



Greenergy
renewables

FY18

RESULTS

JANUARY - DECEMBER

FINANCIAL INFORMATION 2018

9th April 2019

Muy Sres. Nuestros:

En virtud de lo previsto en el artículo 17 del Reglamento (UE) nº 596/2014 sobre abuso de mercado y en el artículo 228 del texto refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, y disposiciones concordantes, así como en la Circular 6/2018 del Mercado Alternativo Bursátil ("MAB"), se pone a disposición del mercado la siguiente información relativa a GREENERGY RENOVABLES, S.A. (en adelante, "**GREENERGY**" o "la Compañía").

Madrid, a 9 de abril de 2019

D. David Ruiz de Andrés
Presidente del Consejo de Administración
GREENERGY RENOVABLES, S.A.

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EXECUTIVE
SUMMARY

(€k)	2018	2017	Var.
Revenue	55,544	48,059	16%
EBITDA	22,017	6,957	216%
Net Income	13,086	3,502	274%
Capex	26,935	39,272	(31%)
Net debt (at 31/12)	3,949	21,316	(81%)
Free cash flow	19,500	(14,115)	(238%)
Main KPIs			
EBITDA Margin (%)	40%	14%	174%
ND/EBITDA	0.2x	3.1x	(94%)
Earning per share	0.54	0.14	274%
n° shares (k)	24,306	24,306	

2018 was marked by the solid performance of the Development and Construction division in Chile.

- **EBITDA** for the period reached 22.0M€ (+217% vs FY17) mainly supported by the sale of solar PV plants developed and built in Chile.
- **Net Income** in 2018 was positive at 13.1M€, explained by the positive result in the Development and Construction division.
- During 2018, **GREENERGY invested 26.9M€**, mainly in solar PV plants in Chile (13,5M€), investing the rest in the development and construction of wind farms in Argentina and Peru (13,1M€).
- **Free cash flow** increased to 19.5M€ due to the closing of various disposal processes during the period, reflecting the company's increased focus on cash flow generation.
- **Net Debt** amounted to 4.0M€, down 81% vs 31 December 2017. This decline in Net Debt/EBITDA to 0.2x from 3.1x in FY17 underlines the reinforcement of the company's financial solidity mainly driven by the divestment of non-strategic projects.

All in all, these 2018 results illustrate the progress towards the successful implementation of the Business Plan 2018-2020

2018 GREENERGY key highlights could be summarized as follow:

- **Strengthening leadership in Chile**

- New construction and sale agreements for 2018-2020 period.
 - 12 solar PV plants of a total capacity of 125MW to the South Korean Daelim.
 - 4 solar PV plants of a total capacity 31MW to the Canadian CarbonFree.
 - 2 solar PV plants of a total capacity of 18MW to the U.S Sonnedix.
- New offices in Santiago de Chile, including a new 24-7 South Cone control center for Services division activities, to support local growth with over 1GW of total pipeline in the region.
- Over 40MW built in 2018.

- **Geographic diversification**

- Project development in Spain with over a 1GW pipeline in Solar PV plants.
- More than 600MW in other LATAM countries, with ongoing projects in Colombia, Peru, Mexico and Argentina.

- **Minimizing risk with a solid balance sheet**

- Doubling our equity balance in 2018 vs previous year.
- Reducing leverage to 0.2x EBITDA (vs 3.1x in 2017).
- Signing non resource project financing, like Kosten in Argentina or Duna/Huambos in Peru, with no exposure to local currencies.
- Highly experienced senior management with strategic incorporations in new corporate and business areas.

- **Business Plan 2018-2020**

- 2018 Financial and operating guidance fully achieved and exceeded.
- Technologically diversified (Wind and Solar PV), vertically integrated with full control over the value chain.
- Consolidated IPP model, with 350MW operating target for 2020, balancing recurrent revenue with a rotational asset strategy.

GREENERGY beat its 2018 Business Plan guidance on all fronts

BUSINESS PLAN 2018				
(€M)	Real	Forecast	Var.	Accmpls.
Revenue	55.5	52.0	3.5	107%
Energy Sales and Services	3.0	2.8	0.2	108%
EBITDA	22.0	10.5	11.5	210%
Net Income	13.1	6.5	6.6	201%
MW IPP	12	12	-	100%

Table 2.1 Business Plan review

The main differences in 2018 figures vs reported guidance can be summarized as follow:

- **Revenue** grew +7% vs forecasted, mainly due to higher execution in the Development and Construction division.
- **Energy Sales and Services** improved +8% due to higher produced KW by the operating plants in the period.
- **Total EBITDA** more than doubled 2018 guidance (+101%) due to new commercial agreements for the development, construction and sale of several solar plants in Chile not considered in the initial the business plan.
- **Net Income** amounted to 13.1M€, +101% increase vs estimates driven by the margin obtained in the sale agreement at the end of the period.

It is important to mention that this increased EBITDA and Net Income result compared with 2018 guidance will not negatively affect the estimated 2019 figures, as these results are related to agreements and sales of projects not considered in the business plan.

- Plants in operation add up to an installed capacity of over 12MW on average during the year. Nevertheless, GREENERGY has ended the period without any MW in operation due to the rotation of solar PV plants before the end of 2018.
- All in all, these 2018 results illustrate GREENERGY's progress towards the successful implementation of the 2018-2020 Business Plan.



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OPERATIONAL
AND FINANCIAL
REVIEW

SOLAR PV					
(MW)	Under Construction	Backlog	Advanced Development	Early Stage	Total
Probability of execution	100%	80%	>50%	<50%	
Chile	76	184	374	222	855
Spain		200	50	790	1,040
Colombia			10	130	140
Mexico		30			30
Peru				230	230
Total	76	414	434	1,372	2,295
Number of projects	9	14	11	25	59
WIND					
(MW)	Under Construction	Backlog	Advanced Development	Early Stage	Total
Probability of execution	100%	80%	>50%	<50%	
Argentina	24				24
Peru	36			116	152
Chile				16	16
Total	60	-	-	132	192
Number of projects	3	0	0	5	8
TOTAL					
Total	136	414	434	1,504	2,487

Table 3.1 Pipeline description

Regarding solar energy projects, at the end of the period there were 76MW in construction in Chile, as part of the agreements reached with Daelim, AD Capital, Sonnedix y CarbonFree.

On the other hand, regarding wind farms, there are three projects in construction: Kosten in Argentina (24MW with COD in 3Q19) and Duna/Huambos in Peru (36MW)

REVENUE				
(€k)	2018	2017	Var.	Delta
Development & Construction	52,443	44,111	8,332	19%
Energy	2,022	3,335	(1,313)	(39%)
Services	1,010	498	512	103%
Total Revenue	55,475	47,944	7,531	16%

EBITDA				
(€k)	2018	2017	Var.	Delta
Development & Construction	23,389	6,813	16,576	243%
Energy	1,454	2,503	(1,049)	(42%)
Services	213	167	46	28%
Corporate	(3,039)	(2,527)	(513)	20%
TOTAL	22,017	6,957	15,061	216%

Table 3.2 Results by division

By division,

- **Development and Construction** division has increased +19% its sales volume, driven by the commercial agreements for the construction and sale of solar PV plants, mainly in Chile.
- **Energy** division reduced its sales vs 2017 due to the rotation of energy plants built and transferred during the period. However, the Company expects an exponential increase in this area as was communicated in the Business Plan 18-20, considered to be the main Recurrent EBITDA division in the group.

EBITDA margin stays solid at over 70%.

- **Services** division has significantly increased its activity, doubling its income vs 2017, mainly due to the connection of new Solar PV plants in Chile, that have increased the number of contracts of both Operation & Maintenance (O&M) and Asset Management (AM).

EBITDA margin is impacted by a structural one-off cost which has been necessary to incur in 2018 to face the incoming O&M and AM agreements expected for the 2019-20 period

A low-angle shot of a white wind turbine against a clear blue sky. A large green geometric shape, resembling a stylized leaf or a large 'L', is overlaid on the right side of the image. The turbine's nacelle has a blue circular detail.

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ANALYSIS OF THE CONSOLIDATED PROFIT AND LOSS STATEMENT

Consolidated Profit and loss statement				
(€k)	2018	2017	Delta	
Revenue	55,475	47,944	16%	
Procurement	(26,672)	(36,441)	(27%)	
Gross Margin	28,803	11,503	150%	
Personnel expenses	(3,152)	(1,890)	67%	
Other incomes	69	115	(40%)	
Other operating expenses	(3,618)	(2,436)	49%	
Other results	(84)	(334)	n.m	
EBITDA	22,017	6,957	216%	
Depreciation and amortization	(3,056)	(1,338)	128%	
EBIT	18,961	5,619	237%	
Financial expenses	(1,682)	(1,973)	(15%)	
Exchange rate differences	(2,798)	1,245	n.m	
Financial result	(4,480)	(728)	n.m	
Result before taxes	14,481	4,892	196%	
Income tax	(1,395)	(1,389)	0%	
Net Income	13,086	3,503	274%	
External partners	(194)	(10)	n.m	
Net Income attributable to Parent Company	13,280	3,513	278%	

Table 4.1 Summarized P&L

- **Total Revenue reached 55.5M€**, +16% vs 2017, mainly driven by the good performance in the Development and Construction division.
- **EBITDA for FY18 reached 22.0M€**, +216% vs FY17, with a 39.7% margin.
- **EBIT reached 19,0M€**, decreasing reported EBITDA by an impairment adjustment of -2,2M€.
- **Financial result** in the period was -4,5M€, mainly affected by a negative impact in exchange rate differences during the period of -2,8M€.
- **Net Income was positive at 13,1M€**, improving +274% vs previous year.
- **EPS for the period reached 0.54€**.

Balance Sheet			
(€k)	31/12/18	31/12/17	
Non-current assets	18,715	19,973	(153)
Intangible assets	2,697	2,850	(1,672)
Fix asset	14,957	16,629	554
Deferred tax assets	957	403	13
Other fix assets	104	91	2,046
Current assets	39,570	37,524	(7,417)
Inventories	6,004	13,421	(2,948)
Trade and other accounts receivable	17,931	20,879	2,245
Other current financial assets	2,516	271	10,166
Cash and cash equivalents	13,119	2,953	-
TOTAL ASSETS	58,285	57,497	787
(€k)	31/12/18	31/12/17	Var.
Equity	28,864	16,043	12,821
Non-current liabilities	9,734	17,713	(7,979)
Deferred tax liabilities	-	463	(463)
Non-current provisions	-	-	-
Financial debt	9,734	17,249	(7,515)
Non-current financial liabilities	9,734	17,249	(7,515)
Debt with associated companies	-	-	-
Current liabilities	19,687	23,742	(4,055)
Trade and other accounts payable	12,019	16,303	(4,284)
Financial debt	7,668	7,439	229
Current financial liabilities	6,090	4,759	1,331
Short term debt with associated companies	334	419	(85)
Other current liabilities	1,244	2,261	(1,017)
TOTAL LIABILITIES AND EQUITY	58,285	57,497	787

Table 5.1 Consolidated Balance Sheet

► **Net Debt of 3,9M€, equivalent to a leverage of 0.2x.**

- The Company's net debt excluding Project debt was 5.0M€. Total Net Debt of 3.9M€ at the end of FY18.
- The Company has 13.2M€ of cash and cash equivalents as of the end of 4Q18, with 7,4M€ of that liquidity linked to project financing.
- **Leverage Ratio** decreased to 0,2x at the end of FY18 (vs 3,1x at the end of FY17). However, it is considered that the leverage ratio will grow to similar figures within the sector.

(€k)	2018	2017	FY18-FY17
Long-term financial debt	3,383	2,093	1,290
Short-term financial debt	6,090	4,071	2,019
Other debts	1,244	2,261	(1,017)
Cash & cash equivalents	(5,762)	(930)	(4,832)
Net Debt with resource	4,955	7,495	(2,540)
Project Finance debt	6,351	15,844	(9,493)
Project Finance cash	(7,357)	(2,023)	(5,334)
Net Debt without resource	(1,006)	13,821	(14,827)
Total Net Debt	3,949	21,316	(17,367)

Tabla 5.2 Financial net debt calculation

► **Total Free Cash Flow: 19.5M€ in FY18**

- Net Working Capital variation resulted positive by 2.9M€.
- Taxes and Financial expenses cash out amounted -4,0M€.
- The Company invested 27.0M€ in Capex in FY18, detailed as follows:
 - Solar PV plants: 13.4M€.
 - Wind farms: 13.1M€.
 - Other: 0.4M€.
- Divestment amounted to 25.5M€, mainly driven by Chilean Solar PV projects sold in the period.
- Free Cash Flow was 19.5M€, significantly improving vs the reported figure in 2017 (-14.0M€).

(€k)	2018	2017
EBITDA	22,017	6,957
+ Change in WK	2,923	(14,185)
+ Taxes and Financial Exp. Cash out	(4,057)	(595)
Funds from operations	20,883	(7,823)
+ Growth capex	(26,926)	(39,272)
+ Divestment	25,543	32,980
Free cash flow	19,500	(14,115)

Table 6.1 Free Cash Flow

There are no relevant issues following the closing of the period.

This document and the conference-call webcast (including the Q&A session) may contain forward-looking statements and information (hereinafter, the "Statements") relating to Greenergy Renovables SA. (hereinafter indistinctly, "GREENERGY", the "Company" or the "Group") or otherwise. These Statements may include financial forecasts and estimates based on assumptions or statements regarding plans, objectives and expectations that make reference to different matters, such as the customer base and its evolution, growth of the different business lines and of the global business, market share, possible acquisitions, divestitures or other transactions, Company's results and other aspects related to the activity and situation of the Company.

The Statements can be identified, in certain cases, through the use of words such as "forecast", "expectation", "anticipation", "aspiration", "purpose", "estimates", "plan" or similar expressions or variations of such expressions. These Statements reflect the current views of GREENERGY with respect to future events, and do not represent, by their own nature, any guarantee of future fulfilment, and are subject to risks and uncertainties that could cause the final developments and results to materially differ from those expressed or implied by such Statements. These risks and uncertainties include those identified in the documents containing more comprehensive information filed by GREENERGY before the different supervisory authorities of the securities markets in which its shares are listed and, in particular, the Alternative Market Exchange (MAB)

Except as required by applicable law, GREENERGY does not assume any obligation to publicly update the Statements to adapt them to events or circumstances taking place after the date hereof, including changes in the Company's business or business development strategy or any other unexpected circumstance.

This document and the conference-call (including the Q&A session) may contain summarized, non-audited or non-GAAP financial information. The information contained herein and therein should therefore be considered as a whole and in conjunction with all the public information regarding the Company available, including any other documents released by the Company that may contain more detailed information.

Neither this document nor the conference-call (including the Q&A session) nor any of their contents constitute an offer to purchase, sale or exchange any security, a solicitation of any offer to purchase, sale or exchange of any security, or a recommendation or advice regarding any security.

Pipeline stages

- **Early stage (<50%):** Project with technical and financial feasibility because 1) there are real possibilities to secure the land 2), access to the grid is technically feasible 3) and financially it would be possible to sell it to third parties.
- **Advanced development (>50%):** Project with an advance technical and financial stage, as 1) there is a secure land or at least more than 50% likelihood to obtain it, 2) the necessary permits have been requested to obtain grid access with more than 90% probabilities to obtain it 3) and environmental permits have been requested.
- **Backlog (80%):** Project in a final phase just before construction where 1) land and grid access are secured, 2) there is an over 90% likelihood to obtain environmental permits and 3) there is a PPA, or a term sheet with an off taker or bank ready to be signed, or there is a scheme of stabilized prices.
- **Under construction (100%):** The notice to proceed has been given to the relevant EPC.
- **In Operation:** The provisional project acceptance has been signed. Responsibility for the asset has been handed over by the construction team to the operation team.

Main Divisions

- **Development and construction:** Includes all activities related to the search of feasible projects, both financially and technically, the necessary steps to achieve all the milestones to start construction and field work for the construction and implementation of the project.
- **Energy:** It refers to the revenue from the energy sales in the markets where GREENERGY owns operating projects as an Independent Power Producer (IPP).
- **Services:** It refers to all services provided to projects, once the commissioning has been reached (COD) and therefore they are in an operational phase. It includes all Asset Management and Operation & Maintenance activities which are provided both to own projects (IPP) or third-parties projects.



GREENERGY RENOVABLES S.A.

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Free translation of the auditors' report originally issued in Spanish based on our work performed in accordance with audit regulations in force in Spain and of consolidated annual accounts originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Entity in Spain (see note 2.5 to the accompanying consolidated annual accounts). In the event of a discrepancy, the Spanish-language version prevails.

Independent Auditor's Report
on the Consolidated
Annual Accounts

**GREENERGY RENOVABLES, S.A.
and Subsidiaries**

Consolidated Annual Accounts and Consolidated Management Report
for the year ended at 31 December 2018

Free translation of the auditors' report originally issued in Spanish based on our work performed in accordance with audit regulations in force in Spain and of consolidated annual accounts originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Entity in Spain (see note 2.5 to the accompanying consolidated annual accounts). In the event of a discrepancy, the Spanish-language version prevails.

Independent Auditors' Report on the Consolidated Annual Accounts

To the Shareholders of GREENERGY RENOVABLES, S.A.

Auditor's Report on the consolidated annual accounts

Opinion

We have audited the consolidated annual accounts of **GREENERGY RENOVABLES, S.A.** (hereinafter, the Parent Company) and Subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2018, and the consolidated income statement, consolidated statement of changes in equity, consolidated cash flows statement and the consolidated notes thereto for the year then ended.

In our opinion, the accompanying consolidated annual accounts express, in all material respects, the true and fair view of the Group's consolidated equity and consolidated financial position as at December 31, 2018, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Group (identified in note 2.1 to the accompanying consolidated annual accounts) and, in particular, with accounting principles and criteria set forth therein.

Basis for opinion

We conducted our audit in accordance with audit regulations in force in Spain. Our responsibilities under those regulations are further described in the Auditor's responsibilities for the audit of consolidated annual accounts section of our report.

We are independent of the Group in accordance with ethical requirements, including those regarding independence, that are relevant to our audit of consolidated annual accounts in Spain pursuant to audit regulations in force. In this regard, we have not provided any services other than the audit of the annual accounts, nor have any situations or circumstances arisen that, under the aforementioned audit regulations, might have affected the required independence in such a way as to compromise our independence.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated annual accounts of the current period. These matters 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 matters.

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Exits from the consolidation perimeter

As indicated on note 4.1 to the accompanying consolidated financial statements, during 2018, 15 subsidiaries have left the consolidation perimeter, obtaining profits from the loss of control of consolidated investments of 13,276 thousand Euros, registered on caption "Result from loss of control of consolidated investments" of the consolidated profit and loss account.

According to the applicable financial reporting framework, and as indicated on note 4.1 to the accompanying consolidated financial statements, when control is lost on a subsidiary, for the exclusive purpose of the consolidation, profit or loss recognized on the individual annual accounts of the company that reduces its investment must be adjusted with the amount originated from reserves in consolidated companies generated from acquisition date, as well as with the amount originated from income and expenses generated by the subsidiary in the year, until the moment of loss of control. Since the exit of the 15 subsidiaries from the consolidation perimeter is a significant event performed during the year, we have considered that this is a key audit matter.

Our audit procedures have included, among others, (i) the understanding of transactions through analysis of agreements reached and meetings with the Group's Management, (ii) the review of the accounting treatment used to register results from the loss of control of consolidated investments, (iii) the verification, through bank statements, of the collection of the debt for the sale of investees, according to the payment schedule established on sales agreements, (iv) the verification that the accompanying notes to the consolidated financial statements include disclosures required by the applicable financial reporting framework.

Consolidation process

As indicated on note 1.1 to the accompanying consolidated financial statements, at December 31, 2018, the Group comprises 97 companies, integrated through the global integration method.

According to the financial reporting framework applicable, and as indicated on note 4.1 to the accompanying consolidated financial statements, subsidiaries are consolidated through the global integration method, integrating on the consolidated annual accounts the totality of their assets, liabilities, income and expenses, after performing the exchange to Euros of the financial statements of foreign companies included on the consolidation perimeter, and after performing the corresponding adjustments and write-offs of intragroup operations. The Group performs the consolidation process in a manual manner on a spreadsheet. Also, the Group does not count with computer tools to be able to perform an exhaustive follow-up of transactions between Group companies in order to identify the internal margin generated on each transaction, and therefore it is difficult to determine such internal margin in order to write it off when preparing the consolidated financial statements. As a consequence of the above, we have considered that the consolidation process is a key audit matter.

Our audit procedures have included, among others, (i) the review of the value homogenization of financial statements of the foreign companies included on the consolidation perimeter, (ii) the review of the exchange to Euros of financial statements of the foreign companies included on the consolidation perimeter, (iii) the review of write-offs for internal operations, (iv) the review of the write-off of investment-equity, (v) the review of the allocation to results of the portion of differences from first consolidation, (vi) the review of the write-off of amounts transferred to profit and loss for capital gains existing on the first consolidation, (vii) the review of the attribution to the parent company and minority shareholders of equity variations undergone by subsidiaries since their incorporation to the Group.

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Other information: consolidated Management report

Other information comprises only the consolidated management report for the 2018 financial year, the formulation of which is the responsibility of the Parent Company's directors and is not an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility regarding the consolidated management report, in conformity with the audit regulation in force in Spain, consists of assessing and reporting on the consistency of the information included in the consolidated management report with the consolidated annual accounts based on the knowledge of the Group we obtained during the audit of aforementioned annual accounts, and does not include any information not obtained as evidence during such audit. In addition, our responsibility is to assess and report on whether the content and presentation of the consolidated management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that a material misstatement exist, we are required to report that fact.

Based on the work performed, as described in the previous paragraph, we have checked that the information included in the consolidated management report agreed with that disclosed in the consolidated annual accounts for the 2018 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the Directors and the Audit Committee for the consolidated annual accounts

The Parent Company's Directors are responsible for the preparation of the accompanying consolidated annual accounts, such that they express the true and fair view of the Group's consolidated equity, consolidated financial position and consolidated financial performance in accordance with the regulatory 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 Company'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 unless these directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent Company's Audit Committee is responsible for providing oversight in the preparation and presentation of the consolidated annual accounts.

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.

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Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with audit regulations in force 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 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 audit regulations in force in Spain, we exercise professional judgement and maintain professional scepticism 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 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 purposes 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 the related disclosures made by the Parent Company's directors.
- Conclude on the appropriateness of the use by the Parent Company's directors 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 fair presentation.
- We obtain sufficient appropriate evidence in relation to the financial information of the Group's entities or business activities to express an opinion on the consolidated annual accounts. We are responsible for the management, supervision and performance of the Group audit. We are solely responsible for our auditor's opinion.

We communicate with the Parent Company's Audit Committee 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.

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We also provide the Parent Company's Audit Committee with a statement that we have complied with relevant ethical requirements, including those regarding independence, and have communicated with the Audit Committee those matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with the Parent Company's Audit Committee, we determine those matters that were of most significance in the audit of the consolidated annual accounts of the current period and are therefore the key audit matters.

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

Report on other legal and regulatory requirements

Additional Report to the Parent Company's Audit Committee

The opinion expressed in this report is consistent with our additional report to the Parent Company's Audit Committee dated April 3, 2019.

Appointment period

During the Parent Company's General Shareholders' Meeting held on June 22, 2018, we were appointed as the Group's auditors for a 1-year period beginning on December 31, 2018.

Previously, we have been carrying out the audit of the Entity's annual accounts uninterruptedly since the financial year ended December 31, 2014. We highlight that the Entity's shares were admitted to trading on the Alternative Stock Exchange, Segment of Expanding Companies, on July 8, 2015.

Madrid, 3 April 2019

MAZARS AUDITORES, S.L.P.
ROAC N° S1189

María Pilar Cabodevilla Artieda
ROAC N° 18.431



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

**CONSOLIDATED ANNUAL ACCOUNTS AND MANAGEMENT
REPORT CORRESPONDING TO THE YEAR ENDED AT
31 DECEMBER 2018**

*Free translation of consolidated annual accounts originally issued in Spanish.
In the event of a discrepancy, the Spanish-language version prevails.*

GREENERGY RENOVABLES, S.A. and SUBSIDIARIES
Consolidated annual accounts corresponding to the year ended at 31 December 2018

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2018 AND 2017
(Euros)

ASSETS	Notes	31.12.2018	31.12.2017	EQUITY AND LIABILITIES	Notes	31.12.2018	31.12.2017
NON-CURRENT ASSETS		18,715,488	19,972,635	EQUITY		28,864,122	16,042,594
Intangible assets	Note 6	2,697,418	2,849,725	CAPITAL & RESERVES WITHOUT VALUATION ADJUSTMENTS		29,353,127	15,966,511
Software		3,093	3,965	Share capital	Note 12.1	3,645,933	3,645,933
Patents, licences, brands and similar		2,694,325	2,845,760	Registered capital		3,645,933	3,645,933
Property, plant and equipment	Note 5	14,957,265	16,629,327	Share premium	Note 12.2	6,117,703	6,117,703
Technical installations and other fixed assets		791,972	15,335,859	Reserves and previous years' profit/(loss) (parent company)	Note 12.3	13,097,359	8,439,160
Projects in progress and prepayments		14,165,293	1,293,467	Reserves in consolidated companies	Note 12.3	(4,724,300)	(4,615,622)
Non-current financial investments in group companies and associated companies	Note 8.2	11,474		(Parent company's shares and equity holdings).	Note 12.4	(2,062,970)	(1,133,498)
Equity instruments		11,474		Profit/(loss) for the period attributed to the parent company	Note 19	13,279,402	3,512,835
Non-current financial investments	Note 8.2	92,737	90,840	- VALUATION ADJUSTMENTS-	Note 13	(260,315)	54,906
Other financial assets		92,737	90,840	- Exchange profit/(loss)		(260,315)	54,906
Deferred tax assets	Note 18	956,594	402,743	MINORITY SHAREHOLDERS-	Note 14	(228,690)	21,178
Deferred tax assets		956,594	402,743	NON-CURRENT LIABILITIES		9,734,836	17,712,871
CURRENT ASSETS		39,569,876	37,524,289	Non-current debts	Note 15	9,734,836	17,249,426
Inventories	Note 9	6,003,631	13,420,695	Debts with credit institutions		9,333,447	16,901,897
Raw materials and other supplies		1,115,309	177,078	Financial lease payables	Note 8.1	134,854	23,007
Plants in progress		4,858,820	9,470,115	Other financial liabilities		266,535	324,522
Advances to suppliers		29,502	3,773,502	Deferred tax liabilities	Note 18	-	463,446
Trade and other accounts receivable		17,930,825	20,879,438	CURRENT LIABILITIES		19,686,406	23,741,459
Trade receivables	Note 10	8,265,413	10,230,137	Current provisions		64,150	-
Accounts receivable group companies and associates	Note 22.1	-	1,076	Current debts	Note 15	7,333,584	7,019,427
Other receivables		7,566,075	6,080,210	Debts with credit institutions		6,061,848	4,743,998
Personnel		7,486	83,904	Financial lease payables	Note 8.1	27,662	14,406
Other credits with Public Administrations		2,091,851	4,484,112	Other financial liabilities		1,244,074	2,261,023
Current investments in group companies and associates		45,830	32,151	Current debts with group companies and associates	Note 16 & 22.1	333,769	418,910
Loans to group companies and associates	Note 8.2 & 22.1	45,830	32,151	Trade and other accounts payable		11,923,527	13,419,912
Current financial investments		2,360,303	147,345	Suppliers		10,662,365	11,521,615
Loans to companies		2,236,465	-	Suppliers, group companies and associates	Note 22.1	27,759	354,087
Other financial assets		123,838	147,345	Other accounts payable		466,153	821,775
Prepayments for current assets	Note 11	110,246	91,244	- Personnel		467,792	161,041
Cash and cash equivalents		13,119,041	2,953,415	Other debts with Public Administrations	Note 18	299,458	554,850
Cash		13,119,041	2,953,415	Advances from customers		-	6,544
TOTAL ASSETS		58,285,364	57,496,924	Current accrual accounts		31,376	2,883,210
				TOTAL EQUITY AND LIABILITIES		58,285,364	57,496,924

GREENERGY RENOVABLES, S.A. and SUBSIDIARIES
Consolidated annual accounts corresponding to the year ended at 31 December 2018

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
CORRESPONDING TO YEARS ENDED AT 31 DECEMBER 2018 AND 2017
(Euros)

	Notes	31.12.2018	31.12.2017
CONTINUING OPERATIONS			
Revenue	Note 24	27,286,569	10,172,995
Sales		26,276,630	9,967,364
Services delivered		1,009,939	205,631
Changes in inventories of finished goods and work in progress		-	(170,643)
Work carried out by the company for assets	Note 19	8,190,763	29,606,848
Supplies		(26,672,370)	(36,270,053)
Raw materials and other consumables used		(26,314,512)	(36,079,404)
Subcontracted work		(357,858)	(190,648)
Other operating income		68,885	115,052
Non-trading and other operating income		68,885	115,052
Personnel costs		(3,152,305)	(1,890,414)
Salaries and wages		(2,726,285)	(1,609,954)
Employee benefits expense	Note 19	(426,020)	(280,461)
Other operating expenses		(3,617,168)	(2,436,907)
External services		(3,399,488)	(2,287,375)
Taxes		(28,137)	(137,640)
Losses, impairment and changes in trade provisions		(142,930)	6,932
Other operating expenses		(46,613)	(18,824)
Amortization and depreciation	Note 5 & 6	(881,431)	(1,337,077)
Impairment and gains/(losses) on disposal of fixed assets		4,547,502	7,265,562
Impairment and losses		(2,174,486)	-
Gains/(losses) on disposal and other		6,721,988	7,265,562
Gains/(losses) from loss of control of consolidated investments	Note 4.1.6	13,275,558	898,433
Other results		(84,433)	(334,322)
RESULTS FROM OPERATING ACTIVITIES		18,961,570	5,619,474
Finance income	Note 19	-	1,832
Marketable securities and other financial instruments		-	1,832
Third parties		-	1,832
Finance expenses		(1,559,392)	(1,974,374)
Third parties		(1,559,392)	(1,974,374)
Exchange gains/(losses)	Note 19	(2,798,088)	1,244,997
Impairment and gains/(losses) on disposal of financial instruments		(122,713)	-
Impairment and losses		(122,713)	-
NET FINANCE INCOME/(EXPENSE)		(4,480,193)	(727,544)
PROFIT/(LOSS) BEFORE INCOME TAX		14,481,377	4,891,929
Corporate Income Tax	Note 18	(1,395,478)	(1,389,352)
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD		13,085,899	3,502,577
PROFIT/(LOSS) ATTRIBUTED TO MINORITY SHAREHOLDERS		(193,503)	(10,258)
PARENT COMPANY'S PROFIT/(LOSS) FOR THE PERIOD		13,279,402	3,512,835

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS CORRESPONDING TO THE YEAR ENDED
AT 31 DECEMBER 2018 AND 31 DECEMBER 2017

A) CONSOLIDATED STATEMENT OF INCOME AND EXPENSES

(Euros)

	31.12.2018	31.12.2017
PROFIT/(LOSS) FOR THE PERIOD (I)	13,085,899	3,502,577
Income and expenses recognized directly in equity		
- Other adjustments	-	-
- Tax effect	-	-
TOTAL INCOME AND EXPENSES RECOGNIZED DIRECTLY IN CONSOLIDATED EQUITY (II)	-	-
Amounts transferred to the income statement	-	-
TOTAL AMOUNTS TRANSFERRED TO THE CONSOLIDATED INCOME STATEMENT (III)	-	-
TOTAL RECOGNIZED INCOME AND EXPENSES (I+II+III)	13,085,899	3,502,577
Total income and expenses attributable to the Parent company	13,279,402	3,512,835
Total income and expenses attributable to Minority interests	(193,503)	(10,258)

GREENERGY RENOVABLES, S.A. and SUBSIDIARIES

B) CONSOLIDATED TOTAL STATEMENT OF CHANGES IN EQUITY

(Euros)

	Capital	Share premium	Reserves and prior periods' profit and loss	(Parent company's shares)	Profit/(loss) for the period attributed to Parent Company	Valuation adjustments	Minority shareholders	Total
ADJUSTED BALANCE AT 1 JANUARY 2017	3,645,933	6,117,703	7,055,657	(1,162,402)	(3,035,628)	430,520	345,262	13,397,045
Total recognized income and expenses	-	-	-	-	3,512,835	-	-	3,512,835
Operations with parent company's shares (net)	-	-	(695)	28,904	-	-	-	28,209
Increase (decrease) of equity resulting from a business combination	-	-	17,516	-	-	121,275	(312,002)	(173,211)
Other variations	-	-	(3,248,941)	-	3,035,628	(496,889)	(12,082)	(722,284)
BALANCE AT 31 DECEMBER 2017	3,645,933	6,117,703	3,823,538	(1,133,498)	3,512,835	54,906	21,178	16,042,594
Adjustments for changes in criterion and errors	-	-	-	-	-	-	-	-
ADJUSTED BALANCE AT 1 JANUARY 2018	3,645,933	6,117,703	3,823,538	(1,133,498)	3,512,835	54,906	21,178	16,042,594
Total recognized income and expenses	-	-	-	-	13,279,402	-	(193,503)	13,085,899
Operations with parent company's shares (net)	-	-	800,410	(929,472)	-	-	-	(129,062)
Increase (decrease) of equity resulting from a business combination	-	-	-	-	-	5,696	(6,577)	(881)
Other variations	-	-	3,749,112	-	(3,512,835)	(320,917)	(49,789)	(134,429)
BALANCE AT 31 DECEMBER 2018	3,645,933	6,117,703	8,373,059	(2,062,970)	13,279,402	(260,315)	(228,690)	28,864,122

**CONSOLIDATED STATEMENT OF CASH FLOWS CORRESPONDING TO THE
INTERIM PERIOD ENDED AT 31 DECEMBER 2018 AND 2017**
(Euros)

	Notes	31.12.2018	31.12.2017
A) CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit/(loss) for the period before tax.		14,481,376	4,891,926
2. Adjustments for:		1,155,146	(4,873,551)
a) Amortization and depreciation (+).	5 & 6	881,431	1,337,076
b) Valuation allowances for impairment losses (+/-).		2,451,360	(6,932)
c) Change in provisions (+/-).		64,150	-
e) Proceeds from disposals of fixed assets (+/-).	5 & 6	(6,721,988)	(7,265,562)
g) Finance income (-).	19	-	(1,832)
h) Finance expenses(+).	19	1,559,392	1,974,374
i) Exchange gains/losses (+/-).	19	2,798,088	(1,244,997)
j) Change in fair value of financial instruments (+/-).		122,713	-
k) Other income and expenses (-/+).		-	334,322
3. Changes in operating assets and liabilities.		2,923,498	(14,185,372)
a) Inventories (+/-).	9	7,283,120	(5,372,653)
b) Trade and other receivables (+/-).	10	2,805,685	(8,408,792)
c) Other current assets (+/-).		(19,002)	(21,766)
d) Trade and other payables (+/-).		(4,294,471)	(3,001,149)
e) Other current liabilities (+/-).		(2,851,834)	2,665,657
f) Other non-current liabilities (+/-).		-	(46,669)
4. Other cash flows from operating activities.		(4,057,308)	(595,122)
a) Interests paid (-).	19	(1,559,392)	-
d) Income tax received (paid) (+/-).	19	(2,497,916)	(595,122)
5. Cash flows from/used in operating activities (+/-1+/-2+/-3+/-4)		14,502,712	(14,762,119)
B) CASH FLOWS FROM INVESTMENT ACTIVITIES			
6. Payments for investments (-).		(29,349,117)	(39,415,490)
a) Group companies, net of cash in consolidated companies.	8.1	(48,162)	-
b) Intangible assets.	6	-	(2,849,147)
c) Property, plant and equipment.	5	(26,926,181)	(36,423,407)
e) Other financial assets.		(2,374,774)	(142,936)
7. Proceeds from sale of investments (+).		32,325,403	46,113,304
a) Group companies, net of cash in consolidated companies.		23,009	3,289,767
c) Property, plant and equipment.	5	32,265,189	40,245,506
e) Other financial assets.	8.2	37,205	2,578,031
8. Cash flows from/used in investing activities (7+6)		2,976,286	6,697,814
C) CASH FLOWS FROM FINANCING ACTIVITIES			
9. Proceeds from and payments for equity instruments.		50,850	-
c) Acquisition of own equity instruments (-).	12	(1,869,232)	-
d) Disposal of the Parent Company's equity instruments	12	1,920,082	-
10. Proceeds from and payments for financial liability instruments.		(7,200,433)	1,960,405
a) Issue (+)		34,741,508	3,403,397
2. Debts with financial institutions (+).	15	34,741,508	3,403,397
b) Redemption and repayment of:		(41,941,941)	(1,442,992)
3. Debts with Group companies and associates (-).	16	(41,941,941)	(1,238,656)
4. Other debts (-).		-	(204,336)
12. Cash flows from/used in financing activities (+/-9+/-10-11)		(7,149,583)	1,960,405
D) Effect of exchange rate fluctuations		(163,789)	
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (+/-A+/-B+/-C+/- D)		10,165,626	(6,103,900)
Cash and cash equivalents at beginning of period	11	2,953,415	9,057,315
Cash and cash equivalents at end of period	11	13,119,041	2,953,415

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS CORRESPONDING TO THE YEAR ENDED AT 31 DECEMBER 2018

1. Group companies

1.1. Parent company

GREENERGY RENOVABLES, S.A. (hereinafter, the Parent Company) was incorporated in Madrid, on July 2, 2007, through public deed, being inscribed on the Mercantile Registry of Madrid, volume 24430, book 0, folio 112, section 8, sheet M-439.423, inscription 1. Its registered and tax address is the same where it develops its activity, and is located in calle Rafael Botí, 2 of Madrid.

The corporate purpose and sectors in which the Grenergy Group develops its activity are the promotion and trading of energetic exploitation facilities, as well as the production of electric energy and any complementary activity, and the management and exploitation of energetic exploitation facilities.

At December 31, 2018, the Group Grenergy Renovables comprises 97 companies, including its Parent company (86 subsidiaries through direct investment by the parent company, and 10 subsidiaries indirectly invested through a subsidiary's majority shareholding), integrating all subsidiaries through global integration method.

Since July 8, 2015, shares of the Parent company Grenergy Renovables, S.A. are listed in the Alternative Stock Exchange, segment Expanding Companies (hereinafter MAB-EE) (Note 11). As a consequence of the listing on the MAB-EE, the Parent Company lost its condition as single-shareholding company, declared in 2014.

The consolidated annual accounts of the Grenergy Group corresponding to the year ended at December 31, 2017, as well as the corresponding management and auditor's reports were approved without modifications by the General Shareholders' Meeting on June 22, 2018.

The Parent Company is in turn part of the Daruan Group, which parent company is Daruan Group Holding, S.L., resident in Spain, and which formulates and publishes consolidated annual accounts.

The consolidated annual accounts of the Group which parent company is Daruan Group Holding, S.L., corresponding to the year ended at December 31, 2017, as well as the Group's corresponding management and auditor's reports were deposited on the Mercantile Registry of Madrid on July 29, 2018.

The consolidated annual accounts corresponding to the year ended at December 31, 2018, as well as the corresponding management and auditor's reports of the Group Daruan Group Holding, S.L will be deposited on the Mercantile Registry of Madrid.

1.2. Subsidiaries

Subsidiaries included on the consolidation perimeter, as well as information related to them, are presented on Annex I of the present consolidated annual accounts.

The subsidiaries' annual accounts are consolidated with the Parent Company's annual accounts through application of the global integration method, thus writing off in the consolidation process all balances and transactions performed between consolidated companies.

