L.	Landro hydropower plant	554	11,550	12,104
Energías de Pontevedra, S.L.	Lalín single wind farm	367	2,651	3,018
Drago Renovables, S.L.	Llanos de la Aldea wind farm	5	28,304	28,309
Mocan Renovables, S.L.	San Bartolomé wind farm	17	9,751	9,768
Yesquera de Aluce, S.L.	El Rodeo wind farm	7	8,628	8,635
		4,995	93,230	98,225

As of December 31, 2019, and 2018, there are items of fixed assets subject to mortgages as a guarantee for the return of several lease and loan contracts, which are detailed below:

<u>Item</u>	<u>Leasing/loan initial amount</u>	<u>2019</u>		<u>2018</u>	
		<u>Amount pending payment</u>	<u>Net carrying amount</u>	<u>Amount pending payment</u>	<u>Net carrying amount</u>
Xestosa hydropower plant	6,610	3,960	2,454	4,331	2,552
Oourol wind farm	25,593	18,372	10,342	19,871	11,617
Landro hydropower plant	8,570	2,093	5,196	2,885	5,496
Landro hydropower plant (loan)	2,400	564	5,196	786	5,496
Lalín wind farm (loan)	4,238	-	-	1,886	1,982
	47,411	24,989	23,188	29,759	27,143

In 2019, the financing of the Lalín wind farm owned by the Group company Energías de Pontevedra, S.L. was cancelled. As of December 31, 2020, such guarantee was cancelled as a result of the refinancing of the debt with financial institutions (Note 15).

d) Insurance

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

The Group's policy is to formalise insurance policies to cover possible risks to which its fixed assets may be subject. The Group reviews annually, or when any circumstance makes it necessary, the coverage and risks covered and establishes the amounts that should reasonably be covered for the subsequent year.

e) Impairment of Property, plant and equipment

The Group, in accordance with the provisions of IAS 36, follows the criterion of assessing the existence of indications of potential impairment of non-financial assets subject to amortization or depreciation, in order to verify whether the book value of such assets exceeds their recoverable value.

The Group performs an analysis to detect when any Group company shows signs of impairment. The Group considers that there is an indication of impairment if an impairment has already been recognized and/or losses are recorded in its stand-alone accounts, and also considers as an indication of impairment changes in the regulatory regime of the assets that could have an impact on their profitability or due to changes in the projections of significant cash flows.

This analysis is performed at the facility level because the Group has defined the CGU as each of the hydropower, wind and solar photovoltaic facilities.

Based on the above policy, the Group annually prepares, reviews and approves cash flow projections for each of the CGUs, which are used to prepare the Group's budget and business plan. This business plan is reviewed periodically, and at least once a year, by the Company's management and submitted to the Board of Directors for review.

The projections of each of the CGU's are used as an additional factor for review as part of the impairment indicators. However, if the CGUs do not show any indication of impairment, the Group does not calculate impairment tests for them.

At year-end 2020, 2019 and 2018, the only assets for which impairment tests have been performed were hydropower assets; however, for all renewable energy facilities, as established in the Group's policy, the existence of impairment indicators has been analysed, including the analysis of a potential regulatory change as well as the review of the cash flow projections of each CGU, projections that are constructed for the realization of the annual business plan that is approved by the Board of Directors.

In relation to hydropower facilities, the technical hypotheses of installed capacity, generation and production of the assets for 2020, 2019 and 2018 are based on advisors' technical reports. The equivalent net production hours are in line with the historical production reports recorded for the correspondent assets and the asset targeting estimates used are contained in the technical report prepared by a technical advisor. Regarding these assets in Spain, calculation of regulatory income has been made based on the commissioning date of each asset and their applicable regulation and the income estimates derived from market sales are based on the unitary prices curve established by technical advisors. At the end of 2020, such estimates were updated with the scenario following the Covid-19 pandemic outbreak.

For the hydropower asset in Guatemala, the business plan includes the assumption of generation according to recorded historical productions, the PPA contracts conditions for the sale of energy to third parties and the sale of the remaining production at market price, projected from the 2020 price which is indexed to inflation for each year.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

The operating expenses from hydropower facilities have been projected according to contracts with suppliers updated with long-term CPI estimates of 1.8% for Spain and 4.3% for Guatemala. Depreciation is projected according to the useful life of the assets of each facility and for each of the geographies, local applicable tax is considered for each facility, which implies a 25% corporation tax rate for Spain and Guatemala, considering the 10 years tax applicable to the hydropower plant in Guatemala.

For each of the hydropower assets, we consider the flows generated until the expiry of their correspondent concession arrangement.

Facility	Owner group company	Country	Region	Concession expiry
San Bartolomé hydropower plant (1.2 MW)	Hidroeléctrica del Giesta, S.L.	Spain	Galicia	09/01/2025
Cierves hydropower plant (5 MW)	Hidroeléctrica del Giesta, S.L.	Spain	Galicia	09/08/2045
Peneda hydropower plant (10 MW)	Hidroeléctrica del Giesta, S.L.	Spain	Galicia	07/07/2041
Arnoya hydropower plant (10 MW)	Hidroeléctrica del Giesta, S.L.	Spain	Galicia	07/01/2042
Landro hydropower plant (9.2 MW)	Sociedad Lucense de Energía Hidráulica y Eólica, S.L.	Spain	Galicia	18/07/2048
Xestosa hydropower plant (2.9 MW)	Hidroeléctrica de Oroul, S.L.	Spain	Galicia	06/08/2058
Las Fuentes II hydropower plant (14,2 MW)	Energías del Ocosito, S.A.	Guatemala	Retalhuleu	02/10/2061

The Weighted Average Cost of Capital (WACC) or WACC used for discounting flows is 5.1% (6.3% for 2019 and 2018) for hydropower assets in Spain and 7.0% (7.8% for 2019 and 8.6% for 2018) for hydropower assets of Guatemala.

During the year 2020, the WACC rate used by the Group was lower, mainly as a consequence of the variation in interest rates and the downward variation of the country risk associated with the assets where the Group's facilities are located.

For the validation of the 2020 results, an independent expert was hired to review the impairment tests performed on the Group's main assets. The expert was PricewaterhouseCoopers, which issued its report dated February 11, 2021.

Additionally, as required by IAS 36, a sensitivity analysis has been performed on the main variables included in the impairment tests, the main ones being the energy sales price curve and the WACC. Specifically, the following sensitivities have been performed:

- In the case of the price curve, the impairment tests have been sensitized assuming upward and downward variations of 5% of the energy sales price, keeping all the other variables constant.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

- In the case of the WACC, sensitivities have been performed using rates in the range of 4% and 8%, depending on the type of asset and the country in which it is located.

The following has come to light as a result of the aforementioned impairment tests:

As of December 31, 2020, the Group recorded the reversal of the impairment provided in previous years on the assets of the CGU of the Xestosa Hydropower Power Plant, owned by Grupo Hidroeléctrica de Oroul, S.L. for a value of 2,929 thousand euros, recorded under the heading Impairment and income from disposal of fixed assets in the consolidated profit and loss account. The reversal of the impairment has revealed improvements in the outlook for production and in the future price curve of energy. Specifically, the estimated production has increased with respect to the estimate made in the previous year by 0.3% and the energy price curve by 9.2%. If the upper and lower ranges of the sensitivity analysis related to the WACC had been applied, the value of the asset would have been:

- Applying the upper range (6%), the recoverable amount of the asset would be lower by 640 thousand euros.
- Applying the lower range (4%), the recoverable amount of the asset would be higher by 941 thousand euros.

No reversal of the impairment registered for the year 2019 on the assets of the CGU corresponding to Las Fuentes II Hydropower plant, amounting to 2,305 thousand euros has been applied and registered as other reserves as it was an impairment not recorded in the previous year. If the upper and lower ranges of the sensitivity analysis related to the WACC described above had been applied, the value of the asset would have been:

- Applying the upper range (8%), the recoverable amount of the asset would be lower by 4,363 thousand euros.
- Applying the lower range (6%), the recoverable amount of the asset would be higher by 5,437 thousand euros.

As of December 31, 2019, the Group reversed the impairment derived from the Energías de Pontevedra assets for an amount of 1,132 thousand euros, recording them under the "Impairment and income from disposal of fixed assets" in the consolidated profit and loss account.

Due to improvements in cash flow projection estimates as a result of:

- improvements in the forward energy price curve,
- improved investment returns and
- improved production prospects

During the year 2018, there was no impairment or reversal of impairment of assets corresponding to property, plant and equipment.

In the rest of the companies for which impairment and sensitivity analyses have been performed, there is enough clearance for the recoverable value of the asset to be higher than the carrying amount.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(7) Business combinations with the Sole Shareholder

As described in Note 1, during the year 2020 and after the incorporation of the Company, the following transactions between group companies were carried out as part of the restructuring operation.

a) Capital increase of Grupo Ecoener, S.A.U. through a non-monetary contribution.

On June 12, 2020, the Sole Shareholder of the Parent Company carried out a capital increase for Grupo Ecoener, S.A.U. amounting to 500 thousand euros through the creation of 5,000 new shares with a nominal value of 100 euros each. The share capital increase also included a share premium of 950 euros per share, which fully amounted to 4,750 thousand euros.

The capital increase was fully subscribed by the Sole Shareholder by means of a non-monetary contribution of the following shares owned by itself: Energías de Pontevedra, S.L., Energías de Forcarei, S.L., Ecoener Inversiones de Centroamérica, S.A., Hidroeléctrica del Giesta, S.L., Ecoener Ingeniería, S.L., Sociedad Eólica Punta Maeda, S.L., Chajorra de Aluce, S.L., Amagante Herreño, S.L., Dama de Bandama, S.L., Conservilla Majorrera, S.L., Picocernícalo, S.L., Mosquera de Tamadaba, S.L., Colino Majorero, S.L., Yesquera de Aluce, S.L., Cresta de Gallo, S.L., Canutillo de Sabinosa, S.L., Alamillo de Doramas, S.L., Tiraventos, S.L., Hierba Muda, S.L., Magarza del Andén, S.L., Tabaiba Solar, S.L., Dragmoc, S.L., Malva del Risco, S.L., Siempreviva Gigante, S.L., Hernadera, S.L., Salvia Blanca, S.L., Siempreviva Azul, S.L., Magarza Plateada, S.L., Risoela, S.L., Helecho de Cristal, S.L., Desarrollo Energético de la Mariña, S.L., Rosalito Palmero, S.L., Bejeque Rojo, S.L., Violeta de Anaga, S.L., Drago General Partner, S.A.R.L., Ecoener Inversiones S.C.A. SICAV-RAIF, Eólicos de Ferrol, S.L., Ecoener Fotovoltaica Dominicana, S.R.L., Ecoener Inversiones Dominicana, S.R.L., Ecoener Solares Dominicana, S.R.L., Ecoener Renovables Panamá, S.A. and Ecoener Solar Panamá, S.A.

b) Business unit transfer from the Sole Shareholder to Grupo Ecoener, S.A.U.

On November 1, 2020, the Sole Shareholder transferred its O&M and Promotion & Development high level businesses prior to the construction phase to Grupo Ecoener, S.A.U., thereby acquiring the Group the assets and liabilities comprising these businesses together with the exclusive right to continue operating them. Therefore, employees are also transferred from Ecoener, S.L.U. to the Group by means of such contract. On the same date, the balances resulting from the transaction were written off by the Sole Shareholder of the Group.

The Parent Company's Sole Director has analysed its recording in the accounts and, specifically, its consideration as an operation under common control, since, as stated in paragraph 2 of IFRS 3 "Business Combinations", operations under common control, acquisitions and transfers of assets are not considered within the scope of the aforementioned standard.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

For this purpose, they rely on the IFRS 3 Application Guide regarding “Business Combinations of Entities under Common Control”, and more specifically, in paragraph B1 of the IFRS 3 standard, stating that “A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory”. This is the case as the Group is controlled by Ecoener, S.L.U. both before and after the reorganization. On the other hand, what is being transferred is Ecoener, S.L.U. business to the Group.

As a result, and in accordance with paragraph 10 of IAS 8 on the definition of an accounting policy for transactions, the Directors have decided to record the aforementioned contribution as the consolidated carrying amounts at which the assets and liabilities of Ecoener, S.L.U. were recorded and as if the transfer had taken place at January 1, 2018.

(8) Leases

IFRS 16 establishes the principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that both the lessee and the lessor provide relevant information that represents a true and fair view of such transactions. IFRS 16 provides a single accounting model for the lessee, whereby the lessee must recognize right-of-use assets and related lease liabilities for all leases, unless the lease term is 12 months or less or the underlying asset is of low value. The criteria established by IFRS 16 for the recognition of leases have been applied retrospectively on a modified retrospective basis since January 1, 2018, matching the amount of the asset to the present value of the discounted rentals, adjusting the opening balance sheet at the date of adoption.

Right of use assets are presented separately in the consolidated balance sheet. The Group is the lessee of several assets, mainly buildings, land and vehicles. Likewise, it acts as the lessee of land for the construction of wind farms and power plants and also relating to fees to be paid to the public administrations granting administrative concession arrangements for the construction and operation of hydropower plants and wind farms, mainly in Spain.

The only leases of land recorded as “right-of-use assets” are those for which the consideration is fixed. Land leases for which the consideration is a variable amount are not recognized as “right-of-use assets” in accordance with IFRS 16. Likewise, in relation to the royalties payable to the owners of the administrative concessions leased by the Group, although they meet the definition of a lease, the right of use has not been recorded because it is a variable payment (See Note 8.ii).

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

The movement of the rights of use during the years 2020, 2019 and 2018 is as follows:

	2020	2019	2018
Cost as of January 1,	5,423	5,423	5,399
Additions	2,999	-	24
Cost as of December 31,	<u>8,422</u>	<u>5,423</u>	<u>5,423</u>
Accumulated depreciation as of January 1,	(404)	(198)	(198)
Depreciation	(268)	(206)	-
Accumulated depreciation as of December, 31	<u>(672)</u>	<u>(404)</u>	<u>(198)</u>
Net carrying amount as of December 31,	<u>7,750</u>	<u>5,019</u>	<u>5,225</u>

The amounts recognized in the consolidated balance sheet as right of use assets related to lease agreements in this category are as follows:

	Thousand euros		
	2020	2019	2018
Lands	7,461	4,626	4,729
Buildings	253	318	384
Vehicles	36	75	112
Total	<u>7,750</u>	<u>5,019</u>	<u>5,225</u>

As of December 31, 2020, the additions to right of use assets corresponded to a contract signed on July 8, 2020 by the Group company EFD Ecoener Fotovoltaica Dominicana, S.R.L. with an expiry date as of July 8, 2070, whose contractual consideration was based on a fixed amount.

As of December 31, 2020, 2019 and 2018 there are no existing commitments derived from lease contracts.

During 2020 fiscal year, the finance lease agreements were cancelled with the financing obtained from the bond issue described in Note 15.

The consideration in leasing contracts and land easements consists, for wind farms, in a variable amount calculated as a percentage of their income. The consideration in the lease contracts and land easements consists, in the cases of Llanos del Sur solar photovoltaic plant and the Las Fuentes II hydropower plant, in the amount agreed in the lease contract for each of the years that the contract remains enforceable.

The incremental weighted average interest borrowing rate applied to financial lease liabilities recognized under IFRS 16 was 2.5%, 6%, 6% and 6% for land and buildings in Spain and land in Honduras, Dominican Republic and Guatemala, respectively. In the case of movable property, 5.5% has been used for vehicles leased in Spain. Given the similar characteristics of the contracts, the same incremental interest rate has been estimated for all the applicable periods.

To calculate the average incremental borrowing interest rate for leased assets other than land and buildings, Group's management has used the implicit rate established in the contract.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

To calculate the incremental interest rate for leased assets considered land and buildings, the Group's management has used the average financing rate relating to this kind of assets as well as the area in which these assets are located on the correspondent date of signing of the contracts.

The depreciation for rights of use assets and accrued financial expenses derived from lease liabilities amounted to 268 and 35 thousand euros for the fiscal year 2020 (155 and 30 thousand euros for the fiscal year 2019 and 149 and 10 thousand euros for the fiscal year 2018, respectively). The cash flows paid for interests derived from all the contracts subject to IFRS 16 amounted to 35 thousand euros for the year 2020 and 409 thousand euros for lease payments quotas (30 and 354 thousand euros for the year 2019 and 10 and 357 thousand euros for the year 2018, respectively).

Short-term and low-value leases that have been excluded from the IFRS 16 calculation amount to 883 thousand euros at the end of 2020 (711 thousand euros in 2019 and 721 thousand euros in 2018) and are recorded in other operating expenses on the consolidated profit and loss account).

Additionally, the amount recorded in the consolidated profit and loss account as variable lease expenses amounts to 278 thousand euros as of December 31, 2020 (268 thousand euros in 2019 and 272 thousand euros in 2018).

A detail of the minimum payments from future lease liabilities of these contracts, by maturity terms, is as follows:

Minimum lease payments by maturity				
	Up to 1 year	Between 1-5 years	More than 5 years	Total
December 31, 2020	466	1,812	15,211	17,489
December 31, 2019	394	1,566	17,682	19,642
December 31, 2018	383	1,606	17,938	19,927

Additional information on right of use assets by asset class is provided below:

As of December 31, 2020	Net carrying amount	Amortization	Impairment
Buildings and land	7,714	231	-
Vehicles	36	37	-
Total right of use assets	7,750	268	-

As of December 31, 2019	Net carrying amount	Amortization	Impairment
Buildings and land	4,945	169	-
Vehicles	74	37	-
Total right of use assets	5,019	206	-

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

As of December 31, 2018	Net carrying amount	Amortization	Impairment
Buildings and land	5,113	166	-
Vehicles	112	32	-
Total right of use assets	5,225	198	-

The characteristics of the principal right of use assets contracts are detailed below:

Name of the Lessee Company	Effective start date	End date of enforcement right	Contract nature	Object of the contract
Energías del Ocosito, S.L.	05/02/2015	05/02/2065	Land lease contract	Las Fuentes II, Hidropower plant – Fincas A/B
Energías del Ocosito, S.L.	27/02/2014	27/02/2074	Land lease contract	Las Fuentes II, Hidropower plant – Fincas la Faja
Llanos del Sur Fotovoltaica, S.A.	27/02/2014	27/02/2074	Land lease contract	HE Los Llanos del Sur 150manzanas
Llanos del Sur Fotovoltaica, S.A.	23/12/2013	23/12/2073	Land lease contract	HE Los Llanos del Sur 5 manzanas
EFD Ecoener Fotovoltaica Dominicana, S.R.L.	08/07/2020	28/02/2022	Land lease contract	Solar photovoltaic plant

i) Leases for facilities construction

As previously mentioned, until 2019, the Group counted with lease contracts which were cancelled during the year 2020.

As of December 31, 2019, and 2018, the detail of leases for construction of wind farms and hydropower plants was as follows:

	2019					
	Landro hydropower plant	Ouro I wind farm	Ouro II wind farm	Xestosa I hydropower plant	Xestosa II hydropower plant	Total
Original cost of the facility	8,570	22,445	3,148	3,110	3,500	40,773
Accumulated amortization	(3,374)	(12,940)	(2,311)	(837)	(889)	(20,351)
Accumulated impairment	-	-	-	(1,157)	(1,273)	(2,430)
Net carrying amount	5,196	9,505	837	1,116	1,338	17,992
Formalization date of the lease contract	27/02/2009	12/10/2011	17/08/2007	26/02/2007	02/03/2009	-
Expiry of the lease contract	27/06/2022	01/03/2028	17/10/2024	26/02/2025	02/03/2028	-
Pending payable amounts as of 31.12.2019	2,093	16,652	1,720	1,593	2,367	24,425
- Maturity in 2020	815	1,338	223	195	191	2,762
- Maturity in subsequent years	1,278	15,314	1,497	1,398	2,176	21,663
Purchase option value	82	211	30	25	28	376

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

	2018					
	Central Hidráulica Landro	Parque Eólico Ourol I	Parque Eólico Ourol II	Central Hidráulica Xestosa I	Central Hidráulica Xestosa II	Total
Original cost of the facility	8,570	22,445	3,148	3,110	3,500	40,773
Accumulated amortization	(3,074)	(11,858)	(2,118)	(788)	(840)	(18,678)
Accumulated impairment	-	-	-	(1,157)	(1,273)	(2,430)
Net carrying amount	5,496	10,587	1,030	1,165	1,387	19,665
Formalization date of the lease contract	27/02/2009	12/10/2011	17/08/2007	26/02/2007	02/03/2009	-
Expiry of the lease contract	27/06/2022	01/03/2028	17/10/2024	26/02/2025	02/03/2028	-
Pending payable amounts as of 31.12.2018	2,886	17,937	1,934	1,781	2,550	27,088
- Maturity in 2019	793	1,285	214	188	183	2,663
- Maturity in subsequent years	2,093	16,652	1,720	1,593	2,367	24,425
Purchase option value	82	211	30	25	28	376

The breakdown of the minimum payments as well as the present value of the lease liabilities by maturity is as follows:

	Thousand euros			
	2019		2018	
	Minimum payments	Current value	Minimum payments	Current value
Up to 1 year	3,609	2,762	3,653	2,663
Between 1 to 5 years	12,491	9,891	13,331	10,333
More than 5 years	14,017	11,684	15,699	13,993
Less current amount	(3,609)	(2,762)	(3,653)	(2,663)
Total non-current	26,508	21,575	29,030	24,326

The rights obtained by the Group derived from the sale of electricity in Ourol wind farm and in Xestosa hydropower plant were pledged as a guarantee of the obligations contained in the associated lease contracts, which, in 2020, were early amortized (See Note 24).

ii) *Royalties*

The Group recorded the cost of royalties on a straight-line basis, paid at the commencement date of land leases on which the wind farms of Drago Renovables, S.L. and Mocan Renovables, S.L. were built so that as of December 31, 2020 the amount of prepaid expenses for this concept amounts to 681 thousand euros in the long term and to 16 thousand euros in the short term (716 and 15 thousand euros as of December 31, 2019 and 712 and 11 thousand euros as of December 31, 2018, respectively) (see Note 18).

Likewise, in relation to the royalties payable to the owners of the administrative concessions leased by the Group, although they meet the definition of a lease, the right of use has not been recorded as it is a variable payment as described in IFRS 16.

(9) Risk Policy Management

The Management of the Parent Company is responsible for the establishment and supervision of the Group's risk management framework. The Board of Directors has delegated to the Management of the Parent Company the development and supervision of the Group's risk management policies. The Group's Management is committed to manage financial and operational risks and works to analyse those to which the Group is more exposed, in a way that allows the mitigation of potential uncertainties to be faced.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

The Group's risk management policies are established to identify and analyse the financial risks faced by the Group, to establish adequate risk limits and controls, and to supervise risks and compliance with such limits. Risk policies management and systems are periodically reviewed to reflect market changes and activities of the Group. The Group, through its training, management and procedures standards, aims to maintain a disciplined and constructive financial control environment in which all employees understand their roles and obligations.

The activities carried out by the Group are exposed to various financial risks: market risk (including exchange rate risk, interest rate risk and market price risk), credit risk and liquidity risk. The risk assessment is carried out on the analysis of its impact probability and its severity, which allows to control the risks and, through periodic updates, makes possible to have the capacity to act and adapt, mitigating threats that could arise from the changing and globalized environment in which the Group operates.

The Group's global risk management program focuses on the uncertainty of the financial markets and tries to minimize the potential adverse effects on the Group's financial profitability. The Group uses derivatives to hedge certain risks.

Risks are classified into operational risks and risks related to the financial situation.

(a) Financial risks

Risk management is controlled by the Group's Central Treasury Department in accordance with policies approved. This Department identifies, assesses and hedges financial risks in close collaboration with the Group's operating units.

i. Market risk

Market risk is the risk that changes in market prices (for example, exchange rates or interest rates) will affect the Group's income or the value of its financial instruments. The objective of market risk management is to manage and control exposure to such risks within acceptable parameters, while optimizing profitability. To manage market risks, the Group uses derivatives and closes long-term energy sales contracts at an established price. All these transactions are carried out within the guidelines established by the Company's Management.

Interest rate risk

The Group adopts the policy of ensuring that most of its cash flows are exposed to a fixed interest rate. This is achieved in part by underwriting fixed-rate instruments and by formalizing borrowings at a variable rate and using interest rate swaps as hedges for the variability of cash flows attributable to variations in interest rates.

As the Group does not have significant remunerated assets, the income and cash flows from the Group's operating activities are mostly independent from fluctuations in market interest rates. The Group's interest rate risk arises from long-term borrowings.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

Until the cancellation in 2020 of the financing associated with certain renewable energy facilities in Spain (See Note 15), the Group managed the interest rate risk in cash flows through variable to fixed interest rate swaps for the loan granted to Drago Renovables, S.L. and Mocan Renovables, S.L. by Banco Sabadell, S.A. Following the issue of the senior mixed green bond in 2020, the interest rate risk has been mitigated as it is a financing issued at a fixed interest rate.

Therefore, income and cash flows from the Group's operating activities are mostly independent from fluctuations in market interest rates and consequently, given that the Group's indebtedness is at fixed interest rate, it was estimated that the interest rate risk was not significant as of December 31, 2020.

As of December 31, 2020, the nominal amount pending bank financing amounted to 42 million euros (119 million euros and 130 million as December 31, 2019 and 2018, respectively.) The average interest rate of these debts at the end of 2020 amounted to 3.36% (3.5% at the end of 2019 and 2018).

Market price risk

The Group is exposed to the risk that volatility of the energy market implies on its gross operating margin. The energy market is an active market, in which prices are subject to certain volatility as a result of the interaction of supply and demand. This exposes the Group to the risk of compromising its gross operating margins.

The Group signs agreements with clients to ensure the sale price of the energy sold and its gross operating margins (Power Purchase Agreements or "PPAs" and regulated remuneration schemes). These contracts allow the Group to secure the price of energy for a period. The Group's policy is that these agreements cover at least 70% of the income, being at the end of the year in a range higher than 80%.

Therefore, only those assets that are exposed to merchant remuneration schemes, mainly in the Canary Islands, are exposed to market price risk.

Below, we show the sales data and gross operating margin data for each of the years:

In thousand of euros	2020	2019	2018
Energy sale (MWh)	298,120	302,960	307,040
Average sales price (Euros/MWh)	106.16	95.57	94.46
Energy sale (€ thousand)	31,649	28,953	29,004

A change of 100 basis points in prices would have increased or decreased energy sales by 316 thousand euros (2019: 290 thousand euros; 2018: 290 thousand euros). This analysis assumes that all other variables, at foreign currency exchange rates, remain constant.

Due to the generation mix and fixed sales price established by the Group to mitigate market price risk, the pandemic caused by COVID-19 and the health and economic crisis has not had a material impact on the Group's Consolidated Annual Accounts.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

Exchange rate risk

The exchange rate risk arises from future commercial transactions, recognized assets and liabilities and net investments in businesses carried out in foreign countries. The Group is exposed to the risk of transactional exchange rate to the extent that the Group carries out transactions in currencies other than the functional currencies of the different subsidiaries that comprise the Group. The main functional currency of the group companies is the euro. Nonetheless, there are certain subsidiaries that operate with currencies other than the euro, especially the dollar, lempira and quetzal.

To reduce the risk inherent to investments in foreign businesses with a functional currency other than the euro, the Group tries to borrow in the same currency in which cash flows generated by the assets it finances. In addition, at the end of the years ended December 31, 2020, 2019 and 2018, the Group has a “secured portfolio” which means that it has a balanced portfolio with diversified technology and geography, as well as 100% linked to hard currencies in relation to the contracts of the different remuneration schemes, mainly the dollar. The sensitivity analysis detailed below reflects the potential impact on the Group, both in equity and in the consolidated profit and loss account, of fluctuations of five percent in the most relevant currencies compared to the functional currency of each company within the Group, based on the situation at the end of the year.

			Impact on equity					
			2020		2019		2018	
Functional currency	Country	Currency	5%	-5%	5%	-5%	5%	-5%
EUR	Guatemala	GTQ	1,114	(1,114)	1,222	(1,222)	1,094	(1,094)
EUR	Honduras	HNL	373	(373)	155	(155)	149	(149)
EUR	Dominican Republic	DOP	-	-	-	-	-	-
EUR	Panama	PAB	-	-	-	-	-	-
			Impact on profit and loss					
			2020		2019		2018	
Functional currency	Country	Currency	5%	-5%	5%	-5%	5%	-5%
EUR	Guatemala	GTQ	(18)	18	(18)	18	(222)	222
EUR	Honduras	HNL	83	(83)	85	(85)	2.335	(2.335)
EUR	Dominican Republic	DOP	(1)	1	-	-	-	-
EUR	Panama	PAB	(2)	2	-	-	-	-

The breakdown, in the main foreign currencies and in euros, of the Group's financial assets and liabilities is presented below:

Monetary units (in thousands)	Functional currency		
	Quetzal (Guatemala)	Lempira (Honduras)	Euros
Credits to third parties	10,412	276,071	9,258
Long-term debts	295,564	398,693	116,204
Short-term debts	31,331	34,218	14,556

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

Monetary units (in thousands)	Euros (in thousands)		
	Quetzal (Guatemala)	Lempira (Honduras)	Total
Credits to third parties	1,068	9,190	9,258
Long-term debts	30,310	13,272	116,204
Short-term debts	3,213	1,139	14,556

The foreign exchange rates are the ones applied in the preparation of the Consolidated Annual Accounts:

	2020	2019	2018
GTQ	9.7515	8.8389	8.9581
HNL	30.0409	28.073	28.1104
DOP	71.8030	-	-
NIO	43.1667	-	-
PAB	1.2266	-	-

ii. Credit risk

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each client. However, Management of the Group also consider factors that may influence the credit risk of the Group's customer base, including the risk of default associated with the industry and the country in which clients operate.

Credit risk is the risk of financial loss for the Group if a client or counterpart of a financial instrument does not comply with its contractual obligations and arises mainly from accounts receivable from clients and investments in debt instruments.

The objective of managing this risk is to reduce, as far as possible, its impact through a preventive examination of the solvency of the Group's clients. Once the contracts are in execution, the credit quality of the pending collection amounts are periodically evaluated and the estimated recoverable amounts that are considered doubtful are reviewed.

Management has established a credit policy according to which each new client is individually analysed to determine their solvency before the standard period of credit granted by the Group to its clients.

Likewise, the Group maintains its treasury in financial institutions with a high credit rating.

For all these reasons, credit risk has historically been, including the year ended December 31, 2020, very limited. Although it is true that we have occasionally had some impairment of accounts receivable, the Group's track-record shows that credit risk is limited.

In response to the COVID-19 pandemic, management has also been conducting more frequent reviews of sales limits for customers in the most affected regions and industries. The Group limits its exposure to the credit risk of commercial accounts receivable by establishing a payment term of 30 to 90 days for individual and corporate clients respectively.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

Expected credit loss analysis for accounts receivable from contracts with customers

The Group assigns exposure to credit risk based on the available data to predict expected loss risk (including, but not limited to, external ratings, audited financial statements, management accounts and cash flow projections and available press information on customers) and applying Management's judgment after years of experience in the industry and track-record within the Group.

Exposure within each credit risk grade are segmented by geographic region and industry. The ECL (Expected Credit Loss) rate is calculated for each segment based on the default status and experience of credit losses during the last seven years.

In its policy of balances with clients' impairment, Management establishes:

- Provision for overdue balances older than six months at the end of each fiscal year, except in justified cases through an individualized analysis of the credit's collectability; provision for overdue balances older than six months at the end of each fiscal year, except in cases justified by an individualized analysis of the credits collectability;
- Provision balances older than six months according to the average default rate calculated by country and business.

The impairment scales in 2020 have been reviewed, reflecting the real and expected impact of COVID-19 pandemic in each geographic region, although since the Group's services are classified as "essential" the impact has been limited.

Impairment losses on financial and contractual assets recognized as of December 31, 2020, 2019 and 2018 are described in Note 10.

iii. Liquidity risk

Liquidity risk is the risk that the Group finds difficulties to meet obligations associated with its financial liabilities settled through the delivery of cash or another asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it has enough liquidity to meet its liabilities when they mature, without incurring unacceptable losses or risk of damage to the reputation of the Group.

The Group uses the cost of its activities to calculate the cost of its products and services, which helps monitoring cash flow requirements and optimize cash return on investments.

The Group carries out a cautious liquidity risk management, based on the maintenance of enough cash, the availability of financing through the issue of negotiable securities or available credit facilities, if necessary.

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(b) Operational risks

i. Pipeline

Year-on-year changes in the size of our pipeline or projects portfolio may have a significant impact on our results of operations. In general terms, the increase in the number of projects translates into a general increase in expenses in the Group's profit and loss account.

ii. Significant upfront investments in our projects

Accomplishing the Group's Pipeline requires to make significant upfront investments, particularly in connection with costs associated with project analysis and feasibility studies, payments for land rights, payments for interconnection and grid connectivity arrangements, government permits, engineering and procurement of our renewable energy facilities, in addition to the personnel-hours dedicated by the Group's employees, which affect results of operations.

iii. Licenses, authorizations, concessions and permits for our projects

The Group is required to obtain various interconnection, environmental, construction and other administrative approvals in connection with its operations in the countries in which the Group's operate. Failure to comply with applicable laws, regulations or recognized international standards or to obtain or renew the necessary permits and approvals may result in the loss of the right to operate facilities or continue operations, the imposition of significant administrative liabilities or costly compliance procedures or other enforcement measures that could have the effect of closing or limiting production from the Group's operations, any of which could impair the ability to successfully compete in the industry, which could have a material adverse effect on profit and loss account.

iv. Risks related to regulatory changes

Electricity generation activity is regulated in all jurisdictions in which the Group operates. Therefore, regulation can have a direct impact on the Group's results.

