



GREENVOLT – ENERGIAS RENOVÁVEIS, S.A.

Public limited liability company (*sociedade anónima*)

Registered office: Rua Manuel Pinto de Azevedo 818, 4100-320 Porto, Portugal

Fully subscribed and paid-up share capital: €267,099,997.50

Registered at the Commercial Registry Office of Lisbon under the sole registration and taxpayer number 506 042 715

PROSPECTUS

FOR

PUBLIC SUBSCRIPTION OFFER AND ADMISSION TO TRADING ON EURONEXT LISBON OF 17,792,576 ORDINARY NOMINATIVE BOOK-ENTRY SHARES, WITHOUT NOMINAL VALUE, REPRESENTING APPROXIMATELY 12.785 PERCENT OF THE SHARE CAPITAL OF GREENVOLT – ENERGIAS RENOVÁVEIS, S.A. FOLLOWING THE FULL SUBSCRIPTION OF THE SHARE CAPITAL INCREASE, WITH SUBSCRIPTION RESERVED FOR SHAREHOLDERS IN THE EXERCISE OF THEIR CORRESPONDING PRE-EMPTION RIGHTS AND OTHER INVESTORS WHO ACQUIRE SUBSCRIPTION RIGHTS

This Prospectus should be read together with the documents incorporated by reference, which form part of it.

AN INVESTMENT IN NEW SHARES INVOLVES A HIGH DEGREE OF RISK. SEE THE CHAPTER ENTITLED “RISK FACTORS”, BEGINNING ON PAGE 40, FOR A DISCUSSION OF IMPORTANT MATTERS INVESTORS SHOULD CONSIDER PRIOR TO MAKING AN INVESTMENT IN NEW SHARES.

9 June 2022

JOINT GLOBAL COORDINATORS



JOINT BOOKRUNNERS



MEDIOBANCA

FINANCIAL ADVISOR

LAZARD

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INTRODUCTION AND WARNINGS

All capitalised terms have the meanings ascribed to them in Chapter 1 (*“Definitions”*). All references to laws and regulations refer to such laws and regulations as amended from time to time. All time references are to Lisbon time.

Greenvolt – Energias Renováveis, S.A. (**“GreenVolt”** or the **“Issuer”**) intends to carry out a share capital increase by means of contributions in cash in the maximum aggregate amount of €99,994,277.12.

This Prospectus relates to the public subscription offer and admission to trading on Euronext Lisbon of 17,792,576 ordinary nominative book-entry shares, with no nominal value (**“New Shares”**), representing approximately 12.785 percent of the Issuer’s share capital after the relevant share capital increase has been fully paid up (**“Offer”**), with subscription reserved for GreenVolt shareholders in the exercise of their corresponding pre-emption rights to subscribe New Shares, and which, under applicable law and the terms of the Offer, may also be acquired by investors in transactions executed over the counter or in Euronext Lisbon (**“Subscription Rights”**). The New Shares are expected to be admitted to listing and trading on Euronext Lisbon.

This prospectus (**“Prospectus”**) was drawn up and approved on 9 June 2022 by the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*) (**“CMVM”**), as competent authority under Regulation (EU) no. 2017/1129 of the European Parliament and of the Council, of 14 June 2017 (the **“Prospectus Regulation”**) and the Portuguese Securities Code (*Código dos Valores Mobiliários*), approved by Decree-Law no. 486/99, of 13 November (the **“Portuguese Securities Code”**).

The Prospectus has been prepared for the purposes set forth in Articles 1(1) and 3(3) of the Prospectus Regulation and its form and content comply with the Commission Delegated Regulation (EU) 2019/979 of 14 March 2019, supplementing the Prospectus Regulation (**“Delegated Regulation 2019/979”**), Commission Delegated Regulation (EU) 2019/980, of 14 March 2019, supplementing the Prospectus Regulation (**“Delegated Regulation 2019/980”**), and any other applicable legal and regulatory provisions in connection with the Offer and the admission to trading of the New Shares and the Subscription Rights on Euronext Lisbon.

The Prospectus expires on 9 June 2023, that is, 12 months after its approval and provided that it is supplemented by any supplements required under Article 23 of the Prospectus Regulation.

The CMVM only approves this Prospectus in terms of it meeting the standards of completeness, consistency and comprehensibility imposed by the Prospectus Regulation. Hence, the approval of the Prospectus by the CMVM is not an endorsement of the Issuer or of the quality of the New Shares or the Subscription Rights.

The persons or entities that, under the provisions of Articles 149 and 238 of the Portuguese Securities Code and Article 11(1) of the Prospectus Regulation, are responsible for the completeness, veracity, validity, clarity, objectivity and lawfulness of the information contained in this Prospectus being complete, true, up-to-date, clear, objective and lawful are indicated in Chapter 8 (*“Responsibility for the Information contained in the Prospectus”*).

Under the provisions of Article 11(2) of the Prospectus Regulation and Article 149(4) of the Portuguese Securities Code, the persons or entities responsible for the information contained in the Prospectus may not be held liable solely on the basis of the summary, or any translation thereof, unless the summary, when read together with other parts of the Prospectus, contains misleading, inaccurate or inconsistent references or does not provide key information necessary for investors to determine whether and when to invest in the New Shares or the Subscription Rights.

Under the provisions of Article 234(2) of the Portuguese Securities Code, the decision to admit securities to trading by Euronext “does not extend to any guarantee over the contents of the information, the economic and financial situation of the issuer, its viability or the quality of the securities admitted”.

Other than the Issuer, no entity has been authorised to provide information or make any statement not contained in this Prospectus or which contradicts information contained in this Prospectus. If a third party were to issue such information or statement, it should not be regarded as authorised by (or made on behalf of) the Issuer and as such should not be regarded as reliable.

The existence of this Prospectus does not ensure that the information contained in it will remain unchanged from the date of its availability. Pursuant to Article 23 of the Prospectus Regulation, every significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus which may affect the assessment of the New Shares or the Subscription Rights, and which arises or is noted between the time when the Prospectus is approved and the start of trading on Euronext Lisbon, shall be mentioned in a supplement to the Prospectus without undue delay. Such supplement shall be approved in the same way as the Prospectus, within a maximum of five working days, and published in accordance with at least the same arrangements as were applied when the original Prospectus was published (see Chapter 0 (“*Information incorporated by reference and documentation available to the public*”). The summary, and any translations thereof, shall also be supplemented, where necessary, to take into account the new information included in the supplement.