Results achieved by subsidiaries acquired or disposed of during the year are included on the consolidated income statement since the effective acquisition date or until the effective date when the subsidiary ceases being such, as applicable. Third parties' investment on the Group's equity and results is respectively presented on captions "minority interests" of the consolidated balance sheet and "results attributable to minority interests" of the consolidated profit and loss account.

The Parent Company and subsidiaries' individual financial statements used to elaborate the consolidated financial statements refer to the same presentation date.

Apart of the above, no other company, based on the content of article 42 of the Code of Commerce, is part of such Group. None of the subsidiaries has issued securities admitted to trading on an exchange market.

2. Bases of presentation

2.1 True and fair view

The consolidated annual accounts have been obtained from the Group's accounting records and are presented in agreement with the applicable financial reporting framework and, in particular, with accounting principles and criteria therein contained, to show the true and fair view of the Group's consolidated equity, consolidated financial position, consolidated results and consolidated cash flows, during the year.

The main standards included on the financial reporting framework applicable to the Group are the following:

- a) Commercial Code and other corporate legislation.
- b) Standards for the Formulation of consolidated annual accounts approved by Royal Decree 1159/2010 and Royal Decree 602/2016.
- c) General Accounting Plan approved by Royal Decree 1514/2007 and its sector adaptations.
- d) Compulsory standards approved by the Accounting and Auditing Institute in development of the General Accounting Plan and its complementary standards.
- e) Other Spanish accounting regulations, as applicable.

2.2 Non-compulsory accounting principles applied

The main accounting policies adopted are presented on Note 4. All accounting principle and registration and valuation standard with a significant effect on the consolidated annual accounts have been applied on their elaboration.

Figures contained on all statements comprised on the consolidated annual accounts (consolidated balance sheet, consolidated profit and loss account, consolidated statement of changes in equity, consolidated statement of cash flows and the present consolidated notes to the financial statements) are presented in Euros (unless otherwise indicated) which is the Group's functional currency.

2.3 Critical aspects of the valuation and estimate of uncertainty

When preparing certain information included on the present consolidated annual accounts, estimates have been used, based on the Top Management's assumptions, subsequently ratified by the Parent Company's Directors, to quantify some of the assets, liabilities, income, expenses and commitments therein included. The most significant estimates used on the consolidated annual accounts refer to the following:

- Useful life of intangible assets and property, plant and equipment (Notes 4.2 and 4.3)
- Losses for impairment of certain assets (Notes 4.2, 4.3 and 4.5)
- Measurement of financial risks to which the Group is exposed in the development of its activity (Note 23.1)

These estimates and assumptions are based on the best information available at the date of elaboration of the consolidated annual accounts, on the estimate of uncertainty at year-end closing, and are periodically reviewed. However, these periodic reviews or future events are likely to cause a modification of estimates in coming years. In this case, the effects from changes in estimates would be prospectively registered on the consolidated profit and loss account of such years and of successive periods, as established on the 22nd Registration and Valuation Standard "Changes in accounting criteria, misstatements and accounting estimates".

2.4 Comparison of information

On the consolidated annual accounts, for comparison purposes, each item of the consolidated balance sheet, consolidated profit and loss account, consolidated statement of changes in equity, consolidated statement of cash flows, and consolidated notes to the financial statements, in addition to the previous year's figures, includes those corresponding to the previous year, under identical accounting principles.

2.5 Regulatory framework

Sector regulation in Spain

The sector of renewable energies is a regulated sector that has undergone important changes during the last years, with a new regulatory framework since 2013. Within this framework, the new standard of reference is Law 24/2013, of 26 December, of the Electrical Sector, which repeals the previous Law 54/1997, of 27 November, of the Electrical Sector.

On December 26, 2013, the new Sector Law was published, ratifying the Royal Decree-Law 9/2013; it eliminates the special regime and considers a new remuneration scheme for these facilities of renewables, cogeneration and waste. The new remuneration (called specific remuneration and which will be exceptionally granted for new facilities) is additional to the remuneration for the sale of energy in the market and comprises one term per power unit installed that covers, as applicable, investment costs that cannot be recovered by the market, and one term to the operation that covers, where applicable, the difference between exploitation costs and the market price.

The calculation of this new specific remuneration is based on a standard installation, throughout its regulatory useful life and in reference to the activity performed by an efficient well-managed company, based on:

- Standard income from the sale of energy valued at market price;
- Standard exploitation costs; and
- The standard value of the initial investment.

This remuneration regime is based on a reasonable profitability to investments, which definition is based on the interest rate of the Government bond in ten years plus a differential, initially established in 300 basis points.

Six-year regulatory periods are established, and sub-periods of three years. Every three years, remuneration parameters related to market price forecasts can be changed, incorporating deviations suffered in the sub-period.

Every six years, the installations' standard parameters can be modified, except for the initial investment value and the regulatory useful life, which remain invariable throughout the installations' life. Likewise, every six years, the remuneration interest rate can be changed, but only for future remunerations.

The standard investment value for new installations is determined through a tender procedure.

This new remuneration is applicable since July 2013, when the Royal Decree-Law 9/2013 became effective.

On June 6, 2014, the RDL 413/2014 was published, regulating the activity of production of electric energy from renewable energy sources, cogeneration and waste. Additionally, on June 16, 2014, the Order IET 1045/2014, of the Ministry of Industry Energy and Tourism, was published, approving remuneration parameters of standard contributions applicable to certain installations of electric energy production from renewable energy sources, cogeneration and waste. By virtue of this new regulation, installations will receive, during their regulatory useful life, in addition to the remuneration from the sale of energy valued at market price, a specific remuneration comprising one term for power unit installed that covers, as applicable, investment costs for each standard installation that cannot be recovered from the sale of energy in the market, called remuneration to investment, and one term to the operation that covers, when applicable, the difference between exploitation costs and the income from the standard installation's participation in the production market, called remuneration to the operation.

At December 31, 2018, the Group does not own any asset in Spain that could be classified as plant or installation of renewable energies which remuneration is determined by the previous regulatory framework. The Parent Company has focused its efforts to carry out new developments and build new installations in LATAM, through the subsidiaries.

Sector regulation in LATAM

With regards to the regulatory framework in LATAM that, at the short and mid-terms, will affect the Greenergy Group's operations in Chile, Peru, Mexico, Colombia and Argentina, it should be noted that the energy market is private, not being subject in any case to public premiums or grants to renewable energies, as it was the case in Spain in past years. Therefore, there is no regulatory uncertainty or legal insecurity with a view to investments in photovoltaic or wind installations.

To date, the Group has operated in Chile through photovoltaic installations adhered to the small means of distributed generation regime (PMGD). PMGDs are all those generation means that have power surpluses below or equal 9 MW, connected in medium power networks in distribution systems. This is the kind of project included on the project portfolio of Greenergy at the mid-term in Chile.

The main difference in relation to energy trading between one PMGD and the remaining generators is the sale through a stabilized price. This stabilized price is offered by the distribution company to which the generator is sold. In turn, this price is established by the National Energy Commission (CNE) every 6 months, based on the projection of marginal costs for the following 48 months in each hub. Being an average of the evolution of marginal costs in the following four years and in the 24 hours of the day, this price does not present significant variations, and remains stable in comparison with the spot market price.

Also, all generating companies can enter into agreements with clients at freely-agreed prices (unregulated clients) and with transmission/distribution companies at hub price, determined by the CNE, as indicated above. Another way to trade generated energy is through a regulated tendering process of supply for distributors. In turn, distributors sell energy to regulated final clients, or to free clients who do not wish to freely subscribe supply agreements with generation companies.

Generators must communicate to the corresponding CDEC, with a 6-month notice, the energy sale option to be adopted (hub price or stabilized price). To change the regime, a 12-month notice must be given and the minimum period of permanence for each regime is of 4 years.

At December 31, 2018, the Group does not own any operating photovoltaic installation.

3. Application of the Parent company's results

The proposal of distribution of results, formulated by the Parent Company's Directors, which will be submitted to approval by the Shareholders' Meeting, is the following:

	<u>Euros</u>
<u>Basis of Distribution</u>	
Profit from the year	8,991,163
	<hr/> 8,991,163
<u>Application</u>	
To voluntary reserves	8,786,926
To capitalization reserve	204,237
	<hr/> 8,991,163

4. Registration and Valuation Standards

Registration and valuation standards applied when elaborating the consolidated annual accounts corresponding to 2018 have been the following:

4.1. Consolidation principles

In order to present homogeneous information, the most appropriate valuation principles and standards have been applied to all consolidated companies, for the purpose of showing the true and fair view aimed by the Parent company on its individual financial statements.

The annual accounts of all companies integrated on the consolidation perimeter refer to the same closing date and period as the present consolidated annual accounts.

4.1.1 Subsidiaries

Subsidiaries are all companies on which Greenergy Renovables, S.A. holds power to manage financial and operating policies, in order to obtain economic benefits from their activities. When assessing whether the Group controls a company, the existence and effect of the exercisable potential voting rights at the date of the control's assessment are considered, as well as possible arrangements with other shareholders.

Subsidiaries are consolidated through the global integration method, integrating on the consolidated annual accounts the totality of their assets, liabilities, income and expenses, after the corresponding adjustments and write-offs of intragroup operations. Subsidiaries are excluded from the consolidation from the date when they cease being part of the Group.

In order to register the acquisition of subsidiaries, the acquisition method is used. The acquisition cost is the fair value of assets delivered, equity instruments issued, and liabilities incurred or assumed at exchange date, plus costs directly attributable to the acquisition. The excess of the acquisition cost over the fair value of an investment in the acquired net identifiable assets is recognized as goodwill. If the acquisition cost is lower than the fair

value of the acquired subsidiary's net assets, the difference is directly recognized on the consolidated profit and loss account.

Intangibles assets acquired through a business combination are recognized separately from goodwill if assets' recognition criteria are met, that is to say, if they are separable or originate from legal or contractual rights, and when their fair value can be reliably valued.

Acquired identifiable assets and incurred or assumed liabilities or contingent liabilities as a result of the transaction are initially valued at their fair value at acquisition date, regardless of the percentage of minority shareholders.

When the control over a subsidiary is lost, exclusively for consolidation purposes, the profit or loss recognized on the individual annual accounts of the company that reduces its investment must be adjusted with the amount originated from reserves in consolidated companies generated from acquisition date, as well as with the amount originated from income and expenses generated by the subsidiary in the year, until the date when control is lost.

In relation to the investment of minority interests, its investment in equity is registered on "Minority interests", within the caption "Equity" of the Group's consolidated balance sheet. With regards to the consolidated profit and loss account, results from the year attributable to minority interests are included on caption "Profit/(loss) attributable to minority interests".

4.1.2 Prior homogenization of items from individual accounts

Before performing the corresponding write-offs on the consolidation, a temporary, valuation homogenization has been performed for internal operations in the aggregation.

The financial statements of companies included on the consolidation perimeter used on the consolidation correspond to the year ended at December 31, 2018, thus not requiring any adjustment for temporary homogenization.

In relation to the valuation homogenization, valuation criteria applied on the consolidated annual accounts are those applied by the Parent Company on its individual annual accounts, being the most appropriate valuation criteria. The subsidiaries' assets, liabilities, expenses and income have been valued in application of the same criteria, performing the necessary adjustments, except when the result from the new valuation offered a scarcely relevant interest to reach the Group's true and fair view.

In the homogenization for internal operations, amounts of items derived from non-coinciding internal operations, or in which there is some internal operation to be registered, have been adjusted to practice subsequent write-offs.

In the homogenization to perform the aggregation, when the structure of a Group company's annual accounts did not coincide with the consolidated annual accounts, the necessary reclassifications have been performed.

4.1.3 Translation of foreign companies' annual accounts included on the consolidation perimeter

All foreign companies' goods, rights and obligations are translated to Euros using the exchange rate in force at the closing date to which these companies' annual accounts refer. Items on the profit and loss accounts are translated using exchange rates in force at the date of operations, applying an average exchange rate. The difference between the amount of equity, calculated as described above, and the amount of equity translated to the historical exchange rate is inscribed on equity of the consolidated balance sheet under item "Exchange profit/(loss)".

4.1.4 Consolidation goodwill or consolidation negative difference

Goodwill generated on the consolidation represents the excess of the acquisition cost on the Group's investment in the fair value of a subsidiary or jointly controlled entity's identifiable assets and liabilities at acquisition date.

Positive differences between the cost of investment in the share capital of the consolidated entities with regards to the corresponding theoretic-accounting securities acquired, adjusted at the date of first consolidation, are allocated as follows:

1. If they can be allocated to specific equity elements of acquired companies, increasing the value of assets which market values exceed the net book values at which they are registered on their balance sheets.
2. The remaining differences are registered as goodwill, allocated to one or more specific cash generating units.

Goodwill is only registered when they have been onerously acquired in the context of a business combination.

According to the accounting legislation, and in order to detect a possible value loss, the Parent Company's Management analyzes and assesses estimates and projections available for the different cash generating units to which goodwill has been allocated, determining whether the recoverable amount deduced from them justifies the value registered on the consolidated annual accounts. In case of an impairment loss in goodwill, it is registered on the consolidated profit and loss account of the year in which it appears and can be reversed in subsequent periods.

In the rare case when the value of acquired identifiable assets minus assumed liabilities exceeds the business combination's cost, the excess would be registered on the consolidated profit and loss account as income.

However, before recognizing such income, the company will newly assess whether identifiable acquired assets and assumed liabilities, as well as the combination cost, have been correctly identified and measured. If, during the identification and valuation process, contingent assets or intangible elements for which there is no active market arise, they will not be subject to recognition, with the limit of the abovementioned negative difference.

At both year-end closings, the Group does not have consolidation Goodwill or negative consolidation differences.

4.1.5 Transactions between companies included on the consolidation perimeter

After homogenizations described above, on the consolidated annual accounts, reciprocal credits and debits and expenses and income have been written off, as well as results from internal operations not performed towards third parties.

4.1.6 Variations in the consolidation perimeter and main operations of 2018 and 2017

The main variations in the consolidation perimeter corresponding to 2018 have been the following:

a) New incorporations al consolidation perimeter:

- On January 31, 2018, the companies Chambo Renovables, S.L.U., Eiden Renovables, S.L.U., El Águila Renovables, S.L.U. and Mambar Renovables, S.L.U. were incorporated in Spain with a capital of 3,000 Euros each. At December 31, 2018 these companies' Share Capital is fully subscribed and paid in.
- On April 18, 2018, the companies GR Pimiento, S.P.A., GR Chañar, S.P.A., GR Carza, S.P.A., GR Pilo, S.P.A., GR Lúcumo, S.P.A., GR Pitao, S.P.A., GR Lleuque, S.P.A., GR Notro, S.P.A., GR Lenga, S.P.A., GR Tepú, S.P.A.; GR Lumilla, S.P.A., GR Toromiro, S.P.A., GR Pacama, S.P.A., GR Temo, S.P.A. and GR Ruil, S.P.A. were incorporate in Chile, with a share capital of 1,358 Euros each. At December 31, 2018 these companies' Share Capital has not been disbursed.
- On September 10, 2018, the companies GR Huacano, S.P.A., GR Corcolén, S.P.A., GR Luma, S.P.A., GR Fuique, S.P.A., GR Piñol, S.P.A., GR Queñoa, S.P.A., GR Tayú, S.P.A., GR Petra, S.P.A., GR Corontillo, S.P.A., GR Liun, S.P.A.; GR Kewiña, S.P.A., GR Frangel, S.P.A., GR Maqui, S.P.A., GR Petrillo, S.P.A. GR Tepa, S.P.A. and Grenergy Opex, S.P.A. were incorporated in Chile with a share capital of 1,258 Euros each. At December 31, 2018 these companies' Share Capital is fully subscribed and not disbursed.
- On September 14, 2018, the companies Eugaba Renovables, S.L., Take Renovables, S.L. and Negua Renovables, S.L. were incorporated in Spain with a share capital of 3,000 Euros each. At December 31, 2018 these companies' Share Capital is fully subscribed and paid in.

b) Eliminations from the consolidation perimeter:

- On April 11, 2018, the Parent company has sold its shares in the company GR Avellano, S.P.A. Such operation has generated a capital gain of 436 thousand Euros, registered on item "Result from loss of control of consolidated investments" of the accompanying consolidated profit and loss account.
- On June 29, 2018, the Parent Company has sold its shares on companies GR Huingan, S.P.A., GR Pacific Pan de Azucar, S.P.A. and GR Arrayán, S.P.A. Such operations have generated a capital gain of 2,053 thousand Euros, registered on item "Result from loss of control of consolidated investments" of the accompanying consolidated profit and loss account.

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- On August 29, 2018, the Parent Company has sold its shares on companies GR Litre, S.P.A. and GR Laurel, S.P.A. Such operations have generated a capital gain of 2,954 thousand Euros, registered on item "Result from loss of control of consolidated investments" of the accompanying consolidated profit and loss account.
- On November 27, 2018, the Parent Company has sold its shares on the company GR Quillay, S.P.A. Such operation has generated a capital gain of 394 thousand Euros, registered on item "Result from loss of control of consolidated investments" of the accompanying consolidated profit and loss account.
- On November 30, 2018, the Parent Company has sold its shares on the company GR Chaquihue, S.P.A. Such operation has generated a capital gain of 2,368 thousand Euros, registered on item "Result from loss of control of consolidated investments" of the accompanying consolidated profit and loss account.
- On December 21, 2018, the Parent Company has sold its shares on companies GR Alerce, S.P.A., GR Palma, S.P.A., GR Lilén, S.P.A. and GR Melí, S.P.A. Such operations have generated a capital gain of 4,023 thousand Euros, registered on item "Result from loss of control of consolidated investments" of the accompanying consolidated profit and loss account.
- On December 31, 2018, the Parent company has sold its shares on companies GR Tineo, S.P.A., GR Lingue, S.P.A. and GR Guayacán, S.P.A. Such operations have generated a capital gain of 1,047 thousand Euros, registered on item "Result from loss of control of consolidated investments" of the accompanying consolidated profit and loss account.

The main variations on the consolidation perimeter corresponding to 2017 were the following:

a) New incorporations to the consolidation perimeter:

- On January 23, 2017, the company Grenergy Renovables S.A. acquired 100% of the Share Capital of the company Kosten S.A., located in Argentina, for an amount of 2,681,054 Euros.
- On March 10, 2017 the company Viatres Renewable Energy, S.L. was incorporated in Spain with a share capital of 1,200 Euros. At December 31, 2017 this company's Share Capital was fully subscribed and paid in.
- On October 6, 2017, the companies GR Juliaca, S.A.C., GR Huambos, S.A.C., GR Aporic, S.A.C., GR Bayovar, S.A.C. and GR Vale, S.A.C. were incorporated in Peru with a share capital of 255 Euros each. At December 31, 2017 these companies' Share Capital was fully subscribed and not disbursed.
- On October 25, 2017 the companies GR Bañuela Renovables, S.L.; GR Turbon Renovables, S.L.; GR Aitana Renovables, S.L. and GR Aspe Renovables, S.L. were incorporated in Spain with a share capital of 3,000 Euros each. At December 31, 2017 these companies' Share Capital was fully subscribed and paid in.

b) Eliminations from the consolidation perimeter:

- On September 15, 2017, the Parent Company sold its shares on companies GR Araucaria, S.P.A. and GR Canelo, S.P.A. Such operations generated a capital loss of 1,644 thousand Euros, registered on item "Impairment and results from disposals of financial instruments" of the accompanying consolidated profit and loss account of 2017.
- On December 29, 2017, the Parent Company sold its shares on companies GR Boldo, S.P.A., GR Tiaca, S.P.A., GR Radal, S.P.A., GR Patagua, S.P.A., Gr Espino, S.P.A. and GR Coigue, S.P.A. Such operations generated a capital gain of 2,584 thousand Euros, registered on item "Impairment and results from disposals of financial instruments" of the accompanying consolidated profit and loss account of 2017.

4.2. Intangible assets

They are non-monetary identifiable assets, without physical appearance, that arise as a consequence of a legal business or have been internally developed. The Group only recognizes in accounts those assets which cost can be reliably estimated and for which the Group considers probable to obtain future economic benefits or yields.

Intangible assets are initially recognized at acquisition or production cost and are, subsequently, valued at cost minus their corresponding accumulated amortization and impairment losses undergone.

Licences, patents and brands (industrial property)

Patents, licences and brands are initially valued at acquisition price and are linearly amortized throughout their estimated useful lives (25 years).

Computer software

This item includes amounts satisfied for the access to ownership or right of use of computer programmes and software, as long as they are expected to be used in several years. They are systematically amortized, applying a linear criterion in a four-year period.

Expenses for the maintenance, global review of systems or recurrent expenses as a consequence of the modification or update of these applications are directly registered as expenses in the year when they are incurred.

4.3. Property, plant and equipment

They correspond to tangible assets owned by the Group for their use in the production or supply of goods and services or for administrative purposes, and which are expected to be used in more than one year.

Goods included on property, plant and equipment are registered at acquisition cost (updated, if applicable, with several legal provisions) or production cost, minus accumulated amortization and impairment losses, if any.

The cost of property, plant and equipment built by the Group is determined by following the same principles as for an acquired asset. The capitalization of the production cost is charged to caption "Work carried out for assets" of the consolidated profit and loss account.

Costs for the extension, modernization, improvement, substitution or renewal, which represent an increase of productivity, capacity or efficiency, or an extension of the good's useful life, are registered as higher cost of the corresponding goods, with the consequent accounting withdrawal of substituted or renewed goods or elements.

The acquisition cost of property, plant and equipment that require a period above one year to be in conditions of use includes financial expenses accrued before the element is put into operating conditions. During the year, no amount has been activated for this concept. On the other hand, financial interests accrued after such date, or to finance the acquisition of the remaining fixed assets, do not increase the acquisition cost and are registered on the profit and loss account of the year when they are accrued.

Costs incurred in the conditioning of leased premises are classified as installations, systematically amortizing them through the linear method during an 8-year period, not exceeding in any case the lease agreement's length.

Periodic expenses for the conservation, repair and maintenance that do not increase the asset's useful life are charged to the consolidated profit and loss account of the year in which they are incurred.

The amortization is calculated by systematically applying the linear method on the acquisition or production cost of assets, minus their residual value, during the years of estimated useful life of the different elements, as per the following detail:

	Years of Useful Life
Machinery	5-10
Installations and tools	3-50
Transport elements	5-20
Furniture	10
Information equipment	4
Other property, plant and equipment	6-8

Values and the residual lives of these assets are reviewed at each balance sheet date and are adjusted, where necessary.

At each year-end closing, the Group analyzes whether there are signs that the carrying value of its property, plant and equipment exceeds the corresponding recoverable amount, that is to say, that a given element may be impaired. For those identified assets, the Group estimates the recoverable amount, understood as the highest between the fair value minus necessary selling costs and the value in use. If the asset does not generate cash flows per se, independent from other assets, the Group calculates the recoverable amount of the Cash Generating Unit to which it belongs.

If the recoverable value thus determined is below the asset's carrying value, the difference between both values is recognized on the consolidated profit and loss account by reducing the asset's carrying value down to its recoverable amount, and future charges for amortization are adjusted in proportion to their adjusted carrying value and the new remaining useful life, if it was necessary to re-estimate it.

Similarly, when there are signs of recovery in the value of an element of property, plant and equipment, the Group registers the reversal of the impairment loss registered in previous years and future charges for amortization are accordingly adjusted. In any case, such reversal does not imply an increase of the asset's carrying value above the value that it would have if impairment losses had not been recognized in previous years.

Profit or loss resulting from the disposal or write-off of an asset is calculated as the difference between the value of the consideration received and the asset's carrying value, and is recognized on the consolidated profit and loss account of the year.

4.4. Leases

The Group classifies lease agreements as financial or operating leases based on the operation's economic substance, regardless of its legal form.

Leases are classified as financial leases as long as their conditions transfer to the Group risks and benefits inherent to the ownership of the leased good. Elements thus acquired are classified on the category of non-current assets corresponding to the nature of the leased good, valuing it at the lowest value between the leased asset's fair value and the current value of minimum payments agreed at lease inception, including the value of the call option in absence of reasonable doubts on its exercise.

The payment obligation derived from the financial lease, net of the financial charge, is recognized on current or non-current debts payable, depending on whether the payment will be settled before or after the 12 months following the year-end closing.

Interests derived from the financing of fixed assets are allocated to the consolidated profit and loss account during the period of validity of the lease, and are calculated at the operation's effective interest rate, thus obtaining a constant periodic interest on the amount of the debt to be amortized in each period.

Amortization policies and impairment corrections of such goods are similar to those applied by the Group to its intangible assets and property, plant and equipment.

Leases where the lessor keeps an important part of risks and benefits derived from the good's ownership are classified as operating leases.

Payments for operating leases (net of any incentive granted by the lessor) are charged to the consolidated income statement of the year during the lease period.

4.5. Financial instruments

A financial instrument is a contract that gives rise to a financial asset in an entity and, simultaneously, to a financial liability or an equity instrument in another. The Group only recognized financial instruments on the balance sheet when becoming a party of the contract, according to its specifications.

On the accompanying consolidated balance sheet, financial assets and liabilities are classified as current or non-current based on whether their maturity is equal or below twelve months, respectively, from the year-end closing date.

The Group most regular financial assets and liabilities are the following:

- Financing granted to the Group's related entities and personnel, regardless of their legal form
- Trade receivables

- Financing received from financial entities and suppliers
- Securities, both representing debt (obligations, bonds, promissory notes, etc.) and equity instruments in other entities (shares) or participations in collective investment institutions

a) Financial assets

They are initially recognized at fair value plus incremental costs directly allocable to the transaction, except when assets are classified in the category of “Financial assets held for trading”, in which case incremental costs are directly allocated to the consolidated profit and loss account of the year in which they are incurred.

For valuation purposes, the Group classifies financial assets, except for investments held in group companies, in one of the following categories:

- Loans and accounts receivable: they correspond to credits (commercial or not) non-derivatives, not being traded on an active market, which cash flows are fixed or determinable and for which the entire disbursement is expected to be recovered, except when there are reasons allocable to the debtor's solvency. They arise when the Group supplies cash or goods and services corresponding to its business purpose directly to a debtor, without intending to negotiate with the account receivable. It also includes deposits and sureties registered at face value, since it does not significantly differ from the fair value.

After initial recognition, they are valued at amortized cost, using in their determination the effective interest rate method. Nonetheless, in general, trade credits with maturity below twelve months are registered at face value, that is to say, they are not discounted.

“Amortized cost” is understood as the asset's acquisition cost minus collections of main, corrected (upwards or downwards, as applicable) by the portion systematically allocated to results of the difference between the initial cost and the corresponding reimbursement value at maturity, taking into account eventual impairment losses.

Moreover, effective interest rate is considered the discount rate that, at asset's acquisition date, is exactly equal to the asset's initial value for the totality of its estimated cash flows for all concepts throughout its remaining life.

The Group follows the criterion of registering impairment corrections in order to cover balances with a given ageing or in which circumstances concur that allow doubting on the debtor's solvency.

b) Financial liabilities

Financial liabilities are classified based on contractual agreements and taking into account the operations' economic fund.

The main financial liabilities held by the Group correspond to liabilities at maturity, remunerated or not, classified by the Group for valuation purposes on the category of “Debts and items payable”, initially valued at fair value and subsequently at amortized cost.

- Debts with credit institutions and other remunerated liabilities: loans, bank overdrafts, obligations and other similar instruments that accrue interests are initially registered at

their fair value, which equals the cash received, net of costs incurred in the transaction that are directly attributable. Accrued financial expenses, including premiums payable in the liquidation or reimbursement and direct costs allocable to the issuance are registered on the consolidated profit and loss account following the effective interest rate method, increasing the debt's carrying value in so far as they are not liquidated in the period when they are accrued. It also includes loans at a zero interest rate, registered at face value, since it does not significantly differ from the fair value.

Loans which short-term maturity which long-term refinancing is ensured at the Group's discretion, through long-term credit policies, are classified in the accompanying consolidated balance sheet as non-current liabilities.

- Trade payables: the Group's trade payables, in general, have maturities not above one year and do not explicitly accrue interests, registering them at their face value, which does not significantly differ from their amortized cost.

The Group writes off a financial liability or a portion therein when obligations contemplated on the corresponding contract have been satisfied, cancelled or expired.

Substantial modifications of initially recognized liabilities are registered as a cancellation of the original liability and the recognition of a new financial liability, as long as instruments have substantially different conditions. The difference between the book value of the financial liability cancelled or assigned to a third party and the paid consideration, including any assigned asset other than cash of assumed liability, is registered on the consolidated profit and loss account.

c) Equity instruments

All capital instruments issued by the Group are classified on item "Capital" of caption "Equity" of Equity in the accompanying consolidated balance sheet. The Group does not own any other equity instruments.

Such instruments are registered in consolidated equity for the amount received, net of direct issuance costs.

When the Group acquires or sells its own equity instruments, the amount paid or received is directly registered in consolidated equity accounts, not recognizing any amount on the consolidated income statement for such transactions (see Note 12.4).

d) Cash and cash equivalents

This caption on the accompanying consolidated balance sheet includes cash at hand, spot deposits in credit institutions and other current investments with high liquidity with an original maturity below or equal to three months. Bank overdrafts are classified on caption "Current debts" of the "Current liabilities" of the accompanying consolidated balance sheet.

4.6. Inventories

This caption of the consolidated balance sheet includes assets that the Group:

- Holds for sale in the normal business course,
- Is producing, constructing or developing for such purpose, or
- Expects to consume in the production process or service delivery.

Inventories are valued at the lowest amount between the acquisition or production cost and their net realizable value, understood as the amount that the Group shall obtain at disposal in the market in the normal business course, minus necessary costs to carry it out (completion, trading, sale and distribution costs).

The formula applied by the Group to determine of the cost for each type of inventories is the following:

- Raw materials and other supplies: they are initially valued at acquisition price, using the FIFO criterion as value allocation method.
- Work in progress and finished work: they are initially valued at average production cost. The cost includes the average weighted cost of incorporated materials, works performed by third parties and costs directly allocable to the product, as well as the portion reasonably corresponding of direct and indirect workforce costs and general manufacturing expenses.

Commercial discounts, granted rebates and similar items are recognized when conditions determining their granting are likely to be met, such as reduction of the inventories' cost. Moreover, discounts for early payment are recognized as a reduction of the cost of acquired inventories.

The Group performs an assessment of the net realizable value of inventories at year-end closing, allocating the corresponding impairment correction when they are overvalued. When circumstances that caused the recognition of inventories' value correction cease to exist or there is clear evidence justifying an increase of the net realizable value due to changes in economic circumstances, the previous value correction is reversed, taking as limit of such reversal the lowest amount between the inventories' cost and new net realizable value. Both inventories' value corrections and their reversal are recognized on the consolidated profit and loss account of the year.

Photovoltaic solar plants owned by the Group are initially classified as inventories, since Directors consider that their normal destination is their sale. For those cases when, since inception, a decision is made to exploit the plant, it is classified as property, plant and equipment.

4.7. Transactions and balances in foreign currency

The Group's functional currency is the Euro, and therefore all balances and transactions denominated in currencies other than Euro are considered denominated in foreign currency. Such transactions are registered in Euros, applying spot exchange rates in force at transactions' dates.

At year-end closing, monetary assets and liabilities in foreign currency are translated to Euros using the average spot exchange rate in force at such date of the corresponding currency market.

Profit and loss resulting from the liquidation of transactions in foreign currency and of the translation to exchange rates at closing date of monetary assets and liabilities in foreign currency are recognized on the consolidated profit and loss account of the year in the item "Exchange profit/(loss)".

4.8. Corporate Income Tax

The income tax expense of the year is calculated through the sum of the current tax applicable of the tax rate on the tax assessment basis of the year, and after applying fiscally admissible deductions, plus the variation of deferred tax assets and liabilities.

The Group registers on Equity of the consolidated balance sheet the tax effect related to items directly registered in equity accounts.

Deferred taxes are calculated in accordance with the method based on the balance, on temporary differences arisen between tax bases of assets and liabilities and their carrying amounts, applying the approved regulation and tax rate, or to be approved, at year-end closing, and which is expected to be applied when the corresponding deferred tax asset is realized or the deferred tax liability is liquidated.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the temporary difference derives from the initial recognition of a goodwill or of other assets and liabilities in an operation, other than a business combination, which has not affected the tax or accounting results. Deferred tax assets are recognized when the Group is likely to have sufficient tax gains in the future to offset deductible temporary differences or unused tax losses or credits.

At year-end closing, the Group reviews registered deferred taxes (both assets and liabilities) in order to verify that they remain in force, performing the corresponding corrections therein, according to results from analyses performed.

The Group Spanish companies present the Corporate Income Tax under the consolidated taxation regime, together with the Group's Parent Company, Daruan Group Holding, S.L. And with other companies included on the tax group Daruan Group Holding, S.L. And Subsidiaries, under number 0381/14. Accordingly, the deductions in the Corporate Income Tax charge affect the calculation of the tax accrued in the Group for their effective amount, which is applicable in the consolidated declaration regime, not for a higher or lower amount that would correspond in individual taxation regime.

4.9. Income and expense recognition

The Group registers income and expenses based on the accrual criterion, that is to say, when there is a real flow of goods and services represented by them, regardless of the timing of the monetary or financial flow derived from them.

The most significant criteria followed by the Group to register its income and expenses are the following:

- Income from sales and services delivered: they are registered at the fair value of the consideration collected or to be received and represent amounts receivable for goods and the services delivered in the ordinary framework of activity, minus discounts, VAT and other taxes related to sales.
Sales of goods are recognized as income when all risks and benefits inherent to their ownership have been substantially transferred, when the transaction's outcome can be reliably determined, and when the Group is likely to receive economic yields derived from the transaction.

Income associated to the service delivery is also recognized considering the service realization degree at balance sheet date, as long as it is possible to reliably estimate the transaction's outcome and the Group is likely to receive economic yields derived from it.

- Expenses: they are recognized on the consolidated profit and loss account when there is a decrease of future economic profits related to a reduction of an asset or increase of a liability that can be reliably measured. This implies that an expense is registered simultaneously to the registration of an increase of the liability or decrease of the asset. Additionally, an expense is immediately registered when a disbursement does not generate future economic benefits or does not meet requirements necessary for its recognition as asset.
- Income and expenses from interests and similar concepts: in general, they are registered on accounts through application of the effective interest rate method.

4.10. Provisions and contingencies

At the date of formulation of the present consolidated annual accounts, the Parent Company's Directors distinguish between:

- Provisions: obligations existing at closing date, derived from past events, on which there is uncertainty regarding their amount or maturity, but which are likely to derive in equity damages for the Group and the amount of the corresponding debt can be reliably estimated.
- Contingent liabilities: possible obligations derived from past events, which materialization is conditioned to the occurrence or not of one or more future uncertain events, which are not fully under the Group's control, and which do not meet requirements to be recognized as provisions.

The Group's consolidated annual accounts include all significant provisions with regards to which the Group estimates that there is a high probability of having to face the obligation. They are quantified based on the best information available at the date of formulation of the consolidated annual accounts on the causing event's consequences, taking into account, where significant, the temporary value of money.

Their allocation is charged to the consolidated profit and loss account of the year in which the obligation (legal, contractual or implicit) arises, and they are fully or partly reversed, charged to the consolidated profit and loss account, when obligations cease to exist or decrease.

At year-end closing, the Group does not have any contingent liabilities.

4.11. Environmental equity elements

Environmental assets are goods used on a lasting basis on the Group's activities, and which main purpose is to minimize the environmental impact and to protect and improve the environment, including the reduction or elimination of future pollution in the Group's activities.

Criteria used for the initial recognition, allocation to amortization and possible impairment corrections of such assets are described on Note 4.3 above.

Due to the Group's activities, and according to the legislation in force, the Group holds control on the pollution degree of waste and emissions, as well as of an appropriate waste collection policy. Expenses incurred for these purposes are charged on the consolidated profit and loss account of the year when they are incurred.

4.12. Personnel costs

Personnel costs include of the Group's all social assets and liabilities, obligatory or voluntary, accrued at each moment, recognizing obligations for extra pays, holidays and variable remunerations, as well as associated expenses.

a) Short-term remunerations

This kind of remunerations are valued, without update, at the amount payable for services received, generally registering them as personnel costs of the year, and including them on a liability account of the consolidated balance sheet at the difference between the total accrued expense and the amount satisfied at year-end closing.

b) Severances

According to the legislation in force, the Group is compelled to indemnify employees who are dismissed without justified cause. Such severances are paid to employees as a consequence of the Group's decision to terminate their labour agreement before the normal date of retirement, or when the employee voluntarily accepts resigning in exchange for this benefit. The Group recognizes these benefits when it has demonstrably committed to terminating the employment of current workers, according to a detailed plan, without possibility of withdrawal, or to provide severances as a consequence of an offer to promote voluntary resignation.

At year-end closing, the Group does not count with any personnel reduction plan requiring the creation of a provision for this concept.

4.13. Share-based payments

Transactions with payments based in equity instruments are those that, in exchange for receiving goods or services, including services delivered by employees, are liquidated by the Parent Company with equity instruments or with an amount based on the value of equity instruments, such as stock options or rights on the revaluation of shares.

The Group will recognize, on the one hand, goods or services received as asset or as expense, based on their nature, at the moment of obtaining them, and, on the other hand, the corresponding increase in equity if the transaction is liquidated with equity instruments,

or the corresponding liability if the transaction is liquidated with an amount based on the value of equity instruments.

If the Group had the option to settle the payment with equity instruments or in cash, a liability must be recognized in so far as the Group had incurred in a present obligation to liquidate in cash or with other assets; otherwise, an equity item will be recognized. If the option corresponds to the provider or supplier of goods or services, the Group will register a compound financial instrument, including a liability component, for the other party's right to require the cash payment, and an equity component for the right to receive the remuneration with equity instruments.

For transactions which require completing a given period of services, the recognition is made as such services are delivered during said period.

For transactions with employees liquidated with equity instruments, both services delivered and the increase in equity to be recognized are valued at the fair value of assigned equity instruments, referred to the date of the concession agreement.

Transactions liquidated with equity instruments which counterpart are goods or services other than those delivered by employees will be valued, if they can be reliably estimated, at the fair value of goods or services at the date when they are received. If the fair value of goods or services received cannot be reliably estimated, goods or services received, and the increase in equity, will be valued at the fair value of assigned equity instruments, referred to the date when the Group obtains goods or the other party delivers services.

After recognizing goods and services received, according to the above, as well as the corresponding increase in equity, no additional adjustment would be performed on equity after irrevocability date.

In transactions liquidated in cash, goods or services received, and the liability to be recognized, will be valued at the liability's fair value, referred to the date when requirements for their recognition are met.

Subsequently, and until liquidation, the corresponding liability will be valued at the fair value at each year-end closing, allocating to the profit and loss account any valuation change during the year.

At December 31, 2018, the Parent Company has granted an incentive plan to its employees, consisting on a stock option plan in the Parent Company. Such plan establishes that transactions will be liquidated through the delivery of equity instruments (Note 12.5).

4.14. Transactions between related parties

In general, operations between group companies are initially registered at fair value. Where applicable, if the agreed price differs from the fair value, the difference is registered based on the operation's economic reality. The subsequent valuation is performed in accordance with the corresponding standards.

However, in mergers, spin-offs or non-monetary contributions of a business, the Group uses the following criterion:

- a) In operations between group companies in which the parent company, or a subgroup's parent company and subsidiary are involved, directly or indirectly, elements constituting the acquired business are valued at the corresponding amount, after performing the operation, on the consolidated financial statements of the group or subgroup.
- b) In the case of operations between other group companies, the business' equity elements are valued at their accounting values on the individual financial statements before the operation.

The revealed difference is registered on reserves.