The Group is subject to a variety of laws and regulations in the markets in which it operates, some of which may conflict with each other and all of which are subject to change. The Group operates in a variety of international locations, including emerging markets and markets with political uncertainties. Note 2 of the Consolidated Annual Accounts describes the most relevant regulatory framework affecting the Group.

v. Risks related to normal operations in the course of business

The operational risk in the Group's activities is concentrated in the impossibility of generating electricity, or of completing the work of a solar photovoltaic, hydropower plants or wind farms. In order to minimize these risks, the Group conducts the following measures:

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

- Insurance: the vast majority of the aforementioned operational risks are capable of being insured. In this way, the Group has an insurance program, contracted with insurers of recognized solvency, to adequately cover the risks related to the development of projects, both in the construction and assembly phase and in the operation of the plants. Ecoener has worked for more than 15 years with an insurance broker that has staff with extensive experience in the renewable energy sector and has provided professional support to the Group, both in the facilities built in Spain, and internationally. The Group's insurance program covers transportation, construction or assembly risks, anticipated loss of profits, civil liability, risks of material damage, machinery breakdowns and loss of operational profits and civil liability for contamination.
- Quality process: The Group develops adequate operation and maintenance processes so that those uninsurable events of interruption in electricity generation are minimal. Likewise, the Group has a criteria for the availability of spare parts aimed at a rapid resolution of production stoppages.

vi. Risks due to customer concentration

The Group operates mainly with PPA contracts for the sale of energy or with regulated remuneration schemes which, in many cases, has a main customer as the buyer of energy and with an established energy sale price. This high concentration of customers is mitigated by the fact that the contracts are long-term and oblige the buyer to purchase energy during that period, so the loss of future business will only be in cases of the buyer's insolvency, and not by commercial decisions.

Additionally, the Group generates the remaining income by selling electricity through merchant remuneration systems, therefore by selling the energy generated to the market.

(10) Financial assets by category

a) Classification of financial assets by categories

The classification of financial assets as of December 31, 2020, 2019 and 2018 is as follows (in thousands of euros):

	Financial assets at amortised cost			Financial assets at fair value with changes in the profit and loss account		
	2020	2019	2018	2020	2019	2018
Long-term investments in group companies and associates	1	-	2,469	-	-	-
Long-term financial investments	454	755	1,362	-	-	-
Trade and other receivables	5,904	6,340	9,164	-	-	-
Short-term financial investments	1,661	1,848	2,046	-	-	-
Short-term investments in group companies and associates	376	325	525	-	-	-
Cash and cash equivalents	13,681	12,684	9,013	-	-	-
Derivatives	-	-	-	-	-	49
	22,077	21,952	24,579	-	-	49

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

All the Group's financial assets correspond to loans and receivables, except for an amount of 49 thousand euros in 2018 classified as a financial asset at fair value with changes in the consolidated profit and loss account, corresponding to derivatives. Financial assets classified as "Trade and other receivables" are valued at nominal value as they constitute an acceptable approximation of their fair value and do not vary significantly.

b) Net gains and losses by categories of financial assets

The amount of net gains and losses by categories of financial assets for the years ended December 31, 2020, 2019 and 2018 is as follows (in thousands of euros):

	Loans and receivables			Financial assets at fair value with changes in the profit and loss account		
	2020	2019	2018	2020	2019	2018
Impairment losses	980	(3,050)	(1,477)	-	-	-
Financial expense	-	-	-	-	(333)	(340)
Loss on disposals of financial instruments	-	(438)	(48)	-	-	-
Changes in fair value of financial instruments	-	-	-	-	-	(434)
Financial income	235	620	40	-	-	-
Net income/(loss) in profit and loss	1,215	(2,868)	(1,485)	-	(333)	(774)
Total	1,215	(2,868)	(1,485)	-	(333)	(774)

(11) Financial investments and trade and other receivables

(a) Financial investments

The detail of financial investments as of December 31, 2020, 2019 and 2018 is as follows:

	2020		2019		2018	
	Non-current	Current	Non-current	Current	Non-current	Current
Related parties						
Equity instruments	1	-	-	-	-	-
Credits	-	376	-	325	2,469	525
Non-related parties						
Credits (Note 15)	414	249	711	142	1,270	538
Derivatives	-	-	-	-	49	-
Deposits and guarantees	40	17	44	276	43	124
Other financial assets	-	1,395	-	1,430	-	1,384
Total	455	2,037	755	2,173	3,831	2,571

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

As of December 31, 2020, under equity instruments, 1 thousand euros is recorded, corresponding to the stake that the Parent Company has in Yerbamora, S.L., an inactive company as of December 31, 2020.

As of December 31, 2018, the heading “non-current credits” with related parties” included an amount of 2,469 thousand euros for receivables that the Group maintained with the Sole Shareholder. Likewise, as of December 31, 2020 and 2019, there were payables between the Group and the Sole Shareholder in the amount of 8,479 thousand euros and 3 thousand euros, respectively.

As of December 31, 2020, 2019 and 2018, “non-current credit” with non-related parties mainly contains the amount receivable related to a contract with Agrícola La Entrada, S.A., amounting to 400 thousand euros, 697 thousand euros and 816 thousand euros respectively.

As of December 31, 2020, 2019 and 2018, ”current credits” mainly contain the short-term part of the receivable from Agrícola La Entrada, S.A. indicated in the previous paragraph, for an amount of 240 thousand euros, 131 thousand euros and 258 thousand euros respectively.

As of December 31, 2020, in “current credits” with related parties, 376 thousand euros are recorded, corresponding to receivables related to the corporation tax of group companies with the Sole Shareholder, as it is the head of the tax group (195 thousand euros and 320 thousand euros in 2019 and 2018).

Deposits and guarantees include the bonds given to public organizations for the operation and construction of hydropower plants, solar photovoltaic plants and wind farms.

As of December 31, 2020, 2019 and 2018, the heading “current other financial assets” with non-related parties mainly includes deposits formalized by the group company Llanos del Sur Fotovoltaica, S.A. amounting to 1,353 thousand euros, 1,090 thousand euros and 1,001 thousand euros, respectively. Additionally, as of December 31, 2019 and 2018, it also includes a tax formalized by the group company Hidroeléctrica de Oural, S.L. for an amount of 340 thousand euros, which was paid during 2020.

(b) Trade and other receivables

The detail of “trade and other receivables” as of December 31, 2020, 2019 and 2018 is as follows (in thousands of euros):

	2020	2019	2018
Customers for short-term sales and services	11,335	12,872	9,523
Other trade debtors	-	170	256
Other receivables	-	105	3,142
Write-downs of trade receivables	(5,390)	(6,798)	(3,672)
Expected credit loss	(41)	(9)	(85)
Other credits with tax authorities	7,799	3,462	3,555
	13,703	9,802	12,719

“Trade and other receivables” heading mainly includes balances receivable for the sale

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

of energy in Spain, Honduras and Guatemala, as well as the incentive recognized under the solar photovoltaic facility Llanos del Sur in Honduras, amounting to 5,390 thousand euros (4,873 thousand euros in 2019 and 3,672 thousand euros in 2018).

The write-down amounts as of December 31, 2020, 2019 and 2018 corresponds to pending collection balances from a single client of the Sociedad del Grupo Llanos del Sur Fotovoltaica, S.A.

As of December 31, 2020, reversal of the impairment associated with accounts receivable from Llanos del Sur Fotovoltaica, S.A. was registered due to the collection of the pending invoices.

See the Group's policy for the recognition of trade receivable write-down (note 9).

The detail of the impairment provision for trade accounts receivable and client contract assets during the year was as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
January 1	(6,798)	(3,672)	(2,247)
Allowances	(913)	(3,126)	(1,425)
Eliminations against accounting balance	-	-	-
Reversals	1,925	-	-
Exchange differences	396	-	-
December 31	<u>(5,390)</u>	<u>(6,798)</u>	<u>(3,672)</u>

	<u>2020</u>	<u>2019</u>	<u>2018</u>
January 1	(9)	(85)	(33)
Allowances	(32)	-	(66)
Reversal	-	76	14
December 31	<u>(41)</u>	<u>(9)</u>	<u>(85)</u>

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(c) Classification by maturity

The classification of financial assets by maturity as of December 31, 2020, 2019 and 2018 is as follows (in thousands of euros):

	2020							Total non-current
	Less than 1 year	2 years	3 years	4 years	5 years	Subsequent years	Less current part	
Investments in group companies and associates								
Equity instruments	-	-	-	-	-	1	-	1
Credits	376	-	-	-	-	-	(376)	-
Financial investments								
Equity instruments	-	-	-	-	-	-	-	-
Credits	249	245	169	-	-	-	(249)	414
Deposits and guarantees	17	-	-	-	-	40	(17)	40
Other financial assets	1,395	-	-	-	-	-	(1,395)	-
Trade and other receivables								
Customers for short-term sales and services	5,904	-	-	-	-	-	(5,904)	-
Other receivables	-	-	-	-	-	-	-	-
Other trade debtors	-	-	-	-	-	-	-	-
Total financial assets	7,941	245	169	-	-	41	(7,941)	455
	2019							
	Less than 1 year	2 years	3 years	4 years	5 years	Subsequent years	Less current part	Total non-current
Investments in group companies and associates								
Credits	325	-	-	-	-	-	(325)	-
Financial investments								
Credits	142	178	178	178	177	-	(142)	711
Deposits and guarantees	276	-	-	-	-	44	(276)	44
Other financial assets	1,430	-	-	-	-	-	(1,430)	-
Trade and other receivables								
Customers for short-term sales and services	6,065	-	-	-	-	-	(6,065)	-
Other receivables	170	-	-	-	-	-	(170)	-
Other trade debtors	105	-	-	-	-	-	(105)	-
Total financial assets	8,513	178	178	178	177	44	(8,513)	755

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

	2018						Less current part	Total non- current
	Less than 1 year	2 years	3 years	4 years	5 years	Subsequent years		
Investments in group companies and associates								
Credits	525		-	-	-	2,469	(525)	2,469
Financial investments								
Credits	538	563	255	255	197	-	(538)	1,270
Derivatives	-	-	-	-	-	49	-	49
Deposits and guarantees	124	-	-	-	-	43	(124)	43
Other financial assets	1,384	-	-	-	-	-	(1,384)	-
Trade and other receivables								
Customers for short-term sales and services	5,766	-	-	-	-	-	(5,766)	-
Other receivables	256	-	-	-	-	-	(256)	-
Other trade debtors	3,142	-	-	-	-	-	(3,142)	-
Total financial assets	11,735	563	255	255	197	2,561	(11,735)	3,831

(12) Foreign currency

The Group's presentation currency is the euro. Consequently, operations in currencies other than the euro are denominated in "foreign currency" and are recorded at the exchange rates in effect on the dates of the operations.

As of December 31, 2020, 2019 and 2018, the detail of the main figures in the different foreign currencies and in euros, is as follows:

Foreign Currency - 2020 (in thousands)				
	Guatemala (Quetzals)	Honduras (Lempiras)	Dominican Republic (Dominican Peso)	Panama (Dollars)
Total assets	449,847	362,685	102,208	112
Total non-current assets	410,327	220,621	101,755	10
Net revenues	73,055	61,183	-	-
Result	(8,065)	28,680	(1,762)	(43)

	Foreign currency - 2019 (in thousands)		Foreign Currency - 2018 (in thousands)	
	Guatemala (Quetzals)	Honduras (Lempiras)	Guatemala (Quetzals)	Honduras (Lempiras)
Total assets	414,598	369,533	455,815	336,936
Total non-current assets	325,075	236,887	332,940	228,715
Net revenues	65,608	64,202	332,940	60,285
Result	1,304	25,536	(37,528)	18,303

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

2020 - Euros (in thousands)				
	Guatemala (Quetzales)	Honduras (Lempiras)	República Dominicana (Peso Dominicano)	Panamá (Dólares)
Total assets	46,131	12,073	1,423	91
Non-current assets	42,078	7,344	1,417	8
Net Revenues	8,101	2,142	-	-
Result	(894)	1.004	(27)	(38)

	2019 - Euros (in thousands)		2018 - Euros (in thousands)	
	Guatemala (Quetzales)	Honduras (Lempiras)	Guatemala (Quetzales)	Honduras (Lempiras)
Total assets	46,906	13,164	51,569	11,986
Non-current assets	36,778	8,438	37,667	8,136
Net Revenues	7,465	2,308	37,884	2,122
Result	148	918	(4,270)	644

Additionally, some of the Group's foreign companies carry out part of their operations in US dollars. The portion of the magnitudes carried out in US dollars as of December 31, 2020, 2019 and 2018 is detailed below:

2020 (in thousands)				
	Guatemala	Honduras	Dominican Republic	Panama
Total assets	11,102	6,213	1,671	112
Total non-current assets	9,019	503	1,664	10
Net revenues	8,817	2,538	-	-

	2019 (in thousands)		2018 (in thousands)	
	Guatemala	Honduras	Guatemala	Honduras
Total assets	6,796	5,800	6,068	3,661
Total non-current assets	5,078	567	5,091	634
Net revenues	7,944	2,606	6,705	2,472

(13) Net Equity

The composition and movement of consolidated net equity are presented in the consolidated statement of changes in net equity.

a) Share capital

Grupo Ecoener, S.A.U. was incorporated as a public limited company in accordance with Spanish legislation on January 28, 2020, with a share capital of 60 thousand euros, represented by 600 registered shares with a nominal value of 100 euros each, fully subscribed and paid up by means of monetary contribution.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

On June 12, 2020, the Sole Shareholder carried out a capital increase for a value of 500 thousand euros by creating 5,000 new registered shares with a nominal value of 100 euros, fully subscribed and paid up as well as an issue premium of 950 euros per share, worth 4,750 thousand euros. Such capital increase was carried out throughout a non-monetary contribution (See Note 7).

As of December 31, 2020, the Share capital of the Parent Company amounts to 560 thousand euros, represented by 5,600 registered shares with a par value of 100 euros each, single series, numbered from one (1) to five one thousand six hundred (5,600), both inclusive.

All shares are of the same class and have the same rights. Likewise, there are no restrictions on the free transferability of the shares.

The Sole Shareholder of the Parent Company is the ultimate parent company of the Group.

b) Issue premium

This reserve is freely available.

c) Other reserves

The Parent Company will be required to allocate 10 percent of its net income until a reserve fund reaching, at least, 20 percent of the Share capital is constituted. This reserve, as long as it does not exceed the aforementioned limit, may only be used to offset losses if no other reserves for this purpose are available.

As of December 31, 2020, 2019 and 2018, the Group does not register any legal reserve as 2020 has been its first incorporation year.

The capitalization reserve has been allocated in accordance with articles 25 and 62 of the Corporate Tax Law, which establishes that the reserve should be allocated for the amount of the right to reduce the tax base of the tax group for the year. The right to reduce the tax base of the tax group amounts to 10% of the increase in the equity of the tax group, as defined in said articles, without in any case exceeding the amount of 10% of the positive tax base of the tax group of the tax period prior to the reduction and integration referred to in section 12 of article 11 of the Corporate Tax Law and the offsetting of negative tax bases. However, in case of insufficient tax base of the tax group to apply the reduction, the pending amounts may be applied in the tax periods that end in the two years immediately and following the closing of the tax period in which the right was generated to the reduction, together with the reduction that may correspond in said year and with the limit indicated. The reserve is unavailable and is conditional on maintaining the increase in equity of the tax group for a period of 5 years from the close of the tax period to which the reduction corresponds, except for the existence of accounting losses.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

On the other hand, in accordance with what is indicated in notes 1 and 2, Grupo Ecoener, S.A.U. has been incorporated in 2020 mainly through the non-monetary contribution of entities under common control of Ecoener, S.L.U. and subsidiaries. Nonetheless, the Company's Board of Directors has chosen to present the consolidated annual accounts for the year ended December 31, 2020 together with the comparative financial statements for the years 2019 and 2018 and, therefore, record the contribution of subsidiaries as of January 1, 2018, this coinciding with the beginning of the first reporting period.

Notwithstanding the foregoing, the amounts linked to the 2020 capital contribution were presented under the heading «Reserves» as of December 31, 2018 and 2019, subsequently being reclassified to «Share capital» and «Issue premium» in 2020 once the capital contributions were legally and effectively made.

Such increase took place during the year 2020 and led to an increase in Issue premium of 4,750 thousand euros (see Notes 1 and 7).

On the other hand, during 2020, operations for the return of contributions and dividends amounting to 9,575 thousand euros were carried out from group companies to the Sole Shareholder of Grupo Ecoener, S.A.U. (Ecoener, S.L.U.), the main ones being the following:

- On March 17, 2020, Dragmoc, S.L. agreed to distribute a dividend in the amount of 985 thousand euros.
- On 22 April and 17 June 2020, Hidroeléctrica del Giesta, S.L. agreed to distribute a dividend of EUR 787 thousand and EUR 134 thousand, respectively.
- On 22 April 2020, Energía de Pontevedra, S.L. agreed to distribute a dividend in the amount of EUR 1,105 thousand.
- Additionally, Hidroeléctrica del Giesta, S.L. and Energías de Pontevedra, S.L. returned contributions amounting to 4,407 thousand euros and 1,093 thousand euros in 2020, respectively.

Likewise, during 2020, the shareholders contributions were carried out for an amount of 375 thousand euros.

During the year 2019 the following operations, which had an impact on the reserves of Grupo Ecoener, S.A.U., were mainly carried out:

- As of June 30, 2019, Dragmoc, S.L. agreed to distribute an interim dividend for an amount of 1,138 thousand euros, as well as to distribute the entire share premium in a single payment of 500 thousand euros to Ecoener, S.L.U.
- As of June 28, 2019, Hidroeléctrica del Giesta, S.L. agreed to distribute a dividend charged to the results of the 2018 financial year amounting to 399 thousand euros to the Sole Shareholder. Likewise, as of December 20, 2019, the Company agreed to distribute an interim dividend charged to the result for the year 2019 in the amount of 1,750 thousand euros to Ecoener, S.L.U.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

- As of June 30, 2019, Ecoener Ingeniería, S.L. agreed to distribute a dividend in the amount of 244 thousand euros charged to the results of the year ended in 2018 to Ecoener, S.L.U.
- In 2019, the Group mainly recorded refunds for shareholders contributions from the Group Company Ecoener Inversiones de Centroamérica S.A. to the Sole Shareholder for an amount of 3,863 thousand euros.
- In 2019, Alamillo de Doramas, S.L., Yesquera de Aluce, S.L. and Cardo de Plata, S.L. carried out capital increases subscribed by Ecoener, S.L.U. amounting to 1,406 thousand euros, 530 thousand euros, and 606 thousand euros, respectively. Likewise, it made shareholders contributions amounting to 837 thousand euros
- In 2019, under “other movements”, the asset adjustment of Energías del Ocosito, S.A. for the amount of 2,305 charged to reserves was recorded (See Note 6).

During 2018, the following transactions were mainly carried out generating an impact on Grupo Ecoener, S.A.U.'s reserves.

- As of February 23, 2018, the Group Company Dragmoc, S.L. distributed a dividend in favor of Ecoener, S.L.U. against its unrestricted reserves (assumption premium) in the amount of 6,000 thousand euros.
- As of September 27, 2018, Sociedad Hidroeléctrica del Giesta, S.L. agrees to distribute a dividend in favor of Ecoener, S.L.U against voluntary reserves in the amount of 1,056 thousand euros and an interim dividend of the 2018 result in the amount of 442 thousand euros.
- As of October 24, 2018, the Group Company Ecoener Ingeniería, S.L. agreed to distribute a dividend against voluntary reserves of 125 thousand euros to Ecoener, S.L.U.
- During 2018, Ecoener, S.L.U. sells to Hidroeléctrica del Giesta, S.L. the Group Company Lucense de Energía Hidráulica y Eólica, S.L for an amount of 23,504 thousand euros. Said sale generated a gain on a consolidated basis of 19,998 thousand of euros. The company's directors have considered that such gain is considered as a dividend distributed to the Sole Shareholder and therefore reduce the Group's equity (see note 20).
- During the 2018 financial year, the following contributions, carried out by Ecoener, S.L.U., were made:
 - (a) Monetary contribution of 4,111 thousand euros to Ecoener Inversiones de Centroamérica S.A.
 - (b) Monetary contribution of 1,984 thousand euros to Energías de Forcarei S.L.
 - (c) Monetary contribution of 523 thousand euros to the Group Company Eólica Punta Maeda, S.L.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

d) First consolidation differences

The differences arising in the first consolidation not assigned to Goodwill have been considered, in accordance with current consolidation regulations, as reserves of the Parent Company.

e) Results attributed to the Parent Company

The distribution of the Parent Company's net income for the year 2020 that the Board of Directors will propose to the Sole Shareholder for its approval is detailed in Note 3.

f) Other shareholders' contributions

As of December 31, 2020, the Group records an amount of 73 thousand euros corresponding to the net value of assets and liabilities contributed by its Sole Shareholder through the business transfer transaction carried out on November 1, 2020 (See Note 7).

g) Exchange differences

The detail regarding exchange differences, entirely generated by the translation to euros of the financial statements of the companies located in Guatemala, Honduras, Panama, and the Dominican Republic as of December 31, 2020, 2019 and 2018, is as follows (in thousands of euros):

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Countries			
Guatemala	136	1,170	1,038
Panama	3	-	-
Dominican Republic	2	-	-
Honduras	(497)	(353)	(382)
Total exchange differences	<u>(356)</u>	<u>817</u>	<u>656</u>

h) Non-controlling interests

The detail and movements from non-controlling interests as of December 31, 2020, 2019 and 2018 is as follows (in thousand euros):

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Opening balance as of January 1,	8,033	8,770	9,539
Net income allocation	2,311	527	(214)
Dividends	(1,514)	(512)	(94)
Shareholders' contribution			60
Changes in ownership	-	-	(351)
Other movements	142	(752)	(170)
Balance as of December 31,	<u>8,972</u>	<u>8,033</u>	<u>8,770</u>

As of December 31, 2020, the payment of dividends to the non-controlling interests of Drago Renovables, S.L., Mocan Renovables, S.L., and Llanos del Sur Fotovoltaica, S.A. is recorded amounting to of 698 thousand euros, 434 thousand euros and 382 thousand euros.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

During 2019, Mocan Renovables, S.L. and Drago Renovables, S.L. distributed dividends charged to results. Consequently, 268 thousand euros and 244 thousand euros were distributed to minority shareholders.

During the year 2018 a negative entry was originated for an amount of 351 thousand euros due to the variation in the ownership percentage in the Group Companies Sociedad Lucense de Energía Hidráulica y Eólica, S.L., due to the acquisition of the 10% ownership appertaining to non-controlling interests until that moment.

The heading “Other movements” mainly includes, as of December 31, 2019, the impact on reserves of the recognition of the impairment of fixed assets of the Group Company Energías del Ocosito for an amount of 555 thousand euros (see Note 6).

The detail by company of the balance of non-controlling interests as of December 31, 2020, 2019 and 2018 is shown below (in thousand euros):

	2020	2019	2018
Hidroeléctrica de Oourol, S.L.	729	649	540
Hidro Quetzal, S.A.	2,054	2,054	2,054
Inversiones Renovables Guatemaltecas, S.A.	-	-	36
Ecoener Ingeniería, S.A.	49	43	30
Hidroeléctrica San Bartolomé, S.A.	-	-	2
Energías del Ocosito, S.A.	445	445	1,095
Energías de Forcarei, S.L.	44	45	46
Llanos del Sur Fotovoltaica, S.A.	2,193	1,439	1,335
Conservilla Majorera, S.L.	(5)	(4)	(4)
Cresta de Gallo, S.L.	(3)	-	1
Mosquera de Tamadaba, S.L.	(5)	(4)	(4)
Ecoener Ingeniería Honduras, S.A.	3	2	2
Drago Renovables, S.L.	1,902	1,982	2,282
Mocan Renovables, S.L.	1,566	1,382	1,355
Total non-controlling interest	8,972	8,033	8,770

Non-controlling companies have the usual protection rights, mainly in terms of investment, divestment and financing restrictions. There are no significant restrictions or relevant substantive rights that limit the Group's ability to access dividends.

The subsidiaries with the most significant non-controlling interests are Llanos del Sur Fotovoltaica, S.A., Hidro Quetzal, S.A.; Drago Renovables, S.L. and Mocan Renovables, S.L. The detail of the assets and liabilities at the end of the financial years 2020, 2019 and 2018 is as follows (in thousands of euros):

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

Concept	Llanos del Sur Fotovoltaica, S.A. Amount as of December 31, 2020	Hidro Quetzal, S.A Amount as of December 31, 2020	Drago Renovables, S.L. Amount as of December 31, 2020	Mocan Renovables, S.L.. Amount as of December 31, 2020
Non-current assets	14,646	15	30,547	12,168
Current assets	9,190	8,407	3,446	1,460
Non-current liabilities	13,272	-	25,363	9,232
Current liabilities	1,147	-	2,399	1,111
Net equity	9,417	8,422	6,231	3,285

Concept	Llanos del Sur Fotovoltaica, S.A. Amount as of December 31, 2019	Hidro Quetzal, S.A Amount as of December 31, 2019	Drago Renovables, S.L. Amount as of December 31, 2019	Mocan Renovables, S.L.. Amount as of December 31, 2019
Non-current assets	15,873	16	29,715	11,229
Current assets	9,333	9,277	4,815	2,765
Non-current liabilities	14,582	-	24,715	9,024
Current liabilities	1,451	-	2,080	878
Net equity	9,173	9,293	7,736	4,091

Concept	Llanos del Sur Fotovoltaica, S.A. Amount as of December 31, 2018	Hidro Quetzal, S.A Amount as of December 31, 2018	Drago Renovables, S.L. Amount as of December 31, 2018	Mocan Renovables, S.L.. Amount as of December 31, 2018
Non-current assets	16,922	16	30,976	11,712
Current assets	6,962	9,153	3,951	2,422
Non-current liabilities	15,328	-	25,010	9,085
Current liabilities	1,103	-	1,971	851
Net equity	7,453	9,169	7,945	4,198

At the end of the years ended December 31, 2020, 2019 and 2018, the detail of the main captions of the statements of profit and loss of the aforementioned subsidiaries with significant minority interests is as follows (in thousands of euros):

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

Concept	Llanos del Sur Fotovoltaica, S.A. Amount as of December 31, 2020	Hidro Quetzal, S.A Amount as of December 31, 2020	Drago Renovables, S.L. Amount as of December 31, 2020	Mocan Renovables, S.L.. Amount as of December 31, 2020
Net Revenues	4,283	-	4,778	2,926
Operating Income	2,538	-	2,388	1,266
Net financial loss	(838)	-	(2,101)	(840)
Net income/(loss) from continued operations	1,700	-	346	483
Net income/(loss) attributed to the Parent Company	1,636	-	651	523

Concept	Llanos del Sur Fotovoltaica, S.A. Amount as of December 31, 2019	Hidro Quetzal, S.A Amount as of December 31, 2019	Drago Renovables, S.L. Amount as of December 31, 2019	Mocan Renovables, S.L.. Amount as of December 31, 2019
Net Revenues	4,621	-	5,148	2,536
Operating Income	2,983	-	2,884	1,594
Net financial loss	(1,807)	-	(1,802)	(681)
Net income/(loss) from continued operations	1,176	-	1,001	933
Net income/(loss) attributed to the Parent Company	(1,619)	-	1,133	2,810

Concept	Llanos del Sur Fotovoltaica, S.A. Amount as of December 31, 2018	Hidro Quetzal, S.A Amount as of December 31, 2018	Drago Renovables, S.L. Amount as of December 31, 2018	Mocan Renovables, S.L.. Amount as of December 31, 2018
Net Revenues	4,243	-	4,669	2,283
Operating Income	2,761	-	2,567	1,453
Net financial loss	(1,566)	-	(1,152)	(435)
Net income/(loss) from continued operations	1,195	-	1,207	1,073
Net income/(loss) attributed to the Parent Company	874	-	1,384	1,011

(14) Long-term provisions

The breakdown of the provisions as of December 31, 2020, 2019 and 2018 is as follows (in thousand euros):

	2020	2019	2018
Tax provision	414	370	247
Dismantling provision	942	311	226
Ending balance as of December 31,	1,356	681	473

The tax provision covers the possible disbursements that may arise from corporate income tax inspection procedures carried out by tax authorities to the group companies Hidroeléctrica de Oural, S.L. and Energía de Pontevedra, S.L. (see Note 19).

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

As of December 31, 2020, the Group recorded as dismantling provision an amount of €876 thousand euros associated with the wind farms built in Canary Islands (311 thousand euros in 2019 and 71 thousand euros in 2018).

The provisions were constituted by increasing the value of the facilities. For its calculation, the Group performed a detailed technical analysis estimating the average cost of dismantling per installed MW in 14 thousand euros.

In accordance with applicable legislation, these companies must compulsorily restore the lands on which the wind farms operate to their original conditions once operation useful life is concluded. Dismantling is scheduled to take place between fiscal years 2040 and 2045 depending on each individual wind farms useful life.

During the year 2020, additional financial expenses were recorded due to updates in provisions for a total amount of 5 thousand euros (6 thousand euros during the year 2019 and 6 thousand euros during the year 2018), recorded as Financial expenses on the consolidated profit and loss account.

(15) Short and Long-term debts and Trade and other accounts payable

(a) Classification of financial liabilities by category

The entire amounts of the Group's Short and Long-term debts correspond to financial liabilities at amortized cost, except for derivatives, which are liabilities accounted for at fair value with changes in profit and loss account.

Short and Long-term debts considered as “Debt with financial institutions” are valued at nominal value as they constitute an acceptable approach to their fair value and do not vary significantly, except for debt with financial institutions valued at amortized cost.

(b) Short and Long-term debts

	2020	
	<u>Non-current</u>	<u>Current</u>
Related parties		
Debt with related parties (Note 20)	8,479	834
Third parties		
Debts and accounts payable		
Obligations and other marketable securities	116,096	6,382
Debts with financial institutions	39,947	3,184
Lease liabilities (Note 8)	6,724	392
Derivatives	-	1,554
Other financial liabilities	14,272	6,787
Total debts	<u>185,518</u>	<u>19,133</u>

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

	2019	
	<u>Non-current</u>	<u>Current</u>
Related parties		
Debt with related parties (Note 20)	3	-
Third parties		
Debits and accounts payable		
Debts with financial institutions	116,478	10,010
Lease liabilities (Note 8)	26,272	3,104
Derivatives	1,317	-
Other financial liabilities	9,374	439
Total debts	<u>153,444</u>	<u>13,553</u>
	2018	
	<u>Non-current</u>	<u>Current</u>
Related parties		
Debt with related parties (Note 20)	-	67
Third parties		
Debits and accounts payable		
Debts with financial institutions	120,472	9,239
Lease liabilities (Note 8)	29,267	3,014
Other financial liabilities	2,377	1,128
Total debts	<u>152,116</u>	<u>13,448</u>

Debts with related parties

As of December 31, 2020, the Parent Company registered an account payable with its Sole Shareholder amounting to 8,479 thousand euros. The interest rate on debts with related parties is 1.75% (the amount payable as of December 31, 2019 amounted to 3 thousand euros and nil for 2018). The interest rate applicable in each year is the result of increasing the one-year Euribor in force on the last day of the previous year by two percentage points.

Obligations and other marketable securities

On September 10, 2020, Ecoener Emisiones, S.A.U., a company fully owned by Grupo Ecoener, S.A.U., issued a €130 million non-recourse senior debt consisting of two green bond classes listed on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange with the following main characteristics:

- i. Class 1: These bonds account with a nominal value of 39,000 thousand euros bearing a 2.35% interest rate due December 31, 2040.
- ii. Class 2: These bonds account with a nominal value of 91,000 thousand euros bearing a 2.35% interest rate due December 31, 2040.

The principal amortization and interest payment are scheduled on a semi-annual basis with repayment dates on June 30 and December 31 during the term of the bond. The first payment was made on December 31, 2020 for an amount of 5,498 thousand euros.

The bond was fully subscribed by entities acting as vehicles for the investment groups Schroders, Aviva and Manulife.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

Part of the raised capital by Ecoener Emisiones, S.A.U. has been used simultaneously to entirely redeem the indebtedness from different subsidiaries of the Group.

The detail of costs assumed by these companies for the early redemption of such debt as of December 31, 2020, recorded in Financial expenses as Debts with third parties, is as follows (in thousand euros):

Hidroeléctrica del Giesta, S.L.	221
Sociedad Lucense de Energía Hidráulica y Eólica, S.L.	43
Hidroeléctrica de Oulol, S.L.	627
Dragmoc, S.L.	1,390
Drago Renovables, S.L.	236
Mocan Renovables, S.L.	89
Total	2,606

Additionally, part of the capital raised by Ecoener Emisiones, S.A.U. has been destined to early cancel the interest rate swap contracts associated with the financing with Banco Sabadell, S.A. from Drago Renovables, S.L and Mocan Renovables, S.L., amounting to an expense of 944 thousand euros and 355 thousand euros, respectively, recorded in the as Changes in fair value of financial instruments. The outstanding amount was mainly used for the payment of bond issue costs and cancellation of intra-group debts. Additionally, cash and cash equivalents include certain amounts of restricted cash related to restrictions included in green bond, which contains a debt services reserve account and maintenance reserve account by 8,016 thousand euros and 1,000 thousand euros, respectively.