The main risks associated with the Issuer’s activity, its shareholder structure and the New Shares to be subscribed, or the Subscription Rights to be purchased, are detailed in Chapter 3 (“*Risk Factors*”). Potential investors should carefully consider the risks referred to and the other warnings contained in this Prospectus before making any investment decision. If any doubts remain regarding these matters, potential investors should consult their legal, tax and financial advisors. Prospective investors should also inform themselves of any applicable legal and tax implications in their country of residence arising from the subscription, purchase, holding or disposal of the New Shares or the Subscription Rights, as the tax legislation of Portugal and of each investor’s Member State may have an impact on the income received from the New Shares.

Notwithstanding the duties of information and suitability imposed on financial intermediaries, each prospective investor must make its own determination of the suitability of subscribing any New Shares or of purchasing the Subscription Rights or any other Shares, with reference to its own investment objectives and experience, and any other factors that may be relevant to it in connection therewith. Prior to an investment decision, and to the extent applicable, each prospective investor should consult with its legal advisers to determine whether and to what extent (i) the New Shares and the Subscription Rights are investments permitted by law; (ii) the New Shares and the Subscription Rights may be used as collateral for various types of borrowings; and (iii) other restrictions apply to the subscription, purchase, offer, sale or pledge of any of the New Shares or the Subscription Rights. Financial institutions should consult their legal advisers and the relevant regulatory authorities to determine the appropriate treatment of the New Shares and/or of the Subscription Rights under any applicable rules.

In particular, potential investors should have: (i) sufficient knowledge and experience to carry out a careful assessment of the New Shares and the Subscription Rights, the advantages and risks of investing in the New Shares or the Subscription Rights, and the information contained or incorporated by reference in this Prospectus or any supplement thereto; (ii) access to and be knowledgeable about appropriate analytical instruments to assess, in the context of their own particular

financial conditions, an investment in the New Shares or in the Subscription Rights and its impact on their investment portfolio; (iii) sufficient financial resources and liquidity to support all the risks inherent to an investment in the New Shares or the Subscription Rights; (iv) an in-depth understanding of the terms and conditions applicable to the New Shares and the Subscription Rights; (v) be familiar with the relevant financial markets, if necessary with the advice of a financial adviser or other suitable adviser; and (vi) be able to assess possible scenarios regarding economic, tax and interest rates factors, or any others that may affect their investment and ability to bear the applicable risks.

Accordingly, each prospective investor acknowledges that: (i) it has not relied on BNP PARIBAS and Banco Santander, S.A. (the “**Joint Global Coordinators**”) or on CaixaBank, S.A., Caixa – Banco de Investimento, S.A., Mediobanca Banca di Credito Finanziario S.p.A. or JB Capital Markets, S.V, S.A.U. (the “**Joint Bookrunners**” and, together with the Joint Global Coordinators, the “**Managers**”), or any person affiliated with any of the Managers, and/or its representatives, regarding the accuracy of any information; (ii) it has only relied on the information contained in this Prospectus; and (iii) no person has been authorised to provide any information or to make any representation concerning the Issuer or its subsidiaries, or the New Shares or the Subscription Rights (without prejudice to the information contained herein), and, if provided or made, any such information or representation should not be relied upon as having been authorised by the Issuer or the Managers (without prejudice to the information contained herein).

ANY INVESTMENT DECISION SHOULD BE MADE BASED ON THE PROSPECTUS AS A WHOLE AND FOLLOWING AN INDEPENDENT EVALUATION OF THE ISSUER’S ECONOMIC CONDITION, FINANCIAL POSITION AND OTHER DETAILS. NO INVESTMENT DECISION SHOULD BE TAKEN BEFORE THE PROSPECTIVE INVESTOR’S (OR ITS ADVISORS’) PRIOR REVIEW OF THE PROSPECTUS AS A WHOLE. HOWEVER, THIS PROSPECTUS DOES NOT CONSTITUTE A RECOMMENDATION BY THE ISSUER OR AN INVITATION BY THE ISSUER TO SUBSCRIBE THE NEW SHARES OR TO PURCHASE THE SUBSCRIPTION RIGHTS AND DOES NOT CONSTITUTE AN ANALYSIS AS TO THE QUALITY OF THE NEW SHARES OR THE SUBSCRIPTION RIGHTS. ADDITIONALLY, THE CONTENTS OF THIS PROSPECTUS ARE NOT TO BE CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE.

THE DELIVERY OF THIS PROSPECTUS SHALL NOT, UNDER ANY CIRCUMSTANCES, IMPLY THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER OR THAT THE INFORMATION SET FORTH HEREIN IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF, WITHOUT PREJUDICE TO THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS IF AND TO THE EXTENT REQUIRED UNDER APPLICABLE LAWS.

The Managers are acting exclusively for GreenVolt and no one else in connection with the Offer and the admission to trading of the New Shares and the Subscription Rights on Euronext Lisbon, and will not regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Offer and the admission to trading of the New Shares and the Subscription Rights on Euronext Lisbon, and will not be responsible to anyone other than GreenVolt for providing the protections afforded to their respective clients, or for providing advice in relation to the Offer and the admission to trading of the New Shares and the Subscription Rights on Euronext Lisbon or any other transaction, arrangement or matter referred to in this Prospectus.

None of the Managers, nor their respective affiliates, nor any of its or their respective directors, officers, employees or advisers accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to the contents of this Prospectus, including its accuracy, completeness or verification, or any other statement made or purported to be made by it, or on behalf of it, by the Issuer, the members of the Board of Directors or any other person, in connection with the Issuer, and nothing in this Prospectus should be relied upon as a promise or representation in this respect, whether relating to the past, present or future. Each of the Managers and their respective affiliates, and their

respective directors, officers, employees and advisers, disclaims to the fullest extent permitted by law all and any responsibility or liability whatsoever, whether arising in tort, contract or otherwise, which it might otherwise have in respect of this Prospectus or any such statement.