5. Property, plant and equipment

The composition and variations during 2018 and 2017 in accounts included on this caption of the accompanying balance sheet have been the following:

	Machinery and technical installations	Other installations, tools and furniture	Other fixed assets	Work in progress	TOTAL
<u>COST</u>					
Balance at 31.12.2016	11,024,511	558,926	101,156	11,223,209	22,907,802
Additions	29,606,848	19,931	174,422	485,736	30,286,937
Exits, write-offs and reductions	(35,579,620)	(1,264)	-	-	(35,580,884)
Transfers	10,415,477	-	-	(10,415,477)	-
Balance at 31.12.2017	15,467,216	577,593	275,578	1,293,467	17,613,855
Additions	162,241	5,833	196,670	26,570,743	26,935,487
Exits, write-offs and reductions	(25,551,746)	(32,705)	(28,073)	-	(25,612,525)
Reclassifications	153,398	68,894	(222,293)	-	-
Transfers	11,524,431	-	-	(11,524,431)	-
Balance at 31.12.2018	1,755,540	619,615	221,882	16,339,779	18,936,817
<u>AMORTIZATION AND DEPRECIATION</u>					
Balance at 31.12.2016	(257,328)	(140,095)	(58,566)	-	(455,988)
Allocation of the year	(1,250,147)	(50,502)	(36,003)	-	(1,336,652)
Decreases	807,216	897	-	-	808,113
Balance at 31.12.2017	(700,259)	(189,700)	(94,569)	-	(984,528)
Allocation of the year	(810,120)	(40,290)	(29,941)	-	(880,350)
Decreases	17,974	20,191	21,648	-	59,814
Balance at 31.12.2018	(1,492,404)	(209,799)	(102,862)	-	(1,805,065)
<u>IMPAIRMENT</u>					
Balance at 31.12.2016	-	-	-	-	-
Allocation of the year	-	-	-	-	-
Decreases	-	-	-	-	-
Balance at 31.12.2017	-	-	-	-	-
Allocation of the year	-	-	-	(2,174,486)	(2,174,486)
Decreases	-	-	-	-	-
Balance at 31.12.2018	-	-	-	(2,174,486)	(2,174,486)
NBV at 31.12.2017	14,766,957	387,893	181,009	1,293,467	16,629,327
Balance at 31.12.2018	263,136	409,816	119,020	14,165,293	14,957,266

These goods' useful lives as well as the amortization criteria used are detailed on Note 4.3.

The main additions of 2018 and 2017 correspond to plants built in both years (Note 4.1.6).

The main write-offs in 2018 mainly correspond to sales of solar plants associated to Group companies GR Huingan SPA, GR Litre SPA, GR Laurel SPA, GR Tineo SPA, GR Lingue SPA, GR Guayacan SPA and GR Pan de Azucar Spa. These sales have generated profits for an amount of 6,721,988 Euros, registered on caption "Impairment and results from disposals of fixed assets" of the accompanying consolidated profit and loss account.

The main write-offs of 2017 mainly corresponded to sales of solar plants associated to the Group companies GR Radal SPA, GR Patagua SPA, GR Boldo SPA, GR Tiaca SPA, GR Espino SPA, GR Coigue SPA, GR Araucaria Spa and GR Canelo SPA. These sales generated profits for an amount of 7,265,562 Euros registered on caption "Impairment and results from disposals of fixed assets" of the accompanying consolidated profit and loss account.

Impairment corrections

During 2018 the Group has registered an impairment of fixed assets, for an amount of 2,174 thousand Euros (0 thousand Euros in 2017), mainly corresponding to several projects in progress held by the Group mainly in Mexico.

Fully-amortized goods

At 2018 closing, the Group holds on property, plant and equipment fully-amortized elements still in use, for an amount of 96,623 Euros (78,626 Euros at 2017 closing).

Leases

The caption "Other fixed assets", at December 31, 2018 and December 31, 2017, includes 182,641 Euros and 43,252 Euros, respectively, corresponding to the net book value of transport elements subject to financial lease, and classified on the corresponding caption depending on their nature. The length of these lease agreements varies from 2 and 5 years (see Note 7.1).

Definitive purchase and sale commitments

The Group does not hold commitments to acquire or sell property, plant and equipment for a significant amount, and there are no elements of property, plant and equipment in litigation or related to guarantees with third parties.

Insurances

The Group has contracted several insurance policies to cover risks to which elements of the property, plant and equipment are subject, considering that their coverage is sufficient.

6. Intangible assets

The composition and variations during 2018 and 2017 in accounts included on this caption of the accompanying balance sheet have been the following:

	Patents, licences, brands and similar	Computer software	TOTAL
<u>COST</u>			
Balance at 31.12.2016	-	7,350	7,350
Additions	-	3,387	3,387
Business combination	2,845,760	-	2,845,760
Balance at 31.12.2017	2,845,760	10,737	2,856,497
Additions	-	-	-
Exchange profit/(loss)	(151,435)	-	(151,435)
Balance at 31.12.2018	2,694,325	10,737	2,705,062
<u>AMORTIZATION AND DEPRECIATION</u>			
Balance at 31.12.2016	-	(6,348)	(6,348)
Allocation of the year	-	(424)	(424)
Exits, write-offs and reductions	-	-	-
Balance at 31.12.2017	-	(6,772)	(6,772)
Allocation of the year	-	(872)	(872)
Exits, write-offs and reductions	-	-	-
Balance at 31.12.2018	-	(7,644)	(7,644)
NBV at 31.12.2017	2,845,760	3,965	2,849,725
Balance at 31.12.2018	2,694,325	3,093	2,697,418

These goods' useful lives as well as the amortization criteria used are detailed on Note 4.2 to the present notes to the financial statements.

Patents, licences, brands and similar correspond to the fair value of the contract awarded to the subsidiary Kosten, S.A. in the frame of the "Open National and International Tender in the Wholesale Electricity Market (MEM) of electric energy of renewable generation sources – Renovar Programme (Round 1)". Through Kosten, S.A., the Group will be entrusted with the development and design and will in due course carry out the construction, installation and operation in Argentina of the Kosten Wind Farm, with an installed power of 24 MW.

Impairment corrections

The Group's Directors consider that there are no signs of impairment of the different intangible assets at 2018 or 2017 closings, and thus no value correction has been made during the year.

Fully-amortized goods

At 2018 and 2017 closings, the Group held on its intangible assets fully-amortized elements still in use, for an amount of 6,160 Euros.

Leases

At December 31, 2018 and 2017, the Group does not own intangible assets subject to financial lease. Also, the Group has not entered into operating lease agreements on goods of its intangible assets.

Definitive purchase-sale commitments

The Group does not hold commitments to acquire or sell intangible assets for a significant amount and does not have elements of property, plant and equipment under litigation or related to guarantees towards third parties.

7. Leases and similar operations**7.1. Financial leases – Lessee**

The caption of “Other tangible fixed assets” includes the following amounts of transport elements in which the Group is the lessee under financial lease:

Year ended at 31 December 2018

Property, plant and equipment	Gross value	Accumulated amortization	Net value
Transport elements	206,315	(23,674)	182,641
Total	206,315	(23,674)	182,641

Year ended at 31 December 2017

Property, plant and equipment	Gross value	Accumulated amortization	Net value
Transport elements	71,577	(28,325)	43,252
Total	71,577	(28,325)	43,252

These assets' initial value corresponds to the lowest between the fair value of the good and the current value of agreed minimum payments, including the call option, where applicable, at lease date.

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The most significant data, at December 31, 2018 and 2017, of goods acquired under financial lease are the following:

Year ended at 31 December 2018

Element	Contract's maturity	Number of instalments	Euros				
			Cost in origin	Satisfied instalments		Outstanding instalments	
				Previous years	Current year	Short term	Long term
Transport elements	22/04/2021	60 a)	31,908	10,486	6,222	6,919	8,805
Transport elements	05/03/2023	60 a)	49,835	-	7,960	9,651	32,224
Transport elements	22/11/2022	48 a)	105,830	-	913	11,092	93,825
Total			187,573	10,486	15,095	27,662	134,854

a) Monthly instalments

Year ended at 31 December 2017

Element	Contract's maturity	Number of instalments	Euros				
			Cost in origin	Satisfied instalments		Outstanding instalments	
				Previous years	Current year	Short term	Long term
Transport elements	27/10/2019	60 a)	39,669	15,711	7,967	8,184	7,807
Transport elements	22/04/2021	60 a)	31,908	4,432	5,948	6,222	15,200
Total			71,577	20,143	13,916	14,406	23,007

a) Monthly instalments

7.2. Operating leases – Lessee

In order to develop its activity, the Group leases to third parties and other Daruan Group companies the right of use of certain goods. The main lease agreements' conditions in force during 2018 and 2017 are the following:

Year ended at 31 December 2018

Element	Contract's maturity	Expense of the year (a)	Contingent payments	Renewal		
		2018		Year	Call option	Price review
Office lease (Spain)	2019	108,000	b)	2018	N/A	2019
Office lease (Chile)	2019	69,352		2016	N/A	2018
Office lease (Peru)	2019	24,938		2018	N/A	2019
Apartment lease (Chile)	2019	7,790		2018	N/A	2019
Apartment lease (Mexico)	2019	21,798		2018	N/A	2019
Total		231,878				

a) Monthly instalments

b) Based on CPI

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Year ended at 31 December 2017

Element	Contract's maturity	Expense of the year (a)	Contingent payments	Renewal		
		2017		Year	Call option	Price review
Office lease (Spain)	2018	72,000	b)	2017	N/A	2018
Office lease (Chile)	2023	80,924		2016	N/A	2016
Office lease (Peru)	2018	25,536		2017	N/A	2017
Apartment lease (Mexico)	2018	22,081		2016	N/A	2018
Total		200,541				

a) Monthly instalments

b) Based on CPI

At 2018 and 2017 closings, the Group has constituted the legal sureties required by lessors, which value amounts to 91,989 Euros and 84,387 Euros respectively (see Note 8.2).

At 2018 and 2017 closings, the detail of minimum future payments for non-cancellable operating lease agreements, broken down per maturity terms is the following:

	2018			2017		
	1 year	From 1 to 5 years	+5 years	1 year	From 1 to 5 years	+5 years
Office lease (Spain)	108,000	-		108,000	108,000	-
Office lease (Chile)	170,612	1,100,461	220,092	80,924	80,924	-
Office lease (Peru)	27,215	27,215	-	25,536	25,536	-
Apartment lease (Chile)	7,904	-	-	-	-	-
Apartment lease (Mexico)	21,798	-	-	22,081	22,081	-
Total	335,529	1,127,676	220,092	236,541	236,541	-

At 2018 and 2017 closings, or throughout these years, goods leased by the Group have not been subleased to third parties.

8. Financial assets

8.1. Investments in group companies and associates.

The composition and variations during 2018 and 2017 in accounts included on this caption of the accompanying consolidated balance sheet have been the following:

	Balance at 31.12.2016	Additions	Withdrawals	Balance at 31.12.2017	Additions	Withdrawals	Balance at 31.12.2018
Non-current investments							
Equity instruments	-	-	-	-	11,474	-	11,474
Other financial assets	53,373		(53,373)	-	-	-	-
	53,373	-	(53,373)	-	11,474	-	11,474
Current investments							
Loans to companies	16,824	15,327	-	32,151	45,830	(32,151)	45,830
	16,824	15,327	-	32,151	45,830	(32,151)	45,830
Total	70,197	15,327	(53,373)	32,151	57,304	(32,151)	57,304

Equity instruments correspond to the Parent Company's investment in certain group companies that have not been included on the consolidation perimeter since they are inactive and they investment is not significant.

Loans to companies correspond to credits for Corporate Income Tax of held by some Group companies with the Parent Company of the Group Daruan Group Holding, S.L. parent company of the tax group (Note 18).

8.2. Other financial investments

The variation during 2018 and 2017 of the different accounts comprised on captions "Financial investments" of the accompanying consolidated balance sheet is the following:

	Balance at 31.12.16	Entries	Exits	Balance at 31.12.2017	Entries	Exits	Balance at 31.12.2018
Non-current investments							
Equity instruments	210,480	-	(210,480)	-	-	-	-
Other financial assets	-	6,453	-	6,453		(5,705)	748
Deposits and sureties	53,186	31,443	(242)	84,387	7,602	-	91,989
	263,666	37,896	(210,722)	90,840	7,602	(5,705)	92,737
Current investments							
Loans to companies	-	-	-	-	2,236,465	-	2,236,465
Other financial assets	2,354,409	146,764	(2,353,828)	147,345	130,707	(154,214)	123,838
Deposits and sureties	-	-	-	-		-	-
	2,354,409	146,764	(2,353,828)	147,345	2,367,172	(154,214)	2,360,303
Total	2,618,075	184,660	(2,564,550)	238,185	2,374,774	(159,919)	2,453,040

Current loans to companies correspond to 3 loans held by the subsidiary Greenergy Pacific Limitada with entities that left the Group at December 31, 2018 (GR Tineo S.P.A., GR Lingue S.P.A. and GR Guayacan S.P.A.). These credits have been collected on February 2019.

In 2017, the subsidiaries Greenhouse Fields Energy Solar Energy, S.L. and Greenhouse Renewable Energy, S.L. sold the investment held by them by 7.24% in Evacuación de Promotores Arico Sur, A.I.E. at their carrying value (210,480 Euros).

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The detail of financial investments based on the Group's management of them is the following:

Year ended at 31 December 2018

	Loans and items receivable	Total
Non-current investments		
Other financial assets	748	748
Non-current deposits and sureties	91,989	91,989
	92,737	92,737
Current investments		
Current credits	2,236,465	2,236,465
Other financial assets	123,838	123,838
	2,360,303	2,360,303
Total	2,453,040	2,453,040

Year ended at 31 December 2017

	Loans and items receivable	Total
Non-current investments		
Other financial assets	6,453	6,453
Non-current deposits and sureties	84,387	84,387
	90,840	90,840
Current investments		
Other financial assets	147,345	147,345
	147,345	147,345
Total	238,185	238,185

During 2018 and 2017, the Group has not reclassified financial assets between categories or performed any assignment of transfer of financial assets.

At December 31, 2018 and 2017, financial assets with determined or determinable maturity per remaining terms present a length above 5 years.

At December 31, 2018 and 2017, the Group does not have financial assets delivered or accepted as guarantee of operations

9. Inventories

The composition of inventories at 2018 and 2017 closings is the following:

	31.12.2018			31.12.2017		
	Cost	Impairment corrections	Balance	Cost	Impairment corrections	Balance
Raw materials and other supplies	1,115,309	-	1,115,309	177,078	-	177,078
Plants in progress	4,858,820	-	4,858,820	9,470,115	-	9,470,115
Advances to suppliers	29,502	-	29,502	3,773,502	-	3,773,502
Total	6,003,631	-	6,003,631	13,420,696	-	13,420,696

At 2018 closing, the Group's Inventories include components and other materials, for an amount of 1,115,309 Euros (177,078 Euros of components at 2017 closing). Also, they include Advances to Suppliers for an amount of 29,502 Euros at 2018 closing and 3,773,502 Euros at 2017 closing.

The caption of Plants in Progress, for an amount of 4,858,820 Euros, includes construction costs for photovoltaic plants mostly located in Chile, which will be sold (9,470,115 Euros at 2017 closing).

The Group has contracted insurance policies to cover risks to which inventories are subject, considering that their coverage is sufficient.

10. Trade receivables and Other receivables

The caption "Trade receivables" of the accompanying consolidated balance sheet corresponds to amounts receivable originated from the lease and maintenance of photovoltaic plants and income from operating and maintenance services of photovoltaic plants to third parties, as well as to Daruan Group companies.

At December 31, 2018, in the caption "Accounts receivable" mainly includes amounts receivable from the sale of photovoltaic plants for an amount of 7,679 thousand Euros (7,929 thousand Euros at December 31, 2017).

Moreover, at December 31, 2018, the caption "Other receivables" mainly includes amounts receivable from the Parent Company's sale of shares in companies GR Alerce S.P.A., GR Palma S.P.A., GR Lilén S.P.A., GR Meli S.P.A., Gr Tineo S.P.A., GR Lingue S.P.A. and GR Guayacan S.P.A., for an amount of 6,524 thousand Euros (Note 4.1.6).

At December 31, 2017, the caption "Other receivables" mainly included amounts receivable from the Parent Company's sale of shares on companies GR Canelo S.P.A., GR Boldo S.P.A.; GR Espino S.P.A.; GR Tiaca S.P.A.; Gr Coigüe S.P.A.; GR Radal S.P.A. and GR Patagua S.P.A. for an amount of 6,043 thousand Euros (Note 4.1.6).

During the first quarter of 2019, most of the outstanding amount from the abovementioned sales of shares and plants has been collected.

At 2018 and 2017 closings, there are no balances considered as bad debt.

The variation during 2018 and 2017 of impairment corrections has been the following

	Euros
Balance at December 31, 2016	(6,934)
Reversal of the year	6,934
Balance at December 31, 2017	-
Reversal of the year	-
Balance at December 31, 2018	-

The totality of balances included on this caption is due within the 12 coming months, and Directors consider that the amount included on the accompanying consolidated balance sheet in relation to these assets approaches its fair value.

11. Cash and cash equivalents

The composition at 2018 and 2017 closings is the following:

	Balance at 31.12.2018	Balance at 31.12.2017
Cash	13,119,041	2,953,415
Total	13,119,041	2,953,415

Our of the amount of the chart above, at December 31, 2018, 7,098,860 Euros correspond to two current accounts which will be used on future capital disbursements in the Group company Kosten, S.A.

12. Equity

12.1. Share capital

At December 31, 2018 the Parent Company's share capital amounts to 3,645,933 Euros, comprising 24,306,221 shares of a face value each of 0.15 Euros.

On May 14, 2015, the Parent Company's Sole Shareholder agreed the transfer of 799 shares to the company Gahuco Investments, S.L. and 160 shares to the company Vivanco Abogados, S.L.P.

The Extraordinary General Shareholders' Meeting held on May 19, 2015 approved a split of shares, increasing the number of shares to 20,000,000, without altering the figure of share capital or shareholding percentages, decreasing each share's face value to 0.15 Euros. On the same Meeting, they agreed the Parent Company's transformation from Limited Liability Company to Limited Company and the consequent exchange of participations into shares.

On May 19, 2015, the Parent Company's General Shareholders' Meeting authorized the Board of Directors to agree capital increases once or several times, as established on article 297.1.b) of the Corporations Law.

The Parent Company's Board of Directors held on June 30, 2015 agreed the capital increase through monetary contributions for a nominal amount of 409,091 Euros, through the issuance and release of 2,727,273 new shares with a face value of 0.15 Euros per share, and share premium of 1.23 Euros per share (3,354,544 Euros), implying a total issuance amount of 3,763,635 Euros.

On July 8, 2015, the Parent Company incorporated the 2,727,273 newly issued shares to trading on the MAB-EE, out of which the shareholder Gahuco Investments, S.L. subscribed 138,406 shares.

The Parent Company's Board of Directors, by virtue of the delegation made by the Extraordinary General Shareholders' Meeting, held on May 6, 2016, agreed a capital increase to a maximum amount of 3,720,000 Euros (3,409,090.95 Euros before the increase) through the release of a maximum of 2,072,727 shares with a face value each of 0.15 Euros and an associated share premium of 1.75 Euros per share.

Additionally, the preferential subscription right is recognized in a proportion of 1 new share per 10 old shares.

The Parent Company's Board of Directors, by virtue of the delegation made by the Extraordinary General Shareholders' Meeting, held on June 28, 2016, communicated the result from the capital increase, declaring that it was incomplete, leaving the capital increase to the figure of 3,645,933.15 Euros (3,409,080.95 Euros before the increase), that is to say, in an amount of 236,842.20 Euros, through the issuance and release of 1,578,948 new shares of a face value of 0.15 Euros per share and a share premium of 1.75 Euros (2,763,159 Euros), implying a total issuance amount of 3,000,001.20 Euros.

At December 31, 2018, the Parent Company's shareholders with direct shareholding above 10% of the share capital are the following:

Shareholder	Number of shares	Shareholding percentage
Daruan Group Holding, S.L.	18,469,590	75.99%

12.2. Share premium

The share premium amounts to 6,117,703 Euros at December 31, 2018. It can be allocated to the same purposes as the Parent Company's voluntary reserves, including its conversion into capital.

12.3. Reserves

The Statement of changes in consolidated equity, which is part of these consolidated annual accounts, details aggregated balances and variations during 2018 and 2017. Below, the composition and variations of its different items are presented:

Year ended at 31 December 2018

	Balance at 31.12.17	Increase	Decrease	Transfer	Balance at 31.12.2018
Parent Company's Reserves:					
<u>Non-distributable reserves</u>					
Legal reserve	729,187	-	-		729,187
Capitalization reserve	315,027	-	-	20,194	335,221
<u>Distributable reserves:</u>					
Voluntary reserves	7,394,946	3,801,634	-	836,371	12,032,951
Total Parent Company's Reserves	8,439,160	3,801,634	-	-	13,097,359
Reserves in consolidated Companies	(4,615,622)	1,473,192	(725,305)	(856,565)	(4,724,300)
Total	3,823,538	5,274,826	(725,305)	(856,565)	8,373,059

Year ended at 31 December 2017

	Balance at 31.12.16	Increase	Decrease	Transfer	Balance at 31.12.17
Parent Company's Reserves:					
<u>Non-distributable reserves</u>					
Legal reserve	681,818	47,369	-	-	729,187
Capitalization reserve	-	-	-	315,027	315,027
<u>Distributable reserves:</u>					
Voluntary reserves	8,224,707	-	(514,734)	(315,027)	7,394,946
Total Parent Company's Reserves	8,906,525	47,369	(514,734)	-	8,439,160
Reserves in consolidated Companies	(1,850,868)	-	(2,764,754)	-	(4,615,622)
Total	7,055,657	47,369	(3,279,488)	-	3,823,538

Legal Reserve

The Parent Company's legal reserve has been allocated according to article 274 of the Corporations Law, which establishes that, in any case, a figure equal to 10% of profits in the year to allocate the legal reserve, until it reaches at least 20% of the share capital.

It cannot be distributed and, if it is used to offset losses, if no other sufficient reserves are available for such purpose, it must be restored with future profits.

Voluntary reserves

These reserves are freely available.

Profit or loss obtained from the purchase and sale of treasury stock are directly registered on voluntary reserves. The increase of voluntary reserves for this concept, registered in 2018, amounts to 812,165 Euros (decrease of 695 Euros in 2017).

Capitalization reserve

In 2017, Parent Company Greenergy Renovables S.A. constituted, charged to available reserves, the capitalization reserve corresponding to 10% of Equity's increase in 2016, as established on art. 25 of Law 27/2014, of 27 November, of the Corporate Income Tax (Note 16). This reserve will be unavailable during 5 years. In 2018, this reserve has increased by 20,194 Euros, corresponding to 10% of the increase of Equity in 2017.

GREENERGY RENOVABLES, S.A. and SUBSIDIARIES*Consolidated annual accounts corresponding to the year ended at 31 December 2018***Reserve in companies consolidated through global integration**

The detail of this caption of the accompanying consolidated balance sheet for each company included on the consolidation perimeter is the following:

Companies	31.12.18	31.12.17
GREENHOUSE RENEWABLE ENERGY S.L.	(137)	(2,203)
GREENHOUSE SOLAR ENERGY S.L.	(276)	(2,049)
GREENHOUSE SOLAR FIELDS S.L.	(414)	(2,052)
GUIA DE ISORA SOLAR 2 S.L.	(6,344)	(6,173)
GR SOLAR 2020 S.L.	(1,136)	(1,010)
GR SUN SPAIN S.L.	(2,502)	(1,851)
GR EQUITY WIND AND SOLAR S.L.	198,154	268,922
GR AITANA RENOVABLES S.L.	(593)	-
GR ASPE RENOVABLES S.L.	(620)	-
GR BAÑUELA RENOVABLES S.L.	(617)	-
GR TURBON RENOVABLES S.L.	(611)	-
LEVEL FOTOVOLTAICA S.L.	(7,644)	(184)
EIDEN RENOVABLES, S.L.	(289)	-
CHAMBO RENOVABLES, S.L.	(289)	-
MAMBAR RENOVABLES, S.L.	(289)	-
EL AGUILA RENOVABLES, S.L.	(289)	-
GR RENOVABLES MEXICO S.A.	(1,112,855)	(822,598)
GREENERGY PERU SAC	(537,292)	(257,230)
GR PAINO SAC	91,052	25,722
GR TARUCA SAC	90,815	26,002
GREENERGY RENOVABLES PACIFIC, LTDA.	(3,321,748)	(3,866,549)
GREENERGY COLOMBIA SAS	(89,488)	(40,812)
FAILO 3, LTDA.	(1,601)	(3,178)
GREENERGY ATLANTIC S.A.	(3,616)	(2,883)
KOSTEN S.A.	(6,509)	13,532
GR HUINGAN SPA	-	(5,931)
GR PACIFIC OVALLE, LTDA.	(9,164)	(6,401)
GR TINEO SPA	-	927
GR GUAYAN SPA	-	1,263
GR LINGUE SPA	-	4,364
GR PACIFIC PAN DE AZÚCAR, LTDA.	-	64,748
Total Companies	(4,724,300)	(4,615,622)

12.4. Treasury stock

On May 19, 2015, the Extraordinary General Shareholders' Meeting of the Parent Company Grenergy Renovables, S.A. unanimously agreed, as established on article 146 of the Corporations Law, to authorize the Company's Board of Directors to acquire, once or in several times, a maximum of 2,000,000 of the Company's shares, at a maximum price of 5 Euros and minimum price of 0.01 Euros per share. The acquisition could be performed

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through purchase-sale, swap, donation, awarding, accord and satisfaction, and, in general, through any onerous acquisition modality for shares.

Accordingly, on the share purchase deed of June 29, 2015, the majority shareholder, Daruan Group Holding, S.L., agreed the transfer of 520,000 shares to Grenergy Renovables, S.A., to create treasury stock. The purchase price was determined to be established on the share subscription offer of Grenergy Renovables, S.A.

Shares acquired on treasury stock will be applied to face obligations derived from the contract entered into with the liquidity supplier, in compliance with Circular 7/2010 of the Alternative Stock Exchange.

The purpose of the liquidity contract is to favour the liquidity of the Parent Company's shares in the MAB-EE, maintain sufficient regularity in the trading of such shares, and reduce price variations which cause is other than the market trend. The Parent Company has divided its treasury stock in two types (fixed and liquidity). The liquidity supplier is Banco Sabadell, which acts on behalf of Grenergy Renovables, S.A. and, for such purpose, the so-called "Liquidity Account" has been opened, where entries are made derived from transactions made by the liquidity supplier.

On September 11, 2018, the Parent Company acquired 365,426 treasury stocks from related persons, at a price of 2.40 Euros per share.

The treasury stock at 2018 and 2017 closings comprises the following:

	Balance at 31.12.2018	Balance at 31.12.2017
No. securities in treasury stock	888,177	741,577
Total amount treasury stock	2,062,969	1,133,498
Amount of Liquidity Accounts	768,348	715,899
Amount of the Fixed Treasury Stock Account	1,294,621	417,599

During 2018 and 2017, variations of the Parent company's treasury stock have been the following:

Year ended at 31 December 2018

	Treasury stock		
	Number shares	Nominal	Average acquisition price
Balance at 31.12.2017	741,577	1,133,498	1.55
Acquisitions	658,055	1,869,232	2.84
Disposals	(511,455)	(939,761)	1.84
Balance at 31.12.2018	888,177	2,062,969	2.32

Year ended at 31 December 2017

	Treasury stock		
	Number shares	Nominal	Average acquisition price
Balance at 31.12.2016	758,421	1,162,403	
Acquisitions	80,347	132,476	1.65
Disposals	(97,213)	(161,381)	1.66
Balance at 31.12.2017	741,555	1,133,498	

The purpose of treasury stock is its disposal in the market as well as to face the Incentive Plan approved for administrators, management, employees and key collaborators of the Group (see note 12.5).

At December 31, 2018, treasury stock represents 4.8% (3.05% at December 31, 2017) of the Parent Company's total shares.

12.5. Incentive plan for directors and key personnel

The Parent Company's Board of Directors approved, on meeting held on June 26, 2015, an incentive plan for certain directors and key personnel, based on the granting of the Parent Company's stock options. At December 31, 2018 the number of shares applied to cover this plan is of 254,000, establishing the price for the exercise of stock options at 1.38 Euros per share.

The beneficiary shall acquire:

- One third of the number of option shares, two years after concession date.
- One third of the number of option shares, three years after concession date.
- One third of the number of option shares, three years after concession date.

On June 2, 2016, a second incentive plan was approved, based on the concession of the Parent Company's stock options with similar characteristics as the previous plan. At December 31, 2018 the number of shares applied to cover this plan is of 86,000, establishing the price for the exercise of stock options at 1.90 Euros per share.

Finally, on November 27, 2018 a third incentive plan was approved, based on the concession of the Parent Company's stock options with similar characteristics as the previous plan. At December 31, 2018 the number of shares applied to cover this plan is of 157,143, establishing the price for the exercise of stock options at 3.50 Euros per share.

Such incentive plans establish that they will be liquidated through the delivery of equity instruments to employees, if they exercise the option. Stock options' exercise prices have been established taking as reference the fair value of assigned equity instruments, referred to the date of the concession agreement, and therefore their concession has not affected the financial statements.

At December 31, 2018 there are 198,000 exercisable options (84,600 at December 31, 2017).

13. Valuation adjustments**Exchange profit/(loss)**

The detail of this caption of the accompanying consolidated balance sheet per company included on the consolidation perimeter is the following:

	31.12.18	31.12.17
GR RENOVABLES MEXICO S.A. DE C.V.	135,885	180,259
GREENERGY GREENHUB S.A. DE C.V.	(48)	(813)
GREENERGY PERU SAC	7,743	30,671
GR PAINO SAC	(112,777)	(92,145)
GR TARUCA SAC	(112,382)	(92,387)
GREENERGY RENOVABLES PACIFIC, LTDA.	(116,367)	(19,951)
FAILO 3, LTDA.	634	(115)
GR COLOMBIA, SAS	9,788	5,095
GR HUINGAN SPA	-	73,163
GR PACIFIC OVALLE, LTDA.	(38,592)	43,844
ORSIPO 5 SOLAR	40	-
MESO 4 SOLAR	1,179	-
CRISON 2 SOLAR	26	-
ASTILO 1 SOLAR	263	-
GR MOLLE SPA	746	-
GR BELLOTO SPA	746	-
GR PACIFIC PAN DE AZÚCAR, LTDA.	-	(19,961)
GREENERGY ATLANTIC S.A.	15,153	(1,161)
KOSTEN S.A.	(52,352)	6,304
GR LAUREL SPA	-	(1,576)
GR AVELLANO SPA	-	89
GR LITRE SPA	-	(4,777)
GR TINEO SPA	-	(14,220)
GR GUAYACAN SPA	-	(14,417)
GR LINGUE SPA	-	(22,997)
Total	(260,315)	54,906

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The value included on this in this caption of the accompanying consolidated balance sheet at 2018 and 2017 closings includes the value of the investment of minority shareholders on subsidiaries: GR Renovables México, S.A. of C.V., Grenergy Perú SAC, Grenergy Renovables Pacific, Ltda., Grenergy Pacific Ovalle, Ltda., Failo 3, Ltda, Greenhub S.A. de C. V., Meso 4 Solar, Crison 2 Solar, Astilo 1 Solar and Level Fotovoltaica S.L.

Moreover, the balance included on the accompanying consolidated profit and loss account on caption "Results attributed to minority interests" represents the participation of these minority shareholders on consolidated results of the year.

The variation of this caption per company is the following:

Year ended at 31 December 2018

	31.12.2017	Entries/Exits consolidation perimeter	Others	Result	Exchange profit/(loss)	31.12.2018
GR. Renovables Mexico, S.A.	(19,033)	-	(3,679)	(9,061)	2,773	(29,000)
Grenergy Perú SAC	(5,117)	-	(364)	(2,399)	132	(7,748)
Grenergy Renovables Pacific, Ltda.	(12)	-	(321)	364	(12)	19
Failo 3, Ltda.	(1,341)	-	(260)	(7,612)	634	(8,579)
Grenergy Pacific Ovalle, Ltda.	(225)	-	38	(20,038)	(788)	(21,013)
Level Fotovoltaica S.L.	(6,140)	-	(1,503)	(153,688)	-	(161,331)
Meso 4 Solar	-	-	-	(477)	24	(453)
Crison 2 Solar	-	-	-	(48)	1	(47)
Astilo 1 Solar	-	-	-	(544)	6	(538)
Grenergy Pan de Azúcar, Ltda. (*)	53,046	(53,046)	-	-	-	-
Total	21,178	(53,046)	(6,089)	(193,503)	2,770	(228,690)

(*) Company sold in 2018

Year ended at 31 December 2017

	31.12.16	Entries/Exits consolidation perimeter	Others	Result	Exchange profit/(loss)	31.12.2017
GR. Renovables Mexico, S.A.	(14,408)	-	(2,380)	(5,924)	3,679	(19,033)
Grenergy Perú SAC	(2,688)	-	90	(2,829)	310	(5,117)
Grenergy Renovables Pacific, Ltda.	(346)	-	(41)	377	(2)	(12)
Failo 3, Ltda.	(33)	-	(1,168)	(25)	(115)	(1,341)
Grenergy Pacific Ovalle, Ltda.	1,335	-	(2,395)	(60)	895	(225)
Grenergy Coigue, Ltda. (*)	312,002	(312,002)	-	-	-	-
Level Fotovoltaica S.L.	-	(184)	1,504	(7,460)	-	(6,140)
Grenergy Pan de Azúcar, Ltda.	49,400	-	(1,609)	5,662	(407)	53,046
Total	345,262	(312,186)	(5,998)	(10,259)	4,359	21,178

(*) Company sold in 2017

15. Non-current and current debts

The composition of these captions of the accompanying consolidated balance sheet at December 31, 2018 and 2017 is the following:

	Non-current debts	Current debts	Total at 31.12.18	Non-current debts	Current debts	Total at 31.12.17
Debts with credit institutions	9,333,447	6,061,848	15,395,295	16,901,897	4,743,998	21,645,895
Loans	9,333,447	2,799,001	12,132,448	16,901,897	3,226,407	20,128,304
Credit policies	-	2,424,089	2,424,089	-	882,151	882,151
Current foreign financing	-	838,758	838,758	-	635,440	635,440
Other financial liabilities	266,535	1,244,074	1,510,609	324,522	2,261,023	2,585,545
Financial lease payables	134,854	27,662	162,516	23,007	14,406	37,413
Total	9,734,836	7,333,584	17,068,420	17,249,426	7,019,427	24,268,853

The totality of financial liabilities held by the Group has been classified for valuation purposes under the category of "Debts and items payable".

At December 31, 2018 and December 31, 2017, the detail of debts per remaining maturity terms is the following:

Year ended at 31 December 2018

	Debts with credit institutions	Other debts	Financial lease payables	Total
Up to 1 year	6,061,848	1,244,074	27,662	7,333,584
Until 2020	2,618,644	52,060	27,688	2,698,392
Until 2021	1,271,276	52,060	23,168	1,346,504
Until 2022	453,627	52,060	80,887	586,574
Until 2023	453,627	52,060	3,111	508,798
More than 5 periods	4,536,273	58,295	-	4,594,568
Total	15,395,295	1,510,609	162,516	17,068,420

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Year ended at 31 December 2017

	Debts with credit institutions	Other debts	Financial lease payables	Total
Up to 1 year	4,743,998	2,261,023	14,406	7,019,427
Until 2019	1,628,509	57,986	14,296	1,700,791
Until 2020	1,719,508	56,485	6,573	1,782,566
Until 2021	1,851,070	52,360	2,138	1,905,568
Until 2022	1,452,983	51,963	-	1,504,946
More than 5 years	10,249,827	105,727	-	10,355,554
Total	21,645,895	2,585,545	37,413	24,268,853

During 2018 and 2017, the Group has faced at maturity the payment of all amounts of its financial debt. Additionally, at the date of formulation of these consolidated annual accounts, all assumed obligations have been complied with.

15.1. Loans with credit institutions

The detail of subscribed loans and their main conditions at December 31, 2018 and at December 31, 2017 is the following:

Year ended at 31 December 2018

Financial institution	Maturity	Interest rate	Type of guarantee	Instalments	Euros		
					Non-current liability	Current liability	Total
KFW BANK	31/07/2034	5.00%	Project's guarantee	Half-yearly	6,350,782	-	6,350,782
BANCO SABADELL	20/10/2021	2.50%	Corporate	Monthly	1,143,724	602,127	1,745,851
BANCO SABADELL (USD)	19/04/2021	3.60%	Corporate	Monthly	1,165,114	870,701	2,035,815
BANCO SANTANDER	10/04/2020	2.15%	Corporate	Quarterly	673,827	1,326,173	2,000,000
Total					9,333,447	2,799,001	12,132,448

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Year ended at 31 December 2017

					Euros		
Financial institution	Maturity	Interest rate	Type of	Instalments	Non-current liability	Current liability	Total
			guarantee				
BANCO SABADELL	20/10/2021	2,50%	No	Monthly	1,745,851	587,276	2,333,127
CORPORACION INTERAMERICANA DE INVERSIONES (CII)	01/04/2030	50%: LIBOR 3 months +4.2% annual 50%: fixed 4.25%	Project's guarantee	Quarterly	5,028,243	307,242	5,335,485
BANCO SECURITY (CHILE)	15/02/2035	Libor USD 6m + 4.15%	Project's guarantee	Half-yearly	3,036,621	192,999	3,229,620
CORP. INTERAMERICANA PARA EL FINANC. INFRAESTR.(CIFI)	06/03/2034	LIBOR 6m + 5%	Project's guarantee	Half-yearly	7,091,182	187,989	7,279,171
PRÉSTAMOS IVA ITAU CORPBANCA	31/03/2018	5.00%	Corporate	Annual	-	1,950,901	1,950,901
Total					16,901,897	3,226,407	20,128,304

All subscribed loans have accrued market interest rates. The annual average interest rate during 2018 has been of 3.31% (4.11% during 2017).

15.2. Credit policies and lines of discount

At December 31, 2018 and at December 31, 2017, the Group had subscribed credit policies and credit financing for foreign operations with several financial institutions. The detail of credit disposed of at such dates, as well as these contracts' conditions is the following:

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Year ended at 31 December 2018

Financial institution	Maturity	Euros		
		Granted limit	Disposed of	Available
BANKIA I	07/09/2019	100,000	93,524	6,476
BANKIA II	21/04/2019	1,500,000	1,494,422	5,578
SANTANDER	14/04/2019	300,000	281,761	18,239
POPULAR	26/10/2019	200,000	189,852	10,148
SABADELL	25/05/2019	200,000	80,203	119,797
BANKINTER	28/07/2019	300,000	271,616	28,384
BANKIA (VISA)	Indefinite	3,000	-	3,000
BANCO SABADELL (VISA)	Indefinite	30,000	12,711	17,289
Total Credit policies		2,633,000	2,424,089	208,911
SABADELL	Indefinite	6,500,000	250,952	6,064,509
SANTANDER	Indefinite	6,000,000	-	2,959,432
BANKIA	07/09/2019	6,000,000	587,806	2,336,537
POPULAR	26/10/2019	2,000,000	-	2,000,000
BANKINTER	28/07/2019	6,500,000	-	6,500,000
CAIXABANK	23/01/2019	5,000,000	-	5,000,000
BBVA	12/07/2019	3,000,000	-	1,994,369
Total Foreign financing		35,000,000	838,758	26,854,847
Total		37,633,000	3,262,847	27,063,758

Year ended at 31 December 2017

Financial institution	Maturity	Euros		
		Granted limit	Disposed of	Available
BANKIA	07/09/2018	100,000	93,393	6,607
SANTANDER	14/04/2018	300,000	285,162	14,838
POPULAR	26/10/2018	200,000	198,095	1,905
SABADELL	25/05/2018	200,000	-	200,000
BANKINTER	28/07/2018	300,000	298,524	1,476
BANKIA (VISA)	Indefinite	3,000	334	2,666
BANCO SABADELL (VISA)	Indefinite	19,400	6,644	12,756
Total Credit policies		1,122,400	882,151	240,249
SABADELL	Indefinite	5,000,000	206,613	-
SANTANDER	Indefinite	5,000,000	-	-
BANKIA	07/09/2018	6,000,000	-	-
POPULAR	20/05/2017	2,000,000	-	-
BANKINTER	15/06/2018	400,000	-	-
CAIXA BANK	23/01/2018	500,000	-	-
BBVA	12/07/2018	1,000,000	428,827	-
Total Foreign financing		19,900,000	635,440	-
Total		21,022,400	1,517,591	240,249

The average interest rate of the credit policies during 2018 has been of 2.15% per year (2.58% in 2017).