Additionally, the Group provides the following guarantees to ensure the return of the bonds issued:

1. The following group companies: Hidroeléctrica del Giesta, S.L., Energías de Pontevedra, S.L., Hidroeléctrica de Oulol, S.L. Sociedad Lucense de Energía Hidráulica y Eólica, S.L., Drago Renovables, S.L., Mocan Renovables, S.L. y Yesquera de Aluce, S.L., have signed a promissory mortgage guarantee on the assets of the operating plants. Additionally, they pledge regarding certain credit rights and bank accounts have been signed.
2. Ecoener Emisiones, S.A.U., has signed a real guarantee on all the shares under its ownership.
3. The Parent Company of the Group has signed a real guarantee on the shares held by the company Ecoener Emisiones, S.A.U.

The nominal amounts and maturities of the two classes of bonds issued by Ecoener Emisiones, S.A.U., are the following (thousands of euros):

	2020	2021	2022	2023	2024	Subsequent years	Total
Class A1	1,650	1,977	1,926	2,472	2,796	28,179	39,000
Class A2	3,849	4,613	4,494	5,768	6,524	65,752	91,000
Total	5,499	6,590	6,420	8,240	9,320	93,931	130,000

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

The nominal maturities for both classes of bonds are subject to compliance by the Group with a series of financial and non-financial covenants as detailed in the bond issuance agreement. Specifically, these bonds will early mature in the event of not maintaining the debt service coverage ratio and the project life coverage ratio within certain levels set in the Trust Deed for the issued bonds.

In particular, the Obligors shall ensure on each payment date (semi-annually), the Group will be reviewed to ensure that they exceed the following ratios at all times:

- a) The Historic Debt Service Coverage Ratio, referred to as the "Historic DSCR", must be at least 1.05x. The Historic Debt Service Coverage Ratio shall be calculated on each payment date as the ratio of the net flows for the finalized calculation period to which the ratio relates to the debt service serviced in such period.
- b) The expected debt service coverage ratio, referred to as "Projected DSCR", must be at least 1.05x. The expected debt service coverage ratio will be calculated at each payment date as the quotient between the net cash flows for the calculation period beginning after the payment date to which the ratio refers, considering certain production and sales price assumptions already defined, and the debt service to be serviced during such period.
- c) The project life coverage ratio, referred to as the "PLCR, Project Life Cover Ratio", must be at least 1.10x. The project life coverage ratio will be calculated at each payment date as the aggregate of the net present value of the expected net cash flows between the payment date and the end of the useful life of each of the generation facilities included in the perimeter of the bond, plus the sum of the available balances, divided by the outstanding principal amount of the bond.

Verification of compliance with the established ratios will be carried out on each payment date of the bond schedule, using the financial model developed as the basis for the issuance of the green bond.

The Group complies with its correspondent covenants as of December 31, 2020 and as of the date of preparation of the Consolidated Annual Accounts.

Under the provisions of the Bond, if a direct or indirect change of control occurs at Group level, the bondholders may exercise an option that would require the bond issuer to reimburse or even repurchase or seek to repurchase the entirety or part of the issued bond. Additionally, in the event of a change of control (that is, the pre-offering sole shareholder ceasing to directly or indirectly own at least 51% of the shares), each bondholder will have the option to require the bond issuer to reimburse or even repurchase or seek to repurchase the entirety or part of the issued bond.

The Group complies with its correspondent covenants as of December 31, 2020 and as of the date of preparation of the Consolidated Annual Accounts.

Additionally, the Group maintains a series of commitments, such as the constitution of guarantees on certain critical assets, the sale of certain critical assets or the performance of certain corporate restructuring operations, among others, which in the event of non-fulfilment could lead to their early maturity (See note 6). The Groups' management estimate that none of the ratios will be breached, therefore classifying such debt in accordance to the previously scheduled maturities.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts as of and for the year ended December 31, 2020

The accrued coupon payment for the issued bond as of December 31, 2020 amount to 5,498 thousand euros of principal and 936 thousand of interests.

Due to the market interest rate environment, the fair value of the bonds does not differ substantially from their book value.

Debt with financial institutions

As a result of the issue of the two classes of the green bond listed in the Open Market (Freiverkehr) of the Frankfurt Stock Exchange, for an amount of 130 million euros, on September 10, 2020, as described above, the amount registered as Debt with financial institutions was derecognized, from 78,071 thousand euros to 77,341 thousand euros at the end of 2019 and 2018.

On May 23, 2018, Llanos del Sur Fotovoltaica, S.A. formalized a loan with Banco Atlantida for an amount of 19,493 thousand dollars with the maturity date settled on December 16, 2028. The loan was formalized with a 7.30% interest rate. The proceeds obtained were used to cancel the loan established in lempiras that was formalized in 2016. The accounting treatment of the aforementioned cancellation was not considered as a substantial modification of the financial debt under IFRS 9. The accounting treatment of the aforementioned cancellation was not considered as a refinancing since the new contract was granted by a financial entity other than the initial grantor.

As of December 31, 2020, 2019 and 2018, Llanos del Sur Fotovoltaica, S.A. presented an outstanding balance for these contracts amounting to 16,588 thousand dollars, 17,477 thousand dollars and 18,146 thousand dollars, respectively. The balance due as of December 31, 2020, 2019 and 2018 amounted to 13,421 thousand euros, 15,548 thousand euros and 16,137 thousand euros, respectively.

On July 23, 2014, Energías del Ocosito, S.A. signed a loan with Banrural for an amount of 35,056 thousand dollars. Such loans' maturity date was established at July 23, 2031 and was formalized with an 7% interest rate. On March 2, 2016, the loan was extended for an amount of 4,323 thousand dollars, reaching 39,379 thousand dollars, also extending its maturity until September 23, 2032. On November 6, 2020, a new loan was signed for an amount of 37,090 thousand dollars, maturing in 2040, using the corresponding proceeds to cancel the existing loan with Banrural. As of the closing date of the fiscal year, the aforementioned loan is pending formalization.

As of December 31, 2020, 2019 and 2018, the outstanding balance amounted to 37,090 thousand dollars, 36,229 thousand dollars and 38,142 thousand dollars, respectively. The outstanding balance in euros at the end of 2020, 2019 and 2018 amounted to 28,769 thousand euros, 32,007 thousand euros and 33,307 thousand euros, respectively.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

Derivatives

On October 8, 2020, the group companies Drago Renovables, S.L., Mocan Renovables, S.L., Energías de Pontevedra, S.L., Hidroeléctrica del Giesta, S.L., Hidroeléctrica de Oourol, S.L. Sociedad Lucense de Energía Hidráulica y Eólica, S.L., Cardo de Plata, S.L., Yesquera de Aluce, S.L. y Alamillo de Doramas, S.L. signed an agreement with Axpo Iberia, S.L. to ensure the sale price of all the energy produced during the financial year 2021. The contract establishes a price range per MWh produced, so that the Group ensures receiving in any case a value per MWh always among such established range regardless of the price of electricity in the daily and intraday market. The contract establishes monthly payments on account, the expense will be recorded in the external services caption of the profit and loss account.

As of December 31, 2020, the Group records a balance due amounting to 1,554 thousand euros from the valuation adjustments of the derivative charged as Changes in the fair value of financial instruments in the consolidated profit and loss account (Note 10).

As of December 31, 2019, the Group recorded an amount of 1,317 thousand euros (49 thousand euros debtor balance as of December 31, 2018) for the valuation of the interest rate swap cancelled during the year 2020 (Note 10).

Other financial liabilities

Other financial liabilities mainly a debt formalized in the Ecoener Inversiones, S.C.A., SICAV-RAIF for 12,650 thousand euros (7,375 thousand euros as of December 31, 2019 and zero as of December 31, 2018). This debt is made up of two tranches of 5,150 thousand euros and 7,500 thousand euros, maturing on December 31, 2025 and September 17, 2025, respectively; and both accrue an interest rate of 1%. Additionally, Other financial liabilities mainly register, as of December 31, 2020, an amount of 1,622 thousand euros (1,977 thousand euros as of December 31, 2019 and 2,168 thousand euros as of December 31, 2018, respectively) corresponding to a long-term debt with Hidroeléctrica Tres Ríos, S.A. for the assignment of contracts relating to energy supply generated for users of the final distribution service, an agreement that was formalized in 2016.

All financial debt accrues market interest rates.

- Net gains and losses by categories of financial liabilities

The amount of net gains and losses by categories of financial liabilities is as follows (in thousands of euros).

	Debts and payable items			Financial liabilities at fair value with changes in profit and loss account		
	2020	2019	2018	2020	2019	2018
Financial expenses at amortized cost	10,299	6,052	7,324	-	-	-
Variation in fair value of financial instruments	-	-	-	(2,281)	(1,367)	-
Other	-	70	98	-	-	-
Net profit / (loss) in profit and loss account	10,299	6,122	7,422	(2,281)	(1,367)	-

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020(c) Classification by maturity

The classification of financial liabilities by maturity, as of December 31, 2020, 2019 and 2018 is as follows (in thousands of euros):

	2020							
	Less than one year	Two years	Three years	Four years	Five years	Subsequent years	Less current amount	Total non-current
Debts								
Obligations and other marketable securities	6,382	6,221	8,050	9,143	9,080	83,602	(6,382)	116,096
Debts with related parties	834	8,479	-	-	-	-	(834)	8,479
Debts with financial institutions	3,184	710	2,332	2,485	2,633	31,787	(3,184)	39,947
Lease liabilities	392	384	373	346	309	5,312	(392)	6,724
Derivatives	1,554	-	-	-	-	-	(1,554)	-
Other financial liabilities	6,787	-	-	1,622	7,500	5,150	(6,787)	14,272
Trade and other accounts payable								
Suppliers	4	-	-	-	-	-	(4)	-
Wages payable	9	-	-	-	-	-	(9)	-
Other trade payables	3,729	163	-	-	-	-	(3,729)	163
Total financial liabilities	22,875	15,957	10,755	13,596	19,522	125,851	(22,875)	185,681
	2019							
	Less than one year	Two years	Three years	Four years	Five years	Subsequent years	Less current amount	Total non-current
Related parties								
Debt with related parties	-	-	-	-	-	-	3	3
Debts								
Debts with financial institutions	10,010	11,649	8,748	8,983	16,519	70,579	(10,010)	116,478
Lease liabilities	3,104	3,158	2,824	2,444	2,478	15,368	(3,104)	26,272
Derivatives	-	-	-	-	-	1,317	-	1,317
Other financial liabilities	439	210	210	210	210	8,534	(439)	9,374
Trade and other accounts payable								
Suppliers	2	399	367	367	367	1,903	(2)	3,403
Wages payable	11	-	-	-	-	-	(11)	-
Other trade payables	2,176	-	-	-	-	-	(2,176)	-
Total financial liabilities	15,742	15,416	12,149	12,004	19,574	97,704	(15,742)	156,847

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

	2018							Less current amount	Total non- current
	Less than one year	Two years	Three years	Four years	Five years	Subsequent years			
Related parties									
Debt with related parties	67	-	-	-	-	-	(67)	-	
Debts									
Debts with financial institutions	9,239	8,222	8,482	8,669	8,944	86,155	(9,239)	120,472	
Lease liabilities	3,014	3,008	3,069	2,711	2,317	18,162	(3,014)	29,267	
Other financial liabilities	1,128	398	190	190	190	1,409	(1,128)	2,377	
Trade and other accounts payable									
Suppliers	-	242	242	220	220	1,401	-	2,325	
Other trade payables	4,032	-	-	-	-	-	(4,032)	-	
Total financial liabilities	17,480	11,870	11,983	11,790	11,671	107,127	(17,480)	154,441	

(d) Trade and other accounts payable

The detail of Trade and other accounts payable as of December 31, 2020, 2019 and 2018, is as follows (in thousand euros):

	2020	2019	2018
Third parties			
Non-current accounts payable	163	3,403	2,325
Short-term suppliers	4	2	-
Other trade payables	3,729	2,176	4,032
Wages payable	9	11	-
Other debts with tax authorities	943	863	595
Total	4,848	6,455	6,952

As of December 31, 2020, 2019 and 2018, Non-current accounts payable amounted to 163 thousand euros, 3,403 thousand euros and 2,325 thousand euros, respectively. The deviations adjustment in the market prices for the years 2020, 2019 and 2018 whose compensation occurred during the immediately subsequent regulatory semi-period after the one in which they were registered and during the rest of the regulatory useful life of the wind farms and hydropower plants operated by the Group, as well as the debtor balance amount to be offset in the long term and corresponding to the 2014-2016 regulatory semi-period 2014-2016 (Note 4.m.i).

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(16) Grants

The movement in non-refundable capital grants received as of December 31, 2020, 2019 and 2018 is as follows:

	2020	2019	2018
Balance as of January 1	3,618	-	-
Additions for the year:			
Feder-Eolcan La Caleta	1	879	-
Feder-Eolcan Lomo del Moral	-	747	-
Feder-Eolcan Las Casillas 1	-	719	-
Feder-Eolcan Arcos del Coro	-	677	-
Feder-Eolcan El Rodeo	-	596	-
Transfer to the Consolidated Profit and Loss Account:			
Feder-Eolcan El Rodeo	(2)	-	-
Feder-Eolcan La Caleta	(10)	-	-
Balance as of December 31	3,607	3,618	-

Grants received from the Institute for Energy Diversification and Saving (Instituto para la Diversificación y Ahorro de la Energía or “IDAE”) recognized during 2019, are intended to finance the construction of five wind farms in Gran Canaria (Spain), which are expected to be fully completed in 2021, although the first wind farms came into operation in 2020.

There were no unfulfilled conditions or other contingencies related to grants at the date of preparation of these consolidated annual accounts.

(17) Information on the average payment period to suppliers.

In accordance with the second final provision of Law 31/2014, of December 3, amending the third additional provision of Law 15/2010, of July 5, amending Law 3/2004, of December 29, establishing measures to combat late payment in commercial transactions, and in relation to the information to be included in the notes to the financial statements on deferrals of payment to suppliers in commercial transactions, calculated on the basis of the provisions of the Resolution of January 29, 2016 of the Spanish Accounting Authority (Instituto de Contabilidad y Auditoría de Cuentas or “ICAC”), the detail of the Group’s average period of payment to suppliers for the years 2020, 2019 and 2018 are as follows:

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

	2020	2019	2018
	Days		
Average period of payment to suppliers	87	145	167
Paid transactions ratio	62	116	154
Unpaid transactions ratio	322	274	195
	Amount		
	Euros		
Total made payments	11,606	9,701	7,374
Total pending payments	1,255	2,176	3,171

(18) Other assets and liabilities

Detail of accruals as of December 31, 2020, 2019 and 2018 is as follows (in thousand euros):

	2020		2019		2018	
	Non-current	Current	Non-current	Current	Non-current	Current
Other assets	681	815	716	960	712	303
Other liabilities	2,464	118	2,580	117	2,696	117

Other non-current assets mainly correspond to the straight-line expenses of the royalties on rented land in the Canary Islands (see note 8).

Other current assets correspond mainly to advanced payments associated to lease of land on which two of the wind farms are located.

The balance of Other non-current liabilities relates entirely to the linear allocation to net income of accruals recorded by the Hidroeléctrica de Ourol, S.L. for the collection made in advance to several companies due to the rights of use of energy evacuation infrastructures owned by Hidroeléctrica de Ourol, S.L. The amounts pending to be registered as income as of December 31, 2020 will be registered over the subsequent 22 years, based on the agreed contract term.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(19) Taxes

The breakdown of the balances with tax authorities as of December 31, 2020, 2019 and 2018 is as follows (in thousands of euros):

	2020	
	Non-current	Current
Assets		
Deferred tax assets	5,033	-
Current tax assets	-	828
Value added tax	-	7,647
Other tax	-	152
	<u>5,033</u>	<u>8,627</u>
Liabilities		
Deferred tax liabilities	126	-
Current tax liabilities	-	142
Value added tax and similar items	-	436
Social Security	-	43
Withholdings	-	106
Tax on energy production value	-	333
Others	-	25
	<u>126</u>	<u>1,085</u>
2019		
	Non-current	Current
Assets		
Deferred tax assets	4,183	-
Value added tax and similar items	-	3,462
	<u>4,183</u>	<u>3,462</u>
Liabilities		
Deferred tax liabilities	-	-
Value added tax and similar items	-	336
Social Security	-	12
Withholdings	-	30
Tax on energy production value	-	437
Others	-	48
	<u>-</u>	<u>863</u>
2018		
	Non-current	Current
Assets		
Deferred tax assets	2,071	-
Value added tax and similar items	-	3,555
	<u>2,071</u>	<u>3,555</u>
Liabilities		
Deferred tax liabilities	60	-
Value added tax and similar items	-	369
Social Security	-	5
Withholdings	-	40
Tax on energy production value	-	8
Others	-	173
	<u>60</u>	<u>595</u>

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

The Parent Company is taxed on corporation tax in accordance with the special regime for corporate Groups, provided for in current tax legislation, forming part of Group number 146/10, of which the Sole Shareholder is the Parent Company. This group is entirely formed by companies based in Spain, on which the direct or indirect ownership percentage on such companies is equal to or greater than 75%. In this case, the group companies would be all considered as subsidiaries in Spain except for Hidroeléctrica de Oural S.L. and Oilean Telde Eólica Energy, S.L. The Tax Group was incorporated in 2010.

The rest of the companies not integrated in the consolidated tax group are taxed individually according to their respective tax regimes in force in each country.

As a result of the taxation of the Company as part of the Special Regime for groups of companies, for the calculation of the individual corporation tax, the eliminations of the results from operations carried out during the year between the companies that are part of the tax Group are considered, as well as the incorporation of eliminations made in previous years. For the computation of deductions, the limits and requirements of the tax Group are considered, regardless of the individual tax base of each company.

The reconciliation between the net income/(loss) for the year and the tax base as of December 31, 2020, 2019 and 2018, in thousand euros, is as follows:

	2020		
	Consolidated profit and loss account		
	Increases	Decreases	Net
Net consolidated income/(loss)	5,768	-	5,768
Income tax (benefit)/expense for the year	575	-	575
Income/(loss) before tax	5,193		5,193
Permanent differences			
Of individual companies	-	(3,582)	(3,582)
Temporary differences			
Of individual companies			
Originating in the year	4,249	(504)	3,780
Originating from previous years	-	(296)	(296)
Tax base (Tax result)			5,095
Application tax loss carryforwards			(645)
Capitalisation reserve			(404)
Adjusted tax base			4,046

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

	2019		
	Consolidated profit and loss account		
	Increases	Decreases	Net
Net consolidated income/(loss)	5,832	-	5,832
Income tax (benefit)/expense for the year	1,902	-	1,902
Income/(loss) before tax	3,930	-	3,930
Permanent differences			
Of individual companies	966	(2,958)	(1,922)
Temporary differences			
Of individual companies			
Originating in the year	3,389	-	3,389
Originating from previous years	15	(272)	(257)
Tax base (Tax result)			5,070
Application tax loss carryforwards			(16)
Capitalisation reserve			(89)
Adjusted tax base			4,965
	2018		
	Consolidated profit and loss account		
	Increases	Decreases	Net
Net consolidated income/(loss)	136	-	136
Income tax (benefit)/expense for the year	23	-	23
Income/(loss) before tax	113	-	113
Permanent differences			
Of individual companies	5,091	-	5,091
Temporary differences			
Of individual companies			
Originating in the year	977	(2)	975
Originating from previous years	-	(224)	(224)
Tax base (Tax result)			5,955
Application tax loss carryforwards			(262)
Capitalisation reserve			(352)
Adjusted tax base			5,341

The negative temporary differences originated in the years 2020, 2019 and 2018 arise mostly due to the reversal of the amortization of non-deductible fixed assets in the years 2013 and 2014.

The positive temporary differences correspond mainly to the limitation to the deductibility of financial expenses.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

The permanent differences in 2020 relate mainly to the reversal of impairment of the Xestosa wind farm in the amount of 2,954 thousand euros, the elimination of the consolidated results of foreign companies in the amount of 3,340 thousand euros and the elimination of transactions between Group companies in the amount of 2,270 thousand euros.

The permanent differences in 2019 mainly relate to the elimination of the tax base of the reversal of impairment of assets of Energías de Pontevedra, S.L. in the amount of 1,175 thousand euros, the elimination of the consolidated impact of the results of foreign companies in the amount of 671 thousand euros, as well as the elimination of intercompany transactions between Group companies in the amount of 1,993 thousand euros.

The permanent differences in 2018 relate to the incorporation of the results of foreign companies for an amount of 4,549 thousand euros, the reversal of goodwill amortization, and the elimination of intercompany transactions amounting to 993 thousand euros.

The current tax rates in each country in which the Group's companies have their residence for the years 2020, 2019 and 2018 are listed below:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Spain		25% of profit	
Guatemala		25% of profit	
Guatemala		7% of income	
Honduras	25% of profit+1% of assets+5% on the excess of the profit over 1 million lempiras		

The relationship between consolidated income tax benefit/(expense) and consolidated net income/(loss) as of December 31, 2020, 2019 and 2018 is as follows (in thousand euros):

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Consolidated Income/(loss) before taxes	5,193	3,930	113
Tax rate (25%)	1,298	983	28
Permanent differences			
Of individual companies	(895)	(498)	1,273
Deductions and discounts for the current year	(235)	2,121	(622)
Capitalization reserve	(101)	(22)	(88)
Effect difference tax rate	475	(214)	(845)
Other adjustments	33	(468)	277
Consolidated income tax benefit	575	1,902	23

The negative temporary differences originated in the years 2020, 2019 and 2018 arise mainly due to the reversal of the depreciation of non-deductible fixed assets in the years 2013 and 2014.

The deductions and discounts correspond to the benefits applied by the group companies established in the Canary Islands, and which are contemplated in Law 19/1994, of July 6, modifying the Economic and Fiscal Regime of the Canary Islands.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

The Canary Islands tax legislation establishes a discount of fifty percent of the total tax corresponding to the income derived from the sale of tangible goods produced in said territory. Likewise, the deduction for investments in new fixed assets continues to apply in the Canary Islands. In the years 2020, 2019 and 2018, the group companies benefiting from these bonuses and deductions carried out the wind energy production activity.

The company Llanos del Sur Fotovoltaica, S.A. (Honduras) has an exemption from income tax payment and all those taxes related to income for its solar photovoltaic energy production activity during a 10 years period. Hence, this exemption will end in the year 2025.

The company Energías del Ocosito, S.A. (Guatemala) has an exemption from income tax payment and all those taxes related to income for its hydropower production activity for a period of 10 years. Hence, this exemption will end in the year 2026.

The breakdown of income tax benefit/(expense) for the years 2020,2019 and 2018 is as follows (in thousand euros):

	2020	2019	2018
Expense for current tax	(414)	(901)	(118)
Benefit for deferred tax	997	3,161	188
Income tax adjustments	(8)	(358)	(47)
(Expense) / Income from income tax	575	1,902	23

The breakdown of deferred tax assets and liabilities by category as of December 31, 2020, 2019 and 2018 is as follows (in thousand euros):

	2020		
	Assets	Liabilities	Net
Non-deductible financial expenses	1,805	-	1,805
Non-deductible depreciation	288	-	288
Credits for losses to be compensated	486	-	486
Expected credit loss	2,454	-	2,454
Deduction rights	1,805	-	1,805
Right of use lease	-	(126)	(126)
Total assets/(liabilities)	5,033	(126)	4,900
	2019		
	Assets	Liabilities	Net
Non-deductible financial expenses	741	-	741
Non-deductible depreciation	349	-	349
Credits for losses to be compensated	398	-	398
Deduction rights	2,689	-	2,689
Right of use lease	6	-	6
Total assets/(liabilities)	4,183	-	4,183
	2018		
	Assets	Liabilities	Net
Non-deductible financial expenses	528	-	528
Non-deductible depreciation	404	-	404
Credits for losses to be compensated	554	-	554
Deduction rights	568	-	568
Temporary differences allowance	-	(60)	(60)
Right of use lease	17	-	17
Total assets/(liabilities)	2,071	(60)	2,011

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

The changes in deferred tax assets are as follows (in thousand euros):

	2019	Additions	Disposals	2020
Non-deductible financial expenses	741	1,064	-	1,805
Non-deductible depreciation	349	7	(68)	288
Tax losses carryforward	398	92	(4)	486
Right of use	6		(6)	-
Deduction rights	2,689		(235)	2,454
Total assets/(liabilities)	4,183	1,163	(313)	5,033

	2018	Additions	Disposals	2019
Non-deductible financial expenses	528	1,064	-	741
Non-deductible depreciation	404	7	(68)	349
Tax losses carryforward	554	92	(4)	398
Right of use	17		(11)	6
Deduction rights	568	2,529	(408)	2,689
Total assets/(liabilities)	2,071	2,744	(632)	4,183

	2017	Additions	Disposals	2018
Non-deductible financial expenses	998	-	(470)	528
Non-deductible depreciation	477	-	(73)	404
Tax losses carryforward	1,103	-	(549)	554
Right of use	-	17	-	17
Deduction rights	206	362		568
Others	47	-	(47)	-
Total assets/(liabilities)	2,071	379	(1,139)	2,071

As of December 31, 2020, the companies that contribute the main taxable income to the group are Hidroeléctrica de Ourol, S.L., Oilean Telde Eolica Energy, S.L. and Tiraventos, S.L. amounting to 1,572 thousand euros, 367 thousand euros and 42 thousand euros, respectively. As of December 31, 2019, the capitalized negative tax bases, mainly correspond to those contributed by Hidroeléctrica de Ourol, S.L., Desarrollo Energético de la Mariña, S.L. and Tiraventos, S.L. (amounting to 1,572 thousand euros, 645 thousand euros and 42 thousand euros, respectively).

Negative tax bases pending tax compensation by the individual companies within the perimeter of Grupo Ecoener, S.A.U. as of December 31, 2020, 2019 and 2018 have been generated by companies based in Spain and are summarized below:

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

2020

Year of generation	Initial balance	Withdrawal of tax loss carryforwards	Applied in year 2020	Additions	Balance pending compensation
2003	1	-	(1)	-	-
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	1	-	-	-	1
2007	2	(1)	-	-	1
2008	19	(1)	(18)	1	1
2009	630	(3)	(626)	-	1
2010	3	(1)	-	-	2
2011	1	(1)	-	-	-
2012	25	(1)	-	2	26
2013	1,211	(1)	-	35	1,245
2014	379	(1)	-	65	443
2015	5	(4)	-	107	108
2016	5	(4)	-	25	26
2017	5	(4)	-	57	58
2018	5	(5)	-	25	25
2019	5	(5)	-	41	41
2020	-	-	-	11	11
	2,297	(32)	(645)	368	1,989

2019

Year of generation	Initial balance	Withdrawal of tax loss carryforwards	Applied in year 2019	Additions	Balance pending compensation
2003	1	-	-	-	1
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	1	-	-	-	1
2007	2	-	-	-	2
2008	35	-	(16)	-	19
2009	630	-	-	-	630
2010	3	-	-	-	3
2011	1	-	-	-	1
2012	25	-	-	-	25
2013	1,211	-	-	-	1,211
2014	379	-	-	-	379
2015	5	-	-	-	5
2016	5	-	-	-	5
2017	5	-	-	-	5
2018	5	-	-	-	5
2019	-	-	-	5	5
	2,308	-	(16)	5	2,298

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

Year of generation	2018				
	Initial balance	Withdrawal of tax loss carryforwards	Applied in year 2018	Additions	Balance pending compensation
2003	1	-	-	-	1
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	1	-	-	-	1
2007	2	-	-	-	2
2008	35	-	-	-	35
2009	630	-	-	-	630
2010	3	-	-	-	3
2011	1	-	-	-	1
2012	25	-	-	-	25
2013	1,211	-	-	-	1,211
2014	379	-	-	-	379
2015	267	-	(262)	-	5
2016	5	-	-	-	5
2017	5	-	-	-	5
2018	5	-	-	-	5
	2,570	-	(262)	-	2,308

Within the above tax bases an amount of 45 thousand euros is not capitalized as of December 31, 2020 (705 thousand euros as of December 31, 2019 and 91 thousand euros as of December 31, 2018).

Recoverability analysis of deferred tax assets and activated tax credits

As stated in the accounting policies, the Group recognizes deferred tax assets in the consolidated balance sheet only if they are recoverable within a reasonable period, also considering the legally established limits for their application. For estimating the recoverability of activated tax credits, a time horizon is considered in accordance with the current situation of the Group's business, bearing in mind the maximum recoverability periods of such credits established by the applicable tax regulations. Such time horizon is established in 10 years. The analysis of the recoverability of tax credits pending compensation is carried out by the Group on estimates for each of the companies with activated tax credits, on which it makes the necessary tax adjustments to determine the correspondent tax bases. Additionally, the Group considers the limitations to the compensation of taxable bases established by the respective jurisdictions, carrying out a specific analysis for each of them. The Group also assesses the existence of deferred tax liabilities with which to offset these tax losses in the future. In the estimates and budgets, the Group considers the operating, financial and macroeconomic circumstances applicable to each company, such as the use level of installed production capacity in each facility, the sale prices in the market for the energy produced and, if existing, the applicable regulatory remuneration regime, the financial framework applicable to each project and the operating expenses associated with it. These parameters are projected considering historical data and forecasts and reports from experts and independent bodies, as well as objectives set by the Group's management. The impact derived from the health and economic crisis caused by the outbreak of Covid-19 pandemic has been included in the projections through the updating of the energy sales price curves, obtained from the report of an independent market consultant.

Likewise, the tax obligations corresponding to the following years and taxes are not prescribed:

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

	<u>Years open for inspection</u>
Corporation tax	2016-2020
Value added tax and IGIC (indirect general tax applied in the Canary Islands, “Impuesto General Indirecto Canario”)	2017-2020
Personal Income Tax	2017-2020
Social security	2017-2020

However, the right of the Tax Office to verify or investigate negative tax bases or pending compensation, deductions for double taxation and deductions to encourage the performance of certain activities applied or pending application, prescribe 10 years from the day after the deadline for filing the return or self-assessment corresponding to the tax period in which the right to compensation or application was generated. After this period, the Group must prove the negative tax bases or deductions, through the display of the settlement or self-assessment and the accounting, with proof of its deposit during that period in the Mercantile Registry.

In the opinion of the Sole Director of the Parent Company, the possibility that additional liabilities may materialise in future inspections is remote and, in any case, the tax debt that may arise from them would not significantly affect the Consolidated Annual Accounts for the year 2020.

On March 16, 2020, inspection actions were initiated on the corporation tax for the year 2017 of the group company Hidroeléctrica de Ourol, S.L., regarding certain adjustments on the accounting result. The inspection activities were concluded on February 12, 2021 with a conformity act and without any sanction and with a reject position for the inspection of a certain record subject to a negative adjustment contained in the statement of the year 2017 in application of the rule of instalment operations. Given that the Company reversed this record in the declaration for the subsequent fiscal year, 2018, the request for a refund for fiscal year 2018 will make the effect of this regularization to be financial.

During the year 2016, the Sole Shareholder, parent company of the tax group, received notification of the starting of inspection actions related to the 2011 to 2013 years, for corporation tax. In 2017, the Tax Office issued a record and a proposal for the imposition of a sanction in relation to an impairment registered in the company of the tax Group Energías de Pontevedra, S.L., against which unaddressed allegations were presented. On March 28, 2018, the Tax Office issued a settlement agreement and the imposition of a sanction, for an amount of 405 thousand euros and 176 thousand euros, respectively. An economic-public claim was filed against both agreements.

Additionally, on November 27, 2014, the group company Hidroeléctrica de Ourol, S.L. signed a disagreement certificate in relation to the partial inspection for Corporate Tax for the years 2012 and 2013 carried out by the Spanish Tax Agency. Hence, an agreement was issued for the settlement and imposition of a sanction, in relation to an impairment recorded by this company, for amounts of 681 thousand euros and 411 thousand euros, respectively. The claims submitted were rejected. An economic-administrative complaint was filed against both agreements, with the consequent liquidation or payment suspension.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

On November 9, 2018, a resolution was issued estimating the claim filed regarding the sanction and establishing that the determination of the value for the purposes of impairment must be subject to a contradictory expert appraisal. On the part of Hidroeléctrica de Oourol, S.L., an appeal was filed, seeking that the settlement also be cancelled due to lack of motivation of the settlement agreement itself, insofar as it lacks an assessment that has been formalised as such.

Notwithstanding the foregoing, as long as the appeal is not resolved, and complying with the criteria described in the inspection report, Hidroeléctrica de Oourol, S.L., and Energías de Pontevedra, S.L. recorded in the tax return for the 2014-2020 financial years a tax benefit due to the derived adjustment of the difference between the criteria applied by the company and the one proposed by the Tax Office for the years subject to partial inspection, which will have to be paid in the event that the claim filed by the company is favourable to the interests of the same. In this sense, and when estimating that the appeal will have a favourable resolution, as of December 31, 2020, 2019 and 2018, the Group maintained a provision for tax amounting to 414 thousand euros, 370 thousand euros and 247 thousand euros, respectively, with the variation of such year's corresponding to the financial update of the provision (see note 14). Said amounts were recorded to the consolidated profit and loss account under Income tax benefit/(expense) and Financial expenses, respectively. The external advisor's report, Martinez y Dosio S.L., is dated January 18, 2021. In this regard, the Board of Directors considers the amounts detailed above to be enough, as they have solid arguments to partially justify the deductibility of said impairment.

IFRIC 23 requires all uncertain tax positions to be disclosed. The Group's Management has carried out an analysis and estimates that there are no uncertain tax positions in the tax returns presented by the Group, which should be disclosed in these Consolidated Annual Accounts, different to the abovementioned.