In connection with the Offer, the Managers and any of their respective affiliates may, in accordance with the applicable legal and regulatory provisions, take up a portion of the New Shares and the Subscription Rights in the Offer as a principal position and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own account in securities of the Issuer and related or other securities and instruments (including the New Shares and the Subscription Rights) and may offer or sell such securities otherwise than in connection with the Offer, provided that the Managers and their respective affiliates may not engage in short selling for the purpose of hedging their commitments under the Underwriting Agreement (subject to certain exceptions contained in the Underwriting Agreement). Accordingly, references in this Prospectus to the New Shares or the Subscription Rights being offered or placed should be read as including any Offer or placement of the New Shares or of the Subscription Rights to any of the Managers or any of their respective affiliates acting in such capacity.

Although the Managers are party to various agreements pertaining to the Offer and each of the Managers has entered or might enter into a financing arrangement with the Issuer or any of its affiliates, this should not be considered as a recommendation by any of them to invest in the New Shares or in the Subscription Rights.

DISTRIBUTION RESTRICTIONS

The distribution of this Prospectus and the Offer may be restricted in certain jurisdictions and may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase any New Shares or Subscription Rights in any jurisdiction in which such offer or invitation would be unlawful. The Issuer and the Managers require persons into whose possession this Prospectus comes to inform themselves about and observe all such restrictions. None of the Issuer, the Managers, nor any of their respective affiliates and/or representatives, accepts any legal responsibility for any violation by any person, whether or not a prospective subscriber or purchaser of the New Shares or Subscription Rights, of any such restrictions.

Information to Distributors

Solely for the purposes of the product governance requirements contained in: (a) Directive 2014/65/EU on markets in financial instruments (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) Articles 309-I to 309-N of the Portuguese Securities Code and other Portuguese legislation transposing said Directives (together with the above, the “**Product Governance Requirements**”), after assessing the target market for the New Shares and the Subscription Rights, it was concluded that the New Shares and the Subscription Rights (i) are compatible with a target market of eligible counterparties, professional investors and non-professional investors, which include shareholders of the Issuer and the addressees of this Offer; and (ii) may be distributed through all distribution channels permitted by law to the eligible counterparties, professional investors and non-professional investors referred to above (the “**Target Market Assessment**”).

Under the applicable laws, any entity or person who proposes, sells or recommends the New Shares or the Subscription Rights (a “**Distributor**”) must take into account the target market; nonetheless, a distributor subject to MiFID II is

responsible for carrying out its own assessment of the target market in relation to the New Shares and the Subscription Rights (adopting or changing the assessment on the target market) and for determining the appropriate distribution channels.

Notwithstanding the Target Market Assessment, “distributors” (for the purposes of the Product Governance Requirements) should note that: the price of the New Shares and the Subscription Rights may decline and investors could lose all or part of their investment; the New Shares and the Subscription Rights offer no guaranteed income and no capital protection; and an investment in the New Shares or in the Subscription Rights is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is provided for information purposes only and is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer (including the “*Risk Factors*” included herein).

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or Chapter 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Shares and the Subscription Rights.

Each Distributor is responsible for undertaking its own target market assessment in respect of the New Shares and determining appropriate distribution channels.

Notice to prospective investors in the United States

Neither the New Shares nor the Subscription Rights have been registered under the U.S. Securities Act or with any securities regulatory authority of any state of the U.S. for offer or sale as part of their distribution and may not be offered or sold within the U.S. unless the New Shares or the Subscription Rights are registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available. All offers and sales of the New Shares or the Subscription Rights will be made outside the U.S. in “offshore transactions” as defined in, and in compliance with, Regulation S and in accordance with applicable law. The distribution of this Prospectus and the offer and sale of the New Shares or the Subscription Rights in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. See Chapter 20 (“*Selling and Transfer Restrictions*”).

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY U.S. STATE SECURITIES COMMISSION NOR ANY NON-U.S. SECURITIES AUTHORITY HAS APPROVED OR DISAPPROVED THESE SECURITIES OR DETERMINED THAT THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Notice to Investors in the European Economic Area

This Prospectus has been prepared on the basis that any offer to subscribe New Shares or to acquire Subscription Rights and thereafter subscribe New Shares in any Member State of the European Economic Area (the “**EEA**”) (except Portugal) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the New Shares or the Subscription Rights. Accordingly, any person making or intending to make an offer of the New Shares or the Subscription Rights in any such Member State (except Portugal) may only do so in circumstances where no obligation arises for the Issuer or any of the Managers to publish a prospectus pursuant to Article 1 of the

Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. Neither the Issuer nor the Managers have authorised, nor do they authorise, the making of any offer of the New Shares or the Subscription Rights in circumstances where an obligation arises for the Issuer or the Managers to publish or supplement a prospectus for such offer (except in what concerns the Offer, made in Portugal).

Notice to Investors in the United Kingdom

For persons in the United Kingdom, this Prospectus and the Offer (when made) are only addressed to, and directed at, persons who are “qualified investors” within the meaning of the Prospectus Regulation, as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”) (the “UK Prospectus Regulation”), who: (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); (ii) fall within Article 49(2)(a) to (d) of the Order; or (iii) are otherwise persons to whom it may otherwise lawfully be communicated (all such persons being referred to as “Relevant Persons”). In the United Kingdom, this Prospectus is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Prospectus relates is available in the United Kingdom only to Relevant Persons and will be engaged in only with such persons.

PRESENTATION OF FINANCIAL INFORMATION

Under Article 8(1) of the Portuguese Securities Code, annual financial information contained in the accounts or prospectus that is (i) submitted to the CMVM; or (ii) published following any request for admission to trading on regulated markets shall be subject to an auditor’s report prepared by a statutory auditor or an audit firm.

This Prospectus is in compliance with ESMA’s Guidelines on Alternative Performance Measures and the Q&A on Alternative Performance Measures Guidelines published in April 2022.