15.3. Other debts

At December 31, 2018 and December 31, 2017, the detail of other debts held by the Group is the following:

Year ended at 31 December 2018

Financial institution	Maturity	Interest rate	Type of guarantee	Instalments	Euros		
					Non-current liability	Current liability	Total
CDTI	12/05/2022	Without interests	No	Monthly	260,308	52,060	312,368
Ministry of Economy and Competitiveness	20/01/2021	Without interests	No	Monthly	6,227	5,926	12,153
Other debts	-	-	-	-	-	1,186,088	1,186,088
Total					266,535	1,244,074	1,510,609

Year ended at 31 December 2017

Financial institution	Maturity	Interest rate	Type of guarantee	Instalments	Euros		
					Non-current liability	Current liability	Total
CDTI	12/05/2022	Without interests	No	Monthly	312,369	52,060	364,429
Ministry of Economy and Competitiveness	20/01/2021	Without interests	No	Monthly	12,153	5,926	18,079
Other debts	-	-	-	-	-	2,203,037	2,203,037
Total					324,522	2,261,023	2,585,545

CDTI corresponds to the amount to be reimbursed at the period's closing for a loan without interests granted by CDTI on October 13, 2011, for an amount of 520,609 Euros to finance necessary investments for the project "Design and modelling of a behaviour prediction system and comprehensive control for energy distribution facilities". The Group has not registered this loan at its fair value, as established on Consultation 1 of the BOICAC 81, considering that this fair value would not significantly differ from its face value

In turn, the Group received another loan without interests, granted by the Ministry of Economy and Competitiveness on April 16, 2012, for an amount of 33,756 Euros, related to personnel costs for the project "Design and modelling of a behaviour prediction system and comprehensive control for energy distribution facilities".

Both loans' reimbursement shall be made within a maximum of 7 yearly payments of identical amount, admitting as maximum maturity of the first yearly payment five years since its concession. The first yearly payment corresponded to 2015.

Other debts at December 31, 2018 and 2017 correspond to the amount payable generated in the Parent Company' purchase of the company Kosten S.A., integrated on the Group in 2017 (Note 4.1.6).

16. Debts with group companies and associates.

The composition of these captions of the accompanying consolidated balance sheet at December 31, 2018 and 2017 is the following

Year ended at 31 December 2018

	Maturity date	Interest rate	Type of Guarantee	Non-current Debts	Current Debts	Total at 31.12.18
Debts with group companies						
Debts for loans	Indefinite	Euribor 12 months + 2%	-	-	17,033	17,033
Debt for tax concepts	-	-	-	-	316,736	316,736
Total			-	-	333,769	333,769

Year ended at 31 December 2017

	Maturity date	Interest rate	Type of guarantee	Non-current Debts	Current Debts	Total at 31.12.17
Debts with group companies						
Debts for loans	Indefinite	Euribor 12 months + 2%	-	-	27,854	27,854
Debt for tax concepts	-	-	-	-	391,056	391,056
Total			-	-	418,910	418,910

The chart above includes the debt with Daruan Group Holding, S.L. at 2018 and 2017 closings, for an amount of 17 thousand Euros and 28 thousand Euros, respectively.

The Group is taxed for the Corporate Income Tax within the tax group paired with all companies, in which all requirements established by the regulation on Caption VI of Title VII of Law 27/2014, of 27 November, of the Corporate Income Tax (LIS) are met, which parent company is the company Daruan Group Holding, S.L. For this concept, a debt is included with this company, at December 31, 2018, for an amount of 317 thousand Euros (391 thousand Euros at December 31, 2017).

17. Information on payment deferrals to suppliers.

The information on payment deferrals to suppliers is the following:

	31.12.2018	31.12.2017
	Days	Days
Average period of payment to suppliers	62.57	71.5
Ratio of paid operations	69	73
Ratio of operations payable	45	46
	Amount (Euros)	Amount (Euros)
Total settled payments	23,053,948	29,121,988
Total outstanding payments	8,444,984	7,856,179

18. Public Administrations and situation fiscal

The detail of balances with Public Administrations at December 31, 2018 and December 31, 2017 is the following:

Public Administrations payable	Non-current	Current	Balance at 31.12.18	Non-current	Current	Balance at 31.12.17
Deferred tax assets	956,594	-	956,594	402,743	-	402,743
Current tax assets	-	-	-	-	-	-
Other credits with Public Administrations	-	2,091,851	2,091,851	-	4,484,112	4,484,112
Tax receivable	-	714,533	714,533	-	615,036	615,036
VAT receivable	-	1,377,318	1,377,318	-	3,869,076	3,869,076
Total	956,594	2,091,851	3,048,445	402,743	4,484,112	4,886,855

Public Administrations payable	Non-current	Current	Balance at 31.12.18	Non-current	Current	Balance at 31.12.17
Deferred tax liabilities	-	-	-	463,446	-	463,446
Current tax liabilities	-	-	-	-	-	-
Other debts with Public Administrations	-	299,458	299,458	-	554,849	554,849
VAT payable	-	128,172	128,172	-	-	-
Withholdings payable	-	129,526	129,526	-	527,804	527,804
Social Security payable	-	41,760	41,760	-	27,045	27,045
Total	-	299,458	299,458	463,446	554,849	1,018,295

Tax position

According to the tax legislation in force in countries where the Group is based, taxes cannot be considered definitively liquidated until tax returns have been inspected by the authorities or the statute-barred period has elapsed.

Due to the different interpretations of the applicable tax regulation, there could be certain tax contingencies which objective quantification is not possible. Nonetheless, the Parent Company's Directors consider that the tax debt that would derive from possible future actions by the tax administrations corresponding to each Group company would not significantly affect the consolidated annual accounts as a whole.

Corporate Income Tax

Since 2012, the Grenergy Group Spanish companies are taxed under tax consolidation regime together with other Daruan Group companies. During 2012 and 2013, the tax group's parent company was Daruan Venture Capital, S.C.R.; since 2014, the group's new parent company is Daruan Group Holding, S.L.

The reconciliation between the consolidated accounting results and tax assessment basis, according to each company's individual information, is the following:

Year ended at 31 December 2018

	Profit and loss account		
	Increase	Decrease	Total
Income and expenses of the year	13,085,899		13,085,899
Corporate Income Tax	1,395,478		1,395,478
Permanent differences	189,300	(11,714,706)	(11,525,406)
Individual Company	36,465	(11,714,706)	(11,678,241)
Consolidation adjustments	152,835	-	152,835
Temporary differences	2,390,092	(430,268)	1,959,824
Individual Company	2,303,769	(2,853)	2,300,917
Consolidation adjustments	86,323	(427,415)	(341,092)
Capitalization reserve	-	(62,261)	(62,261)
Tax assessment basis (tax results)			4,853,535

GREENERGY RENOVABLES, S.A. and SUBSIDIARIES*Consolidated annual accounts corresponding to the year ended at 31 December 2018*

Year ended at 31 December 2017

	Profit and loss account		
	Increase	Decrease	Total
Income and expenses of the year	3,502,577		3,502,577
Corporate Income Tax	1,389,352		1,389,352
Permanent differences	334,322	-	334,322
Individual Company	-		
Consolidation adjustments	334,322		
Temporary differences	1,160,350	(1,506,929)	(346,579)
Individual Company	1,579	-	1,579
Originated in previous years	1,579	-	1,579
Consolidation adjustments	1,158,771	(1,506,929)	(348,158)
Capitalization reserve	-	(20,194)	(20,194)
Tax assessment basis (tax results)	6,386,601	(1,527,123)	4,859,478

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The composition of the Corporate Income Tax expense / (income) of 2018 and 2017 is as follows:

	31.12.2018	31.12.2017
GREENERGY RENOVABLES, S.L.	(1,642,517)	(939,052)
GREENHOUSE RENEWABLE ENERGY S.L.	54	(689)
GREENHOUSE SOLAR ENERGY S.L.	46	(591)
GREENHOUSE SOLAR FIELDS S.L.	54	(546)
GR PAN DE AZUCAR	-	(16,477)
GR RENOVABLES PACIFIC LTDA	(305,688)	(100,778)
GR HUINGAN S.P.A.	-	(38,863)
GR COIGÜE S.P.A.	-	(31,027)
GUIA DE ISORA SOLAR 2 S.L.	83	57
GR SOLAR 2020 S.L.	255	42
GR SUN SPAIN S.L.	1	217
GR TARUCA SAC	(14,064)	(23,972)
GR PAINO SAC	(14,162)	(24,163)
GR ARAUCARIA SPA	-	(24,223)
GR CANELO SPA	-	(24,223)
GR PATAGUA SPA	-	(5,115)
GR LAUREL SPA	-	(1,407)
GR LITRE SPA	-	2,197
GR RADAL SPA	-	3,781
GR BOLDO SPA	-	(601)
GR TIACA SPA	-	(30,444)
GR TINEO SPA	89,897	1,237
GR GUAYACAN SPA	81,144	(32,018)
GR LINGUE SPA	188,798	(91,481)
GR ESPINO SPA	-	(34,803)
KOSTEN SA	221,708	-
GREEN HUB SA de CV	(1,519)	-
ORSIPO 5 SOLAR	(349)	-
GR EQUITY WIND AND SOLAR S.L.	781	23,590
Total	(1,395,478)	(1,389,352)

Deferred tax assets and liabilities

The difference between the tax charge allocated to results from the period and previous years, and the tax charge paid or payable for these years is registered on accounts "Deferred tax assets" or "Deferred tax liabilities", as applicable. Such deferred taxes have been calculated through the application of the nominal tax rate in force to the corresponding amounts.

GREENERGY RENOVABLES, S.A. and SUBSIDIARIES

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The composition and variation of these captions of the consolidated balance sheet at 2018 and 2017 closings is the following:

	Balance at 31.12.16	Registered in the income statement		Balance at 31.12.17	Registered in the income statement		Balance at 31.12.2018
		Additions	Withdrawals		Additions	Withdrawals	
Deferred tax assets	164,507	313,728	(75,492)	402,743	836,956	(283,105)	956,594
Tax losses carried forward	-	-	-	-	247,987	-	247,987
Tax deductions to be applied	-	-	-	-	33	-	33
For permanent differences from consolidation adjustments	75,492	-	(75,492)	-	-	-	-
For temporary differences	89,015	313,728	-	402,743	588,936	(283,105)	708,574
Deferred tax liabilities	227,699	461,569	(225,822)	463,446	-	(463,446)	-
For permanent differences from consolidation adjustments	225,291	-	(225,291)	-	-	-	-
For temporary differences	2,408	461,569	(531)	463,446	-	(463,446)	-
Total	(63,192)	(147,841)	150,330	(60,703)	836,956	180,341	956,594

The recoverability of deferred tax assets is assessed at recognition and at least at year-end closing, according to results expected by the Group for coming years.

Tax losses carried forward

At 2018 and 2017 closings the detail of tax losses carried forward per company is the following:

Thousands of Euros	31.12.2018	31.12.2017
LEVEL FOTOVOLTAICA, S.L.	322	15
GR PACIFIC OVALLE, LTDA.	1,017	16
GREENERGY PERU SAC	765	524
GR RENOVABLES MEXICO S.A.	1,417	993
GREENERGY COLOMBIA SAS	137	81
GREENERGY ATLANTIC S.A.	101	4
FAILO 3, LTDA.	15	15
KOSTEN SA	856	-
Total	4,630	1,648

Out of the chart above, at December 31, 2018, only tax losses carried forward corresponding to the subsidiary Kosten, S.A. have been activated.

19. Income and expenses

Supplies

The distribution of consolidated supplies per sector of activity is the following:

	31.12.2018			31.12.2017		
	Purchases	Impairment / (Reversal)	Total consumptions	Purchases	Impairment / (Reversal)	Total consumptions
Consumption merchandise	26,314,512	-	26,314,512	36,079,404	-	36,079,404
Subcontracted work	357,858	-	357,858	190,648	-	190,648
Total	26,672,370	-	26,672,370	36,270,053	-	36,270,053

The detail of purchases on the accompanying consolidated profit and loss account is the following:

	31.12.2018	31.12.2017
Domestic	6,515,023	15,489,067
Importations	20,157,347	20,780,986
Total	26,672,370	36,270,053

Employee benefits expense

The composition of this caption of the consolidated profit and loss account of 2018 and 2017 is the following:

	31.12.2018	31.12.2017
Social Security paid by the company	386,673	110,978
Other employee benefits expense	39,347	9,976
Total	426,020	120,954

The average number of employees during 2018 and 2017, distributed per professional categories, is the following:

Category	2018	2017
Top Management	2	2
Departments' Directors	15	7
Others	64	52
Total	81	61

GREENERGY RENOVABLES, S.A. and SUBSIDIARIES

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The distribution of payroll per gender, at 2018 and 2017 closings, as well as of Directors and Top Management is the following:

Category	31.12.2018			31.12.2017		
	Male	Female	Total	Male	Female	Total
Top Management	2	-	2	2	-	2
Departments' Directors	11	4	15	4	3	7
Others	67	24	91	36	18	54
Total	80	28	108	42	21	63

During 2018 and 2017, the Group has not had employees with disability equal or above 33%.

Financial income and expenses

The detail of financial income and expenses included on the accompanying consolidated profit and loss account is the following:

	31.12.2018	31.12.2017
Income	-	1,833
Interests from other financial assets	-	1,833
Expenses	(1,559,392)	(1,974,374)
Interests from debts	(1,559,392)	(1,974,374)
Exchange profit/(loss)	(2,798,088)	1,244,997
Impairment and results from disposals	(122,713)	-
Impairment and losses	(122,713)	-
Financial results	(4,480,193)	(727,544)

Exchange losses are mainly due to the strong depreciation of Chilean Peso versus US Dollar during 2018. This depreciation, above 10%, requires an adjustment of the value of debt in Dollars at the existing exchange rate at year-end closing, by allocating provisions for exchange rate, thus generating losses by 2,798,088 Euros.

GREENERGY RENOVABLES, S.A. and SUBSIDIARIES

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Results per Company

The contribution in Euros by each company included on the consolidation perimeter to consolidated results attributable to the Parent Company at 2018 and 2017 closings is the following:

Companies	31.12.2018	31.12.2017
GREENERGY RENOVABLES, S.A.	14,360,457	3,273,383
GREENHOUSE RENEWABLE ENERGY S.L.	(217)	2,066
GREENHOUSE SOLAR ENERGY S.L.	(184)	1,773
GREENHOUSE SOLAR FIELDS S.L.	(217)	1,639
GUIA DE ISORA SOLAR 2 S.L.	(332)	(170)
GR SOLAR 2020 S.L.	(1,021)	(126)
GR SUN SPAIN S.L.	(4)	(651)
GR EQUITY WIND AND SOLAR S.L.	74,628	(70,769)
LEVEL FOTOVOLTAICA S.A.	(153,687)	(7,460)
EIDEN RENOVABLES, S.L.	(60)	-
CHAMBO RENOVABLES, S.L.	(60)	-
MAMBAR RENOVABLES, S.L.	(60)	-
GR RENOVABLES MEXICO S.A.	(443,974)	(290,257)
GREEN HUB SA de CV	(513,212)	-
GREENERGY PERU SAC	(237,535)	(280,062)
GR PAINO SAC	44,335	65,330
GR TARUCA SAC	43,937	64,813
GREENERGY RENOVABLES PACIFIC, LTDA.	3,637,399	(309,447)
GREENERGY COLOMBIA SAS	(55,804)	(48,676)
GREENERGY ATLANTIC S.A.	(97,142)	(734)
KOSTEN S.A.	122,822	(34,224)
FAILO 3, LTDA.	(7,612)	(25)
GR ARAUCARIA SPA (**)	-	126,446
GR CANELO SPA (**)	-	80,725
GR HUINGAN SPA (*)	(11,472)	171,305
GR PACIFIC OVALLE, LTDA.	(981,841)	(2,950)
GR MOLLE SPA	(21,060)	-
GR BELLOTO SPA	(25,209)	-
MESO 4 SOLAR	(23,392)	-
CRISON 2 SOLAR	(2,370)	-
ASTILO 1 SOLAR	(26,641)	-
ORSIPO 5 SOLAR	4,871	-
GR LAUREL SPA (*)	(316,549)	3,804
GR AVELLANO SPA (*)	(3,879)	(11,363)
GR LITRE SPA (*)	(853,771)	(5,941)
GR ARRAYÁN SPA (*)	(21,554)	-
GR TINEO SPA (*)	(227,945)	(1,056)
GR GUAYACAN SPA (*)	(205,308)	92,416
GR LINGUE SPA (*)	(488,239)	264,569
GR QULLAY SPA (*)	(13,312)	-
GR COIGUE SPA (**)	-	62,867
GR BOLDO SPA (**)	-	2,802
GR TIACA SPA (**)	-	86,083
GR ESPINO SPA (**)	-	99,152
GR RADAL SPA (**)	-	(10,241)
GR ALERCE SPA (*)	(13,602)	(12,115)
GR PALMA SPA (*)	(19,082)	-
GR LILEN SPA (*)	(31,891)	-
GR MELI SPA (*)	(411)	-
GR CHAQUIHUE SPA (*)	(103,787)	-
GR PACIFIC PAN DE AZÚCAR, LTDA. (*)	(106,614)	199,930
Total Companies	13,279,402	3,512,835

(*) Companies that are not part of the consolidation perimeter at 31.12.2018.

(**) Companies that are not part of the consolidation perimeter at 31.12.2017.

20. Foreign currency

The detail of transactions in foreign currency during 2018 and 2017 is the following:

Year ended at 31 December 2018

	31.12.2018						
	Exchange value in Euros						
	US Dollars	Chilean Pesos	Peruvian Soles	Mexican Pesos	Argentinean Pesos	Colombian Pesos	Total
Sales	24,254,429	2,022,201	-	-	-	-	26,276,630
Services delivered	-	778,268	-	-	-	-	778,268
Total	24,254,429	2,800,469	-	-	-	-	27,054,898
Purchases	(12,407,766)	(7,257,779)	-	-	-	-	(19,665,545)
Subcontracted work	-	(357,859)	-	-	-	-	(357,859)
Services received	-	(1,662,109)	(114,587)	(61,961)	(128,234)	(43,552)	(2,010,443)
Total	(12,407,766)	(9,277,747)	(114,587)	(61,961)	(128,234)	(43,552)	(22,033,847)

Year ended at 31 December 2017

	31.12.2017						
	Exchange value in Euros						
	US Dollars	Chilean Pesos	Peruvian Soles	Mexican Pesos	Argentinean Pesos	Colombian Pesos	Total
Sales	6,461,921	3,334,758	-	170,685	-	-	9,967,364
Services delivered	-	-	-	-	-	-	-
Total	6,461,921	3,334,758	-	170,685	-	-	9,967,364
Purchases	(13,385,797)	(16,938,576)	-	-	-	-	(30,324,373)
Subcontracted work	-	(190,648)	-	-	-	-	(190,648)
Services received	-	(842,711)	(95,006)	(57,225)	(2,279)	(35,147)	(1,032,368)
Total	(13,385,797)	(17,971,936)	(95,006)	(57,225)	(2,279)	(35,147)	(31,547,390)

21. Environmental information

At 2018 and 2017 closings, the Group does not own significant assets dedicated to the protection and improvement of the environment, and has not incurred in relevant expenses of this nature during the years. Also, during 2018 and 2017, the Group has not received any environmental grant.

22. Operations with related parties

22.1. Balances and transactions with related parties

The Group's related parties, in addition to group companies and associates, are the Parent Company's Directors and Top Management personnel (including close relatives), as well as entities on which they exercise control or a significant influence.

At 2018 and 2017 closings, accounts receivable and payable held with related parties are the following:

	Parent Company	Other group companies	Total 31.12.2018	Parent Company	Other group companies	Total 31.12.2017
Assets						
Receivables group companies	-	-	-	-	1,076	1,076
Loans to group companies	45,830	-	45,830	32,151	-	32,151
	45,830	-	45,830	32,151	1,076	33,227
Liabilities						
Suppliers group companies	-	(27,759)	(27,759)	-	(354,087)	(354,087)
Debts with group companies	(332,879)	(890)	(332,769)	(391,056)	(27,854)	(418,910)
	(332,879)	(28,649)	(361,528)	(391,056)	(381,941)	(772,997)

Balances with related entities at December 31, 2018 and 2017 included the following:

- Loans to Daruan group companies: it includes the debt of certain Group companies with the Parent company for Corporate Income Tax, as well as credits to other associates.
- Debts with group companies: it includes the balance at year-end closing for the credit policy subscribed with the entity Daruan Group Holding, S.L. as well as the Parent company's debt for Corporate Income Tax.
- Suppliers group companies: it includes the debt payable for fees invoiced by other Group companies at each year-end closing.

The detail of transactions with related parties during 2018 and 2017 is the following:

	31.12.2018			31.12.2017		
	Parent company	Key Management personnel	Other related parties	Parent company	Key Management personnel	Other related parties
Expenses	-	(214,168)	(250,787)	-	(184,814)	(360,995)
Services received	-	-	(250,787)	-	-	(360,995)
Remunerations (note 21.2)	-	(214,168)	-	-	(184,814)	-

Operations with related parties, performed during 2018 and 2017, correspond to the Group's ordinary traffic and were performed, in general, at arm's length.

22.2. Information related to Directors and Top Management

During 2018 and 2017, the Parent Company's Directors have not been granted with prepayments or credits and the Parent Company has not assumed any obligation on their behalf as guarantee. Moreover, the Parent Company has not contracted obligations for pensions or life insurances with regards to former or current Directors.

Directors and top management personnel have received remunerations, detailed as follows:

	31.12.2018		31.12.2017	
Remuneration's concept	Board of Directors	Top Management Personnel	Board of Directors	Top Management Personnel
Fixed remuneration	48,000	210,000	48,000	176,407
Remunerations in kind	-	4,168	-	8,407
Total	48,000	214,168	48,000	184,814

As indicated on note 4.14, the incentive plan approved for administrators, management, employees and key collaborators of Grenergy Renovables S.A. has been exclusively offered to the Parent Company's employees and collaborators, without the participation of any Director or Top Management Personnel.

22.3. Other information related to Directors

At the date of formulation of the consolidated annual accounts, none of the members of the Parent Company's Board of Directors has stated the existence of any situation of conflict of interests, direct or indirect, with the Group's interests, both related to such members and to persons established on article 231 of Corporations Law.

23. Other information

23.1. Risk policy and management

The Group's activities are exposed to several risks financial: market risk (including the exchange rate risk), liquidity risk. The Group's risk management focuses on the uncertainty of financial markets and tries to minimize potentially adverse effects on the Group's profitability, using certain financial instruments as described below.

Market risk

The market in which the Group GREENERGY RENOVABLES S.A. and Subsidiaries operate is related to the sector of production and trading of renewable energies. Accordingly, factors that positively and negatively affect this market can affect the Group's performance. A sub-risk traditionally associated to this market is the regulatory risk, during the last years, due to changes derived from continuous adjustments to slow down the energy deficit in Spain. As a consequence of the last energy reform (July 2013), the market enjoys more stability with regards to previous years, and thus it is considered that the market risk has considerably decreased.

In any event, the sector's evolution largely differs from one country to another, and from one continent to another. Therefore, three years ago, the Group started a geographic diversification process, penetrating markets outside Spain (currently, the Group is present in Spain, Argentina, Chile, Mexico, Colombia, and Peru), achieving an additional reduction of this kind of risk. Currently, all of Grenergy's efforts focus on carrying forward the Group's project portfolio on these countries.

At 2018 closing, and after the sale of the last generation assets in Spain, GREENERGY RENOVABLES S.A. does not own any photovoltaic installation in Spain; therefore, the market risk is reduced to the extent possible, as long as new developments or installations are not built or acquired.

Product's responsibility

The Group designs, develops, executes and promotes large-scale renewable energy projects, certified by TÜV Rheinland, its integrated Quality management system (ISO9001) and Environment (ISO14001) systemizes the identification of each project's requirements, at Quality, security and efficiency level for each one of its stages.

Client's credit risk

The clients' credit risk is assumed by the Group. The Group does not count with a large credit risk concentration, and its exposure is distributed in any clients. Therefore, the risk is diversified and bad debts do not significantly affect the Group.

Exchange risk

The Group's operating currency is the Euro. Some payments and collections are regularly settled and received in US Dollars, mainly associated to the importation of materials to build its subsidiaries' installations. Therefore, the Group could close exchange insurances Euro/Dollar or other structures to cover the exchange rate, if deemed necessary.

Liquidity risk

Being an intensive business in capital and with long-term debt, it is important for the Group to analyze cash flows generated by the business to be able to respond to the debt's payment. Currently, and foreseeably, cash flows generated by the Group are more than sufficient to face the debt's maturities. Currently, the Group does not require additional financing.

The Group's objective from the financial standpoint is to have appropriate equity to obtain the necessary financing from external resources to be able to achieve its expansion, not committing its solvency and maximizing the yield of its shareholders' investments.

Environmental risks

Within commitments acquired for the Environmental certification, ongoing improvement objectives are established with regards to such certification, identifying externalities from its activity with regards to the environment, such as atmospheric or water, dangerous waste, noise or landscape pollution, which are scarcely significant.

Due to the Group's activity and through the periodic analysis of these externalities, no there

are no environmental responsibilities, expenses, assets, provisions, or contingencies that could be significant in relation to the Group's consolidated equity, consolidated financial situation and consolidated results.

23.2. Guarantees committed with third parties

At 2018 closing, the Group has presented guarantees before third parties for an amount of 19,016,949 Euros (15,686,409 Euros at 2017 closing), mainly guarantees for renewable energy tenders and auctions.

23.3. Auditors and related entities' fees

Fees accrued, in 2018 and 2017, for professional services delivered by MAZARS Auditores, S.L.P. amount to 27,500 Euros, respectively in each year, as per the following detail:

	2018	2017
For audit services:		
<i>Individual annual accounts</i>	6,000	5,000
<i>Consolidated annual accounts</i>	20,300	12,500
Other audit-related services:	12,500	10,000
Total	38,800	27,500

Additionally, the expense registered on the consolidated annual accounts of 2018 and 2017, corresponding to services delivered to the Group by other MAZARS companies amounts to 51 and 60 thousand Euros, respectively, as per the following detail:

	2018	2017
For audit services:	32,262	41,000
For other audit-related services:	20,520	19,000
Total	52,782	60,000

24. Segmented information

The Group's activity consists on the promotion and trading of energetic exploitation installations, as well as the production of electric energy and complementary activities, and the management and exploitation of energetic exploitation installations.

Net turnover in 2018 and 2017, detailed per geographic location, is the following:

	31.12.2018	31.12.2017
South America	23,387,539	9,967,364
National	3,899,030	205,631
Total	27,286,569	10,172,995

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The Group's assets and liabilities at December 31, 2018 and December 31, 2017, detailed per geographic location, are the following:

Year ended at 31 December 2018

ASSETS	Spain	Chile	Mexico	Peru	Colombia	Argentina	Total 31.12.2018
NON-CURRENT ASSETS	2,533,001	424,934	64,649	1,423,216	6,194	14,263,494	18,715,488
Intangible assets	3,093	-	-	-	-	2,694,325	2,697,418
Property, plant and equipment	1,803,436	345,098	61,572	1,420,847	6,194	11,320,119	14,957,265
Non-current investments in group companies and associates	11,474	-	-	-	-	-	11,474
Non-current financial investments	50,010	36,533	3,077	2,369	-	748	92,737
Deferred tax assets	664,989	43,303	-	-	-	248,302	956,594
CURRENT ASSETS	21,655,692	16,669,849	150,480	333,031	35,219	725,605	39,569,876
Inventories	1,116,306	4,873,259	-	9,092	-	4,974	6,003,631
Trade and other accounts receivable	12,079,613	5,069,355	169,620	277,707	9,870	324,659	17,930,825
Current investments in group companies and associates	94,006	-	(48,177)	-	-	-	45,830
Current financial investments	-	2,274,570	11,844	-	-	73,889	2,360,303
Prepayments for current assets	69,289	-	-	-	-	40,957	110,246
Cash and cash equivalents	8,296,478	4,452,664	17,193	46,232	25,348	281,125	13,119,041
TOTAL ASSETS	24,188,693	17,094,782	215,129	1,756,247	41,412	14,989,100	58,285,364

EQUITY AND LIABILITIES	Spain	Chile	Mexico	Peru	Colombia	Argentina	Total 31.12.2018
EQUITY	32,674,631	(896,082)	(2,027,427)	(729,853)	(135,504)	(21,642)	28,864,122
Equity	32,835,962	(721,622)	(2,126,787)	(504,689)	(145,292)	15,555	29,353,127
Share capital	3,645,933	-	-	-	-	-	3,645,933
Share premium	6,117,703	-	-	-	-	-	6,117,703
Legal reserve	728,631	-	-	-	-	-	728,631
Other reserves	9,320,591	(106,991)	(1,114,456)	(355,425)	(89,488)	(10,125)	7,644,106
Profit/(loss)	11,861,830	2,609,289	(1,012,330)	(149,263)	(55,804)	25,680	13,279,724
Treasury stock	(2,062,970)	-	-	-	-	-	(2,062,970)
Valuation adjustments	-	(153,468)	137,978	(217,416)	9,788	(37,197)	(260,315)
Minority interests	(161,331)	(20,992)	(38,618)	(7,748)	-	-	(228,690)
NON-CURRENT LIABILITIES	3,384,054	-	-	-	-	6,350,782	9,734,836
Non-current provisions	-	-	-	-	-	-	-
Non-current debts	3,384,054	-	-	-	-	6,350,782	9,734,836
Deferred tax liabilities	-	-	-	-	-	-	-
CURRENT LIABILITIES	16,588,140	2,560,922	257,895	242,477	783	36,189	19,686,405
Current provisions	-	19,669	44,481	-	-	-	64,150
Current debts	7,330,185	3,400	-	-	-	-	7,333,585
Current debts with group companies and associates	332,879	-	890	-	-	-	333,769
Trade payables and other accounts payable	8,925,075	2,506,477	212,525	242,477	783	36,189	11,923,526
Accrual accounts	-	31,376	-	-	-	-	31,376
TOTAL EQUITY AND LIABILITIES	52,646,825	1,664,840	(1,769,532)	(487,377)	(134,721)	6,365,329	58,285,364

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Year ended at 31 December 2017

ASSETS	Spain	Chile	Mexico	Peru	Colombia	Argentina	Total 31.12.2017
NON-CURRENT ASSETS	683,098	15,343,620	344,964	548,824	6,644	3,045,485	19,972,635
Intangible assets	3,965	-	-	-	-	2,845,760	2,849,725
Property, plant and equipment	539,582	15,010,248	342,030	548,824	6,644	181,999	16,629,327
Non-current investments in group companies and associates	-	-	-	-	-	-	-
Non-current financial investments	56,463	31,443	2,934	-	-	-	90,840
Deferred tax assets	83,088	301,929	-	-	-	17,726	402,743
CURRENT ASSETS	8,256,564	28,616,608	413,670	181,850	7,431	48,166	37,524,289
Inventories	1,465,817	11,731,669	219,083	2,272	-	1,855	13,420,696
Trade and other accounts receivable	6,329,065	14,233,539	116,676	150,197	5,294	44,667	20,879,438
Current investments in group companies and associates	32,151	-	-	-	-	-	32,151
Current financial investments	19,824	72,359	54,581	581	-	-	147,345
Prepayments for current assets	91,244	-	-	-	-	-	91,244
Cash and cash equivalents	318,463	2,579,041	23,330	28,800	2,137	1,644	2,953,415
TOTAL ASSETS	8,939,662	43,960,228	758,634	730,674	14,075	3,093,651	57,496,924

EQUITY AND LIABILITIES	Spain	Chile	Mexico	Peru	Colombia	Argentina	Total 31.12.2017
EQUITY	19,517,601	(3,056,602)	(131,342)	(257,174)	(43,581)	13,693	16,042,595
Equity	19,517,601	(3,056,602)	(131,342)	(257,174)	(43,581)	13,693	16,042,595
Valuation adjustments	-	19,198	179,331	(153,861)	5,095	5,143	54,906
Minority interests	(6,140)	52,825	(20,390)	(5,117)	-	-	21,178
NON-CURRENT LIABILITIES	2,095,256	15,617,616	-	-	-	-	17,712,872
Non-current debts	2,093,380	15,156,046	-	-	-	-	17,249,426
Deferred tax liabilities	1,876	461,570	-	-	-	-	463,446
CURRENT LIABILITIES	12,827,545	10,720,618	75,258	85,523	2,936	29,577	23,741,457
Current debts	4,380,296	2,639,131	-	-	-	-	7,019,427
Current debts with group companies and associates	418,910	-	-	-	-	-	418,910
Trade payables and other accounts payable	8,028,339	5,198,277	75,258	85,523	2,936	29,577	13,419,910
Accrual accounts	-	2,883,210	-	-	-	-	2,883,210
TOTAL EQUITY AND LIABILITIES	34,440,402	23,281,632	(56,084)	(171,651)	(40,645)	43,270	57,496,924

25. Subsequent events

From 2018 closing to the date of formulation of these consolidated annual accounts by the Parent Company's Board of Directors, no noteworthy significant event has occurred or been known.

ANNEX

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Investments in group companies and associates at

31 December 2018

Denomination	Address	Activity	% capital - voting rights			Balances at 31.12.2018			(Amounts in Euros)						
			Direct	Indirect	Total	Cost	Impairment	Carrying value	Capital	Reserves	Other Equity items	Profit/(Loss) in the year			Total Investee's Equity
												Operating	Continuing activities	Interrupted activities	
GREENHOUSE SOLAR FIELDS, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.006	-	3.006	3.006	(414)	-	(217)	(160)	-	2.433
GREENHOUSE SOLAR ENERGY, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.006	-	3.006	3.006	(276)	-	(184)	(138)	-	2.592
GREENHOUSE RENEWABLE ENERGY, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.006	-	3.006	3.006	(137)	-	(217)	(163)	-	2.707
GUIA DE ISORA SOLAR 2, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.565	-	1.565	3.100	(6.344)	-	(332)	(249)	-	(3.492)
GR SOLAR 2020, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(1.136)	-	(1.021)	(766)	-	1.099
GR SUN SPAIN, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(2.502)	-	(4)	(3)	-	495
GR EQUITY WIND AND SOLAR, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	198.154	-	108.659	117.308	-	318.462
LEVEL FOTOVOLTAICA S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	50%	-	50%	1.504	-	1.504	3.008	(15.288)	-	(307.350)	(307.350)	-	(319.630)
GR BAÑUELA RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(617)	-	-	-	-	2.383
GR TURBON RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(611)	-	-	-	-	2.389
GR AITANA RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(593)	-	-	-	-	2.407
GR ASPE RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(620)	-	-	-	-	2.380
VIAIRES RENEWABLE ENERGY, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	40%	-	40%	1.200	-	1.200	3.000	-	-	-	-	-	3.000
EDEN RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(289)	-	(60)	(60)	-	2.651
CHAMBO RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(289)	-	(60)	(60)	-	2.651
MAMBAR RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(289)	-	(60)	(60)	-	2.651
EL AGUILA RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(289)	-	-	-	-	2.711
EUGABA RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	-	-	-	-	-	3.000
TAKE RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	-	-	-	-	-	3.000
NEGUA RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	-	-	-	-	-	3.000

ANNEX

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Investments in group companies and associates at

31 December 2018

Denomination	Address	Activity	% capital - voting rights			Balances at 31.12.2018			(Amounts in Euros)						
			Direct	Indirect	Total	Cost	Impairment	Carrying value	Capital	Reserves	Other Equity Items	Profit/(Loss) in the year			Total Investee's Equity
												Operating	Continuing activities	Interrupted activities	
GREENERGY PACIFIC LTDA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	99,9%	-	99,9%	43.150	-	43.150	43.155	1.289.309	(141.875)	517.350	69.501	-	1.260.090 ^(**)
GR PELIMO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.408 (1.408)	-	-	-	-	-	-	-	-	-
GR QUEULE, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.408 (1.408)	-	-	-	-	-	-	-	-	-
GR MAITEN, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.408 (1.408)	-	-	-	-	-	-	-	-	-
GR ALGARROBO S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.303 (1.303)	-	-	-	-	-	-	-	-	-
GR MOLLE, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.303 (1.303)	-	-	-	-	746	(21.060)	(21.060)	-	(20.314)
GR TAMARUGO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.303 (1.303)	-	-	-	-	-	-	-	-	-
GR PACIFIC CHLOE SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	-	98%	98,0%	917 (917)	-	-	-	-	-	-	-	-	-
GR PACIFIC OVALLE, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	-	98%	98,0%	1.357 (1.357)	-	-	-	1.049.268	(39.380)	(1.001.915)	(1.001.879)	-	8.009
GR PIMENTO, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR CHAÑAR, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR CARZA, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR PLO, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR LÚCUMO, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR PTAO, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR LLEQUE, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR NOTRO, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR LENGUA, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR TERU, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR LUMILLA, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-

ANNEX

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Investments in group companies and associates at

31 December 2018

Denomination	Address	Activity	% capital - voting rights			Balances at 31.12.2018			(Amounts in Euros)						
			Direct	Indirect	Total	Cost	Impairment	Carrying value	Capital	Reserves	Other Equity Items	Profit/(Loss) in the year			Total Investee's Equity
												Operating	Continuing activities	Interrupted activities	
GR TOROMIRO, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR PACAMA, S PA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR TEMO, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR RULL, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR POLPAICO PACIFIC, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	-	98%	98,0%	1.314 (1.314)	-	-	-	-	-	-	-	-	-
GR Roble SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Guindo SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Rauli SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Manzano SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Naranjillo SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Mañío SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Tara SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Ciprés SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Ulmo SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Hualo SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Belloto SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	1.203	(25.209)	(25.209)	-	(24.007)
GR Sauce SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Huacano SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Corcolén SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Luma SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-

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GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Investments in group companies and associates at

31 December 2018

Denomination	Address	Activity	% capital - voting rights			Balances at 31.12.2018			(Amounts in Euros)						
			Direct	Indirect	Total	Cost	Impairment	Carrying value	Capital	Reserves	Other Equity items	Profit/(Loss) in the year			Total Investee's Equity
												Operating	Continuing activities	Interrupted activities	
GR Fuique SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Pñol SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Queñoa SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Tayu SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Petra SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Corontillo SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Liun SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Kewiña SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Frangel SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Maqui SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Petrillo SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Tapa SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
Grenergy OPEX SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GREENERGY PERU SAC	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	99%	-	99%	275	-	275	278	(537.292)	13.249	(221.581)	(241.320)	-	(765.085) (**)
GR JULIACA, S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	255	-	-	-	-	-	255
GR HUAMBOS, S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	255	-	-	-	-	-	255
GR APORIC, S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	255	-	-	-	-	-	255
GR BAYONAR, S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	255	-	-	-	-	-	255
GR VALE S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	255	-	-	-	-	-	255
GR CORTARRAMA S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	278 (278)	-	-	-	-	-	-	-	-	-

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Investments in group companies and associates at
31 December 2018

Denomination	Address	Activity	% capital - voting rights			Balances at 31.12.2018			(Amounts in Euros)						
			Direct	Indirect	Total	Cost	Impairment	Carrying value	Capital	Reserves	Other Equity items	Profit/(Loss) in the year			Total Investee's Equity
												Operating	Continuing activities	Interrupted activities	
GR GUANACO S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	278 (278)	-	-	-	-	-	-	-	-	-
GR TARUJA S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.597.955	-	1.597.955	1.597.955	90.815	(112.305)	(2.825)	60.859	-	1.637.325 (**)
GR PAINO S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.597.955	-	1.597.955	1.597.955	91.052	(112.701)	(2.815)	60.897	-	1.637.202 (**)
GR PAICHE S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	278 (278)	-	-	-	-	-	-	-	-	-
GR LILIANCA S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	278 (278)	-	-	-	-	-	-	-	-	-
GR RENOVABLES MÉXICO	Mexico	Production of renewable electrical energy; development and construction of electrical energy installations.	98%	-	98%	2.843	-	2.843	2.901	(1.135.566)	138.658	(414.553)	(423.603)	-	(1.417.610) (**)
GREENHUB S.L. DE C.V.	Mexico	Production of renewable electrical energy; development and construction of electrical energy installations.	20%	80%	100%	88.994	-	88.994	88.994	-	(48)	(658)	(2.177)	-	86.768 (**)
FAILO 3 SACV	Mexico	Production of renewable electrical energy; development and construction of electrical energy installations.	-	50%	50%	1.977	-	1.977	1.977	(1.226)	1.268	(15.225)	(15.225)	-	(13.206)
ASTILO 1 SOLAR, SACV	Mexico	Production of renewable electrical energy; development and construction of electrical energy installations.	-	99,99%	99,99%	2.790 (2.790)	-	-	-	-	176	(27.185)	(27.185)	-	(27.009)
CRISON 2 SOLAR, SACV	Mexico	Production of renewable electrical energy; development and construction of electrical energy installations.	-	99,99%	99,99%	2.790 (2.790)	-	-	-	-	269	(2.418)	(2.418)	-	(2.150)
MESO 4 SOLAR, SACV	Mexico	Production of renewable electrical energy; development and construction of electrical energy installations.	-	99,99%	99,99%	2.790 (2.790)	-	-	-	-	26	(23.870)	(23.870)	-	(23.844)
ORSIFO 5 SOLAR, SACV	Mexico	Production of renewable electrical energy; development and construction of electrical energy installations.	-	99,99%	99,99%	2.790 (2.790)	-	-	-	-	40	5.921	5.572	-	5.612
MIRGACA 6 SOLAR, SACV	Mexico	Production of renewable electrical energy; development and construction of electrical energy installations.	-	99,99%	99,99%	2.790 (2.790)	-	-	-	-	(3)	(409)	(409)	-	(412)
GREENERGY COLOMBIA S.A.S.	Colombia	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	12.168	-	12.168	12.168	-	(6.277)	(46.851)	(55.804)	-	(49.913)
GREENERGY ATLANTICS, S.A.U.	Argentina	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	6.486	-	6.486	6.486	(3.616)	15.153	(68.060)	(97.142)	-	(79.120)
KOSTEN S.A.	Argentina	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	8.158.807	-	8.158.807	5.299.830	(14.182)	126.485	(101.035)	122.822	-	5.534.955

(*) Exchange rate of closing at 31.12.2018, except for results from the year average rate 2018.