(20) Balances and transactions with related parties

a) Balances with related parties

The breakdown of debit and credit balances with group companies excluded from the consolidation perimeter, companies accounted for by the equity method, joint ventures, and related parties, including senior management personnel and members of the management as of December 31, 2020, 2019 and 2018, is detailed below (in thousand euros):

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>01.01.2018</u>
Long-term investments in group companies and associates	(1)	-	2.469	22,452
Short-term investments with related companies	376	325	525	-
Total assets with related parties	<u>375</u>	<u>325</u>	<u>2.994</u>	<u>22,452</u>

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>01.01.2018</u>
Long-term debts with related parties (Note 15)	8,479	3	-	-
Short-term debts – Other financial liabilities	6,322	-	-	-
Short-term debts with related parties (Note 15)	834	-	67	15
Trade and other payables	174	-	604	813
Total liabilities with related parties	<u>15,809</u>	<u>3</u>	<u>671</u>	<u>828</u>

The balances that Grupo Ecoener, S.A.U. has with its Sole Shareholder as current accounts are presented net in these Consolidated Annual Accounts.

At 31 December 2020, the Parent Company has an account payable to its Sole Shareholder amounting to 8,479 thousand euros, including nominal value plus interest payable. This debt bears interest at Euribor + 2% and matures in December 2022. Additionally, certain subsidiaries had an account payable with the Sole Shareholder amounting to 6,322 thousand euros corresponding to construction and development work associated with the same of renewable energy plants.

At January 1, 2018, there was an account receivable of the Group from the Sole Shareholder in the amount of 22,452 thousand euros, which as a result of the sale transaction of Hidroeléctrica del Giesta, S.L. to the Group company Lucense de Energía Hidráulica y Eólica, S.L. was cancelled (see Note 2.i. and 13).

As of December 31, 2020, Short-term investments with related companies, includes 376 thousand euros corresponding to balances receivable by the companies of the Group from Ecoener, S.L.U., as it is the Parent Company of the tax group to which it belongs. Likewise, as of December 31, 2020, an amount of 834 thousand euros is recorded under Short-term debts with related companies, corresponding to due balances payable to Ecoener, S.L.U. for corporate income tax to the subsidiaries that are part of the tax group, which form part of the consolidation perimeter of Grupo Ecoener, S.A.U. (see Notes 10 and 19).

As of December 31, 2019, and 2018, Receivables from related companies include 195 thousand euros and 320 thousand euros, respectively, relating to the net receivable amount by the companies of the Sole Shareholder in respect of settlement of Corporation tax.

b) Group transactions with related parties

As of December 31, 2020, 2019 and 2018, the significant transactions carried out by the Group fall under the following contracts:

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

Date	Companies	Description
10/03/2020	Ecoener, S.L.U. Group-Ecoener, S.L.U.	Credit account with a maximum limit of 10 million euros.
01/11/2020	Ecoener, S.L.U. Group -Ecoener, S.L.U.	Framework agreement for the purchase and sale of business unit.
01/12/2020	Ecoener, S.L.U. Group -Ecoener, S.L.U.	Subrogation of Ecoener, S.L.U.'s business in Grupo Ecoener, S.A.U., for the provision of management services for different companies of the Group.
01/12/2020	Ecoener, S.L.U. Group -Ecoener, S.L.U.	Subrogation of Ecoener, S.L.U.'s business in Grupo Ecoener, S.A.U., for the provision of management, operation and maintenance services for different group companies.
31/05/2020	Ecoener, S.L.U. Group -Ecoener, S.L.U.	Assignment of participating loans from Ecoener, S.L.U. to Grupo Ecoener, S.A.U., the debtors being several group companies.
30/06/2020	Ecoener, S.L.U. Group -Ecoener, S.L.U.	Company purchase and sale agreement of Oilean Telde Eólica Energy, S.L. by Grupo Ecoener, S.A.U.

Details of the dividends distributed by Grupo Ecoener, S.A.U. and its subsidiaries to the Sole Shareholder are shown in Note 13.

c) Information regarding the members of the Board of Directors and of the Group's management team

The Board of Directors was constituted on the same date as the creation of the Parent Company, concretely, January 28, 2020. All management functions are performed by one of the members of the Board of Directors.

From the moment of its incorporation into the Company, the Board of Directors' members have accrued, for their employment relationship with the Company, remunerations amounting to 30 thousand euros.

d) Conflicts of interest among Directors of the Parent Company

The members of the Board of Directors of the Parent Company and the people related to them, have not incurred in any situation of conflict of interest that had to be reported in accordance with the provisions of Article 229 of the TRLSC.

However, the Directors of the Parent Company have been informed that the Chairman of the Board of Directors holds management positions in other companies with the same, similar or complementary type of activity as the Company belonging to the business group of which the Company is the parent company.

The Parent Company has not paid any insurance premium for Directors' and Officers' liability insurance for possible damages caused by acts or omissions in the year 2020, since such premium has been paid by the Sole Shareholder.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(21) Income and expenses

a) Net revenue

The main activities carried out by the Group are the generation and sale of electricity from renewable energy sources such as wind, hydropower and solar photovoltaic, as well as the design, promotion and development, management and operation and maintenance of the corresponding production facilities owned by the Group.

As described in Note 4.m on revenue recognition, at a consolidated level, the main services that generate a revenue recognition are the generation of energy from the renewable energy facilities owned by the Group and the commercialization of energy other than this produced in the facilities owned by the Group.

The distribution by segment of the Group's net revenue during the years 2020, 2019 and 2018 by operating segment is as follows (in thousand euros):

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Hydropower plants operation	13,646	11,405	11,577
Wind farms operation	13,781	12,981	12,733
Solar photovoltaic plants operation	4,283	4,621	4,243
Energy commercialization	4,385	4,039	2,537
Other services	802	690	77
	<u>36,897</u>	<u>33,736</u>	<u>31,167</u>

As of December 31, 2020, a higher income due to market 'prices deviation adjustments based on Royal Decree 413/214 amounting to 3,303 thousand euros for the year 2020 is recorded. Additionally, it includes expenses relating to the reversal of the adjustment for the 2014-2016 periods amounting to 91 thousand euros. Additionally, at December 31, 2020, income of 489 thousand euros is included for the reversal of the adjustment of the 2017-2019 subperiod.

As of December 31, 2019, a lower income due to market prices deviation adjustments based on Royal Decree 413/214 amounting to 1,477 thousand euros for the year 2019 is recorded. Additionally, it includes expenses relating to the reversal of the adjustment for the 2014-2016 periods amounting to 91 thousand euros.

As of December 31, 2018, a lower income due to market prices deviation adjustments based on Royal Decree 413/214 amounting to 2,549 thousand euros for the year 2020 is recorded. Additionally, it includes expenses relating to the reversal of the adjustment for the 2014-2016 periods amounting to 91 thousand euros.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

b) Personnel expenses

The breakdown of social charges during the years 2020, 2019 and 2018 are as follows (in thousand euros):

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Social security in charge of the Group	335	359	295
Other social expenses	1	1	1
	<u>336</u>	<u>360</u>	<u>296</u>

As of December 31, 2020, within Salaries, wages and similar items, 2 thousand euros are included as compensation (9 thousand euros as of December 31, 2019 and 18 thousand euros as of 31 December 2018).

(22) Personnel

The average number of Group employees in 2020, 2019 and 2018, broken down by category, is as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Management personnel	4	5	5
Administrative-type employees	2	3	3
Rest of qualified personnel	29	28	28
Other unskilled workers	7	7	8
	<u>42</u>	<u>43</u>	<u>44</u>

The distribution by gender as of December 31, 2020, 2019 and 2018, of the employees and the management, is as follows:

	<u>2020</u>		<u>2019</u>		<u>2018</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
Managing directors	1	2	-	-	-	-
Rest of management personnel	3	-	5	-	5	-
Administrative-type employees	1	1	1	1	1	2
Rest of qualified personnel	18	9	16	7	18	9
Other unskilled workers	5	2	5	-	7	2
	<u>28</u>	<u>14</u>	<u>27</u>	<u>8</u>	<u>31</u>	<u>13</u>

As of December 31, 2020, 2019, and 2018, the Group does not have employees with disabilities equal to or greater than 33%.

(23) Audit fees

The fees corresponding to the services rendered by the auditing firm KPMG Auditores, S.L. regarding the Group's financial statements for the years ended December 31, 2020, 2019 and 2018, regardless of the time of invoicing, are as follows:

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

In thousand euros			
	2020	2019	2018
For Audit services	287	89	53
Other verification services	-	9	-
Other services	-	3	3
Total	287	101	56

On the other hand, the network and other entities linked to KPMG international have billed the Group during the years ended December 31, 2020, 2019 and 2018, the following fees for professional services:

In thousand euros			
	2020	2019	2018
For Audit services	37	10	-
Other services	15	15	15
Total	52	25	15

(24) Guarantees committed to third parties and other contingent liabilities

As of December 31, 2020, 2019, and 2018, the Group had granted, from several financial institutions and insurance companies, certain guarantees, and surety certificates to guarantee compliance with the obligations or commitments acquired with different institutions and official bodies, which are detailed below (in thousand euros):

Company	2020		2019		2018	
	Limit	Formalised amount	Limit	Formalised amount	Limit	Formalised amount
Alamillo de Doramas, S.L.	2,791	2,791	2,791	2,791	120	120
Amagante Herreño, S.L.	88	88	88	88	88	88
Arrebol Renovables, S.L.	-	-	-	-	126	126
Bencomia de Risco, S.L.	343	343	112	112	112	112
Canutillo de Sabinosa, S.L.	330	330	100	100	100	100
Cardo de Plata, S.L.	1,277	1,277	1,165	1,165	56	56
Cardoncillo Gris, S.L.	74	74	-	-	-	-
Chajorra de Aluce, S.L.	60	60	60	60	60	60
Colino Majorero, S.L.	903	903	902	902	182	182
Conservilla Majorera, S.L.	-	-	72	72	72	72
Cresta de Gallo, S.L.	96	96	95	95	95	95
Dama de Bandama, S.L.	248	248	232	232	232	232
Drago Renovables, S.L.	200	200	200	200	200	200
Energías de Pontevedra, S.L.	30	30	30	30	30	30
Eólicos del Matorral, S.L.	976	976	-	-	-	-
Hidroeléctrica de Ourol, S.L.	946	946	1,083	1,083	1,003	1,003
Helecho de Cristal, S.L.	-	-	1,487	1,487	47	47
Herdanera, S.L.	-	-	440	440	440	440
	8,362	8,362	8,857	8,857	2,963	2,963

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

Company	2020		2019		2018	
	Limit	Formalised amount	Limit	Formalised amount	Limit	Formalised amount
Hidroeléctrica del Giesta, S.L.	124	124	124	124	-	-
Hierba Muda, S.L.	80	80	80	80	80	80
Magarza del Andén, S.L.	2,336	2,336	-	-	483	483
Magarza Plateada, S.L.	150	150	364	364	364	364
Malva del Risco, S.L.	353	353	352	352	352	352
Mocan Renovables, S.L.	92	92	92	92	92	92
Mosquera de Tamadaba, S.L.	-	-	92	92	92	92
Oilean Telde Eólica Energy, S.L.	1,952	1,952	-	-	-	-
Picocercialo, S.L.	72	72	160	160	160	160
Risoela, S.L.	165	165	164	164	164	164
Rosalito Palmero, S.L.	955	955	235	235	235	235
Salvia Blanca, S.L.	520	520	560	560	560	560
Siempreviva Azul, S.L.	164	164	164	164	164	164
Siempreviva Gigante, S.L.	280	280	266	266	266	266
Sociedad Eólica Punta Maeda, S.L.	1,288	1,288	1,408	1,408	641	641
Sociedad Lucense de Energía Hidráulica y Eólica, S.L.	120	120	120	120	120	120
Tabaiba Solar, S.L.	384	384	200	200	200	200
Tiraventos, S.L.	1,820	1,820	1,020	1,020	1,020	1,020
Violeta Palmera, S.L.	889	889	-	-	-	-
Yesquera de Aluce, S.L.	942	942	846	846	72	72
Comercializadora Centroamericana de Energía La Ceiba, S.A.	551	551	772	772	446	446
Energías del Ocosito, S.A.	198	198	213	213	433	433
Llanos del Sur Fotovoltaica, S.A.	541	541	590	590	579	579
	22,338	22,338	16,679	16,679	9,486	9,486

Additionally, there are fixed assets as well as other assets pledged as guarantees for certain debts, as well as other types of sureties, whose net carrying amount is detailed below (in thousand euros):

Company	Pledge	2020	2019	2018
Grupo Ecoener, S.A.U.	Shares of Ecoener Emisiones, S.A. (Sole Shareholder Company)	-	-	-
Ecoener Emisiones, S.A.U.	Subsidiary shares	-	-	-
Hidroeléctrica del Giesta, S.L.U.				
Energías de Pontevedra, S.L.U.				
Hidroeléctrica de Oural, S.L.U.	Promise of mortgage guarantee at creditor's request.	124,502	-	-
Sociedad Lucense de Energía Hidráulica y Eólica, S.L.	Pledge on receivables			
Drago Renovables, S.L.	Pledge on bank accounts.			
Mocan Renovables, S.L.				
Yesquera de Aluce, S.L.				
Ecoener Inversiones S.C.A. SICAV-RAIF, S.L.	Subsidiary shares	12,650	5,527	5,998
Desarrollo Energético de La Mariña, S.L.	Subsidiary shares	-	5,527	5,998
Drago Renovables, S.L.	Credit rights	-	23,600	25,352
Energías de Pontevedra, S.L.	Mortgage and credit rights	-	-	1,886
Energías del Ocosito, S.A.	Fiduciary guarantee hydropower facilities	29,455	32,007	33,308
Hidroeléctrica de Oural, S.L.	Mortgage and credit rights	-	22,637	24,532
Hidroeléctrica del Giesta, S.L.	Credit rights and company shares	-	26,343	28,466
Llanos del Sur Fotovoltaica, S.A.	Fiduciary guarantee solar photovoltaic facilities	13,421	15,548	16,137
Mocan Renovables, S.L.	Credit rights	-	8,888	9,548
Sociedad Lucense de Energía Hidráulica y Eólica, S.L.	Mortgage	-	2,657	3,672
Dragmoc, S.L.	Shares	-	7,100	7,100

The Board of Directors of the Parent Company does not expect significant liabilities to arise for the Group in relation to the guarantees and sureties detailed above.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(25) Segment information

The main activities carried out by the Group are the generation and sale of electricity from renewable energy sources such as wind, hydropower and solar photovoltaic, as well as the design, promotion and development, management and operation and maintenance and the corresponding production facilities owned by the Group.

As described in Note 4.m on revenue recognition, at a consolidated level, the main services that generate a revenue recognition are the generation of energy from the renewable energy facilities owned by the Group and the commercialization of energy other than this produced in the facilities owned by the Group.

The Group identifies its operating segments, mainly, based on the technologies used to generate and sale renewable energy in its owned. The assignment to each operating segment is made at the level of the company that owns the activity, taking into account the technology with which most of its revenues are generated. These segments are the basis for regular review, discussion and evaluation. Thus, the segments that have been identified are as follows:

- Hydropower plants operation
- Wind farms operation
- Solar photovoltaic plants operation.
- Energy commercialization. The energy commercialization other than that produced in the facilities owned by the Group is only carried out in Guatemala, by Comercializadora Centroamericana de Energía La Ceiba, S.A.
- Other services, which includes:
 - o All those activities that generate revenues and bear expenses from sources other than the electricity produced by the facilities owned by the Group, or the commercialization of energy.
 - o The “Other services” segment includes renewable energy generation projects in progress, together with the related debt. Once these projects have been completed, they are transferred at consolidated values to the "Hydropower plants operation", "Wind farms operation" and "Solar photovoltaic plants operation" segments. The detail of the projects under construction at the end of 2020 is detailed in Note 6. Also included is the financing of the Project Bond issued by Ecoener Emisiones, S.A. (see Note 15) in 2020.
 - o The assets that entered operation during 2020 have a consolidated cost of 18,734 thousand euros. During 2019 and 2018 no facilities entered operation.
 - o In addition, the other services segment includes the Group's corporate management costs, including personnel dedicated to the operation of generating facilities.

Additionally, for the purposes of presenting its operating segments, and in relation to the heading “Other Operating Expenses”, the Group presents the sub-headings for “External Services” and “Taxes” grouped together in the same line, and a separate line for the “Losses, impairment and variation of provisions for trade operations”.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

The detail of the consolidated profit and loss account and the assets of the consolidated balance sheet corresponding to the years ended December 31, 2020, 2019 and 2018, broken down by operating segments, is as follows:

(Thousand euros)	2020						Total
	Hydropower plants operation	Wind farms operation	Other services	Solar photovoltaic plants operation	Energy commercialization		
Net revenues	13,646	13,781	802	4,283	4,385	36,897	
Changes in inventories of finished and semi-finished products	-	-	(5)	-	-	(5)	
Supplies	-	-	(27)	-	(3,625)	(3,652)	
Other operating income	-	119	-	-	-	119	
Personnel expenses	-	-	(1,768)	-	(84)	(1,852)	
External services and taxes	(3,075)	(2,871)	(3,670)	(360)	(115)	(10,091)	
Losses, impairment and variation of provisions for trade operations	(15)	(10)	-	1,005	-	980	
Depreciation and amortization	(2,978)	(3,954)	(195)	(1,011)	(2)	(8,140)	
Government grants for non-financial assets and others	-	12	-	-	-	12	
Impairment and income from disposals of fixed assets	-	2,894 ^(*)	(155)	-	-	2,739	
Other income	65	86	3	-	-	154	
Operating income	7,643	10,057	(5,015)	3,917	559	17,161	
Financial income	13	119	79	22	2	235	
Financial expense	(2,514)	(3,037)	(3,551)	(1,197)	-	(10,299)	
Other	(653)	(1,664)	128	296	(11)	(1,904)	
Net financial loss	(3,154)	(4,582)	(3,344)	(879)	(9)	(11,968)	
Income/(loss) before tax	4,489	5,475	(8,359)	3,038	550	5,193	
Income tax benefit/(expense) for the year	(655)	(6)	1,347	2	(113)	575	
Net income/(loss) from continued operations	3,834	5,469	(7,012)	3,040	437	5,768	
Assets of the segment	74,855	96,642	37,715	18,555	1,161	228,928	
Liabilities and net equity of the segment	37,216	23,156	152,850	14,794	912	228,928	

(*) Corresponds to the impairment reversal derived from the Xestosa hydropower facility reported under "Wind" segment due to the fact that such facility forms part of a company whose main activity is the operation of renewable energy wind farms.

This plant accounts for approximately 10% of its owner company's power generation.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(Thousand euros)	2019					
	Hydropower plants operation	Wind farms operation	Other services	Solar photovoltaic plants operation	Energy commercialization	Total
Net revenues	11,405	12,981	690	4,621	4,039	33,736
Changes in inventories of finished and semi-finished products	-	-	(74)	-	-	(74)
Supplies	-	-	(28)	-	(3,484)	(3,512)
Other operating income	-	117	7	1	-	125
Personnel expenses	-	-	(1,801)	-	(89)	(1,890)
External services and taxes	(2,359)	(2,254)	(2,129)	(269)	(31)	(7,042)
Losses, impairment and variation of provisions for trade operations	-	-	-	(3,050)	-	(3,050)
Depreciation and amortization	(2,613)	(3,515)	(696)	(1,129)	-	(7,953)
Impairment and income from disposals of fixed assets	-	1,175(*)	(533)	-	-	642
Other income	-	-	245	-	-	245
Operating income	6,433	8,504	(4,319)	174	435	11,227
Financial income	230	20	352	15	3	620
Financial expense	(1,976)	(2,204)	(791)	(1,151)	-	(6,122)
Other	125	(1,366)	(367)	(169)	(18)	(1,795)
Net financial loss	(1,621)	(3,550)	(806)	(1,305)	(15)	(7,297)
Income/(loss) before tax	4,812	4,954	(5,125)	(1,131)	420	3,930
Income tax benefit/(expense) for the year	(617)	2,256	297	-	(34)	1,902
Net income/(loss) from continued operations	4,195	7,210	(4,828)	(1,131)	386	5,832
Assets of the segment	79,211	82,034	14,455	19,207	955	195,862
Liabilities and net equity of the segment	71,295	81,936	25,959	15,914	758	195,862

(*) Corresponds to the impairment reversal derived from the Xestosia hydropower facility reported under "Wind" segment due to the fact that such facility forms part of a company whose main activity is the operation of renewable energy wind farms.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

(Thousand euros)	2018					Total
	Hydropower plants operation	Wind farms operation	Other services	Solar photovoltaic plants operation	Energy commercialization	
Net revenues	11,577	12,733	77	4,243	2,537	31,167
Changes in inventories of finished and semi-finished products	-	-	(67)	-	-	(67)
Supplies	-	-	(3)	-	(2,313)	(2,316)
Other operating income	-	-	117	2	-	119
Personnel expenses	-	-	(1,813)	-	(82)	(1,895)
External services and taxes	(3,124)	(2,377)	(1,198)	(153)	(125)	(6,977)
Losses, impairment and variation of provisions for trade operations	-	-	(56)	(1,425)	4	(1,477)
Depreciation and amortization	(2,620)	(3,469)	(762)	(1,010)	-	(7,861)
Impairment and income from disposals of fixed assets	-	-	(786)	-	-	(786)
Other income	(18)	259	698	-	-	939
Operating income	5,815	7,146	(3,793)	1,657	21	10,846
Financial income	1	30	(9)	7	11	40
Financial expense	(3,029)	(2,312)	(750)	(1,325)	(6)	(7,422)
Other	(2,047)	(434)	(574)	(296)	-	(3,351)
Net financial loss	(5,075)	(2,716)	(1,333)	(1,614)	5	(10,733)
Income/(loss) before tax	740	4,430	(5,126)	43	26	113
Income tax benefit/(expense) for the year	(460)	(343)	824	9	(7)	23
Net income/(loss) from continued operations	280	4,087	(4,302)	52	19	136
Assets of the segment	75,388	82,415	13,918	21,127	744	193,592
Liabilities and net equity of the segment	67,295	85,833	22,609	17,608	247	193,592

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

The detail of the consolidated profit and loss account corresponding to the years ended December 31, 2020, 2019 and 2018, broken down by geography, is as follows:

	Year ended December 31, 2020 (in thousand euros)				
	Spain	Guatemala	Honduras	Other	Total
Net revenues	24,514	8,100	4,283	-	36,897
Changes in inventories of finished and semi-finished products	-	(5)	-	-	(5)
Supplies	(27)	(3,625)	-	-	(3,652)
Other operating income	119	-	-	-	119
Personnel expenses	(1,522)	(276)	(43)	(11)	(1,852)
External services and taxes	(7,901)	(1,458)	(508)	(224)	(10,091)
Losses, impairment and variation of provisions for trade operations	(21)	(4)	1,005	-	980
Depreciation and amortization	(6,074)	(1,038)	(1,017)	(11)	(8,140)
Government grants for non-financial assets and others	12	-	-	-	12
Impairment and income from disposals of fixed assets	2,739	-	-	-	2,739
Other income	155	-	(1)	-	154
Operating income	11,994	1,694	3,719	(246)	17,161
Financial income	207	6	22	-	235
Financial expense	(7,691)	(1,313)	(1,197)	(98)	(10,299)
Other ⁽²⁾	(2,294)	99	292	(1)	(1,904)
Net financial loss	(9,778)	(1,208)	(883)	(99)	(11,968)
Income/(loss) before tax	2,216	486	2,836	(345)	5,193
Income tax benefit/(expense) for the year	773	(178)	(20)	-	575
Net income/(loss) from continued operations	2,989	308	2,816	(345)	5,768

(1) Includes "Changes in the fair value of financial instruments", "Net exchange gains/(losses)" and "Impairment from disposals of financial instruments".

	Year ended December 31, 2019 (in € thousands)				
	Spain	Guatemala	Honduras	Other	Total
Net revenues	22,194	6,921	4,621	-	33,736
Changes in inventories of finished and semi-finished products	-	(74)	-	-	(74)
Supplies	(28)	(3,484)	-	-	(3,512)
Other operating income	124	-	1	-	125
Personnel expenses	(1,535)	(311)	(44)	-	(1,890)
External services and taxes	(5,491)	(1,077)	(431)	(43)	(7,042)
Losses, impairment and variation of provisions for trade operations	-	-	(3,050)	-	(3,050)
Depreciation and amortization	(5,620)	(1,200)	(1,133)	-	(7,953)
Impairment and income from disposals of fixed assets	642	-	-	-	642
Other income	174	73	(2)	-	245
Operating income	10,460	848	(38)	(43)	11,227
Financial income	28	577	15	-	620
Financial expense	(4,097)	(871)	(1,151)	(3)	(6,122)
Other ⁽²⁾	(1,315)	(310)	(170)	-	(1,795)
Net financial loss	(5,384)	(604)	(1,306)	(3)	(7,297)
Income/(loss) before tax	5,076	244	(1,344)	(46)	3,930
Income tax benefit/(expense) for the year	2,004	(72)	(29)	(1)	1,902
Net income/(loss) from continued operations	7,080	172	(1,373)	(47)	5,832

(1) Includes "Changes in the fair value of financial instruments", "Net exchange gains/(losses)" and "Impairment from disposals of financial instruments".

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

	Year ended December 31, 2018 (in € thousands)				Total
	Spain	Guatemala	Honduras	Other	
Net revenues	21,655	5,269	4,243	-	31,167
Changes in inventories of finished and semi-finished products	(67)	-	-	-	(67)
Supplies	(3)	(2,313)	-	-	(2,316)
Other operating income	119	-	-	-	119
Personnel expenses	(1,494)	(358)	(43)	-	(1,895)
External services and taxes	(5,885)	(855)	(237)	-	(6,977)
Losses, impairment and variation of provisions for trade operations	(56)	-	(1,421)	-	(1,477)
Depreciation and amortization	(5,713)	(1,134)	(1,014)	-	(7,861)
Impairment and income from disposals of fixed assets	(786)	-	-	-	(786)
Other income	1,685	(746)	-	-	939
Operating income	9,455	(137)	1,528	-	10,846
Financial income	22	11	7	-	40
Financial expense	(4,271)	(1,829)	(1,322)	-	(7,422)
Other ⁽²⁾	(792)	(2,306)	(253)	-	(3,351)
Net financial loss	(5,041)	(4,124)	(1,568)	-	(10,733)
Income/(loss) before tax	4,414	(4,261)	(40)	-	113
Income tax benefit/(expense) for the year	145	(75)	(47)	-	23
Net income/(loss) from continued operations	4,559	(4,336)	(87)	-	136

(1) Includes "Changes in the fair value of financial instruments", "Net exchange gains/(losses)" and "Impairment from disposals of financial instruments".

There are no conciliatory positions between the financial information by segment and the Group's consolidated financial information for the years 2020, 2019 and 2018.

There is no income from ordinary activities or inter-segment activities in 2020, 2019 and 2018.

For the years 2020, 2019 and 2018 no asymmetric assignments in the breakdown of the segmented information have occurred.

Regarding cash flows, the Group analyzes them at a consolidated level. Hence, cash flows registered for the years 2020, 2019 and 2018 are presented in the consolidated cash flows statement included in these Consolidated Annual Accounts.

The Group's non-current assets (other than financial instruments, investments accounted for using the equity method and deferred tax assets) as of December 31, 2020, 2019 and 2018 are located in the following geographical regions:

	2020	2019	2018
Spain	140,529	108,078	107,023
Guatemala	35,579	40,506	39,107
Honduras	14,665	16,721	16,887
Other	1,373	-	-
	192,146	165,305	163,017

Non-current assets are distributed according to the country of incorporation of the group company owning the correspondent asset.

Revenue from ordinary activities regarding transactions with single external customers representing at least 10 percent of such revenue, classified by segment, as of December 31, 2020, 2019 and 2018, in thousands of euros, are as follows:

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

	2020				
	Hydropower plants operation	Wind farms operation	Other services	Solar photovoltaic plants operation	Total
Empresa Nacional Energía Eléctrica	-	-	-	4,283	4,283
Axpo Iberia, S.L.	4,136	7,043	-	-	11,179
Comisión Nacional Mercados y Competencia	5,768	6,473	-	-	12,241
Empresa Eléctrica de Guatemala, S.A.	1,739	-	-	-	1,739
Disar, S.A.	-	-	1,792	-	1,792
	11,643	13,516	1,792	4,283	31,234

	2019				
	Hydropower plants operation	Wind farms operation	Other services	Solar photovoltaic plants operation	Total
Empresa Nacional Energía Eléctrica	-	-	--	4,621	4,621
Axpo Iberia, S.L.	4,300	7,789	-	-	12,089
Comisión Nacional Mercados y Competencia	4,223	5,138	-	-	9,361
Empresa Eléctrica de Guatemala, S.A.	1,492	-	-	-	1,492
Disar, S.A.	-	-	1,502	-	1,502
	10,015	12,927	1,502	4,621	29,065

	2018				
	Hydropower plants operation	Wind farms operation	Other services	Solar photovoltaic plants operation	Total
Empresa Nacional Energía Eléctrica	-	-	-	4,243	4,243
Axpo Iberia, S.L.	4,962	8,158	-	-	13,120
Comisión Nacional Mercados y Competencia	3,774	4,520	-	-	8,294
Empresa Eléctrica de Guatemala, S.A.	1,239	-	-	-	1,239
Corporación Inmobiliaria sol-Est, S.A.	-	-	354	-	354
Disar, S.A.	-	-	930	-	930
	9,975	12,678	1284	4,243	28,180

The amount of non-current asset additions not considered as financial instruments, deferred tax assets, defined benefit assets nor rights derived from insurance contracts by segment as of December 31, 2020, 2019 and 2018, in thousands of euros, is as follows:

	2020				
	Hydropower plants operation	Wind farms operation	Other services	Solar photovoltaic plants operation	Total
Intangible assets	-	-	1,110	-	1,110
Property, plant and equipment	13	7,294	25,404	-	32,711
	13	7,294	26,514	-	33,821

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

	2019				
	Hydropower plants operation	Wind farms operation	Other services	Solar photovoltaic plants operation	Total
Intangible assets	-	22	30	-	52
Property, plant and equipment	619	192	11,017	-	11,828
Other non-current assets	-	-	4	-	4
	619	214	11,051	-	11,884

	2018				
	Hydropower plants operation	Wind farms operation	Other services	Solar photovoltaic plants operation	Total
Intangible assets	40	1	62	-	103
Property, plant and equipment	44	425	182	3	654
	84	426	244	3	757

(26) Fair value measurement

26.1 Fair value measurement of financial instruments

Financial assets and liabilities measured at fair value in the consolidated balance sheet are grouped into three levels of a fair value hierarchy. These levels are defined based on the observability of significant measurement inputs, as follows:

- Level 1: quoted prices (unadjusted) on active markets for identical assets or liabilities.
- Level 2: inputs other than the quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value as of December 31, 2020, 2019 and 2018:

As of December 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Derivatives	-	-	-	-
Total financial assets at fair value	-	-	-	-
Financial liabilities				
Derivatives – Energy Price swap	-	1,554	-	1,554
Total financial liabilities at fair value	-	1,554	-	1,554

As of December 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Derivatives	-	-	-	-
Total financial assets at fair value	-	-	-	-
Financial liabilities				
Derivatives – Interest rate swap	-	1,317	-	1,317
Total financial liabilities at fair value	-	1,317	-	1,317

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

As of December 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Derivatives – Interest rate swap	-	49	-	49
Total financial assets at fair value	-	49	-	49
Financial liabilities				
Derivatives	-	-	-	-
Total financial liabilities at fair value	-	-	-	-

There have been no transfers between hierarchy levels in fiscal years 2020, 2019 and 2018.

Fair value measurement of financial instruments

The Group's treasury department performs valuations of financial items for financial reporting purposes, assisted by third-party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximizing the use of market information. The Treasury Department reports directly to the Chief Financial Officer. Valuation processes and changes in fair value are performed at least once a year, in accordance with the Group's reporting dates.

The following valuation techniques are used for instruments classified in level 2:

- Financial derivatives (Level 2) - Interest rate swap: The Group periodically receives swap valuation updates from Banco de Sabadell, the financial institution with which the interest rate swap is contracted.
- Financial derivatives (Level 2) - Energy price swap: During the year 2020, the Group signed an agreement with a customer acting as its selling agent in Spain, to ensure the selling price of all the energy sold to the market for the entire year 2021. The Group periodically performs the swap valuation update from the customer with whom the sale price swap is contracted. This valuation update is received at year-end (Note 10).

26.2 Fair value measurement of non-financial assets

As of December 31, 2020, 2019 and 2018, there are not any non-financial assets measured at fair value.

(27) Earnings per share

Both basic and diluted earnings per share have been calculated using as the numerator the profit attributable to the shareholders of the parent company (Grupo Ecoener, S.A.U.), i.e. no adjustments have been necessary to be made to profit for the years 2020, 2019 and 2018. Basic earnings per share are determined by dividing the net income attributable to the Group in a period by the weighted average number of shares outstanding during that period, excluding, where appropriate, the average number of treasury shares held during such period.

In order to calculate diluted earnings per share, both the amount of income attributable to common shareholders and the weighted average number of shares outstanding, net of treasury shares, must be adjusted for all dilutive effects inherent to potential common shares.

The Parent Company has no potentially dilutive effects, and consequently, basic earnings per share coincide with diluted earnings per share.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Notes to the Consolidated Annual Accounts
as of and for the year ended December 31, 2020

The reconciliation of the weighted average number of shares for diluted earnings per share in respect to the weighted average number of common shares used to calculate basic earnings per share is as follows:

Thousands of shares:	2020
Weighted average number of shares used in basic earnings per share	5,600
Effect of the conversion of stock options into share-based payments	-
Weighted average number of shares used in diluted earnings per share	5,600
Net income for the year attributed to the Parent Company (thousands of euros)	3,457
Basic earnings per share and diluted	0.6173

The average number of shares has been based on what is described in Notes 1 and 2.i, considering that the accounting effect date of the reorganization is considered from the beginning of the year.