Except when explicitly mentioned otherwise, financial information included in this Prospectus is presented in euro, rounded to the nearest unit, and has been prepared in accordance with the basis of preparation disclosed in Note 3 of the 2021 Annual Audited Consolidated Financial Statements in accordance with IFRS-EU.

This Prospectus includes by reference the Annual Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements.

Basis of preparation of the Annual Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements

The Issuer prepared historical audited consolidated financial statements in accordance with IFRS-EU until 31 December 2017. In November 2018, Altri, SGPS, S.A. acquired from EDP the remaining 50 percent of the shares representing the Issuer’s share capital at the time. From then until listing of the Shares in July 2021, the Issuer and its subsidiaries were included in Altri Group’s consolidated financial statements using the full consolidation method. It therefore made use of the exemption provided under Article 7(3)(b) of Decree-Law no. 158/2009, of 13 July 2009, and has not prepared consolidated financial statements since that date. However, considering the process of listing of the Issuer’s shares in July 2021, the Issuer prepared the historical consolidated financial statements for the years as at and for the years ended 31 December 2018, 2019 and 2020. Afterwards, the Issuer prepared consolidated financial statements for the year ended 31 December 2021.

The Group's historical consolidated financial information, as at and for the years ended 31 December 2019, 2020 and 2021, presented in this Prospectus has been extracted or derived from the Annual Audited Consolidated Financial Statements. The Issuer's selected historical consolidated financial information as at and for the three months ended 31 March 2022 is extracted or derived from the Unaudited Condensed Consolidated Interim Financial Statements, which were prepared in accordance with IAS 34.

The annual financial information in this Prospectus has been derived from the Annual Audited Consolidated Financial Statements. These have been prepared in accordance with the basis of preparation disclosed in Note 3 of the Annual 2021 Audited Consolidated Financial Statements and Note 4 of the 2018 - 2020 Annual Audited Consolidated Financial Statements, in accordance with IFRS-EU, applicable as at 1 January of 2021 and as at 1 January 2020, respectively. The Annual Audited Consolidated Financial Statements and related notes have been audited by Deloitte, as statutory independent external auditor, who issued unqualified opinions for each of the periods, as stated in its reports appearing therein. The Unaudited Condensed Consolidated Interim Financial Statements and related notes have not been audited nor reviewed by an independent auditor. The Issuer included in Note 6 of the Unaudited Condensed Interim Consolidated Financial Statements information regarding the restated consolidated statement of financial position as at 31 December 2021 as well as the restated consolidated income statement for the year then ended as comparative unaudited financial information, mainly as a consequence of:

- (i) The adjustment of the purchase price allocation of Tilbury Green Power Holdings within the 12 months window established on the accounting standards on a definitive basis. As referred in the 2021 Annual Audited Consolidated Financial Statements, as at 31 December 2021, the goodwill calculation was provisional and was concluded in the first quarter of 2022, leading to a decrease of goodwill amounting to €9,825,916, and an increase of intangible assets in the amount of €12,542,454 and an increase in deferred tax liabilities amounting to €3,081,539 (all amounts as at 31 December 2021). The impact in the consolidated net profit for the year ended 31 December 2021 amounted to a decrease of €360,109, as a result of the increase in depreciation and amortisation, less income tax from the acquisition date to 31 December 2021; and
- (ii) The recognition of deferred tax assets in Perfecta Energía, deriving from the ongoing purchase price allocation exercise in that subsidiary, leading to a decrease in goodwill of €241,749 and to an increase in deferred tax assets of €573,000 and in total equity, in the caption non-controlling interests amounting to €331,251 (all amounts as at 31 December 2021). As at 31 March 2022, the goodwill of Perfecta is still provisional.

As a result of the restatement, the Non-current assets as at 31 December 2021 have increased from €676,299,470 to €679,347,259 and the Non-current liabilities have increased from €580,565,975 to €583,647,514.

The main accounting policies adopted in the preparation of the 2018 - 2020 Annual Audited Consolidated Financial Statements are described in Note 5 of the 2018 - 2020 Annual Audited Consolidated Financial Statements, including the adoption of IFRS 16 – Leases from 1 January 2019 onwards. The impacts of the first-time adoption of IFRS 16 are disclosed in detail in Note 5 of the 2018 - 2020 Annual Audited Consolidated Financial Statements concerning the year of 2020. The main accounting policies adopted in the preparation of the 2021 Annual Audited Consolidated Financial Statements and Unaudited Condensed Consolidated Interim Financial Statements are described in Note 3 of the 2021 Annual Audited Consolidated Financial Statements.

The accompanying Annual Audited Consolidated Financial Statements and Unaudited Condensed Consolidated Interim Financial Statements, were prepared from the accounting books and records of the Issuer and its subsidiaries, adjusted

in the consolidation process, on a going concern basis. When preparing the consolidated financial statements, the Group used historical cost as its basis, modified, where applicable, via fair-value measurement.

All transactions, balances, cash flows and dividends distributed among Group companies have been eliminated in the consolidation process, as have unrealised gains on transactions between Group companies. Unrealised losses have also been eliminated when they do not indicate an impairment of the transferred asset. All transactions and balances with parent entities outside the perimeter of the Group are reflected as related-party transactions and balances.

MARKET AND INDUSTRY DATA

GreenVolt has generally obtained the market, industry and competitive position data in this Prospectus from industry publications and surveys or studies conducted by third-party sources that we believe to be reliable. Such data has been accurately reproduced, and as far as GreenVolt is aware and able to ascertain, no facts have been omitted which, to its knowledge, would render the reproduced information inaccurate or misleading. Generally, industry publications, surveys and studies contain forecasts, predictions and other forward-looking statements, which are subject to risks and uncertainties. In addition, certain statements in this Prospectus regarding the Group's industry and its position have been based on GreenVolt's experience and its own investigation of market conditions, though generally subject to assumptions and estimates. GreenVolt cannot assure you that any of these assumptions or estimates are reasonable or that these statements correctly reflect its position in the relevant industry, and none of its internal surveys or information have been verified by any independent sources. GreenVolt furthermore confirms that the information obtained from third parties included in this Prospectus has been rigorously reproduced and that, as far as it is aware and could verify, based on documents disclosed by such third parties, no facts which omission could result in the information becoming less rigorous or misleading were omitted.