(**) Audited annual accounts.

ANNEX

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Investments in group companies and associates at

31 December 2017

Denomination	Address	Activity	% capital - voting rights			Balances at 31.12.2017			(Amounts in Euros)						
			Direct	Indirect	Total	Cost	Impairment	Carrying value	Capital	Reserves	Other Equity items	Profit/(Loss) in the year			Total Investee's Equity
												Operating	Continuing activities	Interrupted activities	
GREENHOUSE SOLAR FIELDS, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.006	-	3.006	3.006	-	(2.053)	1.639	-	-	2.592
GREENHOUSE SOLAR ENERGY, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.006	-	3.006	3.006	-	(2.049)	1.773	-	-	2.730
GREENHOUSE RENEWABLE ENERGY, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.006	-	3.006	3.006	-	(2.203)	2.066	-	-	2.869
GUIA DE ISORA SOLAR 2, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.565	-	1.565	3.100	-	(6.174)	(170)	-	-	(3.244)
GR SOLAR 2020, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	-	(1.009)	(126)	-	-	1.865
GR SUN SPAIN, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	-	(1.851)	(651)	-	-	498
GREQUITY WIND AND SOLAR, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	284.820	(15.897)	(70.769)	-	-	201.154
GREENERGY PACIFIC LTDA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	43.150	-	43.150	43.155	1.182.770	(19.953)	106.540	-	-	1.312.512 (*) (**)
GREENERGY PERU SAC	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	99%	0	100%	275	-	275	275	-	(228.847)	(282.891)	-	-	(511.463) (*)
GR RENOVABLES MÉXICO	México	Production of renewable electrical energy; development and construction of electrical energy installations.	98%	0	100%	2.843	-	2.843	2.843	-	(655.447)	(296.181)	-	-	(948.785) (*) (**)
GR GREENHUB S.A. DE C.V.	México	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	17.799	-	17.799	85.675	-	(830)	-	-	-	84.845 (*)
GREENERGY COLOMBIA S.A.S.	Colombia	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	12.168	-	12.168	12.168	-	(35.717)	(48.676)	-	-	(72.225) (*)
GR TINEO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	575.455	-	575.455	575.454	927	(14.220)	(403)	-	-	561.758 (*) (**)
GR QUILAY, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.408 (1.408)	-	-	-	-	-	-	-	-	-
GR PELIMO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.408 (1.408)	-	-	-	-	-	-	-	-	-
GR QUEJILE, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.408 (1.408)	-	-	-	-	-	-	-	-	-
GR MAITEN, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.408 (1.408)	-	-	-	-	-	-	-	-	-
GR HUNGAN, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.645.010	-	1.645.010	1.645.010	-	67.232	138.033	-	-	1.850.275 (*) (**)
GR LINGUE, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	853.478	-	853.478	853.478	4.364	(22.997)	254.983	-	-	1.089.828 (*) (**)
GR GUAYACAN S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	556.018	-	556.018	556.018	1.263	(14.417)	86.527	-	-	629.391 (*) (**)

ANNEX

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Investments in group companies and associates at

31 December 2017

Denomination	Address	Activity	% capital - voting rights			Balances at 31.12.2017			(Amounts in Euros)						
			Direct	Indirect	Total	Cost	Impairment	Carrying value	Capital	Reserves	Other Equity items	Profit/(Loss) in the year			Total Investee's Equity
												Operating	Continuing activities	Interrupted activities	
GR CHAQUIHE S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.408 (1.408)	-	-	-	-	-	-	-	-	-
GR CORTARRAMA S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	278 (278)	-	-	-	-	-	-	-	-	-
GR GUANACO S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	278 (278)	-	-	-	-	-	-	-	-	-
GR TARUCA S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.597.955	-	1.597.955	1.597.955	26.002	(92.387)	64.813	-	-	1.596.383 (*)
GR PAINO S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.597.955	-	1.597.955	1.597.955	25.722	(92.145)	65.330	-	-	1.596.862 (*)
KOSTEN S.A.	Argentina	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	2.861.054	-	2.861.054	1.761	43.507	(23.670)	(34.224)	-	-	(12.628) (*)
GR PAICHE S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	278 (278)	-	-	-	-	-	-	-	-	-
GR LILANCA S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	278 (278)	-	-	-	-	-	-	-	-	-
GR ALERCE S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.303 (1.303)	-	-	-	-	-	-	-	-	-
GR ALGARROBO S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.303 (1.303)	-	-	-	-	-	-	-	-	-
GR ARRAYÁN S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.303 (1.303)	-	-	-	-	-	-	-	-	-
GR VELLAND S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.354 (1.354)	-	-	1.354	-	89	(11.363)	-	-	(9.920) (*)
GR LAUREL S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	554.320	-	554.320	554.320	-	(1.576)	3.804	-	-	556.548 (*)
GR LITRE S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.728.982	-	1.728.982	1.728.982	-	(4.777)	(5.941)	-	-	1.718.264 (*)
GR MOLLE S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.303 (1.303)	-	-	-	-	-	-	-	-	-
GR TAMARUGO S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.303 (1.303)	-	-	-	-	-	-	-	-	-
Gr Pacific Chiloe Spa Solar, SACV	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.468 (1.468)	-	-	-	-	-	-	-	-	-
Gr Pacific Ovalle, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.461 (1.461)	-	-	1.058.809	-	38.208	(3.010)	-	-	1.094.007 (*)
Gr Pacific Pan de Azúcar, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	2.451.681 (1.461)	-	128.035	2.323.646	6.734	107.667	204.010	-	-	2.642.057 (*)
Gr Polpaico Pacific, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.314 (1.314)	-	-	-	-	-	-	-	-	-
Grenergy Renovables S.A.	Argentina	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.601 (1.601)	-	-	6.486	-	(4.044)	(734)	-	-	1.708 (*)
Falo 3 SACV	México	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.977	-	-	3.954	-	(6.586)	(51)	-	-	(2.683) (*)

ANNEX

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Investments in group companies and associates at
31 December 2017

Denomination	Address	Activity	% capital - voting rights			Balances at 31.12.2017			(Amounts in Euros)						
			Direct	Indirect	Total	Cost	Impairment	Carrying value	Capital	Reserves	Other Equity items	Profit/(Loss) in the year			Total Investee's Equity
												Operating	Continuing activities	Interrupted activities	
Astilo 1 Solar, SACV	México	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	2.790 (2.790)	-	-	-	-	-	-	-	-	-
Orison 2 Solar, SACV	México	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	2.790 (2.790)	-	-	-	-	-	-	-	-	-
Meso 4 Solar, SACV	México	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	2.790 (2.790)	-	-	-	-	-	-	-	-	-
Obispo 5 Solar, SACV	México	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	2.790 (2.790)	-	-	-	-	-	-	-	-	-
Mirgaca 6 Solar, SACV	México	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	2.790 (2.790)	-	-	-	-	-	-	-	-	-
GR BELLOTO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR ULMO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR GUINDO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR PALMA, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR SAUCE, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR RAULÍ, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR CIPRÉS, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR LILÉN, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR MANZANO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR HUALO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR MAÑÍ, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR TARA, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR NARANILLO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR MELÍ, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR ROBLE, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-

ANNEX

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Investments in group companies and associates at

31 December 2017

Denomination	Address	Activity	% capital - voting rights			Balances at 31.12.2017			(Amounts in Euros)						
			Direct	Indirect	Total	Cost	Impairment	Carrying value	Capital	Reserves	Other Equity items	Profit/(Loss) in the year			Total Investee's Equity
												Operating	Continuing activities	Interrupted activities	
LEVEL FOTOVOLTAICA S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.504	-	1.504	3.008	-	(367)	(14.920)	-	-	(12.279) (*)
GR BAÑUELA RENOVABLES, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	-	-	-	-	-	-	-
GR TURBON RENOVABLES, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	-	-	-	-	-	-	-
GR AITANA RENOVABLES, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	-	-	-	-	-	-	-
GR ASPE RENOVABLES, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	-	-	-	-	-	-	-
VIATRES RENEWABLE ENERGY, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.200	-	1.200	-	-	-	-	-	-	-
GR JULIACA, S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	-	-	-	-	-	-	-
GR HUAMBOS, S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	-	-	-	-	-	-	-
GR APORIC, S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	-	-	-	-	-	-	-
GR BAYONAR, S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	-	-	-	-	-	-	-
GR VALES.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	-	-	-	-	-	-	-

(*) Exchange rate of closing at 31.12.2017, except for results from the year average rate 2017.

(**) Audited annual accounts.

GREENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Consolidated Management Report corresponding to 2018

1.- Business evolution in 2018 and expected evolution for 2019.

- The profit and loss account of 2018 present figures of Income, EBITDA and Net Profits that represent the best results achieved by GREENERGY to date. An EBITDA of 22 million Euros and Net Results of 13.1 million Euros evidence these last years' effort in the development and execution of projects in LATAM, particularly in Chile, translated into important positive results for the Group and establishing bases to continue with the pipeline in LATAM and Spain, as expected.
- Total operating income amounts to 55,543,763 Euros, detailed per nature as follows:
 - a) Turnover: 27,286,569 Euros
 - Income from energy production: 2,022 thousand Euros
 - Income from sale of installations: 24,255 thousand Euros
 - Income from O&M (plants' maintenance): 1,010 thousand Euros
 - b) Other income and results: 20,066,431 Euros
 - Other operating income: 69 thousand Euros
 - Results from disposals and others: 19,997 thousand Euros

Furthermore, costs have been activated on the caption of "Work carried out by the company for assets" for an amount of 8,190,763 Euros.

- Income from energy production fully originates from projects covered and in generation in Chile to the moment of sale to a third party. Until 31.12.2018 GREENERGY has completed the operation of 18 farms, and 3 additional ones were being built.
- Out of the 18 farms put in generation during the two last years (84MW), 10 of them have been transferred in 2018 (45MW), generating the margin from sales operations on item "Income from the sale of installations".
- Earnings before Interest, Taxes, Depreciation and Amortization or EBITDA of the period amounts to 22 million Euros, the highest figure reached by the Group during its eleven years of life.
- The Amortization expense, 881 thousand Euros, has undergone a decrease of 34% with regards to the previous year, as a consequence of the sale and exit of fixed assets during 2018 of the abovementioned installations.
- Financial results are negative, resulting in an expense of 4.48 million Euros. Two large magnitudes converge in this item:

- Interests from the debt associated to projects: 1.56 million Euros of expense.
 - Exchange losses, mostly provisions due to the strong depreciation of the Chilean Peso vs US Dollar, during 2018. This depreciation, above 10%, requires an adjustment of the debt value in Dollars at the existing exchange rate at year-end closing, through the allocation of provisions for exchange rate, thus resulting in negative results by 2.8 million Euros.
- In terms of Net Profits (BDI), the Group obtains results of 13.1 million Euros.
- The evolution of the consolidated balance sheet at 2018 closing with regards to the previous years presents changes that reveal the continuity in the Group's growth, strengthening the most important items. The following is positively highlighted:
 - Increase of Equity by 79.9%, reaching 28.86 million Euros.
 - Increase of working capital, amounting to 19.88 million Euros, an increase of 44% with regards to the 2017 closing. This allows the Group to widely face payment obligations at the short term, to continue developing its activities and to ensure its stability and decrease the non-current financial debt.
 - Decrease of non-current financial debt, by 44% with regards to the previous year, due to the exit from the balance sheet of the debt for sold projects and to the entry of debt associated to new projects.
- Grenergy's short-term objectives for 2019 are the following:
 - Complete the construction and connection of the highest number possible of photovoltaic farms included on sale agreements recently signed with clients Daelim, Sonnedix and Carbon Free, which is an essential objective to achieve the expected turnover.
 - Complete the construction and connection of the Kosten wind farm, in the Argentine Patagonia in the third quarter of 2019.
 - Continue building the wind farm Duna/Huambos, in Peru, in order to connect it on the second quarter of 2020.
 - Advance on the financial closure of the project Los Escuderos, 200 MW, in Spain (located in the province of Cuenca).
 - Continue developing projects in portfolio through subsidiaries in Chile, Colombia, Spain and Peru.
 - Advance on the financing of the package of 90MW of PMGDs in Chile, aimed to remain on Grenergy's portfolio, and which operation is expected for mid-2020.

- The average number of employees during 2018, distributed per professional categories, is the following:

Category	2018
Top Management	2
Departments' Directors	15
Others	64
Total	81

2.- Environmental information.

The Group does not count with significant assets dedicated to the protection and improvement of the environment, and has not incurred in relevant expenses of this nature during the year.

3.- Investments in research and development.

The Group has not activated, during 2018, any amount for investments in Research and Development.

4.- Subsequent events.

From 2018 closing to the date of formulation of these consolidated annual accounts by the Parent Company's Board of Directors, no noteworthy significant event has occurred or been known.

5.- Treasury stock.

The possibility to acquire treasury stock was authorized by the General Shareholders' Meeting held on May 19, 2015, being able to acquire up to 2,000,000 shares for a price from 0.01 to 5 Euros during a 5-year term to be counted from such date, in order to comply with the Incentive Plan for administrators, management, employees and collaborators, in order to motivate and retain its key personnel.

On February 3, 2016 the Board of Directors agreed to acquire shares of Greenergy Renovables S.A. in treasury stock, up to 0.8% of the share capital (equivalent to 181,818 shares) for the Parent Company to have the necessary coverage to grant stock options to the company's directors and employees.

On September 11, 2018, the Parent Company acquired 365,426 treasury stocks from related persons, at a price of 2.40 Euros per share.

At the date of formulation of the Annual Accounts corresponding to 2018, Greenergy Renovables S.A. counts with treasury stock of 888,177 securities.

6.- Information on the nature and level of the risk of financial instruments.

The Group's management of financial risks is centralized on the Financial Management, which has established the necessary mechanisms to controls credit and liquidity risks. Note 23.1 of the consolidated notes to the financial statements indicates the main financial risks that could affect the Group. At 2018 closing, the Grenergy Group has not contracted any financial product that could be considered of risk.

7.- Average period of payment to suppliers.

In compliance with Law 31/2014, of 3 December, which modifies the additional third provision "Duty of information" of Law 15/2010 of 5 July, the Group informs that the average payment period to suppliers in the Parent Company, Grenergy Renovables SA, is of 62.57 days.

8.- Proposal of application of the Parent Company's results.

Net results in the year obtained by Grenergy Renovables, S.A. amount to profits by 8,991,163 Euros, which will be applied to Voluntary Reserves for an amount of 8,786,926 Euros and to capitalization reserve for an amount of 204,237 Euros.

9.- Final considerations.

We would like to thank our clients for their trust, our suppliers and strategic partners, with whom we operate, for their constant support, investors for trusting Grenergy since its flotation, and, particularly, the Group's collaborators and workers, because without their effort and dedication it would be hard to reach the proposed goals and results obtained

FORMULATION OF THE CONSOLIDATED ANNUAL ACCOUNTS OF THE YEAR ENDED AT 31 DECEMBER 2018

The Consolidated Annual Accounts and Consolidated Management Report of 2018 have been formulated by the Board of Directors of the Parent Company GREENERGY RENOVABLES, S.A (Sociedad Unipersonal), in their meeting held on March 29, 2019, with a view to their verification by auditors and subsequent approval by the General Shareholders' Meeting.

Mr. Florentino Vivancos Gasset is authorized to sign all pages comprised on the Consolidated Annual Accounts and Management Report of 2018.

Mr. David Ruiz de Andrés
(Managing Director)

Daruan Group Holding, S.L. (Board Member)
(represented by Mr. Antonio Jiménez Alarcón)

Mr. Florentino Vivancos Gasset
(Board Member)

Ms. Ana Peralta Moreno
(Board Member)

Mr. Nicolás Bergareche Mendoza
(Board Member)

Free translation of the auditors' report originally issued in Spanish based on our work performed in accordance with audit regulations in force in Spain and of annual accounts originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Entity in Spain (see note 2.5 to the accompanying annual accounts). In the event of a discrepancy, the Spanish-language version prevails.

Independent Auditor's Report
on the Annual Accounts

GREENERGY RENOVABLES, S.A.

Annual Accounts and Management Report
for the year ended at
31 December 2018

Free translation of the auditors' report originally issued in Spanish based on our work performed in accordance with audit regulations in force in Spain and of annual accounts originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Entity in Spain (see note 2.5 to the accompanying annual accounts). In the event of a discrepancy, the Spanish-language version prevails.

Independent Auditors' Report on the Annual Accounts

To the Shareholders of GREENERGY RENOVABLES, S.A.

Auditor's Report on the annual accounts

Opinion

We have audited the annual accounts of GREENERGY RENOVABLES, S.A. (hereinafter, the Entity), which comprise the balance sheet as at December 31, 2018, and the income statement, statement of changes in equity, cash flows statement and the notes thereto for the year then ended.

In our opinion, the accompanying annual accounts express, in all material respects, the true and fair view of the equity and financial position of the Entity as at December 31, 2018, and its financial performance and cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Entity (identified in note 2.1 to the accompanying annual accounts) and, in particular, with accounting principles and criteria set forth therein.

Basis for opinion

We conducted our audit in accordance with audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's responsibilities for the audit of annual accounts* section of our report.

We are independent of the Entity in accordance with ethical requirements, including those regarding independence, that are relevant to our audit of annual accounts in Spain pursuant to audit regulations in force. In this regard, we have not provided any services other than the audit of the annual accounts, nor have any situations or circumstances arisen that, under the aforementioned audit regulations, might have affected the required independence in such a way as to compromise our independence.

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

Key audit matters

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

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Valuation of investments in group companies and associates

As indicated on note 8.1 and on annex of the accompanying notes to the financial statements, the Entity holds investments in group companies for a significant amount.

According to the financial reporting framework applicable to the Entity, and as indicated on note 4.4 to the accompanying financial statements, the Entity values investments in group companies and associates at cost, decreased by the accumulated amount of impairment corrections, calculated, where applicable, as the difference between the carrying value and the recoverable amount, understood as the highest value between the fair value and the current value of future cash flows, derived from the investment. At year-end closing, the Entity performs the necessary value corrections, as long as there is objective evidence that the investment's carrying value will not be recoverable.

Due to the significant amount of investments and the fact that the estimate of the recoverable amount requires the application of significant judgements and estimates, subject to a high uncertainty degree by Management, we have considered that this is a key audit matter.

Our audit procedures have included, among others, (i) the evaluation of the relevance of the methodology used to determine recoverable values, (ii) the verification that the amount of the investees' equity exceeds their cost value, (iii) the review that the accompanying notes to the financial statements include disclosures required by the applicable financial reporting framework.

Sale of investees

As indicated on note 8.1 to the accompanying financial statements, during 2018, the Entity has entered into agreements with third parties to sell 14 investees, obtaining profits by 11,605 thousand Euros, included on caption "Impairment and gains/(losses) on disposal of financial instruments" of the accompanying profit and loss account.

According to the financial reporting framework applicable to the Entity, and as indicated on note 4.4 to the accompanying financial statements, the Entity will write off an investment in group companies when all risks and benefits inherent to their ownership have been substantially transferred. The difference between the consideration received, net of attributable transaction costs and the carrying value of the investment in group companies will determine the profit or loss generated when writing off such investment, and will be part of results on the corresponding period. Since the sale of investees implies significant operations performed during the year, we have considered that this is a key audit matter.

Our audit procedures have included, among others, (i) the understanding of transactions through analysis of agreements reached and meetings with the Entity's Management, (ii) the review of the accounting treatment used when registering the difference between the acquisition cost of investments in group companies and the value of the consideration received, (iii) the verification, through bank statements, of the collection of the debt for the sale of investees, according to the payment schedule established on sales agreements, (iv) the verification that the accompanying notes to the financial statements include disclosures required by the applicable financial reporting framework.

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Transactions with related parties

Note 20.1 to the accompanying financial statements details transactions and balances with related parties, highlighting the sale of solar panels for a significant amount.

The Entity annually prepares the transfer pricing documentation, together with its tax consultants, in compliance with the transfer pricing tax legislation. Due to these transactions' significant amount and potential impact on the evaluation and interpretation of the Entity's financial information, we have identified the valuation and disclosures related to these operations with related parties as a key audit matter.

Our audit procedures have included, among others, (i) the update of our knowledge of relationships with related parties through inquiries to Management, (ii) the achievement of justifying documentation for the most significant related parties' transactions performed during the year in order to validate conditions applied to such transactions, (iii) the involvement of our tax experts to analyze the last transfer pricing dossier, elaborated by the Entity together with its tax consultants, (iv) the verification that the accompanying notes to the financial statements include disclosures required by the applicable financial reporting framework.

Other information: Management report

Other information comprises only the management report for the 2018 financial year, the formulation of which is the responsibility of the Entity's directors and is not an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the management report. Our responsibility regarding the management report, in conformity with the audit regulation in force, consists of assessing and reporting on the consistency of the information included in the management report with the annual accounts based on the knowledge of the Entity we obtained during the audit of aforementioned annual accounts, and does not include any information not obtained as evidence during such audit. In addition, our responsibility is to assess and report on whether the content and presentation of the management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that a material misstatement exist, we are required to report that fact.

Based on the work performed, as described in the previous paragraph, we have checked that the information included in the management report agreed with that disclosed in the annual accounts for the 2018 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the Directors and the Audit Committee for the annual accounts

Directors are responsible for the preparation of the accompanying annual accounts, such that they express the true and fair view of the Entity's equity, financial position and financial performance in accordance with the regulatory financial reporting framework applicable to the Entity in Spain, and for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Free translation of the auditors' report originally issued in Spanish based on our work performed in accordance with audit regulations in force in Spain and of annual accounts originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Entity in Spain (see note 2.5 to the accompanying annual accounts). In the event of a discrepancy, the Spanish-language version prevails.

In preparing the annual accounts, directors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis unless the Entity's directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

The Entity's Audit Committee is responsible for providing oversight in the preparation and presentation of the annual accounts.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the 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 audit regulations in force 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

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

- Identify and assess the risks of material misstatement of the 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 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 purposes of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and the related disclosures made by directors.
- Conclude on the appropriateness of 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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with the Entity's Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Entity's Audit Committee with a statement that we have complied with relevant ethical requirements, including those regarding independence, and have communicated with the Audit Committee those matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with the Entity's Audit Committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters.

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

Report on other legal and regulatory requirements

Additional Report to the Audit Committee

The opinion expressed in this report is consistent with our additional report to the Entity's Audit Committee dated April 3, 2019.

Appointment period

During the General Shareholders' Meeting held on June 22, 2018, we were appointed as the Entity's auditors for a 1-year period beginning on December 31, 2018.

Previously, we have been carrying out the audit of the Entity's annual accounts uninterruptedly since the financial year ended December 31, 2014. We highlight that the Entity's shares were admitted to trading on the Alternative Stock Exchange, Segment of Expanding Companies, on July 8, 2015.

Madrid, 3 April 2019

MAZARS AUDITORES, S.L.P.
ROAC N° S1189

María Pilar Cabodevilla Artieda
ROAC N° 18.431



GREENERGY RENOVABLES, S.A.

**ANNUAL ACCOUNTS AND MANAGEMENT REPORT
CORRESPONDING TO THE YEAR ENDED AT
31 DECEMBER 2018**

*Free translation of annual accounts originally issued in Spanish.
In the event of a discrepancy, the Spanish-language version prevails*

GREENERGY RENOVABLES, S.A.

Annual accounts corresponding to the year ended at 31 December 2018

GREENERGY RENOVABLES, S.A.
BALANCE SHEET AT 31 DECEMBER 2018 AND 2017

(Euros)

ASSETS	Notes	Year 2018	Year 2017	EQUITY AND LIABILITIES	Notes	Year 2018	Year 2017
NON-CURRENT ASSETS		13,371,329	13,256,854	EQUITY		29,417,990	20,544,133
Intangible assets	Note 5	3,093	3,965	CAPITAL AND RESERVES WITHOUT VALUATION ADJUSTME	Note 12	29,417,990	20,544,133
Computer software		3,093	3,965	Capital		3,645,933	3,645,933
Property, plant and equipment	Note 6	327,759	198,648	Registered capital		3,645,933	3,645,933
Technical installations and other items		327,759	198,648	Share premium		6,117,703	6,117,703
Non-current investments in group companies and associates	Note 8.1	12,349,619	12,952,352	Reserves and prior periods' profit and loss		12,726,160	9,997,553
Equity instruments.		11,493,997	12,210,057	Legal reserve		729,187	729,187
Loans to group companies and associates.		855,622	742,295	Voluntary reserves		11,996,973	9,268,366
Non-current financial investments	Note 8.2	26,040	26,040	(Own shares and equity holdings)		(2,062,969)	(1,133,498)
Other financial assets.		26,040	26,040	Profit/(loss) for the period		8,991,163	1,916,442
Deferred tax assets	Note 16	664,818	75,849				
				NON-CURRENT LIABILITIES		3,384,055	2,095,256
				Non-current debts	Note 13	3,384,055	2,093,380
				Debts with financial institutions.		2,982,665	1,745,851
				Finance lease payables.	Note 7.1	134,854	23,007
				Other financial liabilities.		266,536	324,522
				Deferred tax liabilities	Note 16	-	1,876
CURRENT ASSETS		38,453,315	25,251,840			19,022,599	15,869,305
Inventories	Note 9	1,116,306	202,452	CURRENT LIABILITIES			
Raw materials and other supplies		1,115,309	174,570	Current debts	Note 13	7,330,185	4,380,296
Advances to suppliers		997	27,882	Debts with financial institutions.		6,058,449	2,104,867
Trade and other receivables	Note 10	26,569,024	19,748,089	Finance lease payables.	Note 7.1	27,662	14,406
Trade receivables		3,746,848	64,743	Other financial liabilities.		1,244,074	2,261,023
Trade receivables from group companies and associates	Note 20.1	16,062,110	13,487,257				
Other accounts receivable		6,524,215	6,051,566	Current debts with group companies and associates	Note 14	2,773,719	3,469,229
Personnel		494	44,335				
Public entities, other	Note 16	235,357	100,188	Trade and other payables		8,918,695	8,019,780
Current investments in group companies and associates	Note 8.1	2,449,123	4,906,162	Suppliers		7,096,642	6,763,477
Loans to group companies and associates.	Note 20.1	2,449,123	4,906,162	Suppliers, group companies and associates	Note 20.1	27,759	354,087
Prepayments for current assets		62,539	91,244	Other payables		1,321,583	738,615
Cash and cash equivalents	Note 11	8,256,323	303,893	Personnel (salaries payable)		398,660	135,760
Cash		8,256,323	303,893	Public entities, other	Note 16	74,051	27,841
TOTAL ASSETS		51,824,644	38,508,694	TOTAL EQUITY AND LIABILITIES		51,824,644	38,508,694

GREENERGY RENOVABLES, S.A.**PROFIT AND LOSS ACCOUNT CORRESPONDING TO THE YEAR ENDED AT 31 DECEMBER**
2018 AND 2017

(Euros)

	Notes	Year 2018	Year 2017
CONTINUING OPERATIONS			
Revenue	Note 22	23,535,827	21,864,625
Sales	Note 20.1	23,304,156	21,658,994
Services delivered		231,671	205,631
Supplies		(18,917,293)	(19,139,761)
Merchandise used	Note 17	(18,917,293)	(19,139,761)
Other operating income		604,788	1,346,925
Non-trading and other operating income		604,788	1,346,925
Personnel costs		(1,816,760)	(1,010,896)
Salaries and wages		(1,468,155)	(790,416)
Employee benefits expense	Note 17	(348,604)	(220,480)
Other operating expenses		(1,362,363)	(1,267,096)
External services		(1,312,350)	(1,251,433)
Taxes		(3,400)	(3,773)
Losses, impairment and changes in trade provisions		-	6,934
Other operating expenses		(46,613)	(18,824)
Amortization and depreciation	Note 5 & 6	(50,922)	(49,312)
Impairment and gains/(losses) on disposal of fixed assets	Note 6	(448)	(657)
Gains/(losses) on disposal and other		(448)	(657)
Other results		25,527	(22,205)
RESULTS FROM OPERATING ACTIVITIES		2,018,356	1,721,623
Finance income		106,720	158,444
Marketable securities and other financial instruments		106,720	158,444
- Group companies and associates	Note 20.1	96,793	158,002
- Third parties		9,927	442
Finance expenses	Note 17	(549,096)	(192,897)
Third parties		(498,764)	(135,328)
Group companies and associates		(50,332)	(57,569)
Exchange gains/(losses)		(246,588)	7,974
Impairment and gains/(losses) on disposal of financial instruments	Note 8.1	9,304,288	1,160,350
Impairment and losses		(2,300,846)	-
Gains/(losses) on disposal and other		11,605,134	1,160,350
NET FINANCE INCOME/(EXPENSE)		8,615,324	1,133,871
PROFIT/(LOSS) BEFORE INCOME TAX		10,633,680	2,855,494
Corporate Income Tax	Note 16	(1,642,517)	(939,052)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		8,991,163	1,916,442
PROFIT/(LOSS) FOR THE PERIOD		8,991,163	1,916,442

GREENERGY RENOVABLES, S.A.

Annual accounts corresponding to the year ended at 31 December 2018

GREENERGY RENOVABLES, S.A.**STATEMENT OF CHANGES IN EQUITY FOR YEARS ENDED AT 31 DECEMBER 2018 AND 2017****A) STATEMENT OF RECOGNIZED INCOME AND EXPENSES**

(Euros)

	Notes	Year 2018	Year 2017
PROFIT/(LOSS) FOR THE PERIOD (I)	3	8,991,163	1,916,442
Income and expenses recognized directly in equity		-	-
IV. Other adjustments		-	-
V. Tax effect		-	-
TOTAL INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY (II)		-	-
Amounts transferred to the Income Statement		-	-
TOTAL AMOUNTS TRANSFERRED TO THE INCOME STATEMENT (III)		-	-
TOTAL RECOGNIZED INCOME AND EXPENSES (I+II+III)		8,991,163	1,916,442

B) STATEMENT OF TOTAL CHANGES IN EQUITY

(Euros)

	Capital	Share premium	Reserves	(Own shares and equity holdings)	Profit/(loss) for the period	TOTAL
BALANCE AT 31 DECEMBER 2016	3,645,933	6,117,703	7,848,894	(1,162,403)	2,149,354	18,599,481
Adjustments and/or error correction	-	-	-	-	-	-
ADJUSTED BALANCE AT 1 JANUARY 2017	3,645,933	6,117,703	7,848,894	(1,162,403)	2,149,354	18,599,481
Total recognized income and expenses	-	-	-	-	1,916,442	1,916,442
Transactions with equity holders or owners	-	-	-	-	-	-
Capital increases	-	-	-	-	-	-
Transactions with own shares and equity holdings (net)	-	-	(695)	28,905	-	28,210
Other variations in equity	-	-	2,149,354	-	(2,149,354)	-
BALANCE AT 31 DECEMBER 2017	3,645,933	6,117,703	9,997,553	(1,133,498)	1,916,442	20,544,133
Adjustments and/or error correction	-	-	-	-	-	-
ADJUSTED BALANCE AT 1 JANUARY 2018	3,645,933	6,117,703	9,997,553	(1,133,498)	1,916,442	20,544,133
Total recognized income and expenses	-	-	-	-	8,991,163	8,991,163
Transactions with equity holders or owners	-	-	-	-	-	-
Capital increases	-	-	-	-	-	-
Transactions with own shares and equity holdings (net)	-	-	812,165	(929,471)	-	(117,306)
Other variations in equity	-	-	1,916,442	-	(1,916,442)	-
BALANCE AT 31 DECEMBER 2018	3,645,933	6,117,703	12,726,160	(2,062,969)	8,991,163	29,417,990

GREENERGY RENOVABLES, S.A.

Annual accounts corresponding to the year ended at 31 December 2018

GREENERGY RENOVABLES, S.A.
STATEMENT OF CASH FLOWS FOR YEARS ENDED AT 31 DECEMBER 2018 AND 2017
(Euros)

	Notes	2,018	2,017
A) CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit/(loss) for the period before tax		10,633,680	2,855,494
2. Adjustments for:		(8,563,954)	(1,061,255)
a) Amortization and depreciation (+).	Notes 5 & 6	50,922	49,312
e) Proceeds from disposals of fixed assets (+/-).		448	657
f) Proceeds from disposals of financial instruments (+/-).	Note 8.1	(9,304,288)	(1,160,350)
g) Finance income (-).		(106,720)	(158,002)
h) Finance expenses (+).		549,096	192,897
i) Exchange gains/losses (+/-).		246,588	(7,974)
k) Other income and expenses (-/+).		-	22,205
3. Changes in operating assets and liabilities. Difference N - N-1		(529,543)	(7,723,469)
a) Inventories (+/-).		(913,854)	(27,647)
b) Trade and other receivables (+/-).		(296,722)	(5,024,605)
c) Other current assets (+/-).		28,705	(23,204)
d) Trade and other payables (+/-).		652,327	(2,648,013)
4. Other cash flows from operating activities.		(2,722,198)	(1,346,497)
a) Interests paid (-).		(498,764)	(192,897)
c) Interests received (+).		9,927	-
d) Income tax received (paid) (-/+).	Note 16	(2,233,361)	(1,153,600)
5. Cash flows from/used in operating activities (+/-1+/-2+/-3+/-4)		(1,182,015)	(7,275,727)
B) CASH FLOWS FROM INVESTMENT ACTIVITIES			
6. Payments for investments (-).		(198,100)	(1,727,174)
a) Group companies and associates		-	(1,704,493)
b) Intangible assets.		-	(3,388)
c) Property, plant and equipment.	Note 6	(198,100)	(19,293)
7. Proceeds from sale of investments (+).		5,955,130	5,578,836
a) Group companies and associates	Note 8.1	5,936,639	3,176,216
c) Property, plant and equipment.	Note 6	18,491	-
e) Other financial assets.		-	2,350,000
g) Other assets		-	52,620
8. Cash flows from/used in investing activities (7-6)		5,757,030	3,851,662
C) CASH FLOWS FROM FINANCING ACTIVITIES			
9. Proceeds from and payments for equity instruments.	Note 12	(117,306)	28,905
c) Acquisition of own equity instruments		(1,869,232)	(132,476)
d) Disposal of own equity instruments.		1,751,926	161,381
10. Proceeds from and payments for financial liability instruments		3,494,721	1,938,852
a) Issue		4,240,563	2,382,158
2. Debts with financial institutions (+).	Note 13	4,240,563	178,851
4. Other payables (+).		-	2,203,307
b) Redemption and repayment of	Note 14	(745,842)	(443,306)
3. Debts with Group companies and associates (-).		(745,842)	(372,935)
4. Other debts (-).		-	(70,371)
12. Cash flows from/used in financing activities(+/-9+/-10-11)		3,377,415	1,967,757
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (+/-A+/-B+/-C+/- D)		7,952,430	(1,456,308)
Cash and cash equivalents at beginning of period	Note 11	303,893	1,760,201
Cash and cash equivalents at end of period	Note 11	8,256,323	303,893

NOTES TO THE FINANCIAL STATEMENTS CORRESPONDING TO THE YEAR ENDED AT 31 DECEMBER 2018

1. Activity of the Company

GREENERGY RENOVABLES, S.A. (hereinafter, the Company) was incorporated in Madrid, on July 2, 2007, through public deed, being inscribed on the Mercantile Registry of Madrid, volume 24430, book 0, folio 112, section 8, sheet M-439.423, inscription 1. Its registered and tax address is the same where the Company develops its activity, and is located in calle Rafael Botí, 2 of Madrid.

The corporate purpose and sectors in which the Company develops its activity are the promotion and trading of energetic exploitation facilities, as well as the production of electric energy and any complementary activity, and the management and exploitation of energetic exploitation facilities.

As described on Note 12, the Company is part of the Daruan group, which parent company Daruan Group Holding, S.L. resides in calle Rafael Botí 2 of Madrid.

The consolidated annual accounts of the Daruan group corresponding to the year ended at December 31, 2017, as well as the corresponding management and auditor's reports, were deposited on the Mercantile Registry of Madrid on July 29, 2018. The consolidated annual accounts corresponding to the year ended at December 31, 2018, as well as the corresponding management and auditor's reports of the Daruan group will be deposited on the Mercantile Registry of Madrid.