In the event that, the Parent Company of Grupo Ecoener, S.A.U. had existed and held the same number of shares as in 2020, earnings per share for the years 2019 and 2018 would have amounted to 0.9473 and 0.0625, respectively (unaudited amounts).

(28) Subsequent events

The Company expects its shares to be listed on the Spanish Stock Exchanges during the first half of 2021.

On March 4, 2021, the Sole Shareholder of Grupo Ecoener, S.A.U. proceeded to write-off part of the credit it has with said Company for an amount of 6,500 thousand euros and which is recorded in the Consolidated Annual Accounts under debts with related parties. The aforementioned transaction has been carried out as a shareholder contribution by means of the write-off of part of the credits held by the Sole Shareholder in the Company.

On March 22, 2021, the Board of Directors of Grupo Ecoener, S.A. approved a long-term incentive plan for the period 2021-2023. The remuneration set forth in the plan, will be payable in cash upon the fulfillment of a series of business objectives. Beneficiaries will receive the incentive if they voluntarily join the plan and remain within the company in 2023. The maximum remuneration to be distributed among the beneficiaries, will consist of 0.5% of the EBITDA of Grupo Ecoener, S.A.U. in 2023. The maximum number of beneficiaries will be 8. Said plan is not linked to the Initial Public Offering.

On March 22, 2021, the Sole Shareholder proposed to carry out a capital increase in the amount of 12,240 thousand euros, through the issuance of 122,400 new registered shares, with a nominal value of 100 euros each, through capitalization of an amount of 12,240 thousand euros of freely available reserves to share capital. Simultaneously, the Sole Shareholder proposed to modify the nominal value of the shares, which becomes 0.32 euros, creating by dividing the existing 312.5 new shares for each existing share, thus converting the 128,000 registered shares currently existing in 40,000,000 registered shares of the Company of the same class and series, fully subscribed and paid up. It is estimated that both transactions will be approved without any modification.

Except as per what was indicated in the preceding paragraphs, for the period from December 31, 2020, to the date of preparation of these Consolidated Annual Accounts by the Parent Company's Board of Directors, no significant events worthy of mention have occurred or have come to the Parent Company's attention.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Information regarding its subsidiaries
corresponding to the year ended December 31, 2020
(In thousand euros)

Appendix I

Company	Registered address	% Direct Ownership	% Indirect Ownership	Capital	Uncalled capital	Reserves	Issue premium	Sole Shareholder contribution	Accumulated losses from previous periods	Income		Total Equity
										Operating	Net	
Drago Renovables, S.L. (*) (***)	La Coruña	-	75%	4,455	-	273	1,157	-	-	2,388	346	6,231
Mocan Renovables, S.L. (*) (***)	La Coruña	-	75%	2,051	-	231	520	-	-	1,266	483	3,285
Hidroeléctrica del Giesta, S.L. (*) (***)	La Coruña	-	100%	247	-	157	-	-	-	3,613	1,615	2,019
Hidroeléctrica de Oourol, S.L. (*)	La Coruña	-	70%	1,608	-	863	-	-	-	2,122	279	2,750
Soc. Lucense de Energía Hidráulica, S.L. (*)	La Coruña	-	100%	1,204	-	241	-	-	-	1,537	864	2,309
Energías de Pontevedra, S.L. (*)	La Coruña	-	100%	47	-	(2)	-	-	-	289	153	198
Ecoener Invers. de Centroamérica S.A. (*)	Guatemala	99.99%	0.01%	6,473	-	195	-	2,623	2,102	(717)	(742)	10,651
Hidro Quetzal, S.A. (*)	Guatemala	-	75.89%	5,336	-	1	3,346	-	(1)	-	-	8,682
Ecoener Ingeniería, S.A. (*)	Guatemala	-	98%	-	-	22	-	2,178	(2,207)	718	650	643
Energías del Ocosito, S.A. (*) (***)	Guatemala	-	75.89%	8,505	-	208	-	-	(4,229)	681	(1,069)	3,415
Energías de Forcarei, S.L. (*)	La Coruña	97%	-	1,599	-	-	-	-	(93)	(1)	(29)	1,477
Sociedad Eólica Punta Maeda, S.L. (*)	La Coruña	100%	-	1,215	-	(9)	-	523	(473)	(74)	(62)	1,194
Bencomia de Risco, S.L. (*)	La Coruña	100%	-	10	-	-	-	815	(7)	(8)	(7)	811
Magarza del Andén, S.L. (*)	La Coruña	100%	-	10	-	-	-	48	(45)	(31)	(25)	(12)
Cardo de Plata, S.L. (*) (***)	La Coruña	-	100%	343	-	-	332	1,823	(46)	143	(19)	2,433
Hierba Muda, S.L. (*)	La Coruña	100%	-	10	-	-	-	8	(6)	(2)	(2)	10
Tabaiba Solar, S.L. (*)	La Coruña	100%	-	5	-	-	-	1,421	(10)	(10)	(10)	1,406
Ecoener Ingeniería, S.L. (*)	La Coruña	100%	-	5	-	17	-	-	-	66	51	73
Comercializadora Centroamericana de Energía La Ceiba, S.A. (*) (***)	Guatemala	-	100%	119	-	7	-	36	18	463	340	520
Llanos del Sur Fotovoltaica, S.A. (**) (***)	Honduras	-	50%	6,616	-	2,498	-	-	-	2,538	1,700	10,814
Ecoener Ingeniería Honduras, S.A. (*)	Honduras	-	98.04%	2	-	-	-	-	56	61	57	115
Chajorra de Aluce, S.L. (*)	La Coruña	100%	-	3	-	-	2	3	(4)	(2)	(2)	2
Amagante Herreño, S.L. (*)	La Coruña	100%	-	3	-	-	2	392	(3)	(3)	(3)	391
Dama de Bandama, S.L. (*)	La Coruña	100%	-	3	-	-	2	30	(5)	(13)	(11)	19
Conservilla Majorera, S.L. (*)	La Coruña	75%	-	3	-	-	2	-	(23)	(2)	(2)	(20)
Picocemicalo, S.L. (*)	La Coruña	100%	-	3	-	-	2	11	(9)	(13)	(10)	(3)
Mosquera de Tamadaba, S.L. (*)	La Coruña	75%	-	3	-	-	2	-	(24)	(2)	(1)	(20)
Colino Majorero, S.L. (*)	La Coruña	100%	-	3	-	-	2	4	(3)	(27)	(21)	(15)
Cresta de Gallo, S.L. (*)	La Coruña	75%	-	3	-	-	2	-	(5)	(16)	(12)	(12)
Canutillo de Sabinosa, S.L. (*)	La Coruña	100%	-	3	-	-	2	3,176	(5)	(14)	(12)	3,164
Alamillo de Doramas, S.L. (*) (***)	La Coruña	19%	81%	1,241	-	57	586	-	(91)	(12)	(63)	1,730

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Information regarding its subsidiaries
corresponding to the year ended December 31, 2020
(In thousand euros)

Company	Registered address	% Direct Ownership	% Indirect Ownership	Capital	Uncalled capital	Reserves	Issue premium	Sole Shareholder contribution	Accumulated losses from previous periods	Income		Total Equity
										Operating	Operating	
Malva de Risco, S.L. (*)	La Coruña	100%	-	3	-	-	2	2	(3)	(6)	(5)	(1)
Tiraventos, S.L. (*)	La Coruña	100%	-	250	-	(3)	-	27	(42)	(2)	(1)	231
Siempreviva Gigante, S.L. (*)	La Coruña	100%	-	3	-	-	2	24	(3)	(12)	(11)	15
Herdanera, S.L. (*)	La Coruña	100%	-	3	-	-	2	-	(3)	(15)	(11)	(9)
Salvia Blanca, S.L. (*)	La Coruña	100%	-	3	-	-	2	7	(3)	(10)	(8)	1
Siempreviva Azul, S.L. (*)	La Coruña	100%	-	3	-	-	2	-	(3)	(6)	(5)	(3)
Magarza Plateada, S.L. (*)	La Coruña	100%	-	3	-	-	2	-	(3)	(12)	(9)	(7)
Risoela, S.L. (*)	La Coruña	100%	-	3	-	-	2	-	(3)	(2)	(1)	1
Helecho de Cristal, S.L. (*)	La Coruña	100%	-	3	-	-	2	-	(3)	(32)	(25)	(23)
Rosalito Palmero, S.L. (*)	La Coruña	100%	-	3	-	-	2	-	(3)	(2)	(2)	-
Bejeque Rojo, S.L. (*)	La Coruña	100%	-	3	-	-	2	-	(3)	(2)	(2)	-
Eólicos de Ferrol, S.L. (*)	La Coruña	100%	-	3	-	-	2	-	(2)	(2)	(1)	2
Drago General Partner, S.À.R.L. (*)	Luxembourg	100%	-	12	-	1	-	-	(3)	(6)	(10)	-
Ecoener Inversiones SCA, SICAV-RAIF (*)	Luxembourg	96.67%	3.33%	1,825	9	59	-	-	-	261	(248)	1,645
Violeta de Anaga, S.L. (*)	La Coruña	100%	-	3	-	-	2	-	(1)	(2)	(2)	2
Ecoener Emisiones, S.A.U. (*) (***)	La Coruña	100%	-	317	-	3,230	2,442	977	-	1,427	(317)	6,649
Oilean Telde Eolica Energy, S.L. (*)	Canary Islands	100%	-	167	-	5	-	-	(66)	(11)	79	185
Violeta Palmera, S.L. (*)	Canary Islands	100%	-	23	-	-	408	2,550	-	(6)	(36)	2,945
Eólicos del Matorral, S.L. (*)	Canary Islands	100%	-	23	-	-	411	2,400	-	(5)	(39)	2,795
Ecoener Mirazul Dos, S.A. (*)	Nicaragua	99%	1%	2	(2)	-	-	-	-	-	-	-
Yesquera de Aluce, S.L. (*)	La Coruña	-	100%	553	-	-	2	-	(45)	(71)	(223)	287
Cardoncillo Gris, S.L. (*)	Spain	100%	-	3	-	-	2	-	-	(2)	(2)	3
Yerbamora, S.L. (*)	Spain	50%	-	3	-	-	-	-	-	(1)	(1)	2
LCV Ecoener Solares Dominicana, S.R.L. (*)	Dominican Republic	99%	-	2	-	-	-	-	-	-	-	2
EFD Ecoener Fotovoltaica Dominicana, S.R.L. (*)	Dominican Republic	99%	1%	2	-	-	-	-	-	(26)	(27)	(25)
Ecoener Solar Panamá, S.A. (*)	Panama	99%	-	9	(9)	-	-	-	-	-	-	-
Ecoener Renovables Panamá, S.A. (*)	Panama	99%	-	9	(9)	-	-	-	-	-	-	-
Ecoener Ingeniería Panamá, S.A. (*)	Panama	99%	-	9	(9)	-	-	-	-	(36)	(37)	(37)
Ecoener Operación y Mantenimiento, S.L. (*)	Spain	100%	-	3	-	-	2	-	-	(1)	(1)	4

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Information regarding its subsidiaries
corresponding to the year ended December 31, 2020
(In thousand euros)

Company	Registered address	% Direct Ownership	% Indirect Ownership	Capital	Uncalled capital	Reserves	Issue premium	Sole Shareholder contribution	Accumulated losses from previous periods	Income		Total Equity
										Operating	Operating	
Ecoener Servicios Constructivos, S.L. (*)	Spain	100%	-	3	-	-	2	100	-	(12)	(9)	96
Eólicos Herculinos, S.L. (*)	Spain	100%	-	3	-	-	2	-	-	(1)	(1)	4
EID Ecoener Inversiones, S.R.L. (*)	Dominican Republic	99%	1%	2	-	-	-	-	-	-	-	2
Fontes dos Arcos, S.L. (*)	Spain	100%	-	3	-	-	2	-	-	(1)	(1)	4
Hidroeléctrica de Santa Cruz II (**)	Guatemala	-	99%	-	-	-	-	344	(315)	-	-	29

(*) *The activity carried out by the company is the promotion, construction and operation of energy production facilities from renewable sources.*

(**) *The activity of the Company is the operation of a solar photovoltaic plant.*

The data corresponding to the stand-alone financial statements of each of the Group companies even when they are themselves heads of a subgroup. In addition, the data corresponds to the unaudited individual financial statements as of December 31, 2020, except for those companies marked with a (**), which have been audited by KPMG or by another auditor as of December 31, 2020.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Information regarding its subsidiaries
corresponding to the year ended December 31, 2019
(In thousand euros)

Company	Registered address	% Direct Ownership	% Indirect Ownership	Capital	Reserves	Issue premium	Sole Shareholder contribution	Accumulated losses from previous periods	Interim dividend	Income		Total Equity
										Operation	Net	
Drago Renovables, S.L. (*) (***)	La Coruña	-	75%	4,454	183	2,097	-	-	-	2,884	1,001	7,736
Mocan Renovables, S.L. (*) (***)	La Coruña	-	75%	2,051	143	964	-	-	-	1,594	933	4,091
Hidroeléctrica del Giesta, S.L. (*) (***)	La Coruña	100%	-	3,997	974	-	-	-	(1,750)	2,661	1,884	5,105
Desarrollo Energético de la Mariña, S.L. (*)	La Coruña	100%	-	3	(242)	-	1,400	(1,116)	-	(2)	(209)	(164)
Hidroeléctrica de Oourol, S.L. (*)	La Coruña	-	70%	1,608	489	-	-	-	-	1,337	394	2,491
Energías de Xerdiz, S.L. (*)	La Coruña	100%	-	4	1	-	114	(116)	-	(2)	(1)	2
Soc. Lucense de Energía Hidráulica, S.L. (*)	La Coruña	-	100%	1,204	241	-	-	-	(600)	1,138	695	1,540
Energías de Pontevedra, S.L. (*)	La Coruña	100%	-	1,347	153	-	-	(357)	-	1,498	1,318	2,462
Ecoener Invers. de Centroamérica S.A. (*)	Guatemala	99.99%	0.01%	6,473	184	-	2,653	2,397	-	(400)	(236)	11,471
Hidroeléctrica de Santa Cruz (*)	Guatemala	-	100%	1,397	-	-	-	(1,698)	-	-	-	(301)
Hidroeléctrica de Santa Cruz II (*)	Guatemala	1%	99%	-	-	-	344	(315)	-	-	-	29
Corp. Hidroelect.Guatemalteca, S.A. (*)	Guatemala	-	100%	1	65	-	-	-	-	78	78	144
Hidro Quetzal, S.A. (*)	Guatemala	-	75.89%	5,336	1	3,346	-	(1)	-	-	-	8,682
Ecoener Ingeniería, S.A. (*)	Guatemala	-	98%	-	22	-	2,178	(2,043)	-	(140)	(165)	(8)
Energías del Ocosito (*) (***)	Guatemala	-	75.89%	8,505	9	-	-	(4,200)	-	327	(30)	4,284
Gestión de Obras y Servicios Guatemaltecos, S.A. (*)	Guatemala	-	98%	-	-	-	283	(268)	-	-	-	16
Energías de Forcarei, S.L. (*)	La Coruña	97%	-	1,598	-	-	-	(63)	-	(1)	(29)	1,506
Sociedad Eólica Punta Maeda, S.L. (*)	La Coruña	100%	-	1,215	(9)	-	523	(65)	-	(541)	(408)	1,256
Bencomia de Risco, S.L. (*)	La Coruña	100%	-	10	-	-	36	(3)	-	(3)	(3)	39
Magarza del Andén, S.L. (*)	La Coruña	100%	-	10	-	-	48	(44)	-	(2)	(1)	12
Cardo de Plata, S.L. (*) (***)	La Coruña	100%	-	343	-	332	1,823	(6)	-	(54)	(40)	2,452
Hierba Muda, S.L. (*)	La Coruña	100%	-	10	-	-	8	(4)	-	(2)	(2)	12
Tabaiba Solar, S.L. (*)	La Coruña	100%	-	5	-	-	62	(7)	-	(4)	(3)	56
Ecoener Ingeniería, S.L. (*)	La Coruña	100%	-	5	17	-	-	-	-	53	39	61
Comercializadora Centroamericana de Energía La Ceiba, S.A. (*)	Guatemala	100%	-	119	1	-	202	(83)	-	159	108	347
Llanos del Sur Fotovoltaica, S.A. (**)	Honduras	-	50%	6,616	1,605	-	-	-	-	2,983	1,176	9,397

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Information regarding its subsidiaries
corresponding to the year ended December 31, 2019
(In thousand euros)

Company	Registered address	% Direct Ownership	% Indirect Ownership	Capital	Reserves	Issue premium	Sole Shareholder contribution	Accumulated losses from previous periods	Interim dividend	Income		Total Equity
										Operation	Operation	
Chajorra de Aluce, SL (*)	La Coruña	100%	-	3	-	2	3	(3)	-	(2)	(1)	4
Amagante Herreño, SL (*)	La Coruña	100%	-	3	-	2	12	(2)	-	(2)	(1)	13
Dama de Bandama, SL (*)	La Coruña	100%	-	3	-	2	30	(3)	-	(2)	(1)	30
Conservilla Majorera, SL (*)	La Coruña	75%	-	3	-	2	-	(21)	-	(3)	(2)	(18)
Picocercialo, SL (*)	La Coruña	100%	-	3	-	2	11	(9)	-	-	-	7
Mosquera de Tamadaba, SL (*)	La Coruña	75%	-	3	-	2	-	(21)	-	(3)	(3)	(19)
Colino Majorero, SL (*)	La Coruña	100%	-	3	-	2	4	(2)	-	(2)	(1)	6
Cresta de Gallo, SL (*)	La Coruña	75%	-	3	-	2	-	(3)	-	(2)	(2)	-
Canutillo de Sabinosa, SL (*)	La Coruña	100%	-	3	-	2	26	(3)	-	(2)	(2)	26
Alamillo de Doramas, SL (*)	La Coruña	100%	-	723	-	722	-	(3)	-	(117)	(88)	1,354
Tiraventos, S.L. (*)	La Coruña	100%	-	250	(3)	-	27	(40)	-	(2)	(1)	232
Dragmoc, S.L. (*) (***)	La Coruña	100%	-	1,100	(2)	-	-	(85)	(1,137)	1,864	1,436	1,312
Malva de Risco, S.L. (*)	La Coruña	100%	-	3	-	2	2	(2)	-	(2)	(2)	4
Siempreviva Gigante, S.L. (*)	La Coruña	100%	-	3	-	2	24	(2)	-	(2)	(2)	26
Herdanera, S.L. (*)	La Coruña	100%	-	3	-	2	-	(2)	-	(2)	(1)	2
Salvia Blanca, S.L. (*)	La Coruña	100%	-	3	-	2	7	(2)	-	(2)	(1)	9
Siempreviva Azul, S.L. (*)	La Coruña	100%	-	3	-	2	-	(2)	-	(2)	(1)	2
Magarza Plateada, S.L. (*)	La Coruña	100%	-	3	-	2	-	(2)	-	(2)	(1)	2
Risoela, S.L. (*)	La Coruña	100%	-	3	-	2	-	(1)	-	(2)	(1)	2
Helecho de Cristal, S.L. (*)	La Coruña	100%	-	3	-	2	-	(2)	-	(2)	(2)	2
Rosalito Palmero, S.L. (*)	La Coruña	100%	-	3	-	2	-	(1)	-	(2)	(1)	2
Bejeque Rojo, S.L. (*)	La Coruña	100%	-	3	-	2	-	(1)	-	(2)	(1)	2
Eólicos de Ferrol, S.L. (*)	La Coruña	100%	-	3	-	2	-	-	-	(2)	(1)	3
Drago General Partner SARL (*)	Luxembourg	100%	-	12	1	-	-	-	-	4	3	16

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Information regarding its subsidiaries
corresponding to the year ended December 31, 2019
(In thousand euros)

Company	Registered address	% Direct Ownership	% Indirect Ownership	Capital	Reserves	Issue premium	Sole Shareholder contribution	Accumulated losses from previous periods	Interim dividend	Income		Total Equity
										Operation	Operation	
Ecoener Inversiones, SCA (*)	Luxembourg	100%	-	1,650	77	-	-	-	-	(55)	(58)	1,669
Violeta de Anaga, S.L. (*)	La Coruña	100%	-	3	-	2	-	-	-	(2)	(1)	5
Yesquera de Aluce, SL (*)	La Coruña	100%	-	553	-	2	-	(3)	-	(35)	(43)	509
Ecoener Ingeniería Honduras, S.A. (*)	Honduras	-	98.04%	2	-	-	-	49	-	90	60	112

(*) *The activity carried out by the company is the promotion, construction and operation of energy production facilities from renewable sources.*

(**) *The activity of the Company is the operation of a solar photovoltaic plant.*

The data corresponding to the stand-alone financial statements of each of the Group companies even when they are themselves heads of a subgroup. In addition, the data corresponds to the unaudited individual financial statements as of December 31, 2020, except for those companies marked with a (***) , which have been audited by KPMG or by another auditor as of December 31, 2020.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Information regarding its subsidiaries
corresponding to the year ended December 31, 2019
(In thousand euros)

Company	Registered address	% Direct Ownership	% Indirect Ownership	Capital	Reserves	Issue premium	Sole Shareholder contribution	Accumulated losses from previous periods	Interim dividend	Income Operation	Income Operation	Total Equity
Drago Renovables, S.L. (*) (***)	La Coruña	-	75%	4,454	188	2,097	-	-	-	2,567	1,207	7,946
Mocan Renovables, S.L. (*) (***)	La Coruña	-	75%	2,051	110	964	-	-	-	1,453	1,073	4,198
Hidroeléctrica del Giesta, S.L. (*)	La Coruña	100%	-	3,997	974	-	-	-	(442)	2,212	841	5,370
Desarrollo Energético de la Mariña, S.L. (*)	La Coruña	100%	-	3	(242)	-	1,400	(1,195)	-	(2)	79	45
Hidroeléctrica de Oourol, S.L. (*)	La Coruña	-	70%	1,608	439	-	-	(447)	-	1,558	497	2,097
Soc. Lucense de Energía Hidráulica, S.L. (*)	La Coruña	-	100%	1,204	2,037	-	-	-	-	1,202	731	3,972
Energías de Pontevedra, S.L. (*)	La Coruña	100%	-	1,347	154	-	-	(548)	-	295	191	1,144
Ecoener Invers. de Centroamérica S.A. (*)	Guatemala	99.99%	0.1%	6,473	179	-	5,697	1,798	-	(301)	86	14,233
Hidroeléctrica de Santa Cruz (*)	Guatemala	-	100%	1,397	-	-	-	(1,698)	-	-	-	(301)
Hidroeléctrica de Santa Cruz II (*)	Guatemala	1%	99%	-	-	-	344	(315)	-	-	-	29
Hidroeléctrica de Santa Cruz III (*)	Guatemala	-	99.98%	-	-	-	52	(58)	-	-	-	(6)
Corp. Hidroelect.Guatemalteca, S.A. (*)	Guatemala	-	100%	1	737	-	-	(180)	-	(3)	(3)	555
Hidro Quetzal, S.A. (*)	Guatemala	-	75.89%	5,336	1	3,346	-	(1)	-	-	-	8,682
Inversiones Renovables Guatemaltecas (*)	Guatemala	83.76%	-	9	-	207	-	(21)	-	-	-	195
Ecoener Ingenieria, S.A. (*)	Guatemala	-	98%	-	22	-	2,014	(627)	-	23	5	1,414
Energías del Ocosito (*) (***)	Guatemala	-	75.89%	8,505	9	-	-	(792)	-	297	(3,357)	4,365
Gestión de Obras y Servicios Guatemaltecos, S.A. (*)	Guatemala	-	98%	-	-	-	283	(231)	-	(36)	(36)	16
Hidro Soloma, S.A. (*)	Guatemala	99.80%	0.20%	1	-	-	3	(129)	-	128	119	(6)
Hidroeléctrica Cuatro Chorros del Chicaman(*)	Guatemala	-	99.98%	1	-	-	-	(1)	-	-	-	-
Hidroeléctrica San Bartolomé, S.A. (*)	Guatemala	-	83.75%	216	-	-	-	(25)	-	-	-	191
Hidroeléctrica San Pedro Soloma I, S.A. (*)	Guatemala	-	99.98%	1	-	-	-	(1)	-	-	-	-
Hidroeléctrica San Pedro Soloma II, S.A. (*)	Guatemala	-	99.98%	1	-	-	116	(1)	-	(120)	(120)	(4)
Energías de Forcarei, S.L. (*)	La Coruña	97%	-	1,599	-	-	-	(34)	-	(2)	(29)	1,536

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Information regarding its subsidiaries
corresponding to the year ended December 31, 2019
(In thousand euros)

Company	Registered address	% Direct Ownership	% Indirect Ownership	Capital	Reserves	Issue premium	Sole Shareholder contribution	Accumulated losses from previous periods	Interim dividend	Income Operation	Income Operation	Total Equity
Sociedad Eólica Punta Maeda, S.L. (*)	La Coruña	100%	-	1,215	(9)	-	524	(56)	-	(3)	(9)	1,665
Bencomia de Risco, S.L. (*)	La Coruña	100%	-	10	-	-	36	(2)	-	(3)	(2)	42
Magarza del Andén, S.L. (*)	La Coruña	100%	-	10	-	-	48	(4)	-	(53)	(41)	13
Cardo de Plata, S.L. (*)	La Coruña	100%	-	10	-	-	58	(2)	-	(4)	(3)	63
Hierba Muda, S.L. (*)	La Coruña	100%	-	10	-	-	9	(3)	-	(2)	(2)	14
Tabaiba Solar, S.L. (*)	La Coruña	100%	-	5	-	-	62	(4)	-	(3)	(3)	60
Ecoener Ingeniería, S.L. (*)	La Coruña	100%	-	5	17	-	-	-	-	317	244	266
Comercializadora Centroamericana de Energía La Ceiba, S.A. (*)	Guatemala	100%	-	119	-	-	202	(105)	-	16	19	235
Llanos del Sur Fotovoltaica, S.A. (**)	Honduras	-	50%	6,616	410	-	-	-	-	2,761	1,195	8,221
Ecoener Ingeniería Honduras, S.A. (*)	Honduras	-	98.04%	2	-	-	-	10	-	66	47	59
Chajorra de Aluce, SL (*)	La Coruña	100%	-	3	-	2	-	-	-	(3)	(3)	2
Amagante Herreño, SL (*)	La Coruña	100%	-	3	-	2	11	-	-	(2)	(1)	15
Dama de Bandama, SL (*)	La Coruña	100%	-	3	-	2	30	(1)	-	(2)	(2)	32
Conservilla Majorera, SL (*)	La Coruña	75%	-	3	-	2	-	(3)	-	(23)	(18)	(16)
Picocernicalo, SL (*)	La Coruña	100%	-	3	-	2	9	-	-	(11)	(8)	6
Mosquera de Tamadaba, SL (*)	La Coruña	75%	-	3	-	2	-	(3)	-	(23)	(18)	(16)
Colino Majorero, SL (*)	La Coruña	100%	-	3	-	2	3	-	-	(2)	(1)	7
Yesquera de Aluce, SL (*)	La Coruña	100%	-	3	-	2	19	-	-	(2)	(2)	22
Cresta de Gallo, SL (*)	La Coruña	75%	-	3	-	2	-	(1)	-	(2)	(2)	2
Canutillo de Sabinosa, SL (*)	La Coruña	100%	-	3	-	2	26	(1)	-	(2)	(2)	28
Alamillo de Doramas, SL (*)	La Coruña	100%	-	3	-	2	34	(1)	-	(2)	(2)	36
Tiraventos, S.L. (*)	La Coruña	100%	-	250	(3)	-	27	(39)	-	(1)	(19)	234

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Information regarding its subsidiaries
corresponding to the year ended December 31, 2019
(In thousand euros)

Dragmoc, S.L. (*) (***)	La Coruña	100%	-	1,101	(3)	500	-	-	-	259	(85)	1,513
Malva de Risco, S.L. (*)	La Coruña	100%	-	3	-	2	2	-	-	(2)	(2)	5
Siempreviva Gigante, S.L. (*)	La Coruña	100%	-	3	-	2	24	-	-	(2)	(2)	27
Herdanera, S.L. (*)	La Coruña	100%	-	3	-	2	-	-	-	(2)	(2)	3
Salvia Blanca, S.L. (*)	La Coruña	100%	-	3	-	2	7	-	-	(2)	(2)	10
Siempreviva Azul, S.L. (*)	La Coruña	100%	-	3	-	2	-	-	-	(2)	(2)	3
Magarza Plateada, S.L. (*)	La Coruña	100%	-	3	-	1	-	-	-	(2)	(1)	3

Company	Registered address	% Direct Ownership	% Indirect Ownership	Capital	Reserves	Issue premium	Sole Shareholder contribution	Accumulated losses from previous periods	Interim dividend	Income Operation	Income Operation	Total Equity
Risoela, S.L. (*)	La Coruña	100%	-	3	-	1	-	-	-	(2)	(1)	3
Helecho de Cristal, S.L. (*)	La Coruña	100%	-	3	-	2	-	-	-	(2)	(2)	3
Rosalito Palmero, S.L. (*)	La Coruña	100%	-	3	-	1	-	-	-	(2)	(1)	3
Bejeque Rojo, S.L. (*)	La Coruña	100%	-	3	-	1	-	-	-	(2)	(1)	3

(**) The activity carried out by the company is the promotion, construction and operation of energy production facilities from renewable sources.

(***) The activity carried out by the company is the sale and purchase of rural and urban properties, and buildings and constructions of all kinds, concretely garages, parking lots for every type of vehicles, as well as their promotion, urbanization, construction and exploitation and assignment by any legal title.

(****) The activity of the Company is the operation of a solar photovoltaic plant.

The data correspond to the individual financial statements of each of the Group's companies, even when they are themselves heads of a subgroup. In addition, the data correspond to the unaudited individual financial statements as of December 31, 2018, except for those of the companies marked with a (***) which have been audited by KPMG or by another auditor.

2020 CONSOLIDATED MANAGEMENT REPORT



1. POSITION OF THE ENTITY	2
1.1 MISSION AND VISION OF THE ECOENER GROUP	3
1.2 STRUCTURE AND OPERATION	3
1.3 SEGMENTS AND BUSINESS DIVISIONS	6
1.4 ORGANIZATIONAL STRUCTURE	8
1.4.1 CORPORATE GOVERNANCE BODIES	8
1.5 PEOPLE AT ECOENER	10
1.6 HISTORY OF THE GROUP	11
1.6.1 BUSINESS MODEL	12
1.6.2 OPERATING PORTFOLIO	13
2. BUSINESS PERFORMANCE AND RESULTS	15
2.1 KEY FINANCIAL INDICATORS	15
2.1.1 ALTERNATIVE PERFORMANCE MEASURES	20
2.1.2 OPERATING SEGMENTS	24
2.1.3 GEOGRAPHICAL INFORMATION	32
2.2 AVERAGE PERIOD PAYMENT TO SUPPLIERS	38
2.3 KEY NON-FINANCIAL INDICATORS	38
3. LIQUIDITY AND CAPITAL RESOURCES	41
3.1 FINANCIAL OBLIGATIONS	42
3.2 CONTRACTUAL OBLIGATIONS	43
4. MAIN RISKS AND UNCERTAINTIES	43
4.1 FINANCIAL RISKS	44
4.2 OPERATIONAL RISKS	47
5. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD	48
6. OUTLOOK FOR THE GROUP	49
7. R&D ACTIVITIES	50
8. ACQUISITION AND DISPOSAL OF TREASURY SHARES	50
9. DIVIDEND POLICY	50
10. CORPORATE SOCIAL RESPONSIBILITY	51
10.1 SOCIAL ACTION	51
10.2 COMMITMENT TO THE MOST DISADVANTAGED GROUPS	51
10.3 COMMITMENT TO INNOVATION AND JOB CREATION	52
10.4 RESPONSIBLE AND TRANSPARENT COMMUNICATION	52
10.5 SUSTAINABILITY AND RESPECT FOR THE ENVIRONMENT	52
10.6 MEASURES FOR THE PROTECTION OF EMPLOYEES AGAINST COVID-19	53

SUMMARY

Net revenues	+9.4%
EUR 36,897 thousand	
FY 2019: EUR 33,736 thousand	
EBITDA	+31.9%
EUR 25,301 thousand	
FY 2019: EUR 19,180 thousand	
EBITDA margin	+11.7%
68.6%	
FY 2019: 56.9%	
Adjusted EBITDA	+0.4%
EUR 21,428 thousand	
FY 2019: EUR 21,343 thousand	
Adjusted EBITDA margin	-5.2%
58.1%	
FY 2019: 63.3%	
Net financial debt	+48.0%
EUR 182,193 thousand	
FY 2019: EUR 123,089 thousand	
Working capital	-18.9%
EUR 7,216 thousand	
FY 2019: EUR 8,897 thousand	
MW portfolio	
283 MW	
MW Pipeline	
1,527 MW	
(294 MW backlog)	

1. POSITION OF THE ENTITY

Grupo Ecoener, S.A.U. (the “Ecoener Group”, the “Parent”, the “Parent Company” or the “Company”) and its subsidiaries (the “Group”) make up a consolidated group of companies operating in the renewable energy industry, more specifically, in the hydropower, wind and solar PV industries.

The Ecoener Group is currently specialised in the construction, management, development, maintenance and operation of renewable energy facilities. The Group operates hydropower plants, wind farms and solar PV plants, and boasts a high level of expertise in the three technologies. We also generate power on a long-term basis to contribute to genuinely sustainable development.