FORWARD-LOOKING STATEMENTS

This Prospectus includes "forward-looking statements" within the meaning of the securities laws of certain jurisdictions. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "target", "believe", "estimate", "anticipate", "expect", "aim", "plan", "seek", "intend", "may", "might", "will", "could", "continue", "is likely to", "forecast", or "should" or, in each case, their negative, or other variations or comparable terminology. Forward-looking statements include all statements that are not historical facts. Forward-looking statements appear in a number of places in this Prospectus and include, among other things, statements addressing matters such as: (i) the Issuer's strategy, outlook and growth prospects; (ii) the Issuer's financial condition; (iii) the Issuer's working capital, cash flow and capital expenditures; (iv) the Issuer's dividend policy; (v) the Issuer's business strategy, plans and objectives for future products and services, future operations and events; (vi) the Issuer's management targets; (vii) the impact of regulation on the Issuer's operations; (viii) general economic trends and trends in the Issuer's industry; and (ix) the competitive environment in which the Issuer operates.

Although the Issuer believes that the expectations reflected in these forward-looking statements are reasonable, by their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and the Issuer's actual results of operations, financial condition and liquidity, and the development of the industry in which the Issuer's operates, may differ materially from those made in or suggested by the forward-looking statements contained in this Prospectus. Potential investors should not place undue reliance on these forward-

looking statements. In addition, even if the Issuer's actual results of operations, financial condition and liquidity, and the development of the industry in which the Issuer operates, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Accordingly, risks, uncertainties and other important factors could cause actual results of the Issuer to differ materially from those expressed or implied in forward-looking statements.

These risks and others described under "*Risk Factors*" are not exhaustive. Other sections of this Prospectus describe additional factors that could adversely affect the Issuer's results of operations, financial condition, liquidity and the development of the sectors in which the Issuer operates. New risks can emerge from time to time and it is not possible for the Issuer to predict all such risks, nor can the Issuer assess the impact of all such risks on its business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, potential investors should not rely on forward-looking statements as a prediction of actual results. Potential investors should read the Chapter entitled "*Risk Factors*" for a more complete discussion of the factors that could affect the Issuer's future performance and the industry in which it operates.

The Issuer undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, including, without limitation, changes in the Issuer's business or acquisition strategy or planned capital expenditures, or to reflect the occurrence of unanticipated events, except as required by law or by the rules and regulations of the CMVM and Euronext Lisbon. All subsequent written and oral forward-looking statements attributable to the Issuer or to persons acting on the Issuer's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

ALTERNATIVE PERFORMANCE MEASURES

In accordance with the ESMA Guidelines on Alternative Performance Measures, of 5 October 2015 (ESMA/2015/1415) (the "**Guidelines**"), the "operating income", "EBITDA", "Adjusted EBITDA", "EBIT" and "Net debt" are examples of alternative performance measures ("**APMs**") determined from, or based on, the consolidated financial statements prepared in accordance with the applicable financial reporting framework.

In accordance with the aforementioned Guidelines it must be disclosed, (i) the definitions of the alternative performance measures used, (ii) a reconciliation of the alternative performance indicator with the total, subtotal or item with the most direct reconciliation presented in the financial statements corresponding period, and (iii) an explanation for the use of alternative performance measures and comparative data.

This Prospectus contains management APMs used by management to evaluate GreenVolt's overall performance, business and operations. These APMs are not audited, or subject to review by the Issuer's statutory independent external auditors and are not measurements required by, or presented in accordance with, IFRS-EU or any other applicable accounting framework.

The Issuer has presented these non-IFRS measures in this Prospectus because it considers them to be important supplemental measures of performance and believes that they are widely used by investors, securities analysts admitted to trading and other interested parties to compare performance between companies and enhance their understanding of the business, position, financial autonomy, and Group's results. Since not all companies compute these or other non-

IFRS financial measures in the same way, the manner in which management has chosen to compute the non-IFRS financial measures presented herein may not be comparable with similarly defined terms used by other companies.

However, such measures are not a financial measure defined in IFRS-EU and therefore cannot be considered a substitute to any indications of operating performance or as measures defined in IFRS-EU, such as income, turnover, gross income, other income, net income or operational cash flows operational, investment or financing activities, or any other measure related to the Issuer's profitability or liquidity in accordance with IFRS-EU. The non-IFRS financial measures do not necessarily indicate whether cash flow will be sufficient or available to meet cash requirements and may not be indicative of historical operating results, nor are such measures meant to be predictive of future results.

These measures should not be considered in isolation. Therefore, it must be considered only in addition to the financial information prepared in accordance with IFRS-EU. Investors are cautioned not to place undue reliance on these APMs and are advised to review these APMs in conjunction with the Annual Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements and accompanying notes.

Alternative performance measures, as defined in this Prospectus, may not be comparable with measures with identical designation used by other companies, since other companies, even in the same sector of activity may calculate differently similarly titled measures, so that such similarly titled measures may not be comparable to that of the Issuer.

Each of the non-IFRS-EU financial measures presented as APMs in this Prospectus¹ are defined in Chapter 1 (*"Definitions"*) and Chapter 13.1.4 (*"Alternative Performance Measures"*) below.

For a reconciliation of each of the above alternative performance measures to the most directly reconcilable line item, subtotal or total presented in the Annual Audited Consolidated Financial Statements, please see Section 13.1.4 (*"Alternative Performance Measures"*).

¹ Minor adjustments to each definition have been made to reflect the current material situation of the Issuer.

1. DEFINITIONS

Except as otherwise required by the context, the following terms used in this Prospectus shall have the following meaning:

“**AdC**” means the Portuguese Competition Authority.

“**Adjusted EBIT**” means EBIT excluding non-recurring transaction costs and impairment reversals in non-current assets.

“**Adjusted EBIT Margin**” means the APM Adjusted EBIT as a percentage of Total Income.

“**Adjusted EBITDA**” means the EBITDA excluding (i) non-recurring transaction costs, which are essentially related to business combinations / acquisitions performed by the Group, and (ii) other income from claim compensation from property damage.