Since July 8, 2015, the Company's shares are listed in the Alternative Stock Exchange, segment Expanding Companies (hereinafter, MAB-EE) (Note 12). As a consequence of the listing on the MAB-EE, the company lost its condition as single-shareholding company, declared in 2014.

As described on Note 8, the Company holds shares in subsidiaries, being the parent company of the set of companies comprised on the Grenergy Group. The consolidated annual accounts of the Grenergy Group corresponding to the year ended at December 31, 2018, as well as the corresponding management and auditor's reports, will be deposited on the Mercantile Registry of Madrid.

2. Bases of presentation of the annual accounts

2.1. True and fair view

The annual accounts of the year ended at December 31, 2018 have been prepared from the Company's accounting records, and show the true and fair view of equity and financial position, results from the Company's operations, changes in equity and cash flows during the year. They have been formulated by Directors in accordance with the financial reporting framework applicable to the Company, established in:

- a) Commercial Code and other corporate legislation.
- b) General Accounting Plan approved by Royal Decree 1514/2007, partly modified by Royal Decrees 1159/2010 of 17 September and 602/2016 of 2 December, and their sector adaptations.
- c) Compulsory standards approved by the Accounting and Auditing Institute in development of the General Accounting Plan and its complementary standards.
- d) Other Spanish accounting regulations, as applicable.

Among modifications included on the final first Provision of the RD 877/2015, of 2 October, which modifies RD 1517/2011 of 31 October, which approved the Regulation developing the consolidated text of the Law on Auditing, they include the modification of article 15 of said Law, which defines public interest entities, including in this definition issuers of securities admitted to trading in the Alternative Stock Exchange, belonging to the Segment of expanding companies.

The Company's annual accounts corresponding to 2017 were approved by the General Shareholders' Meeting on June 22, 2018. The annual accounts corresponding to 2018, formulated by Directors, will be submitted to approval by the General Shareholders' Meeting, estimating that they will be approved without modifications.

2.2. Non-compulsory accounting principles applied.

The main accounting policies adopted are presented on Note 4. All accounting principle and registration and valuation standard with a significant effect on the annual accounts have been applied on their elaboration.

Figures contained on all statements comprised on the annual accounts (balance sheet, profit and loss account, statement of changes in equity, statement of cash flows and the present notes to the financial statements) are presented in Euros (unless otherwise indicated) which is the Company's functional currency.

2.3. Critical aspects of the valuation and estimate of uncertainty

When preparing certain information included on the present annual accounts, estimates have been used, based on the Top Management's assumptions, subsequently ratified by the Company's Directors, to quantify some of the assets, liabilities, income, expenses and commitments therein included.

The most significant estimates used on these annual accounts refer to the following:

- Losses for impairment of certain assets (Note 8) and useful lives of property, plant and equipment (Note 4.2).
- Measurement of financial risks to which the Company is exposed in the development of its activity (Note 21.1).

These estimates and assumptions are based on the best information available at the date of formulation of the annual accounts, on the estimate of uncertainty at year-end closing, and are periodically reviewed. However, these periodic reviews or future events are likely to cause a modification of estimates in coming years. In this case, the effects from changes in estimates would be prospectively registered on the profit and loss account of such years and of successive periods, as established on the 22nd Registration and Valuation Standard "Changes in accounting criteria, misstatements and accounting estimates".

2.4. Comparison of information

By virtue of the corporate legislation, for comparison purposes, in addition to figures of 2018, Directors present on each item of the balance sheet, profit and loss account, statement of changes in equity and statement of cash flows, those corresponding to 2017.

2.5. Regulatory framework

The sector of renewable energies is a regulated sector that has undergone important changes during the last years, with a new regulatory framework since 2013. Within this framework, the new standard of reference is Law 24/2013, of 26 December, of the Electrical Sector, which repeals the previous Law 54/1997, of 27 November, of the Electrical Sector.

On December 26, 2013, the new Sector Law was published, ratifying the Royal Decree-Law 9/2013; it eliminates the special regime and considers a new remuneration scheme for these facilities of renewables, cogeneration and waste. The new remuneration (called specific remuneration and which will be exceptionally granted for new facilities) is additional to the remuneration for the sale of energy in the market and comprises one term per power unit installed that covers, as applicable, investment costs that cannot be recovered by the market, and one term to the operation that covers, where applicable, the difference between exploitation costs and the market price.

The calculation of this new specific remuneration is based on a standard installation, throughout its regulatory useful life and in reference to the activity performed by an efficient well-managed company, based on:

- Standard income from the sale of energy valued at market price;
- Standard exploitation costs; and
- The standard value of the initial investment.

This remuneration regime is based on a reasonable profitability to investments, which definition is based on the interest rate of the Government bond in ten years plus a differential, initially established in 300 basis points.

Six-year regulatory periods are established, and sub-periods of three years. Every three years, remuneration parameters related to market price forecasts can be changed, incorporating deviations suffered in the sub-period.

Every six years, the installations' standard parameters can be modified, except for the initial investment value and the regulatory useful life, which remain invariable throughout the installations' life. Likewise, every six years, the remuneration interest rate can be changed, but only for future remunerations.

The standard investment value for new installations is determined through a tender procedure.

This new remuneration is applicable since July 2013, when the Royal Decree-Law 9/2013 became effective.

On June 6, 2014, the RDL 413/2014 was published, regulating the activity of production of electric energy from renewable energy sources, cogeneration and waste. Additionally, on

June 16, 2014, the Order IET 1045/2014, of the Ministry of Industry Energy and Tourism, was published, approving remuneration parameters of standard contributions applicable to certain installations of electric energy production from renewable energy sources, cogeneration and waste. By virtue of this new regulation, installations will receive, during their regulatory useful life, in addition to the remuneration from the sale of energy valued at market price, a specific remuneration comprising one term for power unit installed that covers, as applicable, investment costs for each standard installation that cannot be recovered from the sale of energy in the market, called remuneration to investment, and one term to the operation that covers, when applicable, the difference between exploitation costs and the income from the standard installation's participation in the production market, called remuneration to the operation.

At December 31, 2018, Greenergy Renovables S.A. does not own any asset in Spain that could be classified as plant or installation of renewable energies which remuneration is determined by the previous regulatory framework. The Company has focused its efforts to carry out new developments and build new installations in Latin America, through its subsidiaries.

3. Application of Results

The proposal of distribution of results, formulated by the Company's Directors, which will be submitted to approval by the General Shareholders' Meeting of the Company, is the following:

	<u>Euros</u>
<u>Basis of Distribution</u>	
Profit from the year	8,991,163
	<u>8,991,163</u>
<u>Application</u>	
To voluntary reserves	8,786,926
To capitalization reserve	204,237
	<u>8,991,163</u>

4. Registration and Valuation Standards

Registration and valuation standards applied when elaborating the annual accounts corresponding to 2018 have been the following:

4.1. Intangible assets

They are non-monetary identifiable assets, without physical appearance, that arise as a consequence of a legal business or have been internally developed. The Company only recognizes in accounts those assets which cost can be reliably estimated and for which the Company considers probable to obtain future economic benefits or yields.

Intangible assets are initially recognized at acquisition or production cost and are, subsequently, valued at cost minus their corresponding accumulated amortization and impairment losses undergone.

Computer software

This item includes amounts satisfied for the access to ownership or right of use of computer programmes and software, as long as they are expected to be used in several years. They are systematically amortized, applying a linear criterion in a four-year period.

Expenses for the maintenance, global review of systems or recurrent expenses as a consequence of the modification or update of these applications are directly registered as expenses in the year when they are incurred.

4.2. Property, plant and equipment

They correspond to tangible assets owned by the Company for their use in the production or supply of goods and services or for administrative purposes, and which are expected to be used in more than one year.

Goods included on property, plant and equipment are registered at acquisition cost (updated, if applicable, with several legal provisions) or production cost, minus accumulated amortization and impairment losses, if any.

The cost of property, plant and equipment built by the Company is determined by following the same principles as for an acquired asset. The capitalization of the production cost is charged to caption "Work carried out by the company for assets" of the profit and loss account.

Costs for the extension, modernization, improvement, substitution or renewal, which represent an increase of productivity, capacity or efficiency, or an extension of the good's useful life, are registered as higher cost of the corresponding goods, with the consequent accounting withdrawal of substituted or renewed goods or elements.

The acquisition cost of property, plant and equipment that require a period above one year to be in conditions of use includes financial expenses accrued before the element is put into operating conditions. During the year, no amount has been activated for this concept. On the other hand, financial interests accrued after such date, or to finance the acquisition of the remaining fixed assets, do not increase the acquisition cost and are registered on the profit and loss account of the year when they are accrued.

GREENERGY RENOVABLES, S.A.

Annual accounts corresponding to the year ended at 31 December 2018

Costs incurred in the conditioning of leased premises are classified as installations, systematically amortizing them through the linear method during an 8-year period, not exceeding in any case the lease agreement's length.

Periodic expenses for the conservation, repair and maintenance that do not increase the asset's useful life are charged to the profit and loss account of the year in which they are incurred.

The amortization is calculated by systematically applying the linear method on the acquisition or production cost of assets, minus their residual value, during the years of estimated useful life of the different elements, as per the following detail:

	Years of Useful life
Machinery	5-10
Installations and tools	3-50
Transport elements	5-20
Furniture	10
Information equipment	4
Other property, plant and equipment	6-8

Values and the residual lives of these assets are reviewed at each balance sheet date and are adjusted, where necessary.

At each year-end closing, the Company analyzes whether there are signs that the carrying value of its property, plant and equipment exceeds the corresponding recoverable amount, that is to say, that a given element may be impaired. For those identified assets, the Company estimates the recoverable amount, understood as the highest between the fair value minus necessary selling costs and the value in use. If the asset does not generate cash flows per se, independent from other assets, the Company calculates the recoverable amount of the Cash Generating Unit to which it belongs.

If the recoverable value thus determined is below the asset's carrying value, the difference between both values is recognized on the profit and loss account by reducing the asset's carrying value down to its recoverable amount, and future charges for amortization are adjusted in proportion to their adjusted carrying value and the new remaining useful life, if it was necessary to re-estimate it.

Similarly, when there are signs of recovery in the value of an element of property, plant and equipment, the Company registers the reversal of the impairment loss registered in previous years and future charges for amortization are accordingly adjusted. In any case, such reversal does not imply an increase of the asset's carrying value above the value that it would have if impairment losses had not been recognized in previous years.

Profit or loss resulting from the disposal or write-off of an asset is calculated as the difference between the value of the consideration received and the asset's carrying value, and is recognized on the profit and loss account of the year.

4.3. Leases

The Company classifies lease agreements as financial or operating leases based on the operation's economic substance, regardless of its legal form.

Leases are classified as financial leases as long as their conditions transfer to the Company risks and benefits inherent to the ownership of the leased good. Elements thus acquired are classified on the category of non-current assets corresponding to the nature of the leased good, valuing it at the lowest value between the leased asset's fair value and the current value of minimum payments agreed at lease inception, including the value of the call option in absence of reasonable doubts on its exercise.

The payment obligation derived from the financial lease, net of the financial charge, is recognized on current or non-current debts payable, depending on whether the payment will be settled before or after the 12 months following the year-end closing. Interests derived from the financing of fixed assets are allocated to the profit and loss account during the period of validity of the lease, and are calculated at the operation's effective interest rate, thus obtaining a constant periodic interest on the amount of the debt to be amortized in each period.

Amortization policies and impairment corrections of such goods are similar to those applied by the Company to its intangible assets and property, plant and equipment.

Leases where the lessor keeps an important part of risks and benefits derived from the good's ownership are classified as operating leases.

Payments for operating leases (net of any incentive granted by the lessor) are charged to the income statement of the year during the lease period.

4.4. Financial instruments

A financial instrument is a contract that gives rise to a financial asset in an entity and, simultaneously, to a financial liability or an equity instrument in another. The Company only recognized financial instruments on the balance sheet when becoming a party of the contract, according to its specifications.

On the accompanying balance sheet, financial assets and liabilities are classified as current or non-current based on whether their maturity is equal or below twelve months, respectively, from the year-end closing date.

The Company's most regular financial assets and liabilities are the following:

- Financing granted to the Company's related entities and personnel, regardless of their legal form
- Trade receivables
- Financing received from financial entities and suppliers
- Securities, both representing debt (obligations, bonds, promissory notes, etc.) and equity instruments in other entities (shares) or participations in collective investment institutions

a) Financial assets

They are initially recognized at fair value plus incremental costs directly allocable to the transaction, except when assets are classified in the category of “Financial assets held for trading”, in which case incremental costs are directly allocated to the profit and loss account of the year in which they are incurred.

For valuation purposes, the Company classifies financial assets, except for investments held in group companies and associates, in one of the following categories:

- Loans and accounts receivable: they correspond to credits (commercial or not) non-derivatives, not being traded on an active market, which cash flows are fixed or determinable and for which the entire disbursement is expected to be recovered, except when there are reasons allocable to the debtor's solvency. They arise when the Company supplies cash or goods and services corresponding to its business purpose directly to a debtor, without intending to negotiate with the account receivable. It also includes deposits and sureties registered at face value, since it does not significantly differ from the fair value.

After initial recognition, they are valued at amortized cost, using in their determination the effective interest rate method. Nonetheless, in general, trade credits with maturity below twelve months are registered at face value, that is to say, they are not discounted.

“Amortized cost” is understood as the asset's acquisition cost minus collections of principal, corrected (upwards or downwards, as applicable) by the portion systematically allocated to results of the difference between the initial cost and the corresponding reimbursement value at maturity, taking into account eventual impairment losses.

Moreover, effective interest rate is considered the discount rate that, at asset's acquisition date, is exactly equal to the asset's initial value for the totality of its estimated cash flows for all concepts throughout its remaining life.

The Company follows the criterion of registering impairment corrections in order to cover balances with a given ageing or in which circumstances concur that allow doubting on the debtor's solvency.

b) Investments in group companies and associates

As indicated on Note 8, the Company holds direct or indirect control of certain entities. In general, and regardless of the shareholding percentage, the Company's investment in the share capital of other companies not admitted to trading in the Stock Exchange are valued at acquisition cost minus, where applicable, the accumulated amount of impairment corrections.

Such value correction is calculated as the difference between the investment's carrying value and its recoverable amount, understood as the highest amount between its fair value minus selling costs and the current value of future cash flows derived from the investment. Except with better evidence, when estimating the impairment of this class of assets, the investee's equity is considered, corrected by unrealized capital gains existing at valuation date.

Impairment corrections and, if applicable, their reversal, are registered as expense or income, respectively, in the profit and loss account. The impairment reversal is limited to the investment's original book value.

The Company will write off an investment in group companies and associates when risks and benefits inherent to the ownership have been substantially transferred. When an investment in group companies and associates is written off, the difference between the consideration received, net of allocable transaction costs, considering any new asset obtained minus any liability assumed, and the carrying value of the investment in group companies and associates, plus any accumulated amount recognized directly in equity, will determine the profit or loss derived from writing off such investment in group companies and associates, and will be part of profit/(loss) of the year when it takes place.

c) Financial liabilities

Financial liabilities are classified based on contractual agreements and taking into account the operations' economic fund.

The main financial liabilities held by the Company correspond to liabilities at maturity, remunerated or not, classified by the Company for valuation purposes on the category of "Debts and items payable", initially valued at fair value and subsequently at amortized cost.

- Debts with credit institutions and other remunerated liabilities: loans, bank overdrafts, obligations and other similar instruments that accrue interests are initially registered at their fair value, which equals the cash received, net of costs incurred in the transaction that are directly attributable. Accrued financial expenses, including premiums payable in the liquidation or reimbursement and direct costs allocable to the issuance are registered on the profit and loss account following the effective interest rate method, increasing the debt's carrying value in so far as they are not liquidated in the period when they are accrued. It also includes loans at a zero interest rate, registered at face value, since it does not significantly differ from the fair value.

Loans which short-term maturity which long-term refinancing is ensured at the Company's discretion, through long-term credit policies, are classified in the accompanying balance sheet as non-current liabilities.

- Trade payables: the Company's trade payables, in general, have maturities not above one year and do not explicitly accrue interests, registering them at their face value, which does not significantly differ from their amortized cost.

The Company writes off a financial liability or a portion therein when obligations contemplated on the corresponding contract have been satisfied, cancelled or expired.

Substantial modifications of initially recognized liabilities are registered as a cancellation of the original liability and the recognition of a new financial liability, as long as instruments have substantially different conditions. The difference between the book value of the financial liability cancelled or assigned to a third party and the paid consideration, including any assigned asset other than cash of assumed liability, is registered on the profit and loss account.

d) Equity instruments

All capital instruments issued by the Company are classified on item "Capital" of caption "Equity" of Equity in the accompanying balance sheet. The Company does not own any other equity instruments.

Such instruments are registered in equity for the amount received, net of direct issuance costs.

When the Company acquires or sells its own equity instruments, the amount paid or received is directly registered in equity accounts, not recognizing any amount on the income statement for such transactions (see Note 12).

e) Cash and cash equivalents

This caption on the accompanying balance sheet includes cash at hand, spot deposits in credit institutions and other current investments with high liquidity with an original maturity below or equal to three months. Bank overdrafts are classified on caption "Current debts" of the "Current liabilities" of the accompanying balance sheet.

4.5. Derivatives and accounting hedges

The Company's policy is not to use derivatives and not to perform any hedging operation.

4.6. Inventories

This caption of the balance sheet includes assets that the Company:

- Holds for sale in the normal business course,
- Is producing, constructing or developing for such purpose, or
- Expects to consume in the production process or service delivery.

Inventories are valued at the lowest amount between the acquisition or production cost and their net realizable value, understood as the amount that the Company shall obtained at disposal in the market in the normal business course, minus necessary costs to carry it out (completion, trading, sale and distribution costs).

The formula applied by the Company to determine of the cost for each type of inventories is the following:

- Raw materials and other supplies: they are initially valued at acquisition price, using the FIFO criterion as value allocation method.
- Work in progress and finished work: they are initially valued at average production cost. The cost includes the average weighted cost of incorporated materials, works performed by third parties and costs directly allocable to the product, as well as the portion reasonably corresponding of direct and indirect workforce costs and general manufacturing expenses.

Commercial discounts, granted rebates and similar items are recognized when conditions determining their granting are likely to be met, such as reduction of the inventories' cost. Moreover, discounts for early payment are recognized as a reduction of the cost of acquired inventories.

The Company performs an assessment of the net realizable value of inventories at year-end closing, allocating the corresponding impairment correction when they are overvalued. When

circumstances that caused the recognition of inventories' value correction cease to exist or there is clear evidence justifying an increase of the net realizable value due to changes in economic circumstances, the previous value correction is reversed, taking as limit of such reversal the lowest amount between the inventories' cost and new net realizable value. Both inventories' value corrections and their reversal are recognized on the profit and loss account of the year.

Photovoltaic solar plants owned by the Company are initially classified as inventories, since Directors consider that their normal destination is their sale. For those cases when, since inception, a decision is made to exploit the plant, it is classified as fixed asset.

4.7. Transactions and balances in foreign currency

The Company's functional currency is the Euro, and therefore all balances and transactions denominated in currencies other than Euro are considered denominated in foreign currency. Such transactions are registered in Euros, applying spot exchange rates in force at transactions' dates.

At year-end closing, monetary assets and liabilities in foreign currency are translated to Euros using the average spot exchange rate in force at such date of the corresponding currency market.

Profit and loss resulting from the liquidation of transactions in foreign currency and of the translation to exchange rates at closing date of monetary assets and liabilities in foreign currency are recognized on the profit and loss account of the year in the item "Exchange profit/(loss)".

4.8. Corporate Income Tax

The income tax expense of the year is calculated through the sum of the current tax applicable of the tax rate on the tax assessment basis of the year, and after applying fiscally admissible deductions, plus the variation of deferred tax assets and liabilities.

The Company registers on Equity of the balance sheet the tax effect related to items directly registered in equity accounts.

Deferred taxes are calculated in accordance with the method based on the balance, on temporary differences arisen between tax bases of assets and liabilities and their carrying amounts, applying the approved regulation and tax rate, or to be approved, at year-end closing, and which is expected to be applied when the corresponding deferred tax asset is realized or the deferred tax liability is liquidated.

Deferred tax liabilities are recognized for all taxable temporary differences, except when the temporary difference derives from the initial recognition of a goodwill or of other assets and liabilities in an operation, other than a business combination, which has not affected the tax or accounting results. Deferred tax assets are recognized when the Company is likely to have sufficient tax gains in the future to offset deductible temporary differences or unused tax losses or credits.

At year-end closing, the Company reviews registered deferred taxes (both assets and liabilities) in order to verify that they remain in force, performing the corresponding corrections therein, according to results from analyses performed.

The Company presents the Corporate Income Tax under the consolidated taxation regime, together with the Group's Parent Company, Daruan Group Holding, S.L. And with other companies included on the tax group Daruan Group Holding, S.L. And Subsidiaries, under number 0381/14. Accordingly, the deductions in the Corporate Income Tax charge affect the calculation of the tax accrued in the Company for their effective amount, which is applicable in the consolidated declaration regime, not for a higher or lower amount that would correspond in individual taxation regime.

4.9. Recognition of income and expenses

The Company registers income and expenses based on the accrual criterion, that is to say, when there is a real flow of goods and services represented by them, regardless of the timing of the monetary or financial flow derived from them.

The most significant criteria followed by the Company to register its income and expenses are the following:

- Income from sales and services delivered: they are registered at the fair value of the consideration collected or to be received and represent amounts receivable for goods and the services delivered in the ordinary framework of activity, minus discounts, VAT and other taxes related to sales.

Sales of goods are recognized as income when all risks and benefits inherent to their ownership have been substantially transferred, when the transaction's outcome can be reliably determined, and when the Company is likely to receive economic yields derived from the transaction.

Income associated to the service delivery is also recognized considering the service realization degree at balance sheet date, as long as it is possible to reliably estimate the transaction's outcome and the Company is likely to receive economic yields derived from it.

- Expenses: they are recognized on the profit and loss account when there is a decrease of future economic profits related to a reduction of an asset or increase of a liability that can be reliably measured. This implies that an expense is registered simultaneously to the registration of an increase of the liability or decrease of the asset. Additionally, an expense is immediately registered when a disbursement does not generate future economic benefits or does not meet requirements necessary for its recognition as asset.
- Income and expenses from interests and similar concepts: in general, they are registered on accounts through application of the effective interest rate method.

Dividends are recognized as income when the Company has the right to perceive them, that is to say, when the competent body of companies where the investment is held has approved their distribution.

4.10. Provisions and contingencies

At the date of formulation of the present annual accounts, the Company's Directors distinguish between:

- Provisions: obligations existing at closing date, derived from past events, on which there is uncertainty regarding their amount or maturity, but which are likely to derive in equity damages for the Company and the amount of the corresponding debt can be reliably estimated.
- Contingent liabilities: possible obligations derived from past events, which materialization is conditioned to the occurrence or not of one or more future uncertain events, which are not fully under the Company's control, and which do not meet requirements to be recognized as provisions.

The Company's annual accounts include all significant provisions with regards to which the Company estimates that there is a high probability of having to face the obligation. They are quantified based on the best information available at the date of formulation of the annual accounts on the causing event's consequences, taking into account, where significant, the temporary value of money.

Their allocation is charged to the profit and loss account of the year in which the obligation (legal, contractual or implicit) arises, and they are fully or partly reversed, charged to the profit and loss account, when obligations cease to exist or decrease.

At year-end closing, the Company does not have any contingent liabilities.

4.11. Environmental equity elements

Environmental assets are goods used on a lasting basis on the Company's activities, and which main purpose is to minimize the environmental impact and to protect and improve the environment, including the reduction or elimination of future pollution in the Company's activities.

Criteria used for the initial recognition, allocation to amortization and possible impairment corrections of such assets are described on Note 4.2 above.

Due to the Company's activities, and according to the legislation in force, the Company holds control on the pollution degree of waste and emissions, as well as of an appropriate waste collection policy. Expenses incurred for these purposes are charged on the profit and loss account of the year when they are incurred.

4.12. Personnel costs

Personnel costs include of the Company's all social assets and liabilities, obligatory or voluntary, accrued at each moment, recognizing obligations for extra pays, holidays and variable remunerations, as well as associated expenses.

a) Short-term remunerations

This kind of remunerations are valued, without update, at the amount payable for services received, generally registering them as personnel costs of the year, and including them on a liability account of the balance sheet at the difference between the total accrued expense and the amount satisfied at year-end closing.

b) Severances

According to the legislation in force, the Company is compelled to indemnify employees who are dismissed without justified cause. Such severances are paid to employees as a consequence of the Company's decision to terminate their labour agreement before the normal date of retirement, or when the employee voluntarily accepts resigning in exchange for this benefit. The Company recognizes these benefits when it has demonstrably committed to terminating the employment of current workers, according to a detailed plan, without possibility of withdrawal, or to provide severances as a consequence of an offer to promote voluntary resignation.

At year-end closing, the Company does not count with any personnel reduction plan requiring the creation of a provision for this concept.

4.13. Share-based payments and stock options

Transactions with payments based in equity instruments are those that, in exchange for receiving goods or services, including services delivered by employees, are liquidated by the Company with equity instruments or with an amount based on the value of equity instruments, such as stock options or rights on the revaluation of shares.

The Company will recognize, on the one hand, goods or services received as asset or as expense, based on their nature, at the moment of obtaining them, and, on the other hand, the corresponding increase in equity if the transaction is liquidated with equity instruments, or the corresponding liability if the transaction is liquidated with an amount based on the value of equity instruments.

If the Company had the option to settle the payment with equity instruments or in cash, a liability must be recognized in so far as the Company had incurred in a present obligation to liquidate in cash or with other assets; otherwise, an equity item will be recognized. If the option corresponds to the provider or supplier of goods or services, the Company will register a compound financial instrument, including a liability component, for the other party's right to require the cash payment, and an equity component for the right to receive the remuneration with equity instruments.

For transactions which require completing a given period of services, the recognition is made as such services are delivered during said period.

For transactions with employees liquidated with equity instruments, both services delivered and the increase in equity to be recognized are valued at the fair value of assigned equity instruments, referred to the date of the concession agreement.

Transactions liquidated with equity instruments which counterpart are goods or services other than those delivered by employees will be valued, if they can be reliably estimated, at the fair value of goods or services at the date when they are received. If the fair value of

goods or services received cannot be reliably estimated, goods or services received, and the increase in equity, will be valued at the fair value of assigned equity instruments, referred to the date when the Company obtains goods or the other party delivers services.

After recognizing goods and services received, according to the above, as well as the corresponding increase in equity, no additional adjustment would be performed on equity after irrevocability date.

In transactions liquidated in cash, goods or services received, and the liability to be recognized, will be valued at the liability's fair value, referred to the date when requirements for their recognition are met.

Subsequently, and until liquidation, the corresponding liability will be valued at the fair value at each year-end closing, allocating to the profit and loss account any valuation change during the year.

At December 31, 2018, the Company has granted an incentive plan to its employees, consisting on a stock option plan in the Company. Such plan establishes that transactions will be liquidated through the delivery of equity instruments.

4.14. Transactions between related parties

Commercial or financial operations performed with group companies and associates and other related parties are initially registered at fair value, regardless of the existing relation degree. If the price agreed on a transaction differs from its fair value, the difference is registered based on the operation's economic reality.

4.15. Classification of balances as current and non-current

The Company presents the balance sheet by classifying assets and liabilities between current and non-current. For these purpose, current assets or liabilities are those that meet the following criteria:

- Assets are classified as current assets when they are expected to be realized or sold or consumed during the Company's normal operating cycle, when they are mainly held for negotiation purposes, they are expected to be realized within a twelve-month period following the closing date, or they correspond to cash and cash equivalents, except in those cases when they cannot be exchanged or used to cancel a liability, at least within the twelve months following the closing date.
- Liabilities are classified as current liabilities when they are expected to be liquidated during the Company's normal operating cycle, when they are mainly held for negotiation purposes, they must be liquidated within a period of twelve months following the closing date, or when the Company does not have an unconditional right to defer the cancellation of liabilities during the twelve months following the closing date.
- Financial liabilities are classified as current financial liabilities when they must be liquidated within the twelve months following the closing date, even when the original term is above twelve months and there is a refinancing or restructuring agreement for payments at the long term that has concluded after the closing date, and before the formulation of the annual accounts.

5. Intangible Assets

The composition and variations during 2018 and 2017 in accounts included on this caption of the accompanying balance sheet have been the following:

	Computer software	TOTAL
<u>COST</u>		
Balance at 31.12.2016	7,349	7,349
Additions	3,388	3,388
Balance at 31.12.2017	10,737	10,737
Additions	-	-
Balance at 31.12.2018	10,737	10,737
<u>AMORTIZATION AND DEPRECIATION</u>		
Balance at 31.12.2016	(6,348)	(6,348)
Allocation of the year	(424)	(424)
Balance at 31.12.2017	(6,772)	(6,772)
Allocation of the year	(872)	(872)
Balance at 31.12.2018	(7,644)	(7,644)
NBV at 31.12.2017	3,965	3,965
NBV at 31.12.2018	3,093	3,093

These goods' useful lives as well as the amortization criteria used are detailed on Note 4.1 to the present notes to the financial statements.

Fully-amortized goods

At 2018 and 2017 closings, the Company held on its intangible assets fully-amortized elements still in use, for an amount of 6,160 Euros.

Goods acquired from group companies and associates

During 2018 and 2017, the Company has not acquired intangible assets from group companies and associates.

Impairment corrections

The Company's Directors consider that there are no signs of impairment of the different intangible assets at 2018 or 2017 closings, and thus no value correction has been made during the year.

Leases

At December 31, 2018 and 2017, the Company does not own intangible assets subject to financial lease. Also, the Company has not entered into operating lease agreements on

goods of its intangible assets.

Definitive purchase-sale commitments

The Company does not hold commitments to acquire or sell intangible assets for a significant amount and does not have elements of property, plant and equipment under litigation or related to guarantees towards third parties.

Insurances

The Company has contracted several insurance policies to cover risks to which its intangible assets are subject, considering that their coverage is sufficient.

6. Property, plant and equipment

The composition and variations during 2018 and 2017 on accounts included on this caption of the accompanying balance sheet have been the following:

	Machinery and technical installations	Other installations, tools and furniture	Other assets	TOTAL
<u>COST</u>				
Balance at 31.12.2016	18,612	266,514	133,072	418,198
Additions	-	19,293	-	19,293
Exits, write-offs and reductions	-	(1,264)	-	(1,264)
Balance at 31.12.2017	18,612	284,543	133,072	436,227
Additions	-	5,023	193,077	198,100
Exits, write-offs and reductions	-	(32,705)	(28,073)	(60,778)
Balance at 31.12.2018	18,612	256,861	298,076	573,549
<u>AMORTIZATION AND DEPRECIATION</u>				
Balance at 31.12.2016	(14,600)	(116,130)	(58,567)	(189,297)
Allocation of the year	(1,094)	(33,851)	(13,944)	(48,889)
Decreases	-	608	-	608
Balance at 31.12.2017	(15,694)	(149,373)	(72,511)	(237,578)
Allocation of the year	(1,041)	(19,723)	(29,286)	(50,050)
Decreases	-	20,190	21,648	41,838
Balance at 31.12.2018	(16,735)	(148,906)	(80,149)	(245,789)
NBV at 31.12.2017	2,918	135,170	60,561	198,649
NBV at 31.12.2018	1,877	107,955	217,927	327,759

These goods' useful lives, as well as the amortization criteria used, are detailed on Note 4.2 to the present notes to the financial statements.

The main additions of 2018 correspond to transport elements. The main additions of 2017 corresponded to furniture and computer elements for offices where the Company develops its activity.

The main write-offs in 2018 correspond to furniture and transport elements.

Goods acquired from group companies and associates

In 2018 and 2017, the Company has not acquired elements of fixed assets from group companies.

Impairment corrections

The Company's Directors consider that there are no signs of impairment of the different assets of property, plant and equipment at 2018 and 2017 closings.

Fully-amortized goods

At 2018 closing, the Company holds on property, plant and equipment fully-amortized elements still in use, for an amount of 96,623 Euros (78,626 Euros at 2017 closing).

Leases

The caption "Transport elements", at December 31, 2018 and December 31, 2017, includes 182,641 Euros and 43,252 Euros, respectively, corresponding to the net book value of transport elements subject to financial lease, and classified on the corresponding caption depending on their nature. The length of these lease agreements varies from 2 and 5 years (see Note 7.1).

Definitive purchase and sale commitments

The Company does not hold commitments to acquire or sell property, plant and equipment for a significant amount, and there are no elements of property, plant and equipment in litigation or related to guarantees with third parties.

Insurances

The Company has contracted several insurance policies to cover risks to which elements of the property, plant and equipment are subject, considering that their coverage is sufficient.

7. Leases and similar operations**7.1. Financial leases – Lessee**

At December 31, 2018 and 2017, assets acquired by the Company by virtue of financial lease agreements are the following:

Year ended at 31 December 2018

Property, plant and equipment	Gross value	Accumulated amortization	Net value
Transport elements	206,315	(23,674)	182,641
Total	206,315	(23,674)	182,641

Year ended at 31 December 2017

Property, plant and equipment	Gross value	Accumulated amortization	Net value
Transport elements	71,577	(28,325)	43,252
Total	71,577	(28,325)	43,252

These assets' initial value corresponds to the lowest between the fair value of the good and the current value of agreed minimum payments, including the call option, where applicable, at lease date.

The most significant data, at December 31, 2018 and 2017, of goods acquired under financial lease are the following:

Year ended at 31 December 2018

Element	Contract's maturity year	Number of instalments	Euros				
			Cost in origin	Satisfied instalments		Outstanding instalments	
				Previous years	Current year	Short term	Long term
Transport elements	22/04/2021	60 a)	31,908	10,486	6,222	6,919	8,805
Transport elements	05/03/2023	60 a)	49,835	-	7,960	9,651	32,224
Transport elements	22/11/2022	48 a)	105,830	-	913	11,092	93,825
Total			187,573	10,486	15,095	27,662	134,854

a) Monthly instalments

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Year ended at 31 December 2017

Element	Contract's maturity year	Number of instalments	Euros				
			Cost in origin	Satisfied instalments		Outstanding instalments	
				Previous years	Current year	Short term	Long term
Transport elements	27/10/2019	60 a)	39,669	15,711	7,967	8,184	7,807
Transport elements	22/04/2021	60 a)	31,908	4,432	5,948	6,222	15,200
Total			71,577	20,143	13,916	14,406	23,007

a) Monthly instalments

7.2. Operating leases - Lessee

In order to develop its activity, the Company leases to third parties and group companies the right of use of certain goods. The main lease agreements' conditions in force during 2018 and 2017 are the following:

Year ended at 31 December 2018

Element	Contract's maturity year	Expense of the year (a)	Contingent payments	Renewal		
		2018		Year	Call option	Price review
Office lease	2019	108,000	b)	2.018	N/A	2019
Apartment lease	2019	21,798	b)	2.018	N/A	2019
Total		129,798				

a) Monthly instalments

b) Based on CPI

Year ended at 31 December 2017

Element	Contract's maturity year	Expense of the year (a)	Contingent payments	Renewal		
		2017		Year	Call option	Price review
Office lease	2018	72,000	b)	2.017	N/A	2018
Apartment lease	2018	22,081	b)	2.016	N/A	2018
Total		94,081				

a) Monthly instalments

b) Based on CPI

At 2018 and 2017 closings, the Company has constituted the legal sureties required by lessors, which value amounts to 26,040 Euros (see Note 8.2).

At December 31, 2018 and 2017, the detail of minimum future payments for non-cancellable operating lease agreements, broken down per maturity terms, is the following:

	Minimum payments 2018	Minimum payments 2017
Up to 1 year	129,798	108,000
From 1 to 5 years	-	108,000
More than 5 years	-	-
Total	129,798	216,000

At 2018 and 2017 closings, or throughout these years, goods leased by the Company have not been subleased to third parties.