Headquartered in La Coruña, Spain, we are working in 11 countries in which we are either operating, constructing or developing renewable energy assets or projects (Spain, Honduras, Guatemala and Dominican Republic being the countries where we have In Operation or Under Construction assets, and Panama, Colombia, Chile, Nicaragua, Kenya, Georgia and Serbia, being the countries where we are developing projects classified under different stages of our Pipeline).

Our culture is based on a corporate identity that sets us apart from our competitors, on which we work to contribute to the promotion of social and environmental sustainability in the communities with which we interact.

Generating renewable energy projects while fully respecting social and environmental sustainability thus requires in-depth knowledge of the value chain necessary to carry out a project from design to commissioning. As has been demonstrated throughout our history, we have the ability to operate as an integrated company with its own resources in the process of development, construction and operation of hydropower facilities, wind farms and solar PV plants.

Our experience in the development and construction of projects, together with our internal capacity for operation, maintenance and infrastructure management, and an efficient financial strategy, allow us to offer sustainable, innovative and profitable renewable energy solutions. The Ecoener Group has been selecting suitable locations to build and operate plants with hydropower, wind and solar PV technology for over 30 years.

The fact that the entire value chain is integrated in-house gives us superior understanding and control over the development, financing, construction and operation of projects. The Ecoener Group’s value-added lies in its ability to rely solely on its own workforce to identify, design, develop, finance and build projects to be commissioned, and to subsequently manage the sale of energy produced at its facilities.

Our vertical integration strategy for each of the three technologies, combined with our knowledge and ability to take advantage of the value chain, is what sets us apart from our competitors and allows us to maximise profit margins.

1.1 Mission and vision of the ECOENER Group

The Ecoener Group has the clearly defined mission of effectively and efficiently build sustainable renewable energy plants that have a positive impact on its economic, social and environmental setting.

To achieve this goal, it has established itself as a multi-technology, vertically integrated, internationally-oriented company, characterised by excellence in the identification of opportunities and in the construction and operation of long-term renewable energy facilities.

1.2 Structure and operation

Grupo Ecoener, S.A.U. was incorporated as a public limited liability company, pursuant to Spanish legislation, on 28 January 2020, and was registered at La Coruña Mercantile Registry. Its registered office is located at Cantón Grande, 6 - 6º (La Coruña). Grupo Ecoener, S.A.U. is a wholly owned subsidiary of the Spanish company Ecoener, S.L.U., which currently owns the 100% of its shares.

The Ecoener Group expects its shares to be listed on the Spanish stock exchanges in 2021.

Restructuring operation

As part of its business strategy for 2020, Ecoener, S.L.U., as the Group's Sole Shareholder, has decided to transfer the following business to the company Grupo Ecoener, S.A.U.:

- a) The entire ownership of its renewable energy facilities.
- b) Its activity of promotion and development of renewable energy facilities understood as the entirety of work carried out from the earliest phases of identification of opportunities of business until the confirmation of the viability of the project.
- c) And its activity regarding operation and maintenance of renewable energy facilities.

For further clarification, the Sole Shareholder has not transferred to Grupo Ecoener, S.A.U. certain real estate properties, as well as the construction and development business associated with the construction of the parks under construction at the end of the fiscal year.

In relation to the construction and development activity associated with construction, the latter being understood as the management of the work necessary for the subsequent execution of construction activities, while the physical construction activity strictly includes the implementation and completion of the works and commissioning of the installation. Both activities have historically been carried out by the Sole Shareholder on a discontinued basis, through the hiring of personnel for work and services only during the periods in which it has had facilities under construction.

Hence, this activity does not count with permanent human resources or relevant materials, and when carried out it has been through the coordination of human and technical resources hired specifically for the construction of a particular facility, and consequently, disengaged when such construction is finished. The last facilities built by the Sole Shareholder have been the five wind farms in San Bartolomé de Tirajana (Gran Canaria) owned by the subsidiaries of Grupo Ecoener, S.A.U.: Cardo de Plata, SL, Yesquera de Aluce, SL, Alamillo de Doramas, SL, Violeta Palmera, SL and Eólicos del Matorral, S.L.

On December 31, 2020, the Sole Shareholder terminated the contracts of all the workers hired for the execution of such works, due to their completion. Once these installations completed, it is not foreseen for Ecoener, S.L.U. to incur in any other activity apart from that of a holding company and therefore does not requires counting with any staff related to the aforementioned construction and development activity.

In this regard, Grupo Ecoener, S.A.U., within the restructuring operation, has not received any employee, right or obligations related to the construction and development activity associated with such operation.

Since January 1, 2021 and without forming part of the aforementioned restructuring operation, Grupo Ecoener, S.A.U., through its subsidiary, Aquis Querquennis, S.L. (incorporated under the name of Ecoener, Servicios Constructivos, S.L.), builds the twelve photovoltaic plants in San Bartolomé de Tirajana (Gran Canaria) owned by the subsidiaries Canutillo de Sabinosa, S.L., Tabaiba Solar, S.L. and Bencomia de Risco, S.L., as well as the wind farm in the same municipality for the subsidiary Oilean Telde Eólica Energy, S.L.

Of the five wind farms built in 2020, three entered into operation during the fiscal year 2020 and the other two are expected to do so during April 2021. This construction activity was carried out by the Sole Shareholder during the fiscal year 2020. For the fiscal year 2021, test works have been carried out by the hired wind turbines supplier, in accordance with their supply and installation contract.

Additionally, the Group counts with a portfolio of projects in different stages of development, the construction of which has not been started at the beginning of fiscal year 2021. Such construction will be carried out by Grupo Ecoener, S.A.U. Hence, Grupo Ecoener, S.A.U. has hired the required personnel to count with a permanent structure to undertake the construction and development of power generation facilities from renewable sources. In order to encourage the stability of this activity, the personnel considered as essential will be offered permanence commitments to be received once a five years period has elapsed.

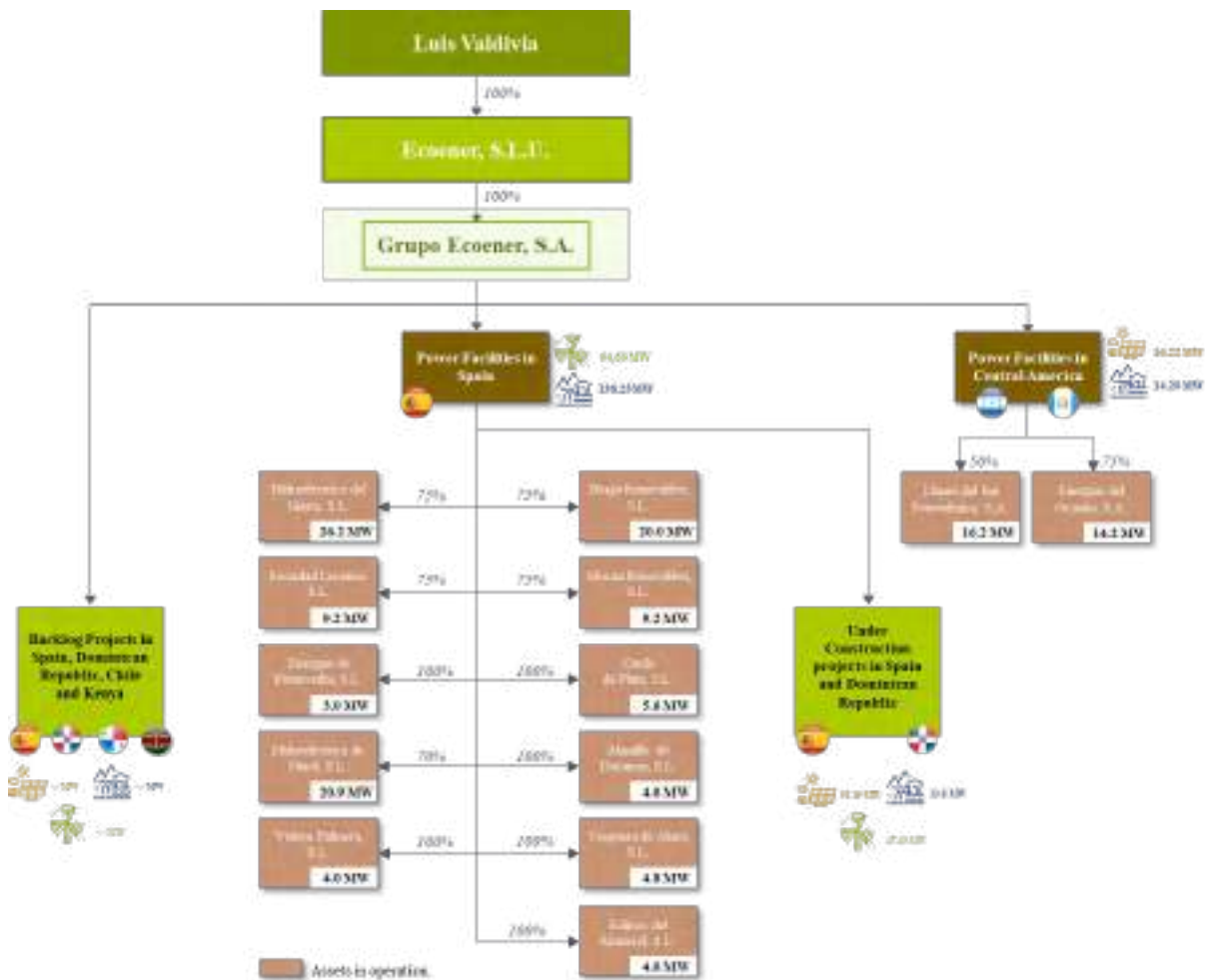
The business units transfer was performed mainly through the transfer of entities under the common control of Ecoener, S.L.U. As a result, Grupo Ecoener, S.A.U. became the Parent Company of a Group comprised of subsidiaries.

The main transactions performed in 2020 in this connection were as follows:

- On 12 June 2020, Ecoener, S.L.U. agreed to increase the capital of Grupo Ecoener, S.A.U. by EUR 500 thousand through the creation of 5,000 new registered shares with a par value of EUR 100 per share and a share premium of EUR 4,750 thousand of EUR 950 per share, which were fully subscribed and paid through the non-monetary contribution of 100% of the subscribed share capital of certain subsidiaries.

- On November 1, 2020, Ecoener S.L.U. and Grupo Ecoener S.A.U. signed a business purchase agreement whereby the former sells to the latter the O&M and high-level Promotion and Development unit from the earliest stages of identifying business opportunities to confirming the viability of the project, thus subrogating Grupo Ecoener, S.A.U. in the obligations that the Sole Shareholder had over the employees and contracts. The ownership of the assets and the assumed liabilities of the business, as well as the assigned contracts, are transferred as of December 1, 2020, while the transferred employees will be transferred on successive dates as of November 1, 2020 and been concluded as of December 31, 2020. Subsequently, but on the same day on which the purchase agreement was executed, Ecoener. S.L.U. waived the outstanding receivable from Grupo Ecoener, S.A. for the completion of the aforementioned transaction.
- On November 9, 2020, Ecoener, S.L.U. sold the company Ecoener Ingeniería Panamá, S.A. to Grupo Ecoener, S.A.
- On November 11, 2020, Ecoener, S.L.U. sold the company Bencomia del Risco, S.L. to Ecoener, S.A. Group.

The Group structure is shown in the following diagram:



The Group engages mainly in the following business activities:

- a) Administration and management services. The provision of all aspects of business administration and management services, whether through its professionals or by coordinating the services of collaborating professionals.
- b) Intermediation in all manner of mercantile transactions and the performance thereof on behalf of third parties, while complying with the legislation in force in this connection.
- c) The provision of technical assistance services in general, and the design, description, development and execution of all manner of technical projects, particularly those relating to the development and construction of public and private works.
- d) The administration and management of all types of assets and the business development thereof.
- e) The generation of electricity from renewable energy sources such as wind, hydropower, solar power, biomass and other sources, as well as the design, development, construction, management, maintenance, operation and closure and dismantling of the corresponding production facilities.
- f) Ownership, through concession arrangements or administrative authorizations, of the activities and facilities described above, and by virtue of such ownership, perform the pertinent registration formalities at the corresponding administrative registries.
- g) The performance of purchase and sale transactions and transfers, the arrangement of mortgages, leases and usufructs, and the completion of any other legal transactions in relation to the production or facilities described above.
- h) The provision of services to third parties in addition to technical assistance in relation to the activities and facilities described above, including, but not limited to, administrative and environmental management services and services relating to the commissioning of new facilities, in addition to comprehensive management, including operation and maintenance, of the production facilities that are in operation.

1.3 Segments and business divisions

Our operating segments are as follows: (i) operation of hydropower plants; (ii) operation of wind farms; (iii) operation of solar PV plants; (iv) energy commercialization; and (v) other services. The other services segment includes all those activities that generate revenues and bear expenses from sources other than electricity produced by the facilities owned by the Group, or the energy commercialization, as well as renewable energy generation projects in progress, as well as corporate management costs, including personnel dedicated to the operation of generating facilities. These projects in progress, once completed, are transferred to "Operation of hydropower plants", "Operation of wind farms" and "Operation of solar photovoltaic plants" segments.

As of December 31, 2020, we own renewable energy facilities in operation in three countries (Spain, Guatemala and Honduras) belonging to two geographical regions, with their respective delegations, with a total capacity of approximately 141 MW, of which 116 MW are attributable to the stake that we own in such facilities. The following table shows the capacity of our assets and facilities, as well as our project Pipeline, by technology, as of March 31, 2021:

	PORTFOLIO & PIPELINE				
	Assets		Pipeline		
	In operation	Under construction	Backlog	Advanced development	Early stage
Hydropower	52 MW	3 MW	0 MW	11 MW	455 MW
Wind	73 MW	47 MW	60 MW	21 MW	328 MW
Solar PV	16 MW	91 MW	224 MW	32 MW	396 MW
TOTAL	141 MW	142 MW	284 MW	64 MW	1,179MW

Our growing presence in different regions of the world, our expertise in the three main renewable energy technologies (hydropower, wind, solar PV and, to a lesser extent, energy commercialization) and our organic and sustainable growth are only possible thanks to our distinctive culture and sustainable, vertically integrated and homogeneous management style observed by Ecoener Group's personnel.

These four business lines or operating segments form the basis for evaluating the Group's results, in respect of which management periodically conducts its management decisions at corporate level.

Our business covers various jurisdictions, technologies and activities, which reduces our dependence on any one market, technology or commercial division, offers us resistance during recessions and places us in a good position to harness international business opportunities. Our global operations in eleven countries, including Spain, Honduras, Guatemala and Dominican Republic being the countries where we have In Operation or Under Construction assets, and Panama, Colombia, Chile, Nicaragua, Kenya, Georgia and Serbia, cover both mature and growing markets.

The technologically and geographically diversified nature of our portfolio provides a portion thereof with the benefits of a natural hedge known as the "portfolio effect" which, in practice, means that it was designed for complementary efficiency through the implementation of different technologies in various territories, which enable us to avoid fluctuations arising from the availability of resources at any given time. At certain points, some areas will have rising power output, while others will experience a fall in power output. The addition to our portfolio of diverse geographical areas such as Galicia and the Canary Islands allows us to reduce the risk associated with resource variability by territory and season, and to achieve the aforementioned "portfolio effect".

We also have a balanced portfolio in terms of diversified technology and geographical areas, and remuneration schemes that are linked entirely to hard currencies.

We have a diversified and robust project Pipeline to underpin our growth. We continuously seek out new development opportunities to grow our project Pipeline. By leveraging our integrated platform, structure, solid understanding of the market and activity across different regions, we have developed attractive projects forming part of certain of our development stages ("Early Stage", "Advanced Development" and "Backlog") to grow our Pipeline.

Detail of the Group’s international presence and assets as of December 31, 2020:



1.4 Organizational structure

Ecoener Group’s governing bodies are the annual General Shareholder’s Meeting and the sole director (after the General Shareholders' Meeting of April 2021, the sole director will be substituted by a Board of Directors), who hold the powers conferred on them by legislation and the bylaws. Both bodies are also governed by their own regulations, which include basic information on the organization and functioning thereof.

In the first half of 2021 we have been working to implement new bylaws that will bring us into line with the transparency objectives laid down in the Spanish Code of Good Governance for Listed Companies. Although these measures had yet to be implemented at the date of preparation of this management report, we will briefly describe the main updates on which we are working and their impact on the various governance bodies.

1.4.1 Corporate governance bodies

A. Annual General Shareholder’s Meeting

The Annual General Shareholder’s Meeting is the Group’s highest decision-making and control body on matters within its remit, and the right of shareholders to be involved in essential decision-making is exercised through this body. It represents all the shareholders, all of whom are subject to its decisions. The Annual General Shareholder’s Meeting has the power to decide on all matters attributed to it through legislation or the bylaws. Decisions which, irrespective of their legal nature, involve an essential modification of the Group’s actual activity, must also be approved or ratified by the Annual General Shareholder’s Meeting.

B. Board of Directors

The Board of Directors is the body that has been attributed the broadest powers to manage, direct and represent the Company. Ecoener Group's day-to-day management may be entrusted to the delegated management bodies, in which case the activity will focus on the general supervisory function and on matters that are particularly significant for the Parent.

The Board of Directors must establish an Audit Committee and a Nomination and Remuneration Committee with powers to inform, supervise, advise and propose with respect to matters within its remit, as specified in the law and in the bylaws, and implemented in the Regulations of the Board of Directors. The Board of Directors may also establish other committees with consultancy or advisory functions, notwithstanding the fact that they may also be attributed decision-making powers on an exceptional basis.

Our Bylaws and Board of Directors Regulations provide for a Board of Directors that is expected to be consisting of between 5 and 15 members. Our Board of Directors is expected to be consisting of ten members in accordance with the resolution to be approved by our Sole Shareholder exercising the powers and faculties of the General Shareholders' Meeting, on April 2021. The expected composition of the Board of Directors will be two executive directors, three proprietary directors and five independent directors.

C. Audit Committee

The Audit Committee comprises a minimum of three and maximum of five non-executive directors, with a majority representation of independent directors. The Audit Committee is responsible, inter alia, for supervising the effectiveness of the internal control and internal audit functions, and for overseeing the preparation and presentation of the required financial information.

The Audit Committee is expected to be formed by three members, all of them elected among the members of the Board of Directors considered as independent directors. The Chairman of the Audit Committee will be appointed based on his experience in accounting, auditing and risk management.

D. Nomination and Remuneration Committee

The Nomination and Remuneration Committee also comprises a minimum of three and maximum of five non-executive directors, with a majority representation of independent directors. The general powers entrusted to this Committee are to propose and report on appointments and terminations, under the terms provided by law.

E. Sustainable Development Committee

A Sustainable Development Committee may also be set up as an internal informative and advisory body, with no executive functions, but with powers to inform, advise and propose within the scope of its activities. This Committee also comprises a minimum of three and maximum of five directors, who are appointed by the Board of Directors and of whom the majority of non-executive directors must be classified as independent.

F. Due Diligence Mechanisms

Lastly, the Board of Directors will approve the Internal Rules of Conduct in Securities Markets, the purpose of which is to regulate the rules of conduct to be observed by the Ecoener Group, its managing bodies, employees and other persons to whom the rules apply as a result of their activities in relation to the securities market.

These Internal Rules detail the conduct to be observed with respect to proprietary transactions, insider dealing, market manipulation and treasury share transactions.

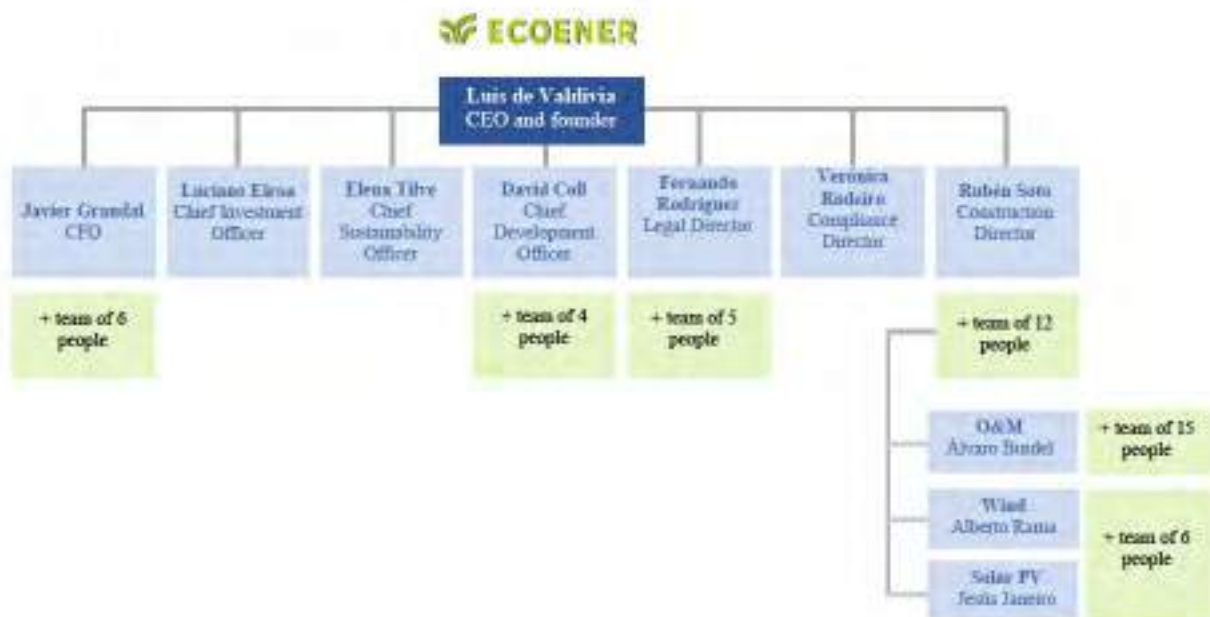
The Internal Rules of Conduct in Securities Markets apply, inter alia, to members of the Board of Directors, senior executives and employees with access to insider information, and also to our external advisers when handling insider information.

1.5 People at ECOENER

Group management considers the management of its personnel to be a priority. The relationships between the Company and its employees are characterised by ethical, respectful, inclusive and professional development-oriented conduct.

There were no employee terminations in progress or claims that might give rise to significant termination benefit payments as of December 31, 2020 or at the date of issue of this consolidated management report.

The Group's current operating organizational chart is as follows:



1.6 History of the Group

Our activities commenced in La Coruña (Spain) in 1988, with Luis Valdivia (our current chairman and CEO). In our initial years, we focused our operations in Spain, and in 2005 we commenced our global expansion by setting up a facility in Latin America (Guatemala).

The key milestones in our history are as follows:

- 1988: Start of activity of Ecoener.
- 1988-1997: Ramp-up period of Ecoener, which led to the formation of the current Group, mainly focused on the development of hydropower renewable facilities in Spain and specifically in Galicia.
- 1997-2003: During this period, we expanded our Portfolio by 26.2 MW of hydropower facilities in Spain, consisting of the assets of San Bartolomé, Cierves, Peneda and Arnoya in Galicia.
- 2005: Internationalization to Latin America, with the development of our initial projects in Guatemala.
- 2007: Execution of the wind power tender in the Canary Islands for the allocation of power in the form of new wind farms, which will supply the Canary Islands electrical systems. Award of 38.2 MW, being the second highest awardee.
- 2008: Start of operations of: (i) the solar PV plant of Es Llobets in the Balearic Islands (1.2 MW), being the first thin-film solar PV plant in Spain; (ii) the Xestosa hydropower facility (2.9 MW), (iii) the Landro hydropower facility (9.2 MW); (iv) the Ourol wind farm (18MW); and (v) the Lalín wind farm (3 MW).
- 2010: Wind tender for the allocation of power capacity in the modality of new wind farms in Galicia. 81 MW awarded to a consortium led by a Group subsidiary.
- 2011: Wind Power Auction in Italy: Ecoener is awarded with a 10 MW tender, being (together with Gamesa) the only Spanish company receiving such tender consideration.
- 2014: Development of solar PV capacity in Honduras through the allocation of 57.5 MW in 6 projects whose production is sold under the relevant PPAs with the sovereign government of Honduras.
- 2015: Ecoener expanded its Portfolio of generation plants with the development of 16 MW of solar PV technology in Honduras (Llanos del Sur).
- 2016: Start of operations of Las Fuentes II hydropower facility in Guatemala.
- 2017: Start of operations of a 29.2 MW wind power installation in Spain; (i) Llanos de la Aldea wind farm (20MW); and (ii) San Bartolomé wind farm (9.2MW), which represented 30.5% of the total wind power installed in Spain in 2017.
- 2019: Five (5) of our wind farms in the Canary Islands received investment subsidies granted by the European Regional Development Fund (ERDF) for the construction of the assets.

- 2020: Start of operations of El Rodeo and La Caleta wind farms in the Canary Islands.
- 2020: Issuance of the first mixed green bond issued in Spain (EUR 130 million).
- 2021: Start of operations of Las Casillas 1, Lomos del Moral and Arcos del Coronadero wind farms in the Canary Islands.

1.6.1 Business model

We consider that our fully vertically integrated and multi-technological business model, together with our extensive experience in developing hydropower, wind and solar PV projects from the ground up, allows us to generate competitively-priced energy and take advantage of synergies between the different activities in the value chain.

The fact that our business model can provide comprehensive solutions (for example, from design, finance structuring, supply and construction through to the operation of the plant, the subsequent management and maintenance of the assets and other services) represents an opportunity that gives us a competitive edge over other players in the market by allowing us to:

- capture the margins associated with the different phases of the value chain that other project developers may lose by having to contract external suppliers, which is particularly significant with respect to hydropower facilities and, to a lesser extent, with respect to wind and solar PV;
- monitor both project risk and the quality of the key equipment of our renewable energy facilities; and
- generate recurring cash flows and income, thus circumventing the effects of the seasonal factor.

We consider that our market position is based on the synergies and complementarity at different levels that occurs when we integrate our multi-technological model into our generation asset portfolio:

- The inclusion of the three technologies in our generation asset portfolio allows us to tackle a greater number of projects in the same territory, taking advantage of natural conditions. Thus, in Galicia, we have managed to take advantage of the two most abundant natural resources, river water and wind, and in the Canary Islands we have been doing the same with the wind and the sun.
- Generation from three technologies covers different types of energy demand, corrects any seasonality affecting production and balances the energy flow at all times. It also improves the stability and predictability of energy production, which are key to guaranteeing the supply of renewable energy.
- At risk level, it diversifies the source of income, improving the structure of returns, while creating protection barriers against any legal, natural or market changes.
- Our positioning in hydropower technology is essential in order to understand our competitive position from a competition, energy and economic standpoint on the basis of the following parameters:
 - The vast majority of competitors of our size and larger have not mastered this technology, which requires a high level of expertise in all phases of the value chain.
 - Hydropower technology provides greater stability in energy supply, while its equipment presents superior reliability and durability.

- It allows us to develop assets in regions and areas in which other technologies cannot be developed.

In each business phase associated with our technologies, we enjoy a strong strategic position with revenue generation supported by a growing and resilient market, regulatory support and renewable energy policies, as well as high entry barriers for potential participants who lack market and industry knowledge. As a result of the knowledge and experience that we acquire through the performance of our activities, we trust that we can provide the best technology available in its class, working with the highest technical standards and first-class suppliers.

This comprehensive model is supplemented by our management and monitoring of energy to optimise and guarantee the performance of income from electricity sales and minimise any impact arising as a result of factors such as a drop in demand or price volatility in the generation market.

1.6.2 Operating portfolio

Our business management is based on our ability to successfully execute projects classified as “Early Stage” and “Advanced Development” projects, and to fully develop our “Backlog” projects.

These categories define our “Pipeline”. Additionally, we consider our assets classified as “Under Construction” and “In Operation” to be included in our portfolio but not under the Pipeline definition.

In accordance with this classification, the following characteristics or requirements must be met by the projects at each stage thereof, in accordance with our parameters:

- Early Stage: projects under analysis, where the suitability and viability in terms of the chosen location has been confirmed, and in which there is a certain chance (not quantified) of obtaining the right to use the land and obtaining the access and connection point.
- Advanced Development: projects in which there is at least a 50% chance of obtaining the right to use the land and at least a 90% chance of obtaining an access and connection point; and also those in which there is at least a 90% chance of obtaining the right to use the land and at least a 50% chance of obtaining the access and connection point. This category also includes projects being developed by third parties in the backlog phase that will be acquired, and in respect of which a memorandum of understanding has been executed or a due diligence process has been initiated.
- Backlog: refers to projects in respect of which: (i) agreements granting a right for the use of the land have been executed, there is a legal framework in place that allows such use without the need for an agreement; (ii) access and connection permits have been obtained; and (iii) certain permits have been obtained and there is, in any event, a 90% chance of obtaining all the permits required for construction. This category also includes projects in respect of which: (i) the basic construction permits have been obtained and it is mandatory for the other permits to be issued;

(ii) there is a defined pricing scheme (through participation in a tender, market -with the pertinent research- or execution of a PPA); and (iii) the actual availability of financing sources (bank or alternative) has been identified.

- The management of projects considered as Early Stage, Advanced Development and Backlog fundamentally requires high-level promotion and development activities related to the identification and analysis of business opportunities, confirmation of the suitability and feasibility of such projects, mainly in relation to the availability of permits, land and evacuation capacity. The above activities are carried out directly by the Group or contracted to third parties under its supervision.
- Under Construction: refers to assets in respect of which agreements have been entered into with the asset's main suppliers (EPC contractor or equipment suppliers) and/or construction activity has already commenced in respect of certain main features of the asset: substations, interconnection lines and/or own generation facilities.
- The projects included in the Under Construction category require, firstly, the management of the works necessary for the execution of construction and development activities associated with such facility 'construction, consisting, among others, in the organization and verification of the appropriate tasks that will lead to the successful completion of the material execution of projects, such as the rethinking of construction projects, the negotiation, preparation, contracting and monitoring (always on behalf of the company that owns the project) of the contracts with suppliers, as well as tools, instruments, and equipment necessary for the construction of the project, the interaction with administrations to ensure compliance with the requirements established in different resolutions (environmental, licenses and authorizations) prior to the start of construction, the communication with land owners to ensure compliance with the formal requirements established in the leasing contracts prior to the start of the works, the formalization and structuring of the necessary financing, including the review processes or the tasks related to compliance, as far as it is concerned, by the entity owning the project, of the current provisions relating to labour, social security, prevention of occupational risks and occupational health and safety. Historically, the above activities have been developed directly by the Sole Shareholder or contracted to third parties under its supervision.
- Starting from the year 2021, construction and development activities associated with construction will be carried out directly by the Group or contracted to third parties under its supervision. The construction of the facilities concludes when the plants are in a position to generate energy and deliver it to the grid. Then, the projects become part of the Operation category.
- In Operation: these are assets that are in operation, functioning and producing electricity.
- The projects included in the Operation category require the execution of operations and maintenance activities and fully integrated management of the facilities, including commercial and administrative support of the vehicle companies owning the corresponding assets.

We have established the above classification to our best understanding, which does not prevent other companies from offering a different project taxonomy.

At 31 March 2020, our asset portfolio amounted to 283.0 MW, distributed among assets in operation (representing 141 MW) and assets under construction (representing 142 MW) and established in four different geographical areas (Spain, Guatemala, Honduras and the Dominican Republic).

Additionally, at 31 March 2020 our Pipeline projects consisted of 1,527 MW classified as Backlog (representing 248 MW), Advanced Development (representing 64 MW) and Early Stage (representing 1,179 MW) in eight different geographical areas of Spain, Eastern Europe, Latin America and Africa.

We believe that our Pipeline and Portfolio categories are significant indicators of the current situation and growth potential of our operating segments and provide useful information on activity trends and performance in previous years. We rely on this categorization and on the achievement and undertaking of future projects to drive our results and improve our growth in the short term, even though this cannot be predicted with absolute certainty.

2. BUSINESS PERFORMANCE AND RESULTS

2.1 Key financial indicators¹

The Group's results for 2020 exceeded the estimates established for the year, due mainly to the positive performance of the renewable energy industry worldwide. This business performance is underpinned by various aspects, such as a significant rise in electricity demand, with the renewable energy industry experiencing the highest level of growth among the energy producing sectors.

The most noteworthy figures of the results obtained in 2020, 2019 and 2018 are as follows:

THOUSANDS OF EUROS (except for percentages)	2020	2019	2018
Net revenues	36,897	33,736	31,167
EBITDA	25,301	19,180	18,707
<i>EBITDA margin (%)</i>	<i>68.6%</i>	<i>56.9%</i>	<i>60.0%</i>
Adjusted EBITDA	21,428	21,343	20,031
<i>Adjusted EBITDA margin (%)</i>	<i>58.1%</i>	<i>63.3%</i>	<i>64.3%</i>
Working capital	7,216	8,897	6,481
Net financial debt	182,193	123,089	122,224

With respect to the main balance sheet aggregates, as of December 31, 2020 the Group's assets totalled EUR 228,928 thousand, net equity amounted to EUR 11,616 thousand and current and non-current liabilities amounted to EUR 217,312 thousand, of which EUR 43,131 thousand relate to debt with financial institutions.

With respect to the main balance sheet aggregates, as of December 31, 2019 the Group's assets totalled EUR 195,862 thousand, net equity amounted to EUR 15,414 thousand and current and non-current

¹ The financial indicators EBITDA, EBITDA margin (%), adjusted EBITDA, adjusted EBITDA margin (%), working capital and net financial debt are described in section 2.1.1, "Alternative Performance Measures".

liabilities amounted to EUR 180,448 thousand, of which EUR 126,488 thousand relate to debt with financial institutions.