“**Adjusted EBITDA Margin**” means the APM Adjusted EBITDA as a percentage of Total Income.

“**Adjusted Net Profit**” means the consolidated net profit for the year excluding impairment reversals /(losses) in non-current assets.

“**ADMIE**” means independent power transmission operator.

“**AEPO**” means a Greek Environmental Conditions Approval Decision.

“**AEPS**” means Pennsylvania Alternative Energy Portfolio Standard.

“**AERS**” means Agency for Energy of the Republic of Serbia that was established as a regulatory body with competences covering electricity, natural gas, oil and oil product, and CHP heat energy sectors.

“**AIB**” means the Association of Issuing Bodies, developer and promoter of a European, harmonised and standardised system of energy certification for all energy carriers: the European Energy Certificate System.

“**AIncA**” means the Assessment of Environmental Incidents (*Avaliação de Incidências Ambientais*).

“**Altri**” means Altri, SGPS, S.A.

“**Altri Florestal**” means Altri Florestal, S.A.

“**Altri Group**” means Altri and its subsidiaries.

“**Altri Madeira**” means Altri Abastecimento de Madeira, S.A.

“**Altri SL**” means Altri, Participaciones Y Trading, S.L.

“**Annual Audited Consolidated Financial Statements**” means the 2018-2020 Annual Audited Consolidated Financial Statements and the 2021 Annual Audited Consolidated Financial Statements.

“**ANRE**” means the Romanian National Energy Regulatory Authority.

“**APA**” means the Portuguese Environment Agency (*Agência Portuguesa do Ambiente*).

“**APMs**” means Alternative Performance Measures.

“**Articles of Association**” means the articles of association of the Issuer.

“**Base Commission**” has the meaning ascribed thereto in Section 16.4 (“*Underwriting*”).

“Biomass Power Plants” means all the power generating facilities directly or indirectly owned by the Issuer that produce electricity through direct combustion of biomass, located in Portugal and in the United Kingdom.

“Biomass Supply Agreement” means each of the long-term biomass supply agreements entered into by and between each of GreenVolt or its subsidiaries and Altri Madeira in relation to each of the Portuguese Biomass Power Plants.

“Board of Directors” means the board of directors of the Issuer.

“Biotek” means Biotek, S.A. (formerly Celtejo - Empresa de Celulose do Tejo S.A.)

“Bulgarian Electricity System Security Fund” means the governmental authority in Bulgaria that has become the financial counterparty under all contracts for Feed-in Premium payments in Bulgaria.

“Bulgarian Energy Act” means the Bulgarian Energy Act promulgated in State Gazette on 9 December 2003, in force as of 13 December 2003, as amended from time to time.

“Bulgarian Energy from Renewable Sources Act” means the Bulgarian Energy from Renewable Sources Act promulgated in State Gazette on 3 May 2011, as amended from time to time.

“Bulgarian National Energy and Climate Plan” means the integrated national energy and climate plan under Article 3 of Regulation (EU) 2018/ 1999 of the European Parliament and the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action.

“Bulgarian National Recovery Plan(-s)” means the member states’ national recovery and resilience plans under the EU Recovery and Resilience Facility in response to the COVID-19 crisis, addressing common European challenges by embracing the green and digital transitions, strengthening economic and social resilience and cohesion of the single market.

“Bulgarian Protection of the Environment Act” means the Bulgarian Protection of the Environment Act promulgated in Bulgarian State Gazette on 25 September 2002, in force as of 29 September 2002, as amended from time to time.

“CA” means compatibility assessment.

“CARD” means distribution network access agreement (*convention d'accès au réseau de distribution*).

“CAGR” means Compound Annual Growth Rate.

“Caima Energia” means Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.

“Caima Indústria” means Caima – Indústria de Celulose, S.A.

“CaixaBI” means Caixa – Banco de Investimento, S.A., with registered office at Avenida João XXI, n.º 63, 1000-300, Lisboa, Portugal.

“Capital Expenditure (Capex)” means the APM acquisition costs incurred during the year classified as property, plant and equipment and intangible assets.

“CCDR” means the Regional Coordination and Development Commission, which notably acts as regional environmental authority.

“CCGT” means combined cycle gas turbine.

“**CELS**” means the Mexican clean energy certificates in order to foster green power generation, obliging companies to obtain a certain amount of electricity from such sources to meet national climate goals.

“**Celbi**” means Celulose Beira Industrial (Celbi), S.A.

“**CENACE**” means the Mexican National Energy Control Center (*Centro Nacional de Control de Energía*).

“**CES**” means Massachusetts Clean Energy Standard.

“**CESE**” means the extraordinary contribution on the energy sector.

“**CfD**” means contract for difference.

“**CFE**” means the Mexican Federal Electricity Commission (*Comisión Federal de Electricidad*).

“**CHP**” means combined heat and power.

“**CIEG**” means the costs of general economic interest.

“**CIT**” means corporate income tax (*Imposto sobre o Rendimento de Pessoas Coletivas*).

“**Climate Framework Law**” means Law no. 98/2021, of 31 December.

“**CMVM**” means the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*).

“**CNH**” means the Mexican National Hydrocarbons Commission (*Comisión Nacional de Hidrocarburos*).

“**CNMC**” means the Spanish National Commission on Markets and Competition (*Comisión Nacional de Mercados y Competencia*), i.e. a Spanish public agency to which the settlement and payment of the specific remuneration corresponds, owed to the electric energy production facilities from renewable energy sources.

“**Circular 1/2021**” means CNMC Circular 1/2021, of 20 January 2021, on grid access and connection conditions (*Circular 1/2021 sobre condiciones de acceso y conexión a la red*).

“**Circular 2/2021**” means CNMC Circular 2/2021, of 10 February 2021, on the methodology and conditions of electricity labeling to inform about the origin of the electricity consumed and its impact on the environment (*Circular 2/2021, de 10 de febrero, por la que se establece la metodología y condiciones del etiquetado de la electricidad para informar sobre el origen de la electricidad consumida y su impacto sobre el medio ambiente*).