8. Financial investments

8.1. Investments in group companies and associates

The composition and variations during 2018 and 2017 in accounts included on this caption of the accompanying balance sheet have been the following:

Year ended at 31 December 2018

	Balance at 31.12.2017	Additions	Withdrawals	Impairments	Balance at 31.12.2018
Non-current investments					
Equity instruments	12,258,176	5,359,235	(6,056,391)	-	11,561,020
Disbursements payable on shares	(48,119)	(40,482)	21,578	-	(67,023)
Loans to companies	742,295	113,327	-	-	855,622
	12,952,352	5,432,080	(6,034,813)	-	12,349,619
Current investments					
Loans to companies	4,906,162	-	(157,222)	(2,299,818)	2,449,123
	4,906,162	-	(157,222)	(2,299,818)	2,449,123
Total	17,858,514	5,432,080	(6,192,035)	(2,299,818)	14,798,741

Year ended at 31 December 2017

	Balance at 31.12.2016	Additions	Withdrawals	Transfers	Balance at 31.12.2017
Non-current investments					
Equity instruments	9,823,262	9,009,699	(6,564,896)	(9,889)	12,258,176
Disbursements payable on shares	(29,724)	(28,284)	-	9,889	(48,119)
Loans to companies	293,970	672,983	(224,658)	-	742,295
	10,087,508	9,654,398	(6,789,554)	-	12,952,352
Current investments					
Loans to companies	8,082,378	795,970	(3,972,186)	-	4,906,162
	8,082,378	795,970	(3,972,186)	-	4,906,162
Total	18,169,886	10,450,368	(10,761,740)	-	17,858,514

Equity instruments

The composition at year-end closing and the detail of the variation during 2018 and 2017 in this this section of the balance is the following:

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Denomination	Balance at 31.12.16	Additions	Write-offs	Balance at 31.12.17	Additions	Write-offs	Balance at 31.12.18
GREENERGY PACIFIC PAN DE AZUCAR	-	128,036	-	128,036	-	(128,036)	-
GREENERGY PACIFIC LTDA	43,15	-	-	43,15	-	-	43,15
GREENERGY PERU SAC	275	-	-	275	-	-	275
GREENHOUSE SOLAR FIELDS, S.L.	3,006	-	-	3,006	-	-	3,006
GREENHOUSE SOLAR ENERGY, S.L.	3,006	-	-	3,006	-	-	3,006
GREENHOUSE RENEWABLE ENERGY, S.L.	3,006	-	-	3,006	-	-	3,006
GUIA DE ISORA SOLAR 2, S.L.	1,565	-	-	1,565	-	-	1,565
GR RENOVABLES MÉXICO	2,843	-	-	2,843	-	-	2,843
GR SOLAR 2020, S.L.	3	-	-	3	-	-	3
GR SUN SPAIN, S.L.	3	-	-	3	-	-	3
GR EQUITY WIND AND SOLAR, S.L.	3	-	-	3	-	-	3
GR TINEO, S.P.A.	-	575,454	-	575,454	-	(575,454)	-
GR RADAL, S.P.A.	1,408	-	(1,408)	-	-	-	-
GR HUINGAN, S.P.A.	1,645,010	-	-	1,645,010	-	(1,645,010)	-
GR LINGUE, S.P.A.	-	853,478	-	853,478	-	(853,478)	-
GR GUAYACAN S.P.A.	-	556,018	-	556,018	-	(556,018)	-
GR COIGÜE, S.P.A.	260,181	-	(260,181)	-	-	-	-
GR ARAUCARIA, S.P.A.	2,321,363	-	(2,321,363)	-	-	-	-
GR CANELO, S.P.A.	2,303,501	-	(2,303,501)	-	-	-	-
GR TARUCA S.A.C.	1,597,955	-	-	1,597,955	-	-	1,597,955
GR PAINO S.A.C.	1,597,955	-	-	1,597,955	-	-	1,597,955
GREENERGY COLOMBIA S.A.S.	315	11,853	-	12,168	-	-	12,168
GR LAUREL, S.P.A.	-	554,32	-	554,32	-	(554,32)	-
GR LITRE, S.P.A.	-	1,728,982	-	1,728,982	-	(1,728,982)	-
GREENHUB S.L. DE C.V.	-	17,799	-	17,799	-	-	17,799
LEVEL FOTOVOLTAICA S.L.	-	1,504	-	1,504	-	-	1,504
GR BAÑUELA RENOVABLES, S.L.	-	3	-	3	-	-	3
GR TURBON RENOVABLES, S.L.	-	3	-	3	-	-	3
GR AITANA RENOVABLES, S.L.	-	3	-	3	-	-	3
GR ASPE RENOVABLES, S.L.	-	3	-	3	-	-	3
KOSTEN S.A.	-	2,861,053	-	2,861,053	5,297,753	-	8,158,807
GR JULIACA, S.A.C.	-	255	-	255	-	-	255
GR HUAMBOS, S.A.C.	-	255	-	255	-	-	255
GR APORIC, S.A.C.	-	255	-	255	-	-	255
GR BAYONAR, S.A.C.	-	255	-	255	-	-	255
GR VALE S.A.C.	-	255	-	255	-	-	255
GR QUILLAY, S.P.A.	-	-	-	-	1,408	(1,408)	-
GR CHAQUIHUE, S.P.A.	-	-	-	-	1,408	(1,408)	-
GR ALERCE, S.P.A.	-	-	-	-	1,303	(1,303)	-
GR ARRAYÁN, S.P.A.	-	-	-	-	1,303	(1,303)	-
GR AVELLANO, S.P.A.	-	-	-	-	1,303	(1,303)	-
GR PALMA, S.P.A.	-	-	-	-	1,441	(1,441)	-
GR LILÉN, S.P.A.	-	-	-	-	1,441	(1,441)	-
GR MELÍ, S.P.A.	-	-	-	-	1,441	(1,441)	-
GREENERGY ATLANTICS, S.A.	-	-	-	-	6,486	-	6,486
EIDEN RENOVABLES, S.L.	-	-	-	-	3	-	3
EL AGUILA RENOVABLES, S.A.	-	-	-	-	3	-	3
MAMBAR RENOVABLES, S.L.	-	-	-	-	3	-	3
CHAMBO RENOVABLES, S.A.	-	-	-	-	3	-	3
EUGABA RENOVABLES, S.L.	-	-	-	-	3	-	3
TAKE RENOVABLES, S.L.	-	-	-	-	3	-	3
NEGUA RENOVABLES, S.L.	-	-	-	-	3	-	3
VIATRES RENEWABLE ENERGY, S.L.	-	1,2	-	1,2	-	-	1,2
Total	9,793,539	7,302,971	(4,886,453)	12,210,057	5,336,289	(6,052,348)	11,493,997

The main variations during 2018 correspond to the following:

- Capital increase of the company Kosten, S.A. for an amount of 5,297,753 Euros.
- Incorporation of companies Eiden Renovables, S.L., El Águila Renovables, S.L., Mambar Renovables, S.L., Chambo Renovables, S.L., Eugaba Renovables, S.L., Take Renovables, S.L. and Negua Renovables, S.L. with a capital of 3,000 Euros each. At December 31, 2018 these companies' Share Capital is fully subscribed and paid in.
- Incorporation of companies GR Pimiento, SPA, GR Chañar, SPA, GR Carza, SPA, GR Pilo, SPA, GR Lúcumo, SPA, GR Pitao, SPA, GR Lleuque, SPA, GR Notro, SPA, GR Lenga, SPA, GR Tepú, SPA, GR Lumilla, SPA, GR Toromiro, SPA, GR Pacama, SPA, GR Temo, SPA, GR Ruil, SPA, with a capital of 1,357 Euros each, incorporation of companies GR Huacano, SPA, GR Corcolén, SPA, GR Luma, SPA, GR Fuinque, SPA, GR Piñol, SPA, GR Queñoa, SPA, GR Tayú, SPA, GR Petra, SPA, GR Corontillo, SPA, GR Liun, SPA, GR Kewiña, SPA, GR Frangel, SPA, GR Maqui, SPA, GR Petrillo, SPA, GR Tepa, SPA and Grenergy Opex, SPA with a capital of 1,258 Euros each, fully subscribed by the Company. At December 31, 2018 these companies' Share Capital has not been disbursed.
- Sale of shares in companies GR Quillay, SPA, GR Huingan, SPA, GR Chaquihue, SPA, GR Alerce, SPA, GR Arrayán, SPA, GR Avellano, SPA, GR Laurel, SPA, GR Litre, SPA, GR Palma, SPA, GR Lilén, SPA, GR Meli, SPA, GR Lingue, SPA, GR Guayacán, SPA, GR Tineo, SPA and GR Pan de Azúcar, SPA. These operations have generated a capital gain of 11,605 thousand Euros, which have been registered on item "Impairment and results from disposals of financial instruments" of the accompanying profit and loss account.

The main variations during 2017 corresponded to the following:

- Acquisition of the company Kosten, S.A. (Argentina) for an amount of 2,681,054 Euros.
- Incorporation in Spain of the company Viatres Renewable Energy, S.L. with a capital of 1,200 Euros.
- Capital increase of companies GR Tineo, S.P.A. in 574,047 Euros, GR Lingue, S.P.A. in 852,070 Euros, GR Guayacan, S.P.A. in 554,610 Euros, GR Boldo, S.P.A. in 575,753 Euros, GR Tiaca, S.P.A. in 536,464 Euros, GR Espino, S.P.A. in 560,804 Euros and GR Colombia, S.A.S. in 11,853 Euros, GR Pan de Azucar, S.P.A. in 128,035 Euros, GreenHub, S.L de C.V. in 17,556 Euros, GR Laurel, S.P.A. in 554,320 Euros and GR Litre, S.P.A. in 1,728,982 Euros, fully subscribed by the Company.
- Incorporation of companies GR Juliaca, S.A.C., GR Huambos, S.A.C, GR Aporic, S.A.C., GR Bayovar, S.A.C. and GR Vale, S.A.C., with a capital of 255 Euros each, fully subscribed by the Company. At December 31, 2017 these companies' Share Capital had not been disbursed.
- Incorporation of companies GR Bañuela Renovables, S.L., GR Turbon Renovables, S.L., GR Aitana Renovables, S.L. and GR Aspe Renovables, S.L. with a capital of 3,000 Euros each, fully subscribed by the Company. At December 31, 2017 these companies' Share Capital was fully subscribed and paid in.
- Sale of shares in companies GR Boldo, S.P.A., GR Tiaca, S.P.A., GR Radal, S.P.A., GR

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Patagua, S.P.A., Gr Espino, S.P.A., GR Coigue, S.P.A., GR Araucaria, S.P.A. and GR Canelo, S.P.A. These operations generated a capital gain of 1,160 thousand Euros, registered on item "Impairment and results from disposals of financial instruments" of the accompanying profit and loss account.

Neither of the companies in which the Company holds shares is listed in organized securities markets.

At December 31, 2018 and 2017, there are no companies or reasons for which, holding a share below 20%, it is concluded that there is a significant influence or which, holding more than 20%, it is concluded that there is no significant influence.

The Company's Directors consider that there are no signs of impairment of shares in group companies neither at 2018 closing nor at 2017 closing, and thus no value correction has been made during these years.

The information related to each entity in which the Company invests is included on **Annex I**.

Loans to companies

It corresponds to the financing granted by the Company to different group companies. At 2018 and 2017 closings, the composition per entity and main characteristics of granted credits are the following:

Year ended at 31 December 2018

Entity	Maturity date	Interest rate	Type of guarantee	Credit limit	Euros		
					Non-current assets	Current assets	Total
GR EQUITY WIND & SOLAR S.L.	31/12/2019	Euribor + 200 p.b.	-	4,000,000	-	802,308	802,308
GR RENOVABLES MEXICO S.A. DE C.V.	31/12/2019	Euribor + 200 p.b.	-	2,000,000	-	-	-
GREENERGY PERU SAC	31/12/2019	Euribor + 200 p.b.	-	1,000,000	-	1,482,849	1,482,849
GREENERGY COLOMBIA S.S.	31/12/2019	Euribor + 200 p.b.	-	300,000	-	163,965	163,965
LEVEL FOTOVOLTAICA, S.L.	Indefinite	4% fixed	-	300,000	-	-	-
KOSTEN.S.A.	Indefinite	2% fixed	-	400,000	332,980	-	332,980
GREENERGY ATLANTICS, S.A.	Indefinite	-	-	-	97,143	-	97,143
GR SOLAR 2020, S.L.U.	Indefinite	-	-	-	106,868	-	106,868
GR SUN SPAIN SLU	Indefinite	-	-	-	53,095	-	53,095
Other Group companies	Indefinite	-	-	-	265,536	-	265,536
Total					855,622	2,449,123	3,304,744

Year ended at 31 December 2017

Entity	Maturity date	Interest rate	Type of guarantee	Credit limit	Euros		
					Non-current assets	Current assets	Total
GR EQUITY WIND & SOLAR S.L.	31/12/2018	Euribor + 200 p.b.	-	4,000,000	-	2,123,256	2,123,256
GR RENOVABLES MEXICO S.A. DE C.V.	31/12/2018	Euribor + 200 p.b.	-	2,000,000	-	1,578,018	1,578,018
GR HUINGAN, S.P.A.	31/12/2018	Euribor + 200 p.b.	-	2,000,000	-	107,055	107,055
GREENERGY PERU SAC	31/12/2018	Euribor + 200 p.b.	-	1,000,000	-	1,014,468	1,014,468
GREENERGY COLOMBIA S.S.	31/12/2018	Euribor + 200 p.b.	-	300,000	-	83,365	83,365
LEVEL FOTOVOLTAICA, S.L.	Indefinite	4% fixed	-	300,000	335,825	-	335,825
KOSTEN.S.A.	Indefinite	2% fixed	-	40,000	227,051	-	227,051
GR TINEO	Indefinite	-	-	-	81,927	-	81,927
Other Group companies	Indefinite	-	-	-	97,492	-	97,492
Total					742,295	4,906,162	5,648,457

During 2018 and 2017, the Company has registered income from interests for an amount of 96,793 and 158,002 Euros, respectively.

At December 31, 2018, the Company has registered a provision for impairment for an amount of 2,300 thousand Euros, corresponding to loans granted to group companies GR Renovables México S.A. de C.V. and Level Fotovoltaica, S.L., since there are doubts on the recoverability of such credits. This amount has been registered on caption of "Impairment and losses from disposals of financial instruments" of the accompanying profit and loss account.

8.2. Other financial investments

The variation during 2018 and 2017 of the different accounts comprised on captions "Financial investments" of the accompanying balance sheet is the following:

	Balance at 31.12.16	Entries	Exits	Balance at 31.12.17	Entries	Exits	Balance at 31.12.18
Non-current investments	78,660	-	(52,620)	26,040	-	-	26,040
Equity instruments	52,620	-	(52,620)	-	-	-	-
Deposits and sureties	26,040	-	-	26,040	-	-	26,040
Current investments	2,350,000	-	(2,350,000)	-	-	-	-
Other financial assets	2,350,000	-	(2,350,000)	-	-	-	-
Total	2,428,660	-	(2,402,620)	26,040	-	-	26,040

During 2017, the Company sold to a Group company the investment of 1.81% held in Evacuación de Promotores Arico Sur, A.I.E at its carrying value (52,620 Euros). At December 31, 2017, the Company had registered a credit with the buyer for the sale amount (Note 8.1).

The caption Other current financial assets corresponded to one-year term deposits held in financial institutions with maturity in 2017 and which accrued a market interest rate.

The detail at December 31, 2018 and 2017 of financial investments based on the Company's management of them is the following:

	31.12.2018		31.12.2017	
	At maturity	Total	At maturity	Total
Non-current investments	26,040	26,040	26,040	26,040
Deposits and sureties	26,040	26,040	26,040	26,040
Total	26,040	26,040	26,040	26,040

During 2018 and 2017, the Company has not reclassified financial assets between categories or performed any assignment of transfer of financial assets.

At December 31, 2018 and 2017, financial assets with determined or determinable maturity per remaining terms present a length above 5 years.

At December 31, 2018 and 2017, the Company does not have financial assets delivered or accepted as guarantee of operations.

9. Inventories

The composition of inventories at 2018 and 2017 closings is the following:

	31.12.2018			31.12.2017		
	Cost	Impairment corrections	Balance	Cost	Impairment corrections	Balance
Raw materials and other supplies	1,115,309	-	1,115,309	174,570	-	174,570
Prepayments to suppliers	997	-	997	27,882	-	27,882
Total	1,116,306	-	1,116,306	202,452	-	202,452

The Company's Directors consider that there are no signs of impairment of inventories at December 31, 2018 and 2017, and thus have not performed any value correction during the year.

The Company has contracted insurance policies to cover risks to which inventories are subject, considering that their coverage is sufficient.

10. Trade receivables and Other receivables

The caption "Trade receivables" of the accompanying balance sheet corresponds to amounts receivable originated from the lease and maintenance of photovoltaic plants, as well as to amounts receivable originated from sales of projects' developments. Debts receivable from the sale of shares in group companies are included on caption "Other receivables".

At 2018 and 2017 closings, there are no balances considered as bad debt.

The variation during 2018 and 2017 of impairment corrections has been the following:

	Euros
Balance at December 31, 2016	(6,934)
Reversal of the year	6,934
Balance at December 31, 2017	-
Reversal of the year	-
Balance at December 31, 2018	-

11. Cash and cash equivalents

The composition at 2018 and 2017 closings is the following:

	Balance at 31.12.2018	Balance at 31.12.2017
Cash	8,256,323	303,893
Total	8,256,323	303,893

Our of the amount of the chart above, at December 31, 2018, 7,098,860 Euros correspond to two current accounts which will be used on future capital disbursements in the Group company Kosten, S.A.

12. Equity

12.1. Capital

On June 30, 2014, the demerger deed was notarized for assets of Daruan Venture Capital, S.C.R. to the company Daruan Group Holding, S.L., including, among demerged assets, the share in Grenergy Renovables, S.L., whereby Daruan Group Holding, S.L. became the Company's Sole Shareholder. At December 31, 2014, the share capital was constituted by 16,000 shares of a face value each of 187.50 Euros, fully subscribed and paid in.

On May 14, 2015, the Sole Shareholder agreed the transfer of 799 shares to the company Gahuco Investments, S.L. and 160 shares to the company Vivanco Abogados, S.L.P.

The Extraordinary General Shareholders' Meeting held on May 19, 2015 approved a split of shares, increasing the number of shares to 20,000,000, without altering the figure of share

capital or shareholding percentages, decreasing each share's face value to 0.15 Euros. On the same Meeting, they agreed the transformation from Limited Liability Company to Limited Company and the consequent exchange of participations into shares.

On May 19, 2015, the General Shareholders' Meeting authorized the Board of Directors to agree capital increases once or several times, as established on article 297.1.b) of the Corporations Law.

The Board of Directors held on June 30, 2015 agreed the capital increase through monetary contributions for a nominal amount of 409,091 Euros, through the issuance and release of 2,727,273 new shares with a face value of 0.15 Euros per share, and share premium of 1.23 Euros per share (3,354,544 Euros), implying a total issuance amount of 3,763,635 Euros. Such capital increase was inscribed on the Mercantile Registry of Madrid on July 3, 2015.

On July 8, 2015, the Company incorporated the 2,727,273 newly issued shares to trading on the MAB-EE, out of which the shareholder Gahuco Investments, S.L. subscribed 138,406 shares.

The Board of Directors, by virtue of the delegation made by the Extraordinary General Shareholders' Meeting, held on May 6, 2016, agreed a capital increase to a maximum amount of 3,720,000 Euros (3,409,090.95 Euros before the increase) through the release of a maximum of 2,072,727 shares with a face value each of 0.15 Euros and an associated share premium of 1.75 Euros per share.

Additionally, the preferential subscription right was recognized in a proportion of 1 new share per 10 old shares.

The Board of Directors, by virtue of the delegation made by the Extraordinary General Shareholders' Meeting, held on June 28, 2016, communicated the result from the capital increase, declaring that it was incomplete, leaving the capital increase on the figure of 3,645,933.15 Euros (3,409,080.95 Euros before the increase), that is to say, 236,842.20 Euros, through the issuance and release of 1,578,948 new shares of a face value of 0.15 Euros per share and a share premium of 1.75 Euros (2,763,159 Euros), implying a total issuance amount of 3,000,001.20 Euros.

At December 31, 2018, shareholders with direct shareholding above 10% of the share capital are the following:

Shareholder	Number of shares	Shareholding percentage
Daruan Group Holding, S.L.	18,469,590	75.99%

12.2. Share premium

The share premium amounts to 6,117,703 Euros at December 31, 2018. It can be allocated to the same purposes as the Company's voluntary reserves, including its conversion into capital.

12.3. Reserves

The Statement of changes in equity, which is part of these annual accounts, details aggregated balances and variations during 2018 and 2017 on this sub-caption of the accompanying balance sheet. Below, the composition and variations of its different items are presented:

	Balance at 31.12.16	Increase	Decrease	Transfer	Balance at 31.12.17	Increase	Transfer	Balance at 31.12.18
Legal and statutory reserves								
Legal reserve	681,818	47,369	-	-	729,187			729,187
Other reserves								
Voluntary reserves	7,167,076	2,101,985	(695)	(315,027)	8,953,339	2,728,607	(20,194)	11,661,752
Capitalization reserve	-	-	-	315,027	315,027		20,194	335,221
Total	7,848,894	2,149,354	(695)	-	9,997,553	2,728,607	-	12,726,160

Legal reserve

According to article 274 of the Corporations Law, the Company must apply a figure equal to 10% of profits in the year to allocate the legal reserve, until it reaches at least 20% of the share capital.

This reserve cannot be distributed to shareholders and will only be used to cover, if no other reserves are available, the debit balance of the profit and loss account. The balance registered on this reserve shall be applied to increase the share capital.

Voluntary reserves

These reserves are freely available.

Profit or loss obtained from the purchase and sale of treasury stock are directly registered on voluntary reserves. The increase of voluntary reserves for this concept, registered in 2018, amounts to 812,165 Euros (decrease of 695 Euros in 2017).

Capitalization reserve

In 2017, the Company constituted, charged to available reserves, the capitalization reserve corresponding to 10% of Equity's increase in 2016, as established on art. 25 of Law 27/2014, of 27 November, of the Corporate Income Tax (Note 16). This reserve will be unavailable during 5 years. In 2018, this reserve has increased by 20,194 Euros, corresponding to 10% of the increase of Equity in 2017.

Treasury stock

On May 19, 2015, the Extraordinary General Shareholders' Meeting unanimously agreed, as established on article 146 of the Corporations Law, to authorize the Company's Board of Directors to acquire, once or in several times, a maximum of 2,000,000 of the Company's shares, at a maximum price of 5 Euros and minimum price of 0,01 Euros per share. The acquisition could be performed through purchase-sale, swap, donation, awarding, accord

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and satisfaction, and, in general, through any onerous acquisition modality for shares.

Accordingly, on the share purchase deed of June 29, 2015, the majority shareholder, Daruan Group Holding, S.L., agreed the transfer of 520,000 shares to Grenergy Renovables, S.A., to create treasury stock. The purchase price was determined to be established on the share subscription offer of Grenergy Renovables, S.A.

Shares acquired on treasury stock will be applied to face obligations derived from the contract entered into with the liquidity supplier, in compliance with Circular 7/2010 of the Alternative Stock Exchange.

The purpose of the liquidity contract is to favour the liquidity of the Company's shares in the MAB-EE, maintain sufficient regularity in the trading of such shares, and reduce price variations which cause is other than the market trend. The Company has divided its treasury stock in two types (fixed and liquidity). The Company's liquidity supplier is Banco Sabadell, which acts on the Company's behalf and, for such purpose, the so-called "Liquidity Account" has been opened, where entries are made derived from transactions made by the liquidity supplier.

On September 11, 2018, the Company acquired 365,426 treasury stocks from related persons, at a price of 2.40 Euros per share.

The treasury stock at 2018 and 2017 closings comprises the following:

	Balance at 31.12.2018	Balance at 31.12.2017
No. securities in treasury stock	888,177	741,577
Total amount treasury stock	2,062,969	1,133,498
Amount of Liquidity Accounts	768,348	715,899
Amount of the Fixed Treasury Stock Account	1,294,621	417,599

During 2018 and 2017, variations of treasury stock have been the following:

Year ended at 31 December 2018

	Treasury stock		
	Number shares	Nominal	Average acquisition price
Balance at 31.12.2017	741,577	1,133,498	1.55
Acquisitions	658,055	1,869,232	2.84
Disposals	(511,455)	(939,761)	1.84
Balance at 31.12.2018	888,177	2,062,969	2.32

Year ended at 31 December 2017

	Treasury stock		
	Number shares	Nominal	Average acquisition price
Balance at 31.12.2016	758,421	1,162,403	
Acquisitions	80,347	132,476	1.65
Disposals	(97,213)	(161,381)	1.66
Balance at 31.12.2017	741,555	1,133,498	

The purpose of treasury stock is its disposal in the market as well as to face the Incentive Plan approved for administrators, management, employees and key collaborators of the Group (see note 12.5).

At December 31, 2018, treasury stock represents 4.8% of the Company's total shares (3.05% at December 31, 2017).

12.4. Incentive Plan for employees

The Company's Board of Directors approved, on meeting held on June 26, 2015, an incentive plan for certain directors and key personnel, based on the granting of the Company's stock options. At December 31, 2018 the number of shares applied to cover this plan is of 254,000, establishing the price for the exercise of stock options at 1.38 Euros per share.

The beneficiary shall acquire:

- One third of the number of option shares, two years after concession date.
- One third of the number of option shares, three years after concession date.
- One third of the number of option shares, three years after concession date.

On June 2, 2016, a second incentive plan was approved, based on the concession of the Company's stock options with similar characteristics as the previous plan. At December 31, 2018 the number of shares applied to cover this plan is of 86,000, establishing the price for the exercise of stock options at 1.90 Euros per share.

Finally, on November 27, 2018 a third incentive plan was approved, based on the concession of the Company's stock options with similar characteristics as the previous plan. At December 31, 2018 the number of shares applied to cover this plan is of 157,143, establishing the price for the exercise of stock options at 3.50 Euros per share.

Such incentive plans establish that they will be liquidated through the delivery of equity instruments to employees, if they exercise the option. Stock options' exercise prices have been established taking as reference the fair value of assigned equity instruments, referred to the date of the concession agreement, and therefore their concession has not affected the financial statements.

At December 31, 2018 there are 198,000 exercisable options (84,600 at December 31, 2017).

13. Non-current and Current Debts

The composition of these captions of the accompanying balance sheet at December 31, 2018 and 2017 is the following:

Year ended at 31 December 2018

	Non-current debts	Current debts	Total at 31.12.18
Debts with credit institutions	2,982,665	6,058,449	9,041,114
Loans	2,982,665	2,799,001	5,781,666
Credit policies	-	2,420,690	2,420,690
Foreign financing	-	838,758	838,758
Other debts	266,536	1,244,074	1,510,610
Financial lease payables	134,854	27,662	162,516
Total	3,384,055	7,330,185	10,714,240

Year ended at 31 December 2017

	Non-current debts	Current debts	Total at 31.12.17
Debts with credit institutions	1,745,851	2,104,867	3,850,718
Loans	1,745,851	587,276	2,333,127
Credit policies	-	882,151	882,151
Foreign financing	-	635,440	635,440
Other debts	324,522	2,261,023	2,585,545
Financial lease payables	23,007	14,406	37,413
Total	2,093,380	4,380,296	6,473,676

The totality of financial liabilities held by the Company has been classified for valuation purposes under the category of "Debts and items payable".

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At December 31, 2018 and 2017, the detail of debts per remaining maturity terms is the following:

Year ended at 31 December 2018

	Debts with credit institutions	Other debts	Financial lease payables	Total
Up to 1 year	6,058,449	1,244,074	27,662	7,330,185
Year 2019	2,165,016	52,060	27,688	2,244,765
Year 2020	817,649	52,060	23,168	892,877
Year 2021	-	52,060	80,887	132,947
Year 2022	-	52,060	3,111	55,171
More than 5 years	-	58,296	-	58,295
Total	9,041,114	1,510,610	162,516	10,714,240

Year ended at 31 December 2017

	Debts with credit institutions	Other debts	Financial lease payables	Total
Up to 1 year	2,104,867	2,261,023	14,406	4,380,296
Year 2019	602,063	57,986	14,296	674,345
Year 2020	617,581	57,986	6,573	682,141
Year 2021	526,207	52,360	2,138	580,705
Year 2022	-	156,190	-	156,190
More than 5 years	-	-	-	-
Total	3,850,718	2,585,545	37,413	6,473,676

During 2018 and 2017, the Company has faced at maturity the payment of all amounts of its financial debt. Additionally, at the date of formulation of these annual accounts, all assumed obligations have been complied with.

13.1. Loans with credit institutions

The detail of subscribed loans and their main conditions at December 31, 2018 and 2017 is the following:

Year ended at 31 December 2018

Financial institution	Maturity	Interest rate	Type of guarantee	Instalments	Euros		
					Non-current liability	Current liability	Total
BANCO SABADELL	20/10/2021	2.50%	No	Monthly	1,143,724	602,127	1,745,851
BANCO SABADELL (USD)	19/04/2021	3.60%	No	Monthly	1,165,114	870,701	2,035,815
BANCO SANTANDER	10/04/2020	2.15%	No	Monthly	673,827	1,326,173	2,000,000
Total					2,982,665	2,799,001	5,781,666

Year ended at 31 December 2017

Financial institution	Maturity	Interest rate	Type of guarantee	Instalments	Euros		
					Non-current liability	Current liability	Total
BANCO SABADELL	20/10/2021	2.50%	No	Monthly	1,745,851	587,276	2,333,127
Total					1,745,851	587,276	2,333,127

All subscribed loans have accrued market interest rates. The annual average interest rate during 2018 has been of 2.75% (2.50% during 2017).

13.2. Credit policies and foreign financing

At December 31, 2018 and 2017, the Company had subscribed credit policies and credit financing for foreign operations with several financial institutions. The detail of credit disposed of at such dates, as well as these contracts' conditions is the following:

Year ended at 31 December 2018

Financial institution	Maturity	Euros		
		Granted limit	Disposed of	Available
BANKIA I	07/09/2019	100,000	93,524	6,476
BANKIA II	21/04/2019	1,500,000	1,494,422	5,578
SANTANDER	17/04/2019	300,000	281,761	18,239
POPULAR	17/04/2019	200,000	189,852	10,148
SABADELL	07/07/2019	200,000	80,203	119,797
BANKINTER	28/07/2019	300,000	271,616	28,384
BANKIA (VISA)	Indefinite	3,000	-	3,000
BANCO SABADELL (VISA)	Indefinite	30,000	9,312	20,688
Total Credit policies		2,633,000	2,420,690	212,310
SABADELL	Indefinite	6,500,000	250,952	6,249,048
SANTANDER	Indefinite	6,000,000	-	6,000,000
BANKIA	07/09/2019	6,000,000	587,806	5,412,194
POPULAR	26/10/2019	2,000,000	-	2,000,000
BANKINTER	28/07/2019	6,500,000	-	6,500,000
CAIXABANK	23/01/2019	5,000,000	-	5,000,000
BBVA	12/07/2019	3,000,000	-	3,000,000
Total Foreign lines		35,000,000	838,758	34,161,242
Total		37,633,000	3,259,448	34,373,552

Year ended at 31 December 2017

Financial institution	Maturity	Euros		
		Granted limit	Disposed of	Available
BANKIA	07/09/2018	100,000	93,393	6,607
SANTANDER	14/04/2018	300,000	285,162	14,838
POPULAR	26/10/2018	200,000	198,095	1,905
SABADELL	25/05/2018	200,000	-	200,000
BANKINTER	28/07/2018	300,000	298,524	1,476
BANKIA (VISA)	Indefinite	3,000	334	2,666
BANCO SABADELL (VISA)	Indefinite	19,400	6,644	12,756
Total Credit policies		1,122,400	882,151	240,249
SABADELL	Indefinite	5,000,000	206,613	-
SANTANDER	Indefinite	5,000,000	-	-
BANKIA	07/09/2018	6,000,000	-	-
POPULAR	20/05/2017	2,000,000	-	-
BANKINTER	15/06/2018	4,000,000	-	-
CAIXA BANK	23/01/2018	500,000	-	-
BBVA	12/07/2018	1,000,000	428,827	-
Total Foreign financing		23,500,000	635,440	-
Total		24,622,400	1,517,591	240,249

Foreign financing lines contracted by the Company for 2018 and 2017 include both credit operations and hedges for guarantee, documentary credits and guarantees (Note 21.2)

The average interest rate of the credit policies during 2018 has been of 2.15% per year (2.58% in 2017).

13.3. Other debts

The detail of Other debts at December 31, 2018 and 2017 is the following:

Year ended at 31 December 2018

Financial institution	Maturity	Interest rate	Type of guarantee	Instalments	Euros		
					Non-current liability	Current liability	Total
CDTI	12/05/2022	Without interests	No	Monthly	260,308	52,060	312,368
Ministry of Economy and Competitiveness	20/01/2021	Without interests	No	Monthly	6,227	5,926	12,153
Other debts (Kosten)	-	-	-	-	-	1,186,088	1,186,088
Total					266,535	1,244,074	1,510,609

Year ended at 31 December 2017

Financial institution	Maturity	Interest rate	Type of guarantee	Instalments	Euros		
					Non-current liability	Current liability	Total
CDTI	12/05/2022	Without interests	No	Monthly	312,369	52,060	364,429
Ministry of Economy and Competitiveness	20/01/2021	Without interests	No	Monthly	12,153	5,926	18,079
Other debts	-	-	-	-	-	2,203,037	2,203,037
Total					324,522	2,261,023	2,585,545

This item corresponds to the following:

- Amount payable at December 31, 2018, generated by the purchase of the company Kosten S.A., integrated in the Group in 2017 (Note 8.1).
- Amount to be reimbursed at 2018 and 2017 closings for a loan without interests granted by CDTI on October 13, 2011, for an amount of 520,609 Euros to finance necessary investments for the project "Design and modelling of a behaviour prediction system and comprehensive control for energy distribution facilities". The Company has not registered this loan at its fair value, as established on Consultation 1 of the BOICAC 81, considering that this fair value would not significantly differ from its face value.
- In turn, the Company received another loan without interests, granted by the Ministry of Economy and Competitiveness on April 16, 2012, for an amount of 33,756 Euros, related to personnel costs for the project "Design and modelling of a behaviour prediction system and comprehensive control for energy distribution facilities".

Both loans' reimbursement shall be made within a maximum of 7 yearly payments of identical amount, admitting as maximum maturity of the first yearly payment five years since its concession. The first yearly payment was settled in 2015.

14. Debts with group companies and associates

The composition of these captions of the accompanying balance sheet at December 31, 2018 and 2017 is the following:

Year ended at 31 December 2018

	Maturity Date	Interest rate	Type of guarantee	Non- current Debts	Current Debts	Total at 31.12.18
Debts with group companies						
Debts for loans	Indefinite	Euribor 12 months + 2%	-	-	16,144	16,144
Debts for loans	24 months +12	Libor 12 months +200 p.b.	-	-	2,440,840	2,440,840
Debt for tax concepts	-	-	-	-	316,735	316,735
Total			-	-	2,773,719	2,773,719

Year ended at 31 December 2017

	Maturity Date	Interest rate	Type of guarantee	Non-current Debts	Current Debts	Total at 31.12.17
Debts with group companies						
Debts for loans with Parent Company	Indefinite	Euribor 12 months + 2%	-	-	27,854	27,854
Debts for loans with other Group companies	24 months +12	Libor 12 months +200 p.b.	-	-	3,051,097	3,051,097
Debt for tax concepts	-	-	-	-	390,278	390,278
Total			-	-	3,469,229	3,469,229

The Company, during 2018 and 2017, is taxed for the Corporate Income Tax within the tax group paired with all companies, in which all requirements established by the regulation on Chapter VI of Title VII of Law 27/2014, of 27 November, of the Corporate Income Tax (LIS) are met, which parent company is the company Daruan Group Holding, S.L. For this concept, a debt is included with this company for an amount of 317 thousand Euros and 390 thousand Euros at 2017 and 2016 closings, respectively.

As a consequence of the demerger of Daruan Venture Capital SCR, in simplified regime, S.A., which beneficiary was Daruan Group Holding, S.L. Sociedad Unipersonal, the latter, sole shareholder of Grenergy Renovables, S.A., was subrogated in the multilateral contract of credit accounts between companies of the Group Daruan Venture Capital SCR of Simplified Regime entered into on January 1, 2012 and notarized through deed in the Notary of Madrid Mr. Jaime Recarte Casanova on February 14, 2014 under protocol number 382. This contract regulates a bidirectional credit between Daruan Group Holding, S.L. and Grenergy Renovables S.A., by virtue which an interest will be accrued on credit or debit

amounts between companies at the beginning of each calendar year of Euribor 12 months + 2%. The contract has an indefinite term, and can be terminated at any time by any of the parties, with one month notice, settling at termination all balances between companies. At 2018 and 2017 closings, the debt amounts to 16 thousand Euros and 28 thousand Euros, respectively.

Debts for loans with other Group companies include the debt for credit current account for Grenergy Renovables S.A. with Group companies GR Paino SAC and GR Taruca SAC.

15. Information on payment deferrals to suppliers

The average payment period to suppliers has been the following:

	2018	2017
	Days	Days
Average payment period to suppliers	62.57	71.51
Ratio of paid operations	69	73
Ratio of outstanding operations	45	46
	Amount (Euros)	Amount (Euros)
Total settled payments	23,053,948	29,121,988
Total outstanding payments	8,444,984	7,856,179

16. Public Administrations and tax position

The detail of balances with Public Administrations at December 31, 2018 and 2017 is the following:

Year ended at 31 December 2018

Public Administrations receivable	Non-current	Current	Balance at 31.12.18
Deferred tax assets	664,819	-	664,819
Other credits with Public Administrations	-	235,357	235,357
VAT receivable	-	235,357	235,357
Total	664,819	235,357	900,176

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Public Administrations payable	Non-current	Current	Balance at 31.12.17
Deferred tax liabilities	-	-	-
Other debts with Public Administrations	-	74,051	74,051
VAT payable	-	-	-
Withholdings payable	-	34,225	34,225
Social Security payable	-	39,826	39,826
Total	1,876	74,051	75,927

Year ended at 31 December 2017

Public Administrations receivable	Non-current	Current	Balance at 31.12.17
Deferred tax assets	75,849	-	75,849
Other credits with Public Administrations	-	100,188	100,188
VAT receivable	-	100,188	100,188
Total	75,849	100,188	176,037

Public Administrations payable	Non-current	Current	Balance at 31.12.17
Deferred tax liabilities	1,876		1,876
Other debts with Public Administrations	-	27,841	27,841
Withholdings payable	-	8,645	8,645
Social Security payable	-	19,196	19,196
Total	1,876	27,841	29,717

Tax position

At December 31, 2018, the last four years remain open to inspection for all taxes applicable to the Company for its activities, as well as the Corporate Income Tax corresponding to 2014.

According to the tax legislation in force, taxes cannot be considered definitively liquidated until tax returns have been inspected by the authorities or the four-year statute-barred period has elapsed.

Due to the different interpretations of the applicable tax regulation, there could be certain tax contingencies which objective quantification is not possible. Nonetheless, Directors consider that the tax debt that would derive from possible future actions by the Tax Administration would not significantly affect the annual accounts as a whole.

Corporate Income Tax

Since 2012, the Company is taxed under tax consolidation regime together with other Group companies. During 2012 and 2013, the tax group's parent company was Daruan Venture Capital, S.C.R.; since 2014, the group's parent company is Daruan Group Holding, S.L.

Due to the different treatment allowed by the tax legislation for certain operations, accounting results differ from the tax assessment basis. The reconciliation between accounting results and the tax assessment basis expected to be declared by the Company in the Corporate Income Tax at 2018 and 2017 closings is the following:

Year ended at 31 December 2018

	Profit and loss account			Income and expenses directly allocated to equity			Total
	Increase	Decrease	Total	Increase	Decrease	Total	
Income and expenses of the year	8,991,163	-	8,991,163	-	-	-	8,991,163
Corporate Income Tax	1,642,517		1,642,517	-	-	-	1,642,517
Permanent differences	4,714	(11,605,134)	(11,600,420)	-	-	-	(11,600,420)
Individual Company	4,714	(11,605,134)	(11,600,420)	-	-	-	(11,600,420)
Consolidation adjustments			-				-
Temporary differences	2,303,369	(408)	2,302,961	-	-	-	2,302,961
Individual Company	2,300,846	-	2,300,846	-	-	-	2,300,846
Originated in the year	-	-	-	-	-	-	-
Originated in previous years	2,523	(408)	2,115	-	-	-	2,115
Capitalization reserve	-	(62,261)	(62,261)	-	-	-	(62,261)
Tax assessment basis (tax results)	12,941,763	(11,667,803)	1,273,960	-	-	-	1,273,960
Full tax charge (25%)							318,490
Tax deductions applied							(20)
Tax payable							318,470
Withholdings and interim payments							(1,735)
Amount payable (receivable)							316,735

Year ended at 31 December 2017

	Profit and loss account			Income and expenses directly allocated to equity			Total
	Increase	Decrease	Total	Increase	Decrease	Total	
Income and expenses of the year	1,916,442	-	1,916,442	-	-	-	1,916,442
Corporate Income Tax	-	939,052	939,052	-	-	-	939,052
Permanent differences	-	(1,231,060)	(1,231,060)	-	-	-	(1,231,060)
Individual company	-	(1,231,060)	(1,231,060)	-	-	-	(1,231,060)
Temporary differences	1,579	-	1,579	-	-	-	1,579
Individual company	1,579	-	1,579	-	-	-	1,579
Originated in previous years	1,579	-	1,579	-	-	-	1,579
Capitalization reserve	-	(20,194)	(20,194)	-	-	-	(20,194)
Tax assessment basis (tax results)	1,918,021	(312,202)	1,605,818	-	-	-	1,605,818
Full tax charge (25%)							401,455
Tax deductions applied							(11,177)
Tax payable							390,278
Withholdings and interim payments							-
Amount payable (receivable)							390,278

Since the Company is taxed under tax consolidation regime together with other entities, this tax group's parent company is responsible before the Administration for the presentation and liquidation of the consolidated Corporate Income Tax. Accordingly, the amount payable included on the chart above has been classified, for the purpose of the presentation of the annual accounts, on caption "Current debts with group companies and associates" of liabilities of the accompanying balance sheet.

The reconciliation between the tax payable and the Corporate Income Tax expense as follows:

	31.12.18	31.12.17
Tax payable	(318,470)	(390,278)
Variation of deferred taxes	575,740	(4,654)
Foreign current tax	(1,914,893)	(544,120)
Others	15,106	-
Corporate Income Tax Expense	(1,642,517)	(939,052)

The reconciling item identified as “Foreign current tax” corresponds to withholdings practiced on the result from sales of shares in Group companies by Company during 2018 and 2017 (Note 8.1).

Deferred tax assets and liabilities

The difference between the tax charge allocated to results from 2018 and previous years, and the tax charge paid or payable for these years is registered on accounts “Deferred tax assets” or “Deferred tax liabilities”, as applicable. Such deferred taxes have been calculated through the application of the nominal tax rate in force to the corresponding amounts.