With respect to the main balance sheet aggregates, as of December 31, 2018 the Group's assets totalled EUR 193,592 thousand, net equity amounted to EUR 17,730 thousand and current and non-current liabilities amounted to EUR 175,862 thousand, of which EUR 129,711 thousand relate to debt with financial institutions.

NET REVENUES

The Ecoener Group has five main lines of business, namely: (i) operation of hydropower plants; (ii) operation of wind farms; (iii) operation of solar PV plants; (iv) energy commercialization; and (v) other services.

Energy production had the following evolution during 2020 with respect to 2019:

- The hydropower segment dropped to 128.85 GWh in 2020, reflecting a 3.0% (or 3.99 GWh) decrease on the 132.84 GWh produced in 2019.
- The wind segment rose to 143.49 GWh in 2020, reflecting a 0.8% (or 1.14 GWh) increase on the 142.35 GWh produced in 2019.
- The solar PV segment dropped to 25.78 GWh in 2020, reflecting a 7.2% (or 1.99 GWh) decrease on the 27.77 GWh produced in 2019.

Energy production had the following evolution during 2019 with respect to 2018:

- The hydropower segment dropped to 132.84 GWh in 2019, reflecting a 1.9% (or 2.54 GWh) decrease on the 135.38 GWh produced in 2018.
- The wind segment dropped to 142.35 GWh in 2019, reflecting a 1.6% (or 2.35 GWh) decrease on the 144.70 GWh produced in 2018.
- The solar PV segment increased to 27.77 GWh in 2019, reflecting a 3.0% (or 0.81 GWh) increase on the 26.96 GWh produced in 2018.

The detail of net revenues by geographical area in 2020, 2019 and 2018 is as follows:

NET REVENUES (Thousands of euros)	2020	% of total in 2020	2019	% of total in 2019	2018	% of total in 2018
Spain	24,514	66.4%	22,194	65.8%	21,655	69.5%
Guatemala	8,100	22.0%	6,921	20.5%	5,269	16.9%
Honduras	4,283	11.6%	4,621	13.7%	4,243	13.6%
Total	36,897	100.0%	33,736	100.0%	31,167	100.0%

The detail of net revenues by operating segment in 2020, 2019 and 2018 is as follows:

NET REVENUES (Thousands of euros)	2020	% of total in 2020	2019	% of total in 2019	2018	% of total in 2018
Hydropower	13,646	37.0%	11,405	33.8%	11,577	37.1%
Wind	13,781	37.3%	12,981	38.5%	12,733	41.0%
Solar PV	4,283	11.6%	4,621	13.7%	4,243	13.6%
Energy commercialization	4,385	11.9%	4,039	12.0%	2,537	8.1%
Other services	802	2.2%	690	2.0%	77	0.2%
Total	36,897	100.0%	33,736	100.0%	31,167	100.0%

Net revenues increased by EUR 3,161 thousand (9.4%) to EUR 36,897 thousand in the year ended December 31, 2020 from EUR 33,736 thousand in the year ended December 31, 2019, principally due to:

- a EUR 2,241 thousand (19.6%) increase in our net revenues generated from our hydropower facilities both in Spain (Cierves, San Bartolomé, Peneda, Arnoya, Landro and Xestosa, facilities with and aggregated capacity of 38.25 MW) and in Guatemala (Las Fuentes II with 14.20 MW of capacity);
- a EUR 800 thousand (6.2%) increase in our net revenues generated from our wind facilities due to the commissioning of El Rodeo, La Caleta and Las Casillas I farms in the Canary Islands, with an aggregate capacity of 14.40 MW;
- a EUR 346 thousand (8.6%) increase in our net revenues generated from our energy commercialization segment due mainly to a 3.5% increase in the MW sold and a 3.3% increase in the number of supply points.
- partially offset by a EUR 338 thousand (7.3%) decrease in our net revenues generated from our Llanos del Sur solar PV plant in Honduras, a facility with a 16.22 MW capacity.

Net revenues increased EUR 2,569 thousand (8.2%) to EUR 33,736 thousand in the year ended December 31, 2019 from EUR 31,167 thousand in the year ended December 31, 2018, principally due to:

- a EUR 1,502 thousand (59.2%) increase in our net revenues generated from our energy commercialization segment due mainly to a 71.5% increase in the MWs sold and a 25.0% increase in the number of supply points;
- a EUR 378 thousand (8.9%) increase in our net revenues generated from our Llanos del Sur solar PV plant in Honduras, a facility with a 16.22 MW capacity;
- a EUR 248 thousand (1.9%) increase in our net revenues generated from our wind facilities Llanos de la Aldea, San Bartolomé, Ourol, Lalin, with an aggregate capacity of 50.20 MW;
- partially offset by a EUR 172 thousand (1.5%) decrease in our net revenues generated from our hydropower facilities both in Spain (Cierves, San Bartolomé, Peneda, Arnoya, Landro and Xestosa, facilities with and aggregated capacity of 38.25 MW) and in Guatemala (Las Fuentes II with 14.20 MW of capacity).

OPERATING INCOME

Operating income increased 59.2% to EUR 17,161 thousand in the year ended December 31, 2020 from EUR 11,227 thousand in the year ended December 31, 2019, principally due to:

- the above-mentioned 9.4% increase in net revenues between 2019 and 2020;
- the strong increase in impairment and income from disposal of fixed assets to EUR 2,739 thousand in the year ended December 31, 2020 from EUR 642 thousand in the year ended December 31, 2019. The EUR 2,097 thousand increase was principally due to the record of the reversal of the impairment endowed in previous years on the assets of the Xestosa hydropower facility for a value of EUR 2,929 thousand;
- the 9.7% decrease in other operating expenses to EUR 9,111 thousand in the year ended December 31, 2020 from EUR 10,092 thousand in the year ended December 31, 2019, principally due to the variation in losses, impairment and variation of provisions for trade operations in the year. In 2020, we have recorded an impairment reversal and variation in losses, impairment and variation of provisions for trade operations amounting to EUR 1,925 thousand;
- and the slight decrease in personnel expenses to EUR 1,852 thousand in the year ended December 31, 2020 from EUR 1,890 thousand in the year ended December 31, 2019, principally due to a 2.3% decrease in the average number of employees from 43 in 2019 to 42 in 2020;
- partially offset by the increases in supplies and in depreciation and amortization and by the decrease in other operating income.

Operating income increased 3.5% to EUR 11,227 thousand in the year ended December 31, 2019 from EUR 10,846 thousand in the year ended December 31, 2018, principally due to:

- the above-mentioned 8.2% increase in net revenues;
- the strong increase in impairment and income from disposal of fixed assets to a profit of EUR 642 thousand in the year ended December 31, 2019 compared to a loss of EUR 786 thousand in the year ended December 31, 2018. This EUR 1,428 thousand increase was principally due to the record of the reversal of a EUR 1,132 thousand impairment endowed in previous years on fixed assets. During 2018, no impairments or reversals of impairments of fixed assets were recorded;
- and the slight decrease in personnel expenses to €1,890 thousand in the year ended December 31, 2019 from €1,895 thousand in the year ended December 31, 2018, principally due to a 2.3% decrease in the average number of employees from 44 in 2018 to 43 in 2019;
- partially offset by the increases in other operating expenses and in supplies.

INCOME/(LOSS) BEFORE TAX

Income/(loss) before tax increased 32.1% to €5,193 thousand in the year ended December 31, 2020 from €3,930 thousand in the year ended December 31, 2019, principally due to:

- the above-mentioned 59.2% increase in operating income and;

- the increase in net exchange gains to €377 thousand in the year ended December 31, 2020 from €10 thousand in the year ended December 31, 2019, principally due to the depreciation of the Quetzal (Guatemala) and the Lempira (Honduras) against the euro during the year;
- partially offset by:
 - a 68.2% increase in financial expense to €10,299 thousand in the year ended December 31, 2020 from €6,122 thousand in the year ended December 31, 2019, principally due to the increase in obligations and other marketable securities associated with interest payments in relation to the EUR 130 million non-recourse senior green bond and;
 - a 66.9% increase in changes in fair value of financial instruments to a loss of €2,281 thousand in the year ended December 31, 2020 from a loss of €1,367 thousand in the year ended December 31, 2019, principally due to the loss derived from the valuation of the sale price swap associated with the sale of energy arranged by Group companies.

Income/(loss) before tax increased to €3,930 thousand in the year ended December 31, 2019 from €113 thousand in the year ended December 31, 2018, principally due to:

- the above-mentioned 3.5% increase in operating income;
- the decrease in financial expense to €6,122 thousand in the year ended December 31, 2019 from €7,422 thousand in the year ended December 31, 2018, principally due to the decrease in interest payments associated with debts with third parties and;
- the increase in net exchange gains/(losses) to a €10 thousand gain in the year ended December 31, 2019 from a €2,869 thousand loss in the year ended December 31, 2018, principally due to the depreciation of the Quetzal (Guatemala) and the Lempira (Honduras) against the euro during the year and;
- partially offset by the variation in changes in fair value of financial instruments, which amounted to a loss of €1,367 thousand in the year ended December 31, 2019 from a loss of €434 thousand in the year ended December 31, 2018. This change was principally due to the loss derived from the valuation of the interest rate swap associated with the sale of energy arranged by Group companies.

EBITDA AND EBITDA MARGIN

In 2020, EBITDA stood at EUR 25,301 thousand, compared to EUR 19,180 thousand in 2019. The EBITDA margin increased by 11.7% with respect to the previous year, reaching 68.6% in 2020 compared to 56.9% in 2019.

In 2019, EBITDA stood at EUR 19,180 thousand, compared to EUR 18,707 thousand in 2018. The EBITDA margin decreased by 3.1% with respect to the previous year, reaching 56.9% in 2019 compared to 60.0% in 2018.

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

In 2020, Adjusted EBITDA stood at EUR 21,428 thousand, compared to EUR 21,343 thousand in 2019. The Adjusted EBITDA margin decreased by 5.2% with respect to the previous year, reaching 58.1% in 2020 compared to 63.3% in 2019.

In 2019, Adjusted EBITDA stood at EUR 21,343 thousand, compared to EUR 20,031 thousand in 2018. The Adjusted EBITDA margin decreased by 1.0% with respect to the previous year, from 64.3% in 2018 to 63.3% in 2019.

NET FINANCIAL DEBT

As of December 31, 2020, net financial debt stood at EUR 182,193 thousand, compared to EUR 123,089 thousand as of December 31, 2019.

As of December 31, 2019, net financial debt stood at EUR 123,089 thousand, compared to EUR 122,224 thousand as of December 31, 2018.

WORKING CAPITAL

As of December 31, 2020, working capital stood at EUR 7,216 thousand, compared to EUR 8,897 thousand as of December 31, 2019.

As of December 31, 2019, working capital stood at EUR 8,897 thousand, compared to EUR 6,481 thousand as of December 31, 2018.

2.1.1 Alternative performance measures

The Group has prepared its consolidated financial statements as of December 31, 2020 and for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS-EU”), including unaudited financial information for 2019 and 2018 (the “Consolidated Financial Statements”). The Group has also presented certain alternative performance measures (“APMs”) to provide additional information that will contribute to the comparability and understanding of its financial information and facilitate decision-making and evaluation of the Group’s performance. The APMs should be considered by users of the financial information as complementary to, and not as a substitute for, the aggregates presented in accordance with the basis of presentation of the Consolidated Financial Statements. The Group’s most significant APMs are as follows:

A. EBITDA

Definition: Net income/(loss) from continued operations less net financial loss, income tax benefit/(expense) for the year and depreciation and amortization.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Net income/(loss) from continued operations	5,768	5,832	136
(-) Net financial loss	(11,968)	(7,297)	(10,733)
(-) Income tax benefit/(expense) for the year	575	1,902	23
(-) Depreciation and amortization	(8,140)	(7,953)	(7,861)
EBITDA	25,301	19,180	18,707

Explanation of use: EBITDA is considered as a measure of the performance of the Group's activity because it provides information for analysing profitability (before interest, tax, depreciation and amortization). It is also a measure that is widely used by the investment community in appraising companies' performance. Additionally, it is a magnitude widely used by investors when assessing companies, as well as by rating agencies and creditors to assess the level of indebtedness by comparing EBITDA with net financial debt or with debt service.

B. EBITDA MARGIN

Definition: EBITDA divided by net revenues.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA (I)	25,301	19,180	18,707
Net revenues (II)	36,897	33,736	31,167
EBITDA margin (I/II)	68.6%	56.9%	60.0%

Explanation of use: the EBITDA margin is considered by the Group as a measure of the performance of its activity, as it provides information on the percentage contribution that EBITDA represents with respect to net revenues. This contribution allows comparative analyses to be conducted on the performance of our project margins.

C. ADJUSTED EBITDA

Definition: EBITDA less other income, losses, impairment and variation of provisions for trade operations and impairment and income from disposal of fixed assets.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA	25,301	19,180	18,707
(-) Other income	154	245	939
(-) Losses, impairment and variation of provisions for trade operations	980	(3,050)	(1,477)
(-) Impairment and income from disposal of fixed assets	2,739	642	(786)
Adjusted EBITDA	21,428	21,343	20,031

Explanation of use: Adjusted EBITDA is considered by the Group as a measure of the performance of its activity, as it provides an analysis of the profit and loss from operations excluding income not arising strictly from its activity and impairment and disposals of non-current assets.

D. ADJUSTED EBITDA MARGIN

Definition: Adjusted EBITDA divided by net revenues.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Adjusted EBITDA (I)	21,428	21,343	20,031
Net revenues (II)	36,897	33,736	31,167
Adjusted EBITDA margin (I/II)	58.1%¹	63.3%	64.3%

1: The 5.2 percentage point decrease in Adjusted EBITDA margin for the year 2020 compared to the prior year is due to a 0.4% decrease in Adjusted EBITDA for the year 2020 compared to the prior year, primarily due to an increase in Losses, impairment and variation of provisions for trade operations and the reversal of the impairment registered in prior years related to the Xestosa hydropower plant.

Explanation of use: the adjusted EBITDA margin is considered by the Group as a measure of the performance of its activity, excluding income not arising strictly from its activity and impairment and disposals of non-current assets, since it provides information on the percentage contribution represented by adjusted EBITDA with respect to net revenues.

E. WORKING CAPITAL

Definition: Total current assets less total current liabilities.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Total current assets (I)	31,294	25,619	24,673
Total current liabilities (II)	24,078	16,722	18,192
Working capital (I-II)	7,216	8,897	6,481

Explanation of use: Working capital is a financial aggregate used to measure the performance of the Group's activity, since it provides an analysis of the Group's liquidity, operational efficiency and financial health in the short term.

F. NET FINANCIAL DEBT

Definition: The sum of long-term and short-term debts, less long-term and short-term lease liabilities, short-term financial investments and cash and cash equivalents.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Long-term debts (I)	185,518	153,444	152,116
Long-term lease liabilities (II)	6,724	26,272	29,267
Short-term debts (III)	19,133	13,553	13,448
Short-term lease liabilities (IV)	392	3,104	3,014
Short-term financial investments (V)	1,661	1,848	2,046
Cash and cash equivalents (VI)	13,681	12,684	9,013
Net financial debt (I-II+III-IV-V-VI)	182,193	123,089	122,224

Explanation of use: Net financial debt is an aggregate that measures the financial debt position of a company. It is an aggregate widely used by investors when assessing the net financial leverage of companies, as well as by rating agencies and creditors to assess the level of net borrowings.

2.1.2 OPERATING SEGMENTS

Operation of hydropower facilities

A. EBITDA from the operation of hydropower facilities

Definition: Net income/(loss) from continued operations from the operation of hydropower facilities less net financial loss from the operation of hydropower facilities, less income tax benefit/(expense) for the year from the operation of hydropower facilities, and depreciation and amortization relating to the operation of hydropower facilities.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Net income/(loss) from continued operations of hydropower facilities	3,834	4,195	280
(-) Net financial loss on the operation of hydropower facilities	(3,154)	(1,621)	(5,075)
(-) Income tax benefit/(expense) for the year from the operation of hydropower facilities	(655)	(617)	(460)
(-) Depreciation and amortization relating to the operation of hydropower facilities	(2,978)	(2,613)	(2,620)
EBITDA	10,621	9,046	8,435

B. EBITDA MARGIN on the operation of hydropower facilities

Definition: EBITDA from the operation of hydropower facilities divided by net revenues from the operation of hydropower facilities.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA	10,621	9,046	8,435
Net revenues from the operation of hydropower facilities	13,646	11,405	11,577
EBITDA margin	77.8%	79.3%	72.9%

C. ADJUSTED EBITDA on the operation of hydropower facilities

Definition: EBITDA from the operation of hydropower facilities less other income from the operation of hydropower facilities, losses, impairment and variation of provisions for trade operations of hydropower facilities and impairment and income from disposal of fixed assets in this operating segment.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA from the operation of hydropower facilities	10,621	9,046	8,435
Other income from the operation of hydropower facilities	65	-	(18)
Losses, impairment and variation of provisions for trade operations of hydropower facilities	(15)	-	-
Impairment and income from disposal of fixed assets relating to the operation of hydropower facilities	-	-	-
Adjusted EBITDA	10,571	9,046	8,453

D. ADJUSTED EBITDA MARGIN on the operation of hydropower facilities

Definition: Adjusted EBITDA from the operation of hydropower facilities divided by net revenues from the operation of hydropower facilities.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Adjusted EBITDA from the operation of hydropower facilities	10,571	9,046	8,453
Net revenues from the operation of hydropower facilities	13,646	11,405	11,577
Adjusted EBITDA margin	77.5%	79.3%	73.0%

Operation of wind farms

A. EBITDA from the operation of wind farms

Definition: Net income/(loss) from continued operations from the operation of wind farms less net financial loss from the operation of wind farms, income tax benefit/(expense) for the year from the operation of wind farms and depreciation and amortization relating to the operation of wind farms.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Net income/(loss) from continued operations of wind farms	5,469	7,210	4,087
(-) Net financial loss on the operation of wind farms	(4,582)	(3,550)	(2,716)
(-) Income tax benefit/(expense) for the year from the operation of wind farms	(6)	2,256	(343)
(-) Depreciation and amortization relating to the operation of wind farms	(3,954)	(3,515)	(3,469)
EBITDA from the operation of wind farms	14,011	12,019	10,615

B. EBITDA MARGIN on the operation of wind farms

Definition: EBITDA from the operation of wind farms divided by net revenues from the operation of wind farms.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA from the operation of wind farms	14,011	12,019	10,615
Net revenues from the operation of wind farms	13,781	12,981	12,733
EBITDA margin on the operation of wind farms	101.7%	92.6%	83.4%

C. ADJUSTED EBITDA from the operation of wind farms

Definition: EBITDA from the operation of wind farms less other income from the operation of wind farms, losses, impairment and variation of provisions for trade operations of wind farms and impairment and income from disposal of fixed assets in this operating segment.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA from the operation of wind farms	14,011	12,019	10,615
Other income from the operation of wind farms	86	-	259
Losses, impairment and variation of provisions for trade operations of wind farms	(10)	-	-
Impairment and income from disposal of fixed assets relating to the operation of wind farms	2,894	1,175	-
Adjusted EBITDA from the operation of wind farms	11,941	10,944	10,356

D. ADJUSTED EBITDA MARGIN on the operation of wind farms

Definition: Adjusted EBITDA from the operation of wind farms divided by net revenues from the operation of wind farms.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Adjusted EBITDA from the operation of wind farms	11,041	10,844	10,356
Net revenues from the operation of wind farms	13,781	12,981	12,733
Adjusted EBITDA margin on the operation of wind farms	80.1%	83.5%	81.3%

Operation of solar PV plants

A. EBITDA from the operation of solar PV plants

Definition: Net income/(loss) from continued operations of solar PV plants less net financial loss on the operation of solar PV plants, income tax benefit/(expense) for the year from the operation of solar PV plants and depreciation and amortization relating to the operation of solar PV plants.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Net income/(loss) from continued operations of solar PV plants	3,040	(1,131)	52
(-) Net financial loss on the operation of solar PV plants	(879)	(1,305)	(1,614)
(-) Income tax benefit/(expense) for the year from the operation of solar PV plants	2	-	9
(-) Depreciation and amortization relating to the operation of solar PV plants	(1,011)	(1,129)	(1,010)
EBITDA from the operation of solar PV plants	4,928	1,305	2,667

B. EBITDA MARGIN on the operation of solar PV plants

Definition: EBITDA from the operation of solar PV plants divided by net revenues from the operation of solar PV plants.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA from the operation of solar PV plants	4,928	1,303	2,667
Net revenues from the operation of solar PV plants	4,283	4,621	4,243
EBITDA margin on the operation of solar PV plants	115.1%	28.2%	62.9%

C. ADJUSTED EBITDA from the operation of solar PV plants

Definition: EBITDA from the operation of solar PV plants less other income from the operation of solar PV plants, losses, impairment and variation of provisions for trade operations of solar PV plants and impairment and income from disposal of fixed assets in this operating segment.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA from the operation of solar PV plants	4,928	1,303	2,667
Other income from the operation of solar PV plants	-	-	-
Losses, impairment and variation of provisions for trade operations of solar PV plants	1,005	(3,050)	(1,425)
Impairment and income from disposal of fixed assets relating to the operation of solar PV plants	-	-	-
Adjusted EBITDA from the operation of solar PV plants	3,923	4,353	4,092

D. ADJUSTED EBITDA MARGIN on the operation of solar PV plants

Definition: Adjusted EBITDA from the operation of solar PV plants divided by net revenues from the operation of solar PV plants.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Adjusted EBITDA from the operation of solar PV plants	3,923	4,353	4,092
Net revenues from the operation of solar PV plants	4,283	4,621	4,243
Adjusted EBITDA margin on the operation of solar PV plants	91.6%	94.2%	96.4%

Other services

A. EBITDA from other services

Definition: Net income/(loss) from continued operations of other services less net financial loss from other services, income tax benefit/(expense) for the year from other services and depreciation and amortization relating to other services.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Net income/(loss) from continued operations of other services	(7,012)	(4,828)	(4,302)
(-) Net financial loss from other services	(3,344)	(806)	(1,333)
(-) Income tax benefit/(expense) for the year from other services	1,347	297	824
(-) Depreciation and amortization relating to other services	(195)	(696)	(762)
EBITDA from other services	(4,820)	(3,623)	(3,031)

B. EBITDA MARGIN on other services

Definition: EBITDA from other services divided by net revenues from other services.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA from other services	(4,820)	(3,623)	(3,031)
Net revenues from other services	802	690	77
EBITDA margin on other services	n.m.	n.m.	n.m.

n.m.: not meaningful.

C. ADJUSTED EBITDA from other services

Definition: EBITDA from other services less other income from other services, losses, impairment and variation of provisions for trade operations from other services and impairment and income from disposal of fixed assets in this operating segment.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA from other services	(4,820)	(3,623)	(3,031)
Other income from other services	3	245	698
Losses, impairment and variation of provisions for trade operations from other services	-	-	(56)
Impairment and income from disposal of fixed assets relating to other services	(155)	(533)	(786)
Adjusted EBITDA from other services	(4,668)	(3,335)	(2,887)

D. ADJUSTED EBITDA MARGIN on other services

Definition: Adjusted EBITDA from other services divided by net revenues from other services.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Adjusted EBITDA from other services	(4,668)	(3,335)	(2,887)
Net revenues from other services	802	690	77
Adjusted EBITDA margin on other services	n.m.	n.m.	n.m.

n.m.: not meaningful.

Energy commercialization

A. EBITDA from energy commercialization

Definition: Net income/(loss) from continued operations of energy commercialization less net financial loss from energy commercialization, income tax benefit/(expense) for the year from energy commercialization and depreciation and amortization relating to energy commercialization.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Net income/(loss) from continued operations of energy commercialization	437	386	19
(-) Net financial loss from energy commercialization	(9)	(15)	5
(-) Income tax benefit/(expense) for the year from energy commercialization	(113)	(34)	(7)
(-) Depreciation and amortization relating to energy commercialization	(2)	-	-
EBITDA from energy commercialization	561	435	21

B. EBITDA MARGIN from energy commercialization

Definition: EBITDA from energy commercialization divided by net revenues from energy commercialization.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA from energy commercialization	561	435	21
Net revenues from energy commercialization	4,385	4,039	2,537
EBITDA margin from energy commercialization	12.8%	10.8%	0.8%

C. ADJUSTED EBITDA from energy commercialization

Definition: EBITDA from energy commercialization less other income from energy commercialization, losses, impairment and variation of provisions for trade operations from energy commercialization and impairment and income from disposal of fixed assets in this operating segment.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA from energy commercialization	561	435	21
Other income from energy commercialization	-	-	-
Losses, impairment and variation of provisions for trade operations from energy commercialization	-	-	4
Impairment and income from disposal of fixed assets relating to energy commercialization	-	-	-
Adjusted EBITDA from energy commercialization	561	435	17

D. ADJUSTED EBITDA MARGIN on energy commercialization

Definition: Adjusted EBITDA from energy commercialization divided by net revenues from energy commercialization.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Adjusted EBITDA from energy commercialization	561	435	17
Net revenues from energy commercialization	4,385	4,039	2,537
Adjusted EBITDA margin on energy commercialization	12.8%	10.8%	0.7%

2.1.3 GEOGRAPHICAL INFORMATION

Spain

A. EBITDA in Spain

Definition: Net income/(loss) from continued operations in Spain less net financial loss in Spain, income tax benefit/(expense) for the year in Spain and depreciation and amortization in Spain.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Net income/(loss) from continued operations in Spain	2,989	7,080	4,559
(-) Net financial loss in Spain	(9,778)	(5,384)	(5,041)
(-) Income tax benefit/(expense) for the year in Spain	773	2,004	145
(-) Depreciation and amortization in Spain	(6,074)	(5,620)	(5,713)
EBITDA in Spain	18,068	16,080	15,165

B. EBITDA MARGIN in Spain

Definition: EBITDA in Spain divided by net revenues in Spain.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA in Spain	18,068	16,080	15,165
Net revenues in Spain	24,514	22,194	21,655
EBITDA margin in Spain	73.7%	72.5%	70.0%

C. ADJUSTED EBITDA in Spain

Definition: EBITDA in Spain less other income in Spain, losses, impairment and variation of provisions for trade operations in Spain and impairment and income from disposal of fixed assets in this geographical region.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA in Spain	18,068	16,080	15,168
Other income in Spain	155	174	1,685
Losses, impairment and variation of provisions for trade operations in Spain	(21)	-	(56)
Impairment and income from disposal of fixed assets in Spain	2,739	642	(786)
Adjusted EBITDA in Spain	15,195	15,264	14,325

D. ADJUSTED EBITDA MARGIN in Spain

Definition: Adjusted EBITDA in Spain divided by net revenues in Spain.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Adjusted EBITDA in Spain	15,195	15,264	14,325
Net revenues in Spain	24,514	22,194	21,655
Adjusted EBITDA margin in Spain	62.0%	68.8%	66.2%

Guatemala

A. EBITDA in Guatemala

Definition: Net income/(loss) from continued operations in Guatemala less net financial loss in Guatemala, income tax benefit/(expense) for the year in Guatemala and depreciation and amortization in Guatemala.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Net income/(loss) from continued operations in Guatemala	308	172	(4,336)
(-) Net financial loss in Guatemala	(1,208)	(604)	(4,124)
(-) Income tax benefit/(expense) for the year in Guatemala	(178)	(72)	(75)
(-) Depreciation and amortization in Guatemala	(1,038)	(1,200)	(1,134)
EBITDA in Guatemala	2,732	2,048	997

B. EBITDA MARGIN in Guatemala

Definition: EBITDA in Guatemala divided by net revenues in Guatemala.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA in Guatemala	2,732	2,048	997
Net revenues in Guatemala	8,100	6,921	5,269
EBITDA margin in Guatemala	33.7%	29.6%	18.9%

C. ADJUSTED EBITDA in Guatemala

Definition: EBITDA in Guatemala less other income in Guatemala, losses, impairment and variation of provisions for trade operations in Guatemala and impairment and income from disposal of fixed assets in this geographical region.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA in Guatemala	2,732	2,048	997
Other income in Guatemala	-	73	(746)
Losses, impairment and variation of provisions for trade operations in Guatemala	(4)	-	-
Impairment and income from disposal of fixed assets in Guatemala	-	-	-
Adjusted EBITDA in Guatemala	2,736	1,975	1,743

D. ADJUSTED EBITDA MARGIN in Guatemala

Definition: Adjusted EBITDA in Guatemala divided by net revenues in Guatemala.

Reconciliation: The reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Adjusted EBITDA	2,736	1,975	1,743
Net revenues	8,100	6,921	5,269
Adjusted EBITDA margin in Guatemala	33.8%	28.5%	33.1%

Honduras

A. EBITDA in Honduras

Definition: Net income/(loss) from continued operations in Honduras less net financial loss in Honduras, income tax benefit/(expense) for the year in Honduras and depreciation and amortization in Honduras.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Net income/(loss) from continued operations in Honduras	2,816	(1,373)	(87)
(-) Net financial loss in Honduras	(883)	(1,306)	(1,568)
(-) Income tax benefit/(expense) for the year in Honduras	(20)	(29)	(47)
(-) Depreciation and amortization in Honduras	(1,017)	(1,133)	(1,014)
EBITDA in Honduras	4,736	1,095	2,542

B. EBITDA MARGIN in Honduras

Definition: EBITDA in Honduras divided by net revenues in Honduras.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA in Honduras	4,736	1,095	2,542
Net revenues in Honduras	4,283	4,621	4,243
EBITDA margin in Honduras	110.6%	23.7%	59.9%

C. ADJUSTED EBITDA in Honduras

Definition: EBITDA in Honduras less other income in Honduras, losses, impairment and variation of provisions for trade operations in Honduras and impairment and income from disposal of fixed assets in this geographical region.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA in Honduras	4,736	1,095	2,542
Other income in Honduras	(1)	(2)	-
Losses, impairment and variation of provisions for trade operations in Honduras	1,005	(3,050)	(1,421)
Impairment and income from disposal of fixed assets in Honduras	-	-	-
Adjusted EBITDA in Honduras	3,732	4,147	3,963

D. ADJUSTED EBITDA MARGIN in Honduras

Definition: Adjusted EBITDA in Honduras divided by net revenues in Honduras.

Reconciliation: The reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
Adjusted EBITDA	3,732	4,147	3,963
Net revenues	4,283	4,621	4,243
Adjusted EBITDA margin in Honduras	87.1%	89.7%	93.4%

Other geographical areas²

A. EBITDA in other geographical areas

Definition: Net income/(loss) from continued operations in other geographical areas less net financial loss in other geographical areas, income tax benefit/(expense) for the year in other geographical areas and depreciation and amortization in other geographical areas.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

² Other geographical areas include Nicaragua, Panama and Dominican Republic.

	2020	2019	2018
Net income/(loss) from continued operations in other geographical areas	(345)	(47)	-
(-) Net financial loss in other geographical areas	(99)	(3)	-
(-) Income tax benefit/(expense) for the year in other geographical areas	-	(1)	-
(-) Depreciation and amortization in other geographical areas	(11)	-	-
EBITDA in other geographical areas	(235)	(43)	-

B. EBITDA MARGIN in other geographical areas

Definition: EBITDA in other geographical areas divided by net revenues in other geographical areas.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA in other geographical areas	(235)	(43)	-
Net revenues in other geographical areas	-	-	-
EBITDA margin in other geographical areas	n.m.	n.m.	-

n.m.: not meaningful.

C. ADJUSTED EBITDA in other geographical areas

Definition: EBITDA in other geographical areas less other income in other geographical areas, losses, impairment and variation of provisions for trade operations in other geographical areas and impairment and income from disposal of fixed assets in this geographical region.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
EBITDA in other geographical areas	(235)	(43)	-
Other income in other geographical areas	-	-	-
Losses, impairment and variation of provisions for trade operations in other geographical areas	-	-	-
Impairment and income from disposal of fixed assets in other geographical areas	-	-	-
Adjusted EBITDA in other geographical areas	(235)	(43)	-

D. ADJUSTED EBITDA MARGIN in other geographical areas

Definition: Adjusted EBITDA in other geographical areas divided by net revenues in other geographical areas.

Reconciliation: the reconciliation of this APM to the Consolidated Financial Statements for 2020 is as follows (amounts in thousands of euros):

	2020	2019	2018
ADJUSTED EBITDA in other geographical areas	(235)	(43)	-
Net revenues in other geographical areas	-	-	-
Adjusted EBITDA margin in other geographical areas	n.m.	n.m.	-

n.m.: not meaningful

2.2 Average period payment to suppliers

The average period of payment in 2020 was 87 days (2019: 145 days; 2018: 167 days). This represents a reduction in the average period of payment to suppliers in 2020 with respect to 2019, as a result of efforts to align events giving rise to payments with those giving rise to collection in order to reduce payment time.