“**Circular 1/2018**” means CNMC Circular 1/2018, of 18 April 2018, on the management of the system of guarantee of origin of electricity from renewable energy sources and high efficiency cogeneration (*Circular 1/2018, de 18 de abril, por la que se regula la gestión del sistema de garantía de origen de la electricidad procedente de fuentes de energía renovables y de cogeneración de alta eficiencia*).

“**COD**” means commercial operation date.

“**CO₂**” means carbon dioxide.

“**Cortesia Versátil**” means Cortesia Versátil, Lda.

“**Constância Power Plant**” means the Portuguese Biomass Power Plant located in Constância, owned and operated by the Issuer, as described in Section 10.1 (“*Main Activities of the Issuer*”).

“**CONUEE**” means the Mexican National Commission for Efficient Use of Energy (*Comisión Nacional para el Uso Eficiente de la Energía*).

“**Conventions**” means conventions entered into by Portugal for the avoidance of double taxation.

“**CRE**” means the Mexican Energy Regulatory Commission (*Comisión Reguladora de Energía*).

“**CVM**” means the central securities depository (*Central de Valores Mobiliários*) managed by Interbolsa.

“**DAPEEP**” means the Greek company under the name “Renewable Energy Sources and Guarantees of Origin Operator S.A.”

“**Decree-Law no. 189/88**” means Decree-Law no. 189/88, of 27 May, which set forth the general principals of the electricity generation framework, together with the applicable guaranteed remuneration.

“**Decree-Law no. 29/2006**” means Decree-Law no. 29/2006, of 15 February, establishing the general principles for the organisation and operation of the National Electricity System, as well as the exercise of generation, transmission, distribution and supply activities.

“**Decree-Law no. 172/2006**” means Decree-Law no. 172/2006, of 23 August, establishing the legal framework for generation, transmission, distribution and supply activities.

“**Decree-Law no. 141/2010**” means Decree-Law no. 141/2010, of 31 December, establishing the legal framework for the Guarantees of Origin.

“**Decree-Law no. 5/2011**” means Decree-Law no. 5/2011, of 10 January, which approved several measures to promote the production of forest biomass and to ensure the supply of energy from the Portuguese Biomass Power Plants.

“**Decree-Law no. 64/2017**” means Decree-Law no. 64/2017, of 12 June, which granted certain municipalities the possibility of installing and operating biomass power plants, by creating a special regime and benefits for the municipalities in question.

“**Decree-Law no. 15/2022**” means Decree-Law no. 15/2022, of 14 January, establishing the legal framework of the National Electricity System.

“**Decree-Law no. 30-A/2022**” means Decree-Law no. 30-A/2022, of 18 April, establishing temporary measures aimed at simplifying the procedures for producing energy from renewable sources.

“**Decree-Law no. 33/2022**” means Decree-Law no. 33/2022 of 14 May which establishes an exceptional and temporary mechanism for adjusting production costs within the scope of the MIBEL.

“**Defaulted Shares**” has the meaning ascribed thereto in Section 16.4 (“*Underwriting*”).

“**Delegated Regulation 2019/979**” means Commission Delegated Regulation (EU) 2019/979 of 14 March 2019, supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council, with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus and the notification portal, and repealing Commission Delegated Regulation (EU) 382/2014 and Commission Delegated Regulation (EU) 2016/301.

“**Delegated Regulation 2019/980**” means Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, supplementing Regulation (EU) no. 2017/1129 of the European Parliament and of the Council, as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) 809/2004.

“**Deloitte**” means Deloitte & Associados, SROC S.A., with registered office at Avenida Engenheiro Duarte Pacheco, no. 7, 1070-100 Lisbon, Portugal, registered with the Portuguese Institute of Chartered Accountants (*Ordem dos Revisores Oficiais de Contas*) under no. 43 and with the CMVM under no. 20161389.

“**Detailed Zoning Plan**” means detailed zoning plan under Bulgarian law, also known as “Podroben Ustroystven Plan”, which is a plan that specifies the zoning and development of urbanised territories and determines the particular designation and intended development purpose regarding the respective site/ land plot.

“**DGEG**” means the Directorate General for Energy and Geology (*Direção Geral de Energia e Geologia*).

“**DNO**” means Distribution Network Operator.

“**DOF**” means the Mexican Federal Official Gazzette (*Diario Oficial de la Federación*).

“**DREAL**” means the French Regional Directorate for The Environment, Development And Housing (*Direction Régionale Environnement Aménagement Logement*).

“**DSO**” means Distribution System Operator.

“**EA**” means ecological assessment.

“**EBIT**” means earnings before interest, taxes and CESE and is defined as consolidated net profit for the year before financial expenses and financial income, income tax and CESE.

“**EBIT Margin**” means the APM EBIT as a percentage of Total Income.

“**EBITDA**” means the earnings before interest, taxes and CESE, depreciation, amortisation and impairment reversals/ (losses) in non-current assets.

“**EBITDA Margin**” means the APM EBITDA as a percentage of Total Income.

“**EBRD**” means European Bank for Reconstruction and Development.

“**EC**” means the European Commission.

“**EDP**” means EDP – Energias de Portugal, S.A.

“**EDP Group**” means EDP – Energias de Portugal, S.A. and its subsidiaries.

“**EEA**” means the European Economic Area.

“**EEGO**” means the Issuing Body of Guarantees of Origin (*Entidade Emissora de Garantias de Origem*).

“**EEZ**” means exclusive economic zone.

“**EIA**” means Environment Impact Assessment.

“**EIA Authorisation**” means the Mexican Environmental Impact Authorization.

“**EIB**” means the European Investment Bank.

“**EIS**” means Environmental Impact Study.

“**ElncA**” means Environmental Incidents Study (*estudo de incidências ambientais*).

“**Energy Efficiency Directive**” means Directive (EU) 2018/2002 of the European Parliament and of the Council of 11 December 2018 amending Directive 2012/27/EU on energy efficiency.

“**Electricity Framework**” means Decree-Law no. 15/2022.

“**Electricity Industry Act**” means the Mexican Electric Industry Law (*Ley de Industria Eléctrica*).

“**Electricity Reform**” means the initiative that would modify substantial aspects of the power sector in Mexico by amending nine articles of the Electricity Industry Law.