The composition and variation of these captions of the accompanying balance sheet for 2018 and 2017 is the following:

Year ended at 31 December 2018

	Balance at 31.12.17	Registered on the income statement		Balance at 31.12.18
		Additions	Withdrawals	
Deferred tax assets	75,849	588,969	-	664,818
Tax losses carried forward	-	-	-	-
Tax deductions to be applied	-	33	-	33
For temporary differences	75,849	588,936	-	664,785
Total	75,849	588,969	-	664,818
Deferred tax liabilities	1,345	-	(1,345)	-
For temporary differences	1,345	-	(1,345)	-
Total	1,345	-	(1,345)	-

Year ended at 31 December 2017

	Balance at 31.12.16	Registered on the income statement		Balance at 31.12.17
		Additions	Withdrawals	
Deferred tax assets	81,034	-	(5,185)	75,849
For temporary differences	81,034	-	(5,185)	75,849
Total	81,034	-	(5,185)	75,849
Deferred tax liabilities	2,408	-	(531)	1,877
For temporary differences	2,408	-	(531)	1,877
Total	2,408	-	(531)	1,877

The recoverability of deferred tax assets is assessed at recognition and at least at year-end closing, according to results expected by the Company for coming years.

Tax losses carried forward

At 2018 and 2017 closings, the Company does not count with tax losses carried forward.

Deductions

At 2018 and 2017 closings, there are no deductions to be applied.

17. Income and expenses

Supplies

The composition of this caption of the accompanying profit and loss account of 2018 and 2017 is the following:

Year ended at 31 December 2018

	Purchases	Variation of inventories	Impairment / (Reversal)	Total consumptions
Merchandise consumed	19,154,719	(237,426)	-	18,917,293
Total	19,154,719	(237,426)	-	18,917,293

Year ended at 31 December 2017

	Purchases	Variation of inventories	Impairment / (Reversal)	Total consumptions
Merchandise consumed	19,140,828	(1,067)	-	19,139,761
Total	19,140,828	(1,067)	-	19,139,761

The detail of purchases in 2018 and 2017, based on their origin, is the following:

	Balance at 31.12.18	Balance at 31.12.17
Domestic	6,515,023	5,755,031
Importations	12,639,696	13,385,797
Total	19,154,719	19,140,828

Employee benefits expense

The composition of this caption of the accompanying profit and loss account of 2018 and 2017 is the following:

	2018	2017
Social Security paid the company	311,648	191,343
Other employee benefits	36,956	29,137
Total	348,604	220,480

The average number of employees during 2018 and 2017, distributed per professional categories, is the following:

Category	2018	2017
Top Management	2	2
Departments' Directors	7	4
Others	17	12
Total	26	18

The distribution of payroll per gender, at 2018 and 2017 closings, as well as of Directors and Top Management is the following:

Year ended at 31 December 2018

Category	Male	Female	TOTAL
Top Management	2	-	2
Departments' Directors	4	2	6
Others	20	6	26
Total	26	8	34

Year ended at 31 December 2017

Category	Male	Female	TOTAL
Top Management	2	-	2
Departments' Directors	2	2	4
Others	10	4	14
Total	14	6	20

At December 31, 2018 and 2017 the company has not employed persons with disability equal or above 33%.

Financial income and expenses

The detail of financial income and expenses included on the accompanying profit and loss account is the following:

Year ended at 31 December 2018

	Third parties	Group companies	Total
Income	9,927	96,793	106,720
Interests from other financial assets	9,927	96,793	106,720
Expenses	(498,764)	(50,332)	(549,096)
Interests from debts	(311,334)	(50,332)	(361,666)
Other financial expenses	(187,430)	-	(187,430)
Exchange profit/(loss)	(246,588)	-	(246,588)
Impairment and results from disposals	11,605,134	(2,300,846)	9,304,288
Impairment and losses	-	(2,300,846)	(2,300,846)
Results from disposals and others	11,605,134	-	11,605,134
Financial results	10,869,709	(2,254,385)	8,615,324

Year ended at 31 December 2017

	Third parties	Group companies	Total
Income	442	158,002	158,444
Interests from other financial assets	442	158,002	158,444
Expenses	(135,328)	(57,569)	(192,897)
Interests from debts	(135,328)	(57,569)	(192,897)
Exchange profit/(loss)	7,974	-	7,974
Impairment and results from disposals (Note 8.1)	-	1,160,350	1,160,350
Losses from disposal or write-off	-	(1,803,484)	(1,803,484)
Benefits from disposal or write-off	-	2,963,834	2,963,834
Financial results	(126,912)	1,260,783	1,133,871

18. Foreign currency

The detail of transactions in foreign currency during 2018 and 2017 is the following:

Year ended at 31 December 2018

	Exchange value in Euros	
	US Dollars	Total
Purchases	12,407,766	12,407,766
Sales	23,304,156	23,304,156
Total	35,711,922	35,711,922

Year ended at 31 December 2017

	Exchange value in Euros	
	US Dollars	Total
Purchases	13,385,797	13,385,797
Sales	21,658,994	21,658,994
Total	35,044,791	35,044,791

The detail of assets and liabilities held in foreign currency at 2018 and 2017 closings is the following:

Year ended at 31 December 2018

	Exchange value in Euros		
	US Dollars	Others	Total
Assets			
Credits to group companies	332,980	-	332,980
Trade receivables and other receivables	10,211,460	-	10,211,460
Cash and cash equivalents	7,673,346	-	7,673,346
Liabilities			
Suppliers	5,580,656	-	5,580,656
Current debts	4,060,661	-	4,060,661
Total	27,859,103	-	27,859,103

Year ended at 31 December 2017

	Exchange value in Euros		
	US Dollars	Others	Total
Assets			
Investments in group companies and associates	9,940,891	46,268	9,987,159
Trade and other accounts receivable	18,233,334	-	18,233,334
Cash and cash equivalents	177,505	-	177,505
Liabilities			
Current debts	3,051,098	-	3,051,098
Total	31,402,828	46,268	31,449,096

19. Environmental information

At 2018 and 2017 closings, the Company does not own significant assets dedicated to the protection and improvement of the environment, and has not incurred in relevant expenses of this nature during the year. Also, during 2018 and 2017, the Company has not received environmental grant.

20. Operations with related parties**20.1. Balances and transactions with related parties**

The Company's related parties, in addition to group companies and associates, are the Company's Directors and Top Management personnel (including close relatives), as well as entities on which they exercise control or a significant influence.

At 2018 and 2017 closings, accounts receivable and payable held with related parties are the following:

Year ended at 31 December 2018

	Parent Company	Other group companies	Total
Assets			
Receivables	-	16,062,110	16,062,110
Accounts receivable with group companies	-	3,304,745	3,304,745
	-	19,366,855	19,366,855
Liabilities			
Suppliers	-	27,759	27,759
Debts with group companies (Note 14)	316,735	2,456,984	2,773,719
	316,735	2,484,743	2,801,478

GREENERGY RENOVABLES, S.A.

Annual accounts corresponding to the year ended at 31 December 2018

Year ended at 31 December 2017

	Parent Company	Other group companies	Total
Assets			
Receivables	-	13,487,257	13,487,257
Accounts receivable with group companies	-	5,648,457	5,648,457
	-	19,135,714	19,135,714
Liabilities			
Suppliers	121,000	233,087	354,087
Debts with group companies (Note 14)	418,132	3,051,097	3,469,229
	539,132	3,284,184	3,823,316

Balances with related entities at December 31, 2018 and 2017 included the following:

- Receivables group companies: it includes the debt receivable, at year end closing, of Grenergy Renovables, S.A. with investees and related entities, for the sale of merchandise to manufacture photovoltaic plants.
- Credits with group companies: balances in favour of Grenergy Renovables, S.A. for credits granted to investees.
- Debts with group companies with the Parent Company include the balance, at year-end closing, for the credit policy subscribed with Daruan Group Holding, S.L., as well as the debt generated for the Corporate Income Tax under tax consolidation regime.
- Debts with other group companies mainly include the debt for current account payable for Grenergy Renovables S.A. with the Group companies GR Paino SAC and GR Taruca SAC.

The detail of transactions with related parties during 2018 and 2017 is the following:

Year ended at 31 December 2018

	Parent Company	Other group companies	Key Management personnel	Total
Income	-	20,251,088	-	20,251,088
Sales	-	19,616,911	-	19,616,911
Other operating income	-	537,384	-	537,384
Accrued interests	-	96,793	-	96,793
Expenses	-	250,787	214,168	464,955
Services received	-	250,787	-	250,787
Remunerations	-	-	214,168	214,168

Operations with related parties, performed during 2018, correspond to the Company's ordinary traffic and were performed, in general, at arm's length. The most significant transactions have been the following:

- Sale of the necessary components for solar facilities (panels, investors, etc.) to Grenergy Pacific Ltda., for a total amount of 19,616,911 Euros.

- Other operating income includes “management fees” invoiced to the group’s subsidiaries.
- Services received include the lease expense for the estate where the Company’s registered address is located with Nagara Nur, S.L. and “management fees” invoiced by Daruan V.C.

Year ended at 31 December 2017

	Parent Company	Other group companies	Key Management personnel	Total
Income	-	23,140,315	-	23,140,315
Sales	-	21,658,994	-	21,658,994
Other operating income	-	1,323,319	-	1,323,319
Accrued interests	-	158,002	-	158,002
Expenses	-	360,995	184,814	545,809
Services received	-	360,995	-	360,995
Remunerations	-	-	184,814	184,814

Operations with related parties during 2017 corresponded to the Company’s ordinary traffic and were performed, in general, at arm’s length. The most significant transactions have been the following:

- Sale of the necessary components for solar facilities (panels, invertors, etc.) to Grenergy Pacific Ltda., for a total amount of 21,658,994 Euros.
- Other operating income includes “management fees” invoiced to the group’s subsidiaries.
- Services received include the lease expense for the estate where the Company’s registered address is located with Nagara Nur, S.L. and “management fees” invoiced by Daruan V.C. and Marp Marketing and Product, S.A.

20.2. Information related to Directors and Top Management

During 2018 and 2017, the Company’s Directors have not been granted with prepayments or credits and the Company has not assumed any obligation on their behalf as guarantee. Moreover, the Company has not contracted obligations for pensions or life insurances with regards to former or current Directors.

Top Management personnel have received remunerations as per the following detail:

Remuneration’s concept	2018		2017	
	Board of Directors	Top Management Personnel	Board of Directors	Top Management Personnel
Fixed remuneration	48,000	210,000	48,000	176,407
Remunerations in kind	-	4,168	-	8,407
Total	48,000	214,168	48,000	184,814

As indicated on note 4.13, the incentive plan approved for administrators, management, employees and key collaborators of Grenergy has been exclusively offered to the Company's employees and collaborators, without the participation of any Director or Top Management Personnel.

The Company's Directors are covered with a civil liability policy for which a premium has been paid during 2018 and 2017 for an amount of 3.2 thousand Euros.

20.3. Other information on Directors

At the date of formulation of the annual accounts, none of the members of the Board of Directors has stated the existence of any situation of conflict of interests, direct or indirect, with the Company's interests, both related to such members and to persons established on article 231 of Corporations Law.

21. Other information

21.1. Risk policy and management

The Company's activities are exposed to several risks financial: market risk (including the exchange rate risk), liquidity risk. The Company's risk management focuses on the uncertainty of financial markets and tries to minimize potentially adverse effects on the Company's profitability, using certain financial instruments as described below.

Market risk

The market in which the company GREENERGY RENOVABLES S.A. operates is related to the sector of production and trading of renewable energies. Accordingly, factors that positively and negatively affect this market can affect the Company's performance. A sub-risk traditionally associated to this market is the regulatory risk, during the last years, due to changes derived from continuous adjustments to slow down the energy deficit in Spain. As a consequence of the last energy reform (July 2013), the market enjoys more stability with regards to previous years, and thus it is considered that the market risk has considerably decreased.

In any event, the sector's evolution largely differs from one country to another, and from one continent to another. Therefore, three years ago, GREENERGY started a geographic diversification process, penetrating markets outside Spain (currently, the company is present in Chile, Mexico, Colombia, Peru and Argentina), achieving an additional reduction of this kind of risk. Currently, all of GREENERGY's efforts focus on carrying forward the company's project portfolio on these countries.

At 2018 closing, GREENERGY RENOVABLES S.A. does not own any photovoltaic installation in Spain; therefore, the market risk is reduced to the extent possible, as long as the Company does not build or acquire new developments or installations.

Product's responsibility

The company designs, develops, executes and promotes large-scale renewable energy projects, certified by TÜV Rheinland, its integrated Quality management system (ISO9001) and Environment (ISO14001) systemizes the identification of each project's requirements, at

Quality, security and efficiency level for each one of its stages.

Client's credit risk

The clients' credit risk is assumed by the company. GREENERGY does not count with a large credit risk concentration, and its exposure is distributed in any clients. Therefore, the risk is diversified and bad debts do not significantly affect the Company. In 2018, the percentage of allocation to bad debt has been null.

Exchange risk

The Company's operating currency is the Euro. Sporadically, some payments are settled in US Dollars, mainly associated to the importation of materials to build its subsidiaries' installations. Therefore, GREENERGY could close exchange insurances Euro/Dollar or other structures to cover the exchange rate, if deemed necessary.

Liquidity risk

Being an intensive business in capital and with long-term debt, it is important for the company to analyze cash flows generated by the business to be able to respond to the debt's payment. Currently, and foreseeably, cash flows generated by the Company are more than sufficient to face the debt's maturities. Currently, GREENERGY does not require additional financing.

The Company's objective from the financial standpoint is to have appropriate equity to obtain the necessary financing from external resources to be able to achieve its expansion, not committing its solvency and maximizing the yield of its shareholders' investments.

Environmental risk

Within commitments acquired for the Environmental certification, ongoing improvement objectives are established with regards to such certification, identifying externalities from its activity with regards to the environment, such as atmospheric or water, dangerous waste, noise or landscape pollution, which are scarcely significant.

Due to the company's activity and through the periodic analysis of these externalities, no there are no environmental responsibilities, expenses, assets, provisions, or contingencies that could be significant in relation to the company's equity, financial situation and results.

21.2. Guarantees committed with third parties

At 2018 closing, the Company has presented guarantees before third parties for an amount of 19,016,949 Euros, mainly guarantees for renewable energy tenders and auctions (15,686,409 Euros at 2017 closing).

21.3. Auditors and related entities' fees

The auditor Mazars Auditores, S.L.P. has audited the annual accounts of 2018 and 2017. Fees and expenses for professional services have been the following:

	2018	2017
For audit services:		
<i>Individual annual accounts</i>	6,000	5,000
<i>Consolidated annual accounts</i>	20,300	12,500
Other audit-related services:	12,500	10,000
Total	38,800	27,500

The amount indicated on the chart above for audit services includes the totality of fees related to the audit of 2018 and 2017, regardless of their invoicing date.

22. Segmented information

The geographic distribution of turnover in 2018 and 2017 is the following:

	2018	2017
South America	23,304,156	21,569,475
National	231,671	295,150
Total	23,535,827	17,100,335

23. Subsequent events

From 2018 closing to the date of formulation of these annual accounts by the Company's Board of Directors, no noteworthy significant event has occurred or been known.

ANNEX

GREENERGY RENOVABLES, S.A. Investments in group companies and associates at December 31, 2018

Denomination	Address	Activity	% capital - voting rights			Balances at 31.12.2018			(Amounts in Euros)						
			Direct	Indirect	Total	Cost	Impairment	Carrying value	Capital	Reserves	Other Equity Items	Profit/(Loss) in the year			Total Investee's Equity
												Operating	Continuing activities	Interrupted activities	
GREENHOUSE SOLAR FIELDS, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.006	-	3.006	3.006	(414)	-	(217)	(160)	-	2.433
GREENHOUSE SOLAR ENERGY, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.006	-	3.006	3.006	(276)	-	(184)	(138)	-	2.592
GREENHOUSE RENEWABLE ENERGY, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.006	-	3.006	3.006	(137)	-	(217)	(163)	-	2.707
GUA DE ISORA SOLAR 2, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.565	-	1.565	3.100	(6.344)	-	(332)	(249)	-	(3.492)
GR SOLAR 2020, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(1.136)	-	(1.021)	(766)	-	1.099
GR SUN SPAIN, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(2.502)	-	(4)	(3)	-	495
GR EQUITY WIND AND SOLAR, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	198.154	-	108.659	117.308	-	318.462
LEVEL FOTOVOLTAICA S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	50%	-	50%	1.504	-	1.504	3.008	(15.288)	-	(307.350)	(307.350)	-	(319.630)
GR BAÑUELA RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(617)	-	-	-	-	2.383
GR TURBON RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(611)	-	-	-	-	2.389
GR AITANA RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(593)	-	-	-	-	2.407
GR ASPE RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(620)	-	-	-	-	2.380
VIA TRES RENEWABLE ENERGY, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	40%	-	40%	1.200	-	1.200	3.000	-	-	-	-	-	3.000
EDEN RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(289)	-	(60)	(60)	-	2.651
CHAMBO RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(289)	-	(60)	(60)	-	2.651
MAMBAR RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(289)	-	(60)	(60)	-	2.651
EL AGUILA RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	(289)	-	-	-	-	2.711
EUGABA RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	-	-	-	-	-	3.000
TAKE RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	-	-	-	-	-	3.000
NEGUA RENOVABLES, S.L.	Spain	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	-	-	-	-	-	3.000

ANNEX

GREENERGY RENOVABLES, S.A. Investments in group companies and associates at December 31, 2018

			(Amounts in Euros)						Capital	Reserves	Other Equity Items	Profit/(Loss) in the year			Total Investee's Equity
Denomination	Address	Activity	% capital - voting rights			Balances at 31.12.2018						Operating	Continuing activities	Interrupted activities	
			Direct	Indirect	Total	Cost	Impairment	Carrying value							
GREENERGY PACIFIC LTDA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	99,9%	-	99,9%	43.150	-	43.150	43.155	1.289.309	(141.875)	517.350	69.501	-	1.260.090 (**)
GR PELMO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.408 (1.408)	-	-	-	-	-	-	-	-	-
GR QUELLE, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.408 (1.408)	-	-	-	-	-	-	-	-	-
GR MAITEN, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.408 (1.408)	-	-	-	-	-	-	-	-	-
GR ALGARROBO S.P.A	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.303 (1.303)	-	-	-	-	-	-	-	-	-
GR MOLLE, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.303 (1.303)	-	-	-	-	746	(21.060)	(21.060)	-	(20.314)
GR TAMARUGO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.303 (1.303)	-	-	-	-	-	-	-	-	-
GR PACIFIC CHILOE SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	-	98%	98,0%	917 (917)	-	-	-	-	-	-	-	-	-
GR PACIFIC O'VALLE, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	-	98%	98,0%	1.357 (1.357)	-	-	-	1.049.268	(39.380)	(1.001.915)	(1.001.879)	-	8.009
GR PIMIENTO, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR CHAÑAR, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR CARZA, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR PILO, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR LÚCUMO, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR PITAO, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR LLEUQUE, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR NOTRO, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR LENGUA, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR TEPÚ, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR LUMILLA, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-

ANNEX

GREENERGY RENOVABLES, S.A. Investments in group companies and associates at December 31, 2018

Denomination	Address	Activity	% capital - voting rights			Balances at 31.12.2018			(Amounts in Euros)						
			Direct	Indirect	Total	Cost	Impairment	Carrying value	Capital	Reserves	Other Equity items	Profit/(Loss) in the year			Total Investee's Equity
												Operating	Continuing activities	Interrupted activities	
GR TOROMIRO, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR PACAMA, S PA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR TEMO, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR RULL, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.357 (1.357)	-	-	-	-	-	-	-	-	-
GR POLPAICO PACIFIC, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	-	98%	98,0%	1.314 (1.314)	-	-	-	-	-	-	-	-	-
GR Roble SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Guindo SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Rauli SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Manzano SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Naranjillo SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Mañío SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Tara SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Ciprés SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Ulmo SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Hualo SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Belloto SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	1.203	(25.209)	(25.209)	-	(24.007)
GR Sauce SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR Huacano SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Corcolén SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Luma SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-

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GREENERGY RENOVABLES, S.A. Investments in group companies and associates at December 31, 2018

Denomination	Address	Activity	% capital - voting rights			Balances at 31.12.2018			(Amounts in Euros)						
			Direct	Indirect	Total	Cost	Impairment	Carrying value	Capital	Reserves	Other Equity items	Profit/(Loss) in the year			Total Investee's Equity
												Operating	Continuing activities	Interrupted activities	
GR Fuique SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Pihol SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Queñoa SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Tayú Spa	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Petra SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Corontillo SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Lium SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Kewiña SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Frangel SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Maqui SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Petrillo SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GR Tepa SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
Grenergy OPEX SpA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100,0%	1.258 (1.258)	-	-	-	-	-	-	-	-	-
GREENERGY PERU SAC	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	99%	-	99%	275	-	275	278	(537.292)	13.249	(221.581)	(241.320)	-	(765.085) (**)
GR JULIACA, S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	255	-	-	-	-	-	255
GR HUAMBOS, S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	255	-	-	-	-	-	255
GR APORIC, S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	255	-	-	-	-	-	255
GR BAYONAR, S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	255	-	-	-	-	-	255
GR VALE S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	255	-	-	-	-	-	255
GR CORTARRAMA S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	278 (278)	-	-	-	-	-	-	-	-	-

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GREENERGY RENOVABLES, S.A. Investments in group companies and associates at December 31, 2018

Denomination	Address	Activity	% capital - voting rights			Balances at 31.12.2018			(Amounts in Euros)						
			Direct	Indirect	Total	Cost	Impairment	Carrying value	Capital	Reserves	Other Equity items	Profit/(Loss) in the year			Total Investee's Equity
												Operating	Continuing activities	Interrupted activities	
GR GUANACO S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	278 (278)	-	-	-	-	-	-	-	-	-
GR TARIJA S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.597.955	-	1.597.955	1.597.955	90.815	(112.305)	(2.825)	60.859	-	1.637.325 (**)
GR PAINO S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.597.955	-	1.597.955	1.597.955	91.052	(112.701)	(2.815)	60.897	-	1.637.202 (**)
GR PAICHE S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	278 (278)	-	-	-	-	-	-	-	-	-
GR LIBLANCA S.A.C.	Peru	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	278 (278)	-	-	-	-	-	-	-	-	-
GR RENOVABLES MÉXICO	Mexico	Production of renewable electrical energy; development and construction of electrical energy installations.	98%	-	98%	2.843	-	2.843	2.901	(1.135.566)	138.658	(414.553)	(423.603)	-	(1.417.610) (**)
GREENHUB S.L. DE C.V.	Mexico	Production of renewable electrical energy; development and construction of electrical energy installations.	20%	80%	100%	88.994	-	88.994	88.994	-	(48)	(658)	(2.177)	-	86.768 (**)
FAILO 3 SACV	Mexico	Production of renewable electrical energy; development and construction of electrical energy installations.	-	50%	50%	1.977	-	1.977	1.977	(1.226)	1.268	(15.225)	(15.225)	-	(13.206)
ASTILO 1 SOLAR, SACV	Mexico	Production of renewable electrical energy; development and construction of electrical energy installations.	-	99,99%	99,99%	2.790 (2.790)	-	-	-	-	176	(27.185)	(27.185)	-	(27.009)
CRISON 2 SOLAR, SACV	Mexico	Production of renewable electrical energy; development and construction of electrical energy installations.	-	99,99%	99,99%	2.790 (2.790)	-	-	-	-	269	(2.418)	(2.418)	-	(2.150)
MESO 4 SOLAR, SACV	Mexico	Production of renewable electrical energy; development and construction of electrical energy installations.	-	99,99%	99,99%	2.790 (2.790)	-	-	-	-	26	(23.870)	(23.870)	-	(23.844)
ORSIPO 5 SOLAR, SACV	Mexico	Production of renewable electrical energy; development and construction of electrical energy installations.	-	99,99%	99,99%	2.790 (2.790)	-	-	-	-	40	5.921	5.572	-	5.612
MIRGACA 6 SOLAR, SACV	Mexico	Production of renewable electrical energy; development and construction of electrical energy installations.	-	99,99%	99,99%	2.790 (2.790)	-	-	-	-	(3)	(409)	(409)	-	(412)
GREENERGY COLOMBIA S.A.S.	Colombia	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	12.168	-	12.168	12.168	-	(6.277)	(46.851)	(55.804)	-	(49.913)
GREENERGY ATLANTICS, S.A.U.	Argentina	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	6.486	-	6.486	6.486	(3.616)	15.153	(68.060)	(97.142)	-	(79.120)
KOSTEN S.A.	Argentina	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	8.158.807	-	8.158.807	5.299.830	(14.182)	126.485	(101.035)	122.822	-	5.534.955

(*) Exchange rate of closing at 31.12.2018, except for results from the year average rate 2018.

(**) Audited annual accounts.

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GREENERGY RENOVABLES, S.A. Investments in group companies and associates at December 31, 2017

Denomination	Address	Activity	% capital - voting rights			Balances at 31.12.2017			(Amounts in Euros)						
			Direct	Indirect	Total	Cost	Impairment	Carrying value	Capital	Reserves	Other Equity items	Profit/(Loss) in the year			Total Investee's Equity
												Operating	Continuing activities	Interrupted activities	
GREENHOUSE SOLAR FIELDS, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.006	-	3.006	3.006	-	(2.053)	1.639	-	-	2.592
GREENHOUSE SOLAR ENERGY, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.006	-	3.006	3.006	-	(2.049)	1.773	-	-	2.730
GREENHOUSE RENEWABLE ENERGY, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.006	-	3.006	3.006	-	(2.203)	2.066	-	-	2.869
GUA DE ISORA SOLAR 2, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.565	-	1.565	3.100	-	(6.174)	(170)	-	-	(3.244)
GR SOLAR 2020, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	-	(1.009)	(126)	-	-	1.865
GR SUN SPAIN, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	-	(1.851)	(651)	-	-	498
GR EQUITY WIND AND SOLAR, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	3.000	284.820	(15.897)	(70.769)	-	-	201.154
GREENERGY PACIFIC LTDA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	43.150	-	43.150	43.155	1.182.770	(19.953)	106.540	-	-	1.312.512 (*)
GREENERGY PERU SAC	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	99%	0	100%	275	-	275	275	-	(228.847)	(282.891)	-	-	(511.463) (*)
GR RENOVABLES MÉXICO	México	Production of renewable electrical energy; development and construction of electrical energy installations.	98%	0	100%	2.843	-	2.843	2.843	-	(655.447)	(296.181)	-	-	(948.785) (*)
GR GREENHUB S.A. DE C.V.	México	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	17.799	-	17.799	85.675	-	(830)	-	-	-	84.845 (*)
GREENERGY COLOMBIA S.A.S.	Colombia	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	12.168	-	12.168	12.168	-	(35.717)	(48.676)	-	-	(72.225) (*)
GR TINEO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	575.455	-	575.455	575.454	927	(14.220)	(403)	-	-	561.758 (*)
GR QULLAY, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.408 (1.408)	-	-	-	-	-	-	-	-	-
GR PELMO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.408 (1.408)	-	-	-	-	-	-	-	-	-
GR QUEULE, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.408 (1.408)	-	-	-	-	-	-	-	-	-
GR MAITEN, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.408 (1.408)	-	-	-	-	-	-	-	-	-
GR HUNGAN, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.645.010	-	1.645.010	1.645.010	-	67.232	138.033	-	-	1.850.275 (*)
GR LINGUE, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	853.478	-	853.478	853.478	4.364	(22.997)	254.983	-	-	1.089.828 (*)
GR GUAYACAN S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	556.018	-	556.018	556.018	1.263	(14.417)	86.527	-	-	629.391 (*)

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GREENERGY RENOVABLES, S.A. Investments in group companies and associates at December 31, 2017

Denomination	Address	Activity	% capital - voting rights			Balances at 31.12.2017			(Amounts in Euros)						
			Direct	Indirect	Total	Cost	Impairment	Carrying value	Capital	Reserves	Other Equity items	Profit/(Loss) in the year			Total Investee's Equity
												Operating	Continuing activities	Interrupted activities	
GR CHAQUIHUE, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.408 (1.408)	-	-	-	-	-	-	-	-	-
GR CORTARRAMA S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	278 (278)	-	-	-	-	-	-	-	-	-
GR GUANACO S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	278 (278)	-	-	-	-	-	-	-	-	-
GR TARUJA S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.597.955	-	1.597.955	1.597.955	26.002	(92.387)	64.813	-	-	1.596.383 (*)
GR PAINO S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.597.955	-	1.597.955	1.597.955	25.722	(92.145)	65.330	-	-	1.596.862 (*)
KOSTEN S.A.	Argentina	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	2.861.054	-	2.861.054	1.761	43.507	(23.670)	(34.224)	-	-	(12.626) (*)
GR PAICHE S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	278 (278)	-	-	-	-	-	-	-	-	-
GR LILIANCA S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	278 (278)	-	-	-	-	-	-	-	-	-
GR ALERCE, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.303 (1.303)	-	-	-	-	-	-	-	-	-
GR ALGARROBO S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.303 (1.303)	-	-	-	-	-	-	-	-	-
GR ARRAYÁN, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.303 (1.303)	-	-	-	-	-	-	-	-	-
GR AVELLANO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.354 (1.354)	-	-	1.354	-	89	(11.363)	-	-	(9.920) (*)
GR LAUREL, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	554.320	-	554.320	554.320	-	(1.576)	3.804	-	-	556.548 (*)
GR LITRE, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.728.982	-	1.728.982	1.728.982	-	(4.777)	(5.941)	-	-	1.718.264 (*)
GR MOLLE, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.303 (1.303)	-	-	-	-	-	-	-	-	-
GR TAMARUGO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.303 (1.303)	-	-	-	-	-	-	-	-	-
Gr Pacific Chiloe Spa Solar, SACV	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.468 (1.468)	-	-	-	-	-	-	-	-	-
Gr Pacific Ovalle, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.461 (1.461)	-	-	1.058.809	-	38.208	(3.010)	-	-	1.094.007 (*)
Gr Pacific Pan de Azúcar, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	2.451.681 (1.461)	-	128.035	2.323.646	6.734	107.667	204.010	-	-	2.642.057 (*)
Gr Polpaico Pacific, SPA	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.314 (1.314)	-	-	-	-	-	-	-	-	-
Grenergy Renovables S.A.	Argentina	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.601 (1.601)	-	-	6.486	-	(4.044)	(734)	-	-	1.708 (*)
Fallo 3 SACV	México	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.977	-	-	3.954	-	(6.586)	(51)	-	-	(2.683) (*)

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GREENERGY RENOVABLES, S.A. Investments in group companies and associates December 31, 2017

Denomination	Address	Activity	% capital - voting rights			Balances at 31.12.2017			(Amounts in Euros)						
			Direct	Indirect	Total	Cost	Impairment	Carrying value	Capital	Reserves	Other Equity items	Profit/(Loss) in the year			Total Investee's Equity
												Operating	Continuing activities	Interrupted activities	
Astilo 1 Solar, SACV	México	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	2.790 (2.790)	-	-	-	-	-	-	-	-	-
Orison 2 Solar, SACV	México	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	2.790 (2.790)	-	-	-	-	-	-	-	-	-
Meso 4 Solar, SACV	México	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	2.790 (2.790)	-	-	-	-	-	-	-	-	-
Obispo 5 Solar, SACV	México	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	2.790 (2.790)	-	-	-	-	-	-	-	-	-
Mirgaca 6 Solar, SACV	México	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	2.790 (2.790)	-	-	-	-	-	-	-	-	-
GR BELLOTO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR ULMO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR GUINDO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR PALMA, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR SAUCE, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR RAULÍ, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR OPRÉS, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR LILÉN, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR MANZANO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR HUALO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR MAÑO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR TARA, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR NARANILLO, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR MELÍ, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-
GR ROBLE, S.P.A.	Chile	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.441 (1.441)	-	-	-	-	-	-	-	-	-

ANNEX

GREENERGY RENOVABLES, S.A. Investments in group companies and associates at December 31, 2017

Denomination	Address	Activity	% capital - voting rights			Balances at 31.12.2017			(Amounts in Euros)						
			Direct	Indirect	Total	Cost	Impairment	Carrying value	Capital	Reserves	Other Equity items	Profit/(Loss) in the year			Total Investee's Equity
												Operating	Continuing activities	Interrupted activities	
LEVEL FOTOVOLTAICA S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.504	-	1.504	3.008	-	(367)	(14.920)	-	-	(12.279) (*)
GR BAÑUELA RENOVABLES, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	-	-	-	-	-	-	-
GR TURBON RENOVABLES, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	-	-	-	-	-	-	-
GR AITANA RENOVABLES, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	-	-	-	-	-	-	-
GR ASPE RENOVABLES, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	3.000	-	3.000	-	-	-	-	-	-	-
VIA TRES RENEWABLE ENERGY, S.L.	España	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	1.200	-	1.200	-	-	-	-	-	-	-
GR JULIACA, S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	-	-	-	-	-	-	-
GR HUAMBOS, S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	-	-	-	-	-	-	-
GR APORIC, S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	-	-	-	-	-	-	-
GR BAYONAR, S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	-	-	-	-	-	-	-
GR VALE S.A.C.	Perú	Production of renewable electrical energy; development and construction of electrical energy installations.	100%	-	100%	255	-	255	-	-	-	-	-	-	-

(*) Exchange rate of closing at 31.12.2017, except for results from the year average rate 2017.

(**) Audited annual accounts.

GREENERGY RENOVABLES, S.A.

Management report corresponding to 2018

1.- Business evolution in 2018 and expected evolution for 2019.

- Total >Turnover in the year amounts to 23,535,827 Euros, with an increase by 7.64% with regards to 2017. This important increase is due to the sale of materials, mainly solar panels, to Chilean subsidiaries of Grenergy to build new photovoltaic installations, and to the sale of project developments or “development fees” related to transfers of vehicle companies during the period. In particular, during 2018, the following new installations have been completed and connected: Libertadores (9MW), Chancón (3 MW), Luders (3MW), Mostazal (9MW) and Rodeo (3MW). Grenergy Renovables S.A. has intermediated on all of them as construction materials’ supplier for the “EPCs”. This reveals the business continuity generated in LATAM a few years ago, and currently this region –particularly Chile- can be considered as the basis of the activity of Grenergy for 2018 and 2019.
- The detail per nature of total operating income in 2018 has been the following:
 - TOTAL Turnover: 23,535,827 Euros:
 - Sales of panels and other materials: 19,616,911 Euros
 - Sales of developments: 3,687,245 Euros
 - Income from O&M (plants’ maintenance): 231,671 Euros
 - TOTAL Other Operating Income: 604,788 Euros:
 - Income from managements fees: 537,384 Euros
 - Other operating income: 67,404
- Profit/(loss) of the year before tax presents profits by 10,633,680 Euros –an increase of 272% with regards to 2017- with Net Results for the year of 8,991,163 Euros –an increase of 369% with regards to the previous year-. These results confirm the continuity of Grenergy in the projects’ development, plants’ construction and connection, as reflected in the previous year’s management report. Moreover, during 2018, 15 FV plants have been transferred in Chile, together with their corresponding vehicle companies. Grenergy considers that these results are highly positive, as they reflect the continuation of the company’s growth in Latin America and the consolidation of sales of installations in this region.
- EBITDA of 2018 has amounted to 2,069,277 Euros, an increase of 16.85% with regards to the previous year.
- Personnel costs have increased by 79.72%, for a total in 2018 of 1,816,760 Euros, due to the continuity reinforcing the payroll and the important talent attraction during the year, leading to an increase in the structure of Grenergy in almost all departments.
- Financial results have increased by 659.82% with regards to previous year, being positive for an amount of 8,615,324 Euros in 2018, as a consequence of the sale of a higher number of investments in group companies, being all vehicle companies which were owners of the development and permits of transferred projects.

- Equity amounts to 29,417,990 Euros, representing an increase of 8.7 million Euros with regards to the previous year's closing (increase of 43%), sowing the company's continuity in its policy to reinvest utilities.
- With a view to 2019, Grenergy will continue developing portfolio projects through its subsidiaries in Latin America and Spain. Also, the main objective is to complete the sale of installations in Chile, which has started with three new sale framework agreements with two clients, implying the construction of 18 new photovoltaic parks. The completion of these sales would imply a cash inflow that would allow continuing with and accelerating the development and promotion of the remaining projects, both in Chile and in the entire LATAM region, which at the short term would be Argentina (wind project Kosten of 24MW, which is being built at year-end closing), Peru (wind projects Duna/Huambos of 36MW in total), and Villanueva de los Escuderos, first project in Spain of 200 MW. At the midterm, the company continues developing projects in all countries where it is present.
- The average number of employees during 2018, distributed per professional categories, is the following:

Category	2018
Top Management	2
Departments' Directors	7
Others	17
Total	26

2.- Environmental information.

The Company does not count with significant assets dedicated to the protection and improvement of the environment, and has not incurred in relevant expenses of this nature during the year.

3.- Investments in research and development.

The Company has not activated, during 2018, any amount for investments in Research and Development.

4.- Treasury stock.

The possibility to acquire treasury stock was authorized by the General Shareholders' Meeting held on May 19, 2015, being able to acquire up to 2,000,000 shares for a price from 0.01 to 5 Euros during a 5-year term to be counted from such date, in order to comply with the Incentive Plan for administrators, management, employees and collaborators, in order to motivate and retain its key personnel.

On February 3, 2016 the Board of Directors agreed to acquire shares of Grenergy Renovables S.A. in treasury stock, up to 0.8% of the share capital (equivalent to 181,818 shares) for the company to have the necessary coverage to grant stock options to the company's directors and employees.

On September 11, 2018, the Company has acquired from the Company's related persons 365,426 treasury stocks at a price of 2.40 Euros per share.

At the date of formulation of the Annual Accounts corresponding to 2018, Greenergy Renovables S.A. counts with treasury stock of 888,177 securities.

5.- Information on the nature and level of the risk of financial instruments.

The Group's management of financial risks is centralized on the Financial Management, which has established the necessary mechanisms to controls credit and liquidity risks. Note 24.1 of the notes to the financial statements indicates the main financial risks that could affect the Group. At 2018 closing, Greenergy has not contracted any financial product that could be considered of risk.

6.- Average period of payment to suppliers.

In compliance with Law 31/2014, of 3 December, which modifies the additional third provision "Duty of information" of Law 15/2010 of 5 July, the Group informs that the Parent Company's average payment period to suppliers is of 62.57 days.

7.- Proposal of application of results.

Net results in the year obtained by Greenergy Renovables, S.A. amount to profits by 8,991,163 Euros, which will be applied to Voluntary Reserves for an amount of 8,786,926 Euros and to capitalization reserve for an amount of 204,237 Euros.

8.- Final considerations.

We would like to thank our clients for their trust, our suppliers and strategic partners, with whom we operate, for their constant support, investors for trusting Greenergy and, particularly, the company's collaborators and workers, because without their effort and dedication it would be hard to reach the proposed goals and results obtained.

Formulation of the Annual Accounts

The Annual Accounts and Management Report of 2018 have been formulated by the Board of Directors of GREENERGY RENOVABLES, S.A., in their meeting held on March 28, 2019, with a view to their verification by auditors and subsequent approval by the General Shareholders' Meeting.

Mr. Florentino Vivancos Gasset is authorized to sign all pages comprised on the Annual Accounts and Management Report of 2018.

Mr. David Ruiz de Andrés
(Managing Director)

Daruan Group Holding, S.L. (Board Member)
(represented by Mr. Antonio Jiménez Alarcón)

Mr. Florentino Vivancos Gasset
(Board Member)

Ms. Ana Peralta Moreno
(Board Member)

Mr. Nicolás Bergareche Mendoza
(Board Member)