2.3 Key non-financial indicators

2.3.1 Production

All of the electricity generated by the Group comes from renewable sources: hydropower, wind power and solar PV, in the following regions:

Electricity production (GWh)							
Country	Region	Source	2020	2019	2018	2017	2016
Spain	Galicia	Hydropower	92.88	101.45	107.52	41.7	111.91
Spain	Galicia	Wind	63.16	61.21	62.48	52.17	52.37
Spain	Canary Islands	Wind	80.33	81.14	82.22	21.49	-
Spain	All	All	236.37	243.80	252.2	115.4	164.3
Guatemala	Quetzaltenango	Hydropower	35.97	31.39	27.86	34.51	22.91
Honduras	Choluteca	Solar PV	25.78	27.77	26.96	27.14	28.11
All	All	All	298.12	302.96	307.04	177.01	215.3

Power in operation, by region (MWh)

Country	Region	Source	2020	2019	2018	2017	2016
Spain	Galicia	Hydropower	38.30	38.20	38.20	38.20	38.20
Spain	Galicia	Wind	21.00	21.00	21.00	21.00	21.00
Spain	Canary Islands	Wind	43.60	29.20	29.20	29.20	-
Spain	All	All	102.90	88.40	88.40	88.40	59.20
Guatemala	Quetzaltenango	Hydropower	14.20	14.20	14.20	14.20	14.20
Honduras	Choluteca	Solar PV	16.20	16.22	16.22	16.22	16.22
All	All	All	133.30	118.82	118.82	118.82	89.62

Power in operation, by technology (MWh)

Technology	Country	Region	2020	2019	2018	2017	2016
Hydropower	Spain	Galicia	38.30	38.20	38.20	38.20	38.20
Hydropower	Guatemala	Quetzaltenango	14.20	14.20	14.20	14.20	14.20
Hydropower	All	All	52.50	52.40	52.40	52.40	52.40
Wind	Spain	Galicia	21.00	21.00	21.00	21.00	21.00
Wind	Spain	Canary Islands	43.60	29.20	29.20	29.20	-
Wind	All	All	64.60	50.20	50.20	50.20	21.00
Solar PV	Honduras	Choluteca	16.20	16.22	16.22	16.22	16.22
All	All	All	133.30	118.82	118.82	118.82	89.62

2.3.2 Environment

The main essential principles that we have respected and taken on as our own include the preservation of surroundings, integration of the production facilities into the environment, respect for human rights and commitment to the communities in which the Group carries on its activities.

This commitment is also demonstrated in the long-term vision of each project and in the responsibility assumed vis-à-vis local communities and stakeholders. For this reason, the Group has always ensured, and will continue to ensure, the utmost respect towards both the natural and social surroundings of its projects, and it will continue to strive to protect the investments and the people involved in the performance of its activities.

Based on these premises, the actions detailed below are included in the environmental sustainability plan:

- **Respect for natural environment:** The main objective is to ensure that the environment is cared for, guaranteeing respect and care for the natural surroundings and having the resources required to cause the lowest impact possible when performing activities. This commitment to natural surroundings is put into practice through various sustainability programs.

- Sustainable water management:** Responsible and sustainable water management is a basic pillar of our environmental sustainability policy, for which purpose: (i) we conduct studies of minimum and environmental water flows, as well as water quality studies, once a year; (ii) we implement measures to improve consumption (implementation of water consumption measurement and control mechanisms at the headquarters and at the assets); and (iii) we ensure that water is returned to nature and to local communities.
- Protection of biodiversity:** Examples of our commitment with biodiversity include most notably the following actions: (i) installation of monitoring equipment and infrared lighting at the new wind power assets, aimed at reducing the risk of bird collisions, and which cause wind turbines to stop when birds approach; (ii) signaling measures for flows of migratory birds; (iii) use of fish barrier and ladder systems at the new hydropower plants; (iv) installation of fire dampers to avoid fires at power facilities; and (v) reforestation processes.

2.3.3 Employees

Senior management is basically made up of six people, with an average age of forty-eight and an average length of service of more than fourteen years at the Company.

This scenario is not exclusively limited to senior management, but is rather a reflection of the various departments, which have a similar situation, despite growth and internationalization resulting in the gradual entry of new workers. Along these lines, 6 people have been at the Group for more than 20 years and 14 people have been providing their services for between 10 and 20 years. This low turnover after more than 30 years, particularly in key roles, is testament to the commitment and loyalty of the Company's staff members.

The fact that their professional careers have been forged with the Group makes it hard to distinguish between the Group and its own management team and employees. This alignment of objectives and knowledge of the organization and its processes is very uncommon. These conditions have resulted in high productivity among our employees.

The average number of Group employees in 2020, 2019 and 2018, broken down by category, is as follows:

	2020	2019	2018
Management personnel	4	5	5
Administrative-type employees	2	3	3
Rest of qualified personnel	29	28	28
Other unskilled workers	7	7	8
Total	42	43	44

The distribution by gender as of December 31, 2020, 2019 and 2018, of the employees and the management, is as follows:

	2020		2019		2018	
	Male	Female	Male	Female	Male	Female
Managing directors	1	2	-	-	-	-
Rest of management personnel	3	-	5	-	5	-
Administrative-type employees	1	1	1	1	1	2
Rest of qualified personnel	18	9	16	7	18	9
Other unskilled workers	5	2	5	-	7	2
Total	28	14	27	8	31	13

We form part of collective bargaining agreements with workers' organizations in Spain, and the management of the Group considers that the terms and conditions of these agreements are consistent with general industry practice. We believe that we enjoy satisfactory labor relations with our employees, and we have not experienced any major industrial disputes or work stoppages.

Our success depends to a large extent on our ability to attract and retain qualified employees, for which purpose we have adopted competitive and attractive remuneration policies based on professional development, individual objectives and the Group's general performance.

3. LIQUIDITY AND CAPITAL RESOURCES

The main sources of financing for our projects are as follows:

- We are financing 93 MW of our Portfolio with a EUR 130 million non-recourse senior green bond (composed of (i) EUR 39 million guaranteed class A1 bonds bearing a 2.35% interest rate due December 31, 2040 and (ii) EUR 91 million guaranteed class A2 bonds bearing a 2.35% interest rate due December 31, 2040) to replace existing senior debt facilities as of December 31, 2019, fund project related capital expenditures and corporate general purposes and pay any ancillary costs (the "Senior Bond" or "Green Project Bond"). As said, the issuance of the Senior Bond replaced our existing senior debt facilities allowing us to extend the maturity of our existing debt, reducing the financing cost of our operating projects in Spain and raising additional resources for financing equity of the projects under construction in the Canary Islands in 2021.
- We also use bank loans under non-recourse project finance structures to finance in a long term our projects in Guatemala and Honduras with local banks and the construction of our projects in the Canary Islands in 2021.
- Finally, we are using an innovative financing structure in the Canary Islands which allows raising from private investors funds for 5 years bullet with a rate of 1%, who complete their profitability with specific tax profits available in Canary Islands.

Our main liquidity and capital requirements as of December 31, 2020, mainly related to our Senior Bond and non-recourse project finance from financial institutions are to finance project development and construction costs, current operations, working capital requirements and debt service obligations.

Thus, we mainly focus in maintaining adequate financing flexibility by formalizing short-term financing operations as well as maturities deferral when possible.

The Group also has liquidity constraints related to debt service requirements in connection with its existing and future debt. The Group's current and non-current financial liabilities amounted to EUR 204,651 thousand as of December 31, 2020, EUR 166,997 thousand as of December 31, 2019 and EUR 165,564 thousand as of December 31, 2018, representing 94.2% as of December 31, 2020, 92.5% as of December 31, 2019 and 94.1% as of December 31, 2018 of our total liabilities as of such dates. The increase in financial liabilities as of December 31, 2020 is principally due to the fact that during the year ended December 31, 2020, we issued the Senior Bond.

The Group will continue to use capital in the future to finance the construction and operation of new renewable energy facilities and support the growth of its Pipeline. As a normal part of our business and depending on market conditions, the Group will, from time to time, consider opportunities to repay, redeem, repurchase or refinance its indebtedness, such as the Senior Bond. The Group has historically financed its liquidity and capital requirements primarily through non-recourse project finance from financial institutions at a local and/or international level (comprising also development banking institutions) as well as multilateral collective investment entities or other innovative ways.

Changes in the Group's operating plants, lower than anticipated electricity sales, increased expenses or other events may cause to seek additional debt, equity or other financing in future periods. There can be no guarantee that financing will be available on acceptable terms or at all. Debt financing, if available, could impose additional cash payment obligations, additional covenants and operating restrictions.

In terms of our liquidity position, the cash flows from the Group's operations are the main source of cash financing for existing operations, capital expenditure, investments and interest and capital payment obligations. The Group also relies on external financing, including bonds or loans from financial institutions, as described above. The Group's general financing policy consists of managing its liquidity to ensure that the Group's maintain access to funds required for future obligations.

3.1 Financial obligations

The following table provides a breakdown of the current and non-current financial liabilities as of December 31, 2020, 2019 and 2018:

	2020		2019		2018	
	Non-current	Current	Non-current	Current	Non-current	Current
	(in thousands of euros)					
Debt with financial institutions	39,947	3,184	116,478	10,010	120,472	9,239
Lease liabilities.....	6,724	392	26,272	3,104	29,267	3,014
Obligations and other marketable securities	116,096	6,382	-	-	-	-
Debt with related parties.....	8,479	834	3	-	-	67
Derivatives	-	1,554	1,317	-	-	-
Other financial liabilities	14,272	6,787	9,374	439	2,377	1,128
Total non-current and current payables	185,518	19,133	153,444	13,553	152,116	13,448

Our main financial liability is our Senior Bond. The maturities of the nominal value of the bond, in thousands of euros and categorized separately for Class A1 and Class A2, are as follows:

In thousands of euros	2020	2021	2022	2023	2024	Subsequent years	Total
Class A1	1,650	1,977	1,926	2,472	2,796	28,179	39,000
Class A2	3,849	4,613	4,494	5,768	6,524	65,752	91,000
Total	5,499	6,590	6,420	8,240	9,320	93,931	130,000

The amounts and maturities of our Senior Bond, and of the bank loans arranged under non-recourse project finance structures to finance our projects in Guatemala and Honduras with local banks, are subject to compliance with a series of financial and non-financial covenants. The aforementioned covenants are being met at the reporting date.

3.2 Contractual obligations and off-balance sheet transactions

We have contingent liabilities relating to bank guarantees, surety certificates and other guarantees provided in the normal course of our operations. In the normal course of business, we are obliged to provide performance bonds in the form of bank or cash guarantees for the performance of projects, as well as surety certificates.

4. MAIN RISKS AND UNCERTAINTIES

Management of the Parent is generally responsible for establishing and supervising the Group's risk management framework. The Board of Directors has empowered Company management to develop and supervise the Group's financial risk management policies. Group management is committed to managing financial risks and works to analyze those to which the Group is exposed, so that we can mitigate the potential uncertainties we face.

The Group's risk management policies are established to identify and analyze the financial risks faced by the Group, set appropriate limits and risk controls and supervise risks and compliance with limits. The risk management policies and systems are reviewed regularly to reflect changes in the Group's market, circumstances and activities. Through its training and management standards and procedures, the Group aims to maintain a disciplined and constructive financial control environment in which all employees understand their roles and obligations.

The activities carried out by the Group are exposed to various financial risks: market risk (including exchange rate risk, interest rate risk and market price risk), credit risk and liquidity risk. The risk assessment is carried out on the analysis of its impact probability and its severity, which allows to control the risks and, through periodic updates, makes possible to have the capacity to act and adapt, mitigating threats that could arise from the changing and globalized environment in which the Group operates.

The Group's global risk management program focuses on the uncertainty of the financial markets and tries to minimize the potential adverse effects on the Group's financial profitability. The Group uses derivatives to hedge certain risks.

Risks are classified into operational risks and risks related to the financial situation.

4.1. Financial risks

Risk management is controlled by the Group's Central Treasury Department in accordance with policies approved. This Department identifies, assesses and hedges financial risks in close collaboration with the Group's operating units.

MARKET RISK

Market risk is the risk that changes in market prices (for example, exchange rates or interest rates) will affect the Group's income or the value of its financial instruments. The objective of market risk management is to manage and control exposure to such risks within acceptable parameters, while optimizing profitability. To manage market risks, the Group uses derivatives and closes long-term energy sales contracts at an established price. All these transactions are carried out within the guidelines established by the Company's Management.

Interest rate risk

The Group adopts the policy of ensuring that most of its cash flows are exposed to a fixed interest rate. This is achieved in part by underwriting fixed-rate instruments and by formalizing borrowings at a variable rate and using interest rate swaps as hedges for the variability of cash flows attributable to variations in interest rates.

As the Group does not have significant remunerated assets, the income and cash flows from the Group's operating activities are mostly independent from fluctuations in market interest rates. The Group's interest rate risk arises from long-term borrowings.

Until the cancellation in 2020 of the financing associated with certain renewable energy facilities in Spain, the Group managed the interest rate risk in cash flows through variable to fixed interest rate swaps for the loan granted to Drago Renovables, S.L. and Mocan Renovables, S.L. by Banco Sabadell, S.A. Following the issuance of the Project Bond in 2020, the interest rate risk has been mitigated as it is a financing issued at a fixed interest rate.

Therefore, income and cash flows from the Group's operating activities are mostly independent from fluctuations in market interest rates and consequently, given that the Group's indebtedness is at fixed interest rate, it was estimated that the interest rate risk was not significant as of December 31, 2020.

Market price risk

The Group is exposed to the risk that volatility of the energy market implies on its gross operating margin. The energy market is an active market, in which prices are subject to certain volatility as a result of the interaction of supply and demand. This exposes the Group to the risk of compromising its gross operating margins.

The Group signs agreements with clients to ensure the sale price of the energy sold and its gross operating margins (Power Purchase Agreements or "PPAs" and regulated remuneration schemes). These contracts allow the Group to secure the price of energy for a period of time. The Group's policy is that these agreements cover at least 70% of the income, being at the end of the year in a range higher than 80%.

The rates at which the Group supplies energy may have a slight or no relation to the costs incurred in generating energy, which may generate fluctuations in margins.

Therefore, only those assets that are exposed to merchant remuneration schemes, mainly in the Canary Islands, are exposed to market price risk.

A change of 100 basis points in prices would have increased or decreased energy sales by EUR 316 thousand (2019: EUR 290 thousand; 2018: EUR 290 thousand). This analysis assumes that all other variables, at particular foreign currency exchange rates, remain constant.

Due to the generation mix and sales price assurance established by the Group to mitigate market price risk, the pandemic caused by COVID-19 and the health and economic crisis has not had a material impact on the Group's Consolidated Financial Statements. For further information, please see Note 9 to the Consolidated Financial Statements.

Foreign currency risk

The exchange rate risk arises from future commercial transactions, recognized assets and liabilities and net investments in businesses carried out in foreign countries. The Group is exposed to the risk of transactional exchange rate to the extent that the Group carries out transactions in currencies other than the functional currencies of the different subsidiaries that comprise the Group. The main functional currency of the group companies is the euro. Nonetheless, there are certain subsidiaries that operate with currencies other than the euro, especially the dollar, lempira and quetzal.

To reduce the risk inherent to investments in foreign businesses with a functional currency other than the euro, the Group tries to borrow in the same functional currency of the assets it finances. In addition, at the end of the years ended December 31, 2020, 2019 and 2018, the Group has a “secured portfolio” which means that it has a balanced portfolio with diversified technology and geography, as well as 100% linked to hard currencies in relation to the contracts of the different remuneration schemes, mainly the dollar.

For more information, see Note 9 to the Consolidated Financial Statements.

CREDIT RISK

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each client. However, the Group also considers factors that may influence the credit risk of its customer base, including the risk of default associated with the industry and the country in which clients operate.

Credit risk is the risk of financial loss for the Group if a client or counterpart of a financial instrument does not comply with its contractual obligations and arises mainly from accounts receivable from clients and investments in debt instruments.

The objective of managing this risk is to reduce, as far as possible, its impact through a preventive examination of the solvency of the Group's clients. Once the contracts are in execution, the credit quality of the pending collection amounts are periodically evaluated and the estimated recoverable amounts that are considered doubtful are reviewed.

Management has established a credit policy according to which each new client is individually analysed to determine their solvency before the standard period of credit granted by the Group to its clients.

Likewise, the Group maintains its treasury in financial institutions with a high credit rating. Therefore, the Group's credit risk has historically been very low, including in the year ended December 31, 2020.

In response to the COVID-19 pandemic, the Risk Management Committee has also carried out more frequent reviews of the sales limits for customers in the worst-affected regions and industries. The Group limits its exposure to the credit risk associated with trade receivables by establishing payment periods of 30 days and 90 days for individual and corporate customers, respectively.

Expected credit loss analysis for trade receivables of contracts with customers

The Group allocates a level of credit risk to each case of exposure based on the information available in order to predict the expected credit loss (including, among other sources, external ratings, audited financial information and statements, management accounts, cash flow projections and information in the press regarding customers), using the judgement of management which is based on years of experience with the Group. The levels of credit risk are defined by using qualitative and quantitative factors which indicate the risk of non-compliance.

Exposure within each level of credit risk is segmented and classified by geographical region and industry, and an ECL rate is calculated for each segment on the basis of the default status and actual experience of credit losses over the last seven years. These rates are multiplied by scaling factors to reflect the differences between the economic circumstances during the period in which the data was gathered, current circumstances and the Group's opinion on the economic circumstances during the expected life of the accounts receivable.

The impairment scales in 2020 have been reviewed, reflecting the real and expected impact of COVID-19 pandemic in each geographic region, although since the Group's services are classified as "essential" the impact has been limited.

For more information, see Note 9 to the Consolidated Financial Statements.

LIQUIDITY RISK

Liquidity risk is the risk that the Group finds difficulties to meet obligations associated with its financial liabilities settled through the delivery of cash or another asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it has enough liquidity to meet its liabilities when they mature, without incurring unacceptable losses or risk of damage to the reputation of the Group.

The Group uses the cost of its activities to calculate the cost of its products and services, which helps monitoring cash flow requirements and optimize cash return on investments.

The Group carries out a cautious liquidity risk management, based on the maintenance of enough cash, the availability of financing through the issuance of negotiable securities or available credit facilities and sufficient capacity to settle market positions. Given the dynamic nature of the underlying businesses, the Group's treasury department aims to maintain flexibility in its financing. Therefore, formalizing short-term financing operations or deferral of operations maturity.

For further information, see Note 9 of the Consolidated Annual Accounts.

CASH FLOW INTEREST RATE RISK

Most of the Group's income and cash flows from operations are unaffected by changes in market interest rates. The Group's interest rate risk arises from non-current borrowings.

In the past, until the settlement of the related financing, the Group managed the cash flow interest rate risk by means of floating-to-fixed swaps for the loan granted to Drago Renovables, S.L. and Mocan Renovables, S.L. by Banco Sabadell, S.A.

4.2. Operational risks

The detail of the operational risks that affect us is as follows:

PROJECT PIPELINE

Year-on-year changes in the size of our Pipeline or projects portfolio may have a significant impact on our results of operations. In general terms, the increase in the number of projects translates into a general increase in expenses in the Group's profit and loss account.

SIGNIFICANT UPFRONT INVESTMENTS IN OUR PROJECTS

Accomplishing the Group's Pipeline requires to make significant upfront investments, particularly in connection with costs associated with project analysis and feasibility studies, payments for land rights, payments for interconnection and grid connectivity arrangements, government permits, engineering and procurement of our renewable energy facilities, in addition to the personnel-hours dedicated by the Group's employees, which affect results of operations.

LICENCES, AUTHORIZATIONS, CONCESSIONS AND PERMITS

The Group is required to obtain various interconnection, environmental, construction and other administrative approvals in connection with its operations in the countries in which the Group's operate. Failure to comply with applicable laws, regulations or recognized international standards or to obtain or renew the necessary permits and approvals may result in the loss of the right to operate facilities or continue operations, the imposition of significant administrative liabilities or costly compliance procedures or other enforcement measures that could have the effect of closing or limiting production from the Group's operations, any of which could impair the ability to successfully compete in the industry, which could have a material adverse effect on its consolidated results of operations.

REGULATORY CHANGES

Electricity generation activity is regulated in all jurisdictions in which the Group operates. Therefore, regulation can have a direct impact on the Group's results.

The Group is subject to a variety of laws and regulations in the markets in which it operates, some of which may conflict with each other and all of which are subject to change. The Group operates in a variety of international locations, including emerging markets and markets with political uncertainties. Note 2 of the Consolidated Financial Statements describes the most relevant regulatory framework affecting the Group.

RISKS RELATED TO NORMAL OPERATIONS IN THE COURSE OF BUSINESS

The operational risk in the Group's activities is concentrated in the impossibility of generating electricity, or of completing the work of a solar photovoltaic, hydropower plants or wind farms. In order to minimize these risks, the Group conducts the following measures:

- **Insurance:** the vast majority of the aforementioned operational risks are capable of being insured. In this way, the Group has an insurance program, contracted with insurers of recognized solvency, to adequately cover the risks related to the development of projects, both in the construction and assembly phase and in the operation of the plants. Ecoener has worked for more than 15 years with an insurance broker that has staff with extensive experience in the renewable energy sector and has provided professional support to the Group, both in the facilities built in Spain, and internationally. The Group's insurance program covers transportation, construction or assembly risks, anticipated loss of profits, civil liability, risks of material damage, machinery breakdowns and loss of operational profits and civil liability for contamination.
- **Quality process:** the Group develops adequate operation and maintenance processes so that those uninsurable events of interruption in electricity generation are minimal. Likewise, the Group has a criteria for spare parts aimed at a rapid resolution of production stoppages.

RISKS DUE TO CUSTOMER CONCENTRATION

The Group operates mainly with PPA contracts for the sale of energy or with regulated remuneration schemes which, in many cases, has a main customer as the buyer of energy and with an established energy sale price. This high concentration of customers is mitigated by the fact that the contracts are long-term and oblige the buyer to purchase energy during that period, so the loss of future business will only be in cases of the buyer's insolvency, and not by commercial decisions.

Additionally, the Group generates the remaining income by selling electricity through merchant remuneration systems, therefore by selling the energy generated to the market.

5. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Company expects its shares to be listed on the Spanish Stock Exchanges during the first half of 2021.

On March 4, 2021, the Sole Shareholder of Grupo Ecoener, S.A.U. proceeded to write-off part of the credit it has with said Company for an amount of EUR 6,500 thousand and which is recorded in the Consolidated Financial Statements under debts with related parties. The aforementioned transaction has been carried out as a shareholder contribution by means of the write-off of part of the credits held by the Sole Shareholder in the Company.

On March 22, 2021, the Board of Directors of Grupo Ecoener, S.A. approved a long-term incentive plan for the period 2021-2023. The remuneration set forth in the plan, will be payable in cash upon the fulfillment of a series of business objectives. Beneficiaries will receive the incentive if they voluntarily join the plan and remain within the company in 2023. The maximum remuneration to be distributed among the beneficiaries, will consist of 0.5% of the EBITDA of Grupo Ecoener, S.A.U. in 2023. The maximum number of beneficiaries will be eight. Said plan is not linked to the Initial Public Offering.

On March 22, 2021, the Sole Shareholder proposed to carry out a capital increase in the amount of 12,240,000 euros, through the issuance of 122,400 new registered shares, with a nominal value of 100 euros each, through capitalization of an amount of 12,240,000 euros of freely available reserves to share capital. Simultaneously, the Sole Shareholder proposed to modify the nominal value of the shares, which becomes 0.32 euros, creating by dividing the existing 312.5 new shares for each existing share, thus converting the 128,000 registered shares currently existing in 40,000,000 registered shares of the Company of the same class and series, fully subscribed and paid up. It is estimated that both transactions will be approved without any modification.

Except as per what was indicated in the preceding paragraphs, for the period from December 31, 2020, to the date of preparation of the consolidated financial statements of the Group as of December 31, 2010 and for the year then ended, no significant events worthy of mention have occurred or have come to the Parent Company's attention.

6. OUTLOOK FOR THE GROUP³

In future periods, the Group will mainly seek to continue funding investments for the development and construction of the projects identified as part of the Pipeline.

Current outlook prospects are positioning the Group in a favorable position as indicated by current industry trends. In the medium and long term, electrical power is expected to exponentially gain market share and continue to evolve until becoming the largest energy provider, covering 49% of the world's energy demand.

Hence, we believe that we are in a good position to capitalize on the momentum of renewable energies given our experience in multiple technologies, our experience throughout the value chain, our diversified Portfolio and investment opportunities, and our capabilities to produce energy in hydropower, wind and solar PV technologies. We also believe that our Backlog (totaling 284 MW), Advanced Development (totaling 64 MW) and Early Stage (totaling 1,179 MW) projects are indicators of the strength of our business, our capacity to expand our geographic footprint base and our ability to generate operating revenue and visible cash flows in the near and medium term.

³ This section of the management report contains certain forward-looking information reflecting projections and estimates with underlying assumptions, statements regarding plans, objectives, and expectations in relation to future operations, investments, synergies, products and services, and statements about future results or estimates by management, which are based on assumptions that are believed to be reasonable by management.

In this regard, while the Group believes that the expectations contained in such statements are reasonable, it is cautioned that forward-looking information and statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond the Group's control, which risks could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Forward-looking statements are not guarantee of future results and have not been reviewed by the Group's auditors. It is recommended that decisions not be made based on forward-looking statements that speak only as of the date on which they were made. All forward-looking statements reflected in this report are expressly qualified by the cautionary statements made. The forward-looking statements included in this document are based on information available at the date of this management report. Except to the extent required by applicable law, the Group undertakes no obligation to publicly update any forward-looking statements or revise any forward-looking information, even if new information is made public or new events occur.

Based on the aforementioned, our strategy in future periods, will be twofold:

- i. on the one hand, we will emphasize in the generation of growth based on profitability and risk control through the development and commissioning of our current portfolio of assets, the current Pipeline and additional opportunities identified by our experienced team. This, mainly performed by means of the international expansion in markets without risk of instability of the electricity transmission or distribution network; and
- ii. ensuring that this growth is sustainable from an environmental point of view and of integration in the communities in which the projects are developed.

7. R&D ACTIVITIES

In 2020, 2019 and 2018, the Group did not make any significant investments in research and development activities. We use the best technologies, software and IT applications and we develop internal knowledge as a result of such use.

8. ACQUISITION AND DISPOSAL OF TREASURY SHARES

Grupo Ecoener, S.A.U. (the Parent of the Group) does not have treasury shares.

9. DIVIDEND POLICY

Our objective at Ecoener is to reinvest our cash flows from operations in developing long-term projects and increasing value for shareholders by executing the business plan. We do not envisage that dividends will be distributed in the three years following the Group's initial public offering. Subsequently, the dividend policy will be reconsidered based on how our business outlook and financial performance evolve.

Our future dividend policy will depend on various factors, including our income and generation of cash flows, distributable profit, financial position, debt servicing obligations, cash requirements (including investment plans), compliance with obligations to be exceeded or not exceeded contained in the debt instrument agreements, future outlook, market conditions and other factors that may be considered relevant at the time. The Board of Directors shall be in charge of carrying out the dividend payment proposal, and the Annual General Meeting shall be in charge of approving it.

Where possible, shareholders will have the right to receive future dividends, which will be declared as set out in our bylaws.

The dividends will be paid in euros and will be declared and paid in proportion to the number of shares held by each shareholder.

Our expectations in terms of dividends, distributable reserves, business performance and market conditions are subject to numerous scenarios, risks and uncertainties that may be beyond our control.

10. CORPORATE SOCIAL RESPONSIBILITY

Having a long-term perspective means looking beyond our Company. At Ecoener we are able to contribute to a better future, through what we are and what we do. Our responsibility begins at local level but has a global vision.

The way in which we operate generates a positive impact on the main goals identified in the 2030 Agenda. For this reason, we add our commitment in this area to our commitment to the Sustainable Development Goals (SDGs). This is a natural consequence of our way of working. In performing our own activities, we comply with seven of the aforementioned principles:

- Goal 6: Clean water and sanitation
- Goal 7: Affordable and clean energy
- Goal 9: Industry, innovation and infrastructure
- Goal 11: Sustainable cities and communities
- Goal 12: Responsible consumption and production
- Goal 13: Climate action
- Goal 15: Life on land

Ecoener's activities in Guatemala are performed within a PoA (program of activities) under the UN Framework Convention on Climate Change, aimed at supporting projects that involve the reduction of CO₂ emissions and which forms part of the Kyoto Protocol's Clean Development Mechanism.

Accordingly, the Las Fuentes II hydropower plant, owned by Ecoener, operates within the framework of the only hydropower PoA existing in Central America.

Committed to this area, the SDGs set out the long-term horizon, a horizon which we are building with current lines of action, with specific measures wherever we work. But while we are aware that each facility requires a specific design to safeguard the environment, it also needs commitment from the geographical areas in which we work. We are very aware of the characteristics and needs of the areas in which we work.

10.1 Social action

We contribute to the progress of society and do so in the way we know best, as we are aware of our social responsibility as an economic player and driver for development. We create wealth by creating quality jobs and we cooperate with various social causes to contribute, through our support, to creating a more favorable environment for those who suffer most.

10.2 Commitment to the most disadvantaged groups

We have an unquestionable commitment to human rights and the acknowledgement of people's dignity. We also have a specific Human Rights policy and have carried out measures to encourage respect for local communities.

The Group has created partnerships to strengthen our local commitment, as social involvement with the areas in which we work forms part of our business. In this regard, we have social action plans in cooperation with various municipal councils in Galicia, financing community projects in the surroundings of our facilities.

To do this, we perform the following activities: (i) assess the characteristics and needs of the region in which the projects are performed; (ii) purchase from local suppliers and hire services at local level; and (iii) finance and support projects of interest for the local communities.

In Honduras we support social and economic development projects in three communities that live near our Llanos del Sur solar PV plant. Also, on exceptional occasions such as the current health crisis caused by the covid-19 pandemic, we cooperate by sending emergency aid.

In addition, in Guatemala we are members of Fedecovera in the operation of Las Fuentes II hydropower plant. The mission of this cooperative is to improve the living conditions of 30,000 small producers of cocoa, turmeric, coffee and tea among the Q'eqchies y Poqomchies communities, while encouraging respect for, and protection of, their culture.

10.3 Commitment to innovation and job creation

Ecoener's objective in terms of commitment to employees is to promote and ensure dignified, fair and favorable working conditions for all employees. We achieve this by developing various programs grouped into the following lines of action: firstly, job stability and very attractive salaries (in Spain, salary conditions are above those stipulated in the applicable labor agreements in force, while in the other countries in which we are present such as Guatemala, Honduras, Panama and the Dominican Republic, salary conditions are higher than the industry average); policies and procedures for occupational risk prevention and safety at facilities; promotion of diversity and equality; and a culture of respect and care for our employees.

10.4 Responsible and transparent communication

With regard to the economic and governance aspect, Ecoener promotes a business culture in which transparency, integrity, trust and a long-term perspective form the essence of the Company. This involves sustainable long-term growth and integrated sustainability management, as well as ethical and responsible management. We do not contribute to or support corrupt or illicit practices, and we take care of our reputation.

10.5 Sustainability and respect for the environment

The main essential principles that we have respected and taken on as our own include the preservation of surroundings, integration of the production facilities into the environment, respect for human rights and commitment to the communities in which the Group carries on its activities.

This commitment is also demonstrated in the long-term vision of each of the Group's projects and in the responsibility assumed vis-à-vis local communities and stakeholders. For this reason, the Group has always ensured, and will continue to ensure, the utmost respect towards both the natural and social surroundings of its projects, and it will continue to strive to protect the investments and the people involved in the performance of its activities.

Based on these premises, the actions we carry out within the strategic sustainability and environmental respect plan are detailed as follows:

- Respect for natural surroundings: the general aim is to ensure that the environment is cared for, guaranteeing respect and care for the natural surroundings and having the resources required to cause the lowest impact possible when performing activities. This commitment to

natural surroundings is put into practice through various sustainability programs.

- Management of natural resources: our aim is to develop and implement best practices in environmental protection to achieve more efficient management of resources, by: (i) using natural resources responsibly and reasonably; and (ii) incorporating the best ecological technology available without jeopardizing the quality of our projects. This includes responsible and sustainable water management, since it is a basic pillar of our environmental sustainability policy, for which purpose: (i) we conduct studies of minimum and environmental water flows, as well as water quality studies, once a year; (ii) we implement measures to improve consumption (implementation of water consumption measurement and control mechanisms at the headquarters and at the assets); and (iii) we ensure that water is returned to nature and to local communities.
- Protection of biodiversity: examples of our commitment to biodiversity include most notably the following actions: (i) installation of monitoring equipment and infrared lighting at the new wind assets, aimed at reducing the risk of bird collisions, which cause wind turbines to stop when birds approach; (ii) signaling measures for flows of migratory birds; (iii) use of fish barrier and ladder systems at the new hydropower plants; (iv) installation of fire dampers to avoid fires at power facilities; and (v) reforestation processes.

10.6 Measures for the protection of employees against COVID-19

The protection of our employees against COVID-19 and therefore prevention against it since the beginning of the pandemic have been and are essential measures for the Group, maintaining and preserving an adequate work environment in terms of protection and health measures.

The main preventive measures against COVID-19 that we have adopted and will maintain overtime until the competent health authorities so establish are detailed below: establishment of appropriate security distancing measures, installation of disinfectant floor mats at the entrance of our offices, air purification with ozone on a night to night basis, installation of air purifiers in all rooms, daily measurement of the temperature of all employees, free delivery of FFP2 masks certified under European sanitary regulations of different colors to verify the correct rotation of masks in due time, due supply of hand sanitizer gel, performance of PCR tests for SARS-CoV-2 to all our employees every 15 days and continuous ventilation of our offices.

GRUPO ECOENER, S.A.U. AND SUBSIDIARIES

Authorisation for issue of the Consolidated Annual Accounts and
Consolidated Management Report for 2020

At their meeting held on 31 March 2021, pursuant to the requirements of article 253 of the Revised Spanish Companies Act and article 37 of the Spanish Code of Commerce, the Directors of Grupo Ecoener, S.A.U. authorised for issue the consolidated annual accounts and consolidated management report for the period from 1 January 2020 to 31 December 2020. The consolidated annual accounts comprise the accompanying documents that precede this certification.

La Coruña, on April 15, 2021

GRUPO ECOENER, S.A.

Mr. Luis Valdivia Castro

REGISTERED OFFICE OF THE COMPANY

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