“**EMS**” means Elektromreža Srbije, the state-owned joint stock company that performs the function of a TSO in Serbia.

“**Energia Unida**” means Energia Unida, S.A. (formerly Bioródão, S.A.).

“**Energy Transition Law**” means the Mexican Energy Transition Law (*Ley de Transición Energética*).

“**ENTSO-E**” means European Network of Transmission System Operators for Electricity.

“**EON**” means E.ON AG.

“**EPC**” means any engineering, procurement and construction contracts or supply and installation contracts for the power plants.

“**EPS**” means <http://www.eps.rs/eng/Pages/Main-information.aspx>, the Serbian state-owned electricity utility company that performs the function of the guaranteed supplier.

“**Equitix**” means Equitix Investment Management Limited.

“**ERCOT**” means Electric Reliability Council of Texas, Inc.

“**ERO**” means the Energy Regulatory Office.

“**ERRE**” means the new economic regime for renewable energies set forth under RD 960/2020.

“**ERSE**” means the Energy Services Regulatory Authority.

“**Escazu Agreement**” means the agreement guarantees the right to access environmental information and participate in environmental decision-making, thereby promoting access to information and access to justice related to environmental matters in Mexico.

“**ESG**” means Environmental, Social and Governance.

“**ESG Risk Rating**” means the ESG risk rating issued by Sustainalytics on 9 June 2021.

“**Esken Renewables Limited**” means the Esken Renewables.

“**ESMA**” means the European Securities and Markets Authority.

“**ETF**” means Enhanced Transparency Framework.

“**ETS**” means Emission Trading Scheme.

“**EU**” means the European Union.

“**Euro**” or “**€**” means the official currency of the EU Member States that adopted the single currency under the Treaty on the Functioning of the EU.

“**Euronext**” means Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.

“**Euronext Lisbon**” means the regulated market named “Euronext Lisbon”, managed by Euronext.

“**European Law on Climate**” means Regulation no. 2021/1119, of the European Parliament and of the Council, of 30 June 2021;

“**EWRC**” means the Bulgarian Energy and Water Regulatory Commission, a specialised body, independent from the executive with reporting obligations to the legislature. EWRC consists of five members, including a Chairperson, all of which are selected and may be removed by the National Assembly (i.e. the legislature).

“**Federal Electricity Commission Law**” means the Mexican Federal Electric Law (*Ley de la Comisión Federal de Electricidad*).

“**FER1 Decree**” means the Italian Ministerial Decree of 4 July 2019 on incentives for renewable sources.

“**Feed-in Tariff**” means a predetermined (regulated) tariff by EWRC, operating as incentive for power generation plants from renewable energy sources or highly efficient co-generation plants in Bulgaria, which the respective offtaker of electricity shall pay to the respective renewable energy or co-generation power plant for electricity generated under a long-term PPA.

“**Feed-in Premium**” means a predetermined (regulated) premium payment by EWRC, operating as an incentive for power generation plants from renewable energy sources or highly efficient co-generation in Bulgaria, which the Bulgarian Electricity System Security Fund pays to the respective renewable or co-generation energy power plant for electricity generated under a long-term contract for premium payments, the effect of which is compensation of power generation for the difference between market prices and former Feed-in Tariff payments prior to the 2018 amendments to the Bulgarian Energy Act.

“**FERC**” means United States Federal Energy Regulatory Commission Regulation.

“**Figueira da Foz I Power Plant**” means the Portuguese Biomass Power Plant located in Figueira da Foz, owned and operated by the Issuer, as described in Section 10.1 (“*Main Activities of the Issuer*”).

“**Figueira da Foz II Power Plant**” means the Portuguese Biomass Power Plant located in Figueira da Foz, owned and operated by Sociedade Bioelétrica do Mondego, as described in Section 10.1 (“*Main Activities of the Issuer*”).

“**Fit for 55**” means the EU’s plan for a green transition in the form of set of proposals to revise and update EU legislation.

“**FPC**” means fixed price certificate.

“**Framework Agreement**” means each of the long-term framework agreements entered into by and between the owner of each Pulp Facility and the developer of the related Portuguese Biomass Power Plant, setting the general terms and conditions applicable to each of the Lease Agreements, PT O&M Agreements and Utilities Agreements.

“**Framework (bases) governing the Wholesale Electricity Market**” mean the framework (bases) governing the Wholesale Electricity Market (*Bases del Mercado Eléctrico*) in Mexico.

“**Framework and regulations governing the Connection and Interconnection of Electric Generation Facilities and Load Points**” means the Mexican framework and regulations governing the connection and interconnection of electric generation facilities and load points (*Manual para la Interconexión de Centrales Eléctricas y Conexión de Centros de Carga*).

“**French Energy Code**” means the French Energy Code (*Code de l’énergie*).

“**French Forest Code**” means the French Forest Code (*Code Forestier*).

“**FPA**” means the United States Federal Power Act.

“**French Planning Code**” means the French Town and Country Planning Code (*Code de l'urbanisme*).

“**FSA**” means the Fuel Supply Agreement entered into by TGP and Esken Renewables.

“**GBP**” means Great British Pound.

“**GC**” means Romanian green certificate.

“**GC support scheme**” means the renewable energy support scheme based on GCs, as introduced by the Romanian Renewable Energy Law.

“**GDP**” means gross domestic product.

“**General Zoning Plan**” means general zoning plan under Bulgarian law, also known “*Obsht Ustroystven Plan*”, which is a plan envisaging the primary designation of territories, determining the general structure and prevailing intended development purpose with respect to sites/ land plots, the type and intended purpose of physical infrastructure and protection of the environment.

“**General Meeting of Shareholders**” means the general meeting of shareholders of the Issuer.

“**Geothermal Energy Law**” means the Mexican Geothermal Energy Law and its Regulations (*Ley de Energía Geotérmica y su Reglamento*).

“**Golditábua**” means Golditábua, S.A.

“**GoOs**” means Guarantees of Origins.

“**Government**” means the Portuguese government, as appointed from time to time.

“**Governmental Order no. 76/2021**” means Governmental Order no. 76/2021, of 1 April.

“**Green Mind Ventures**” means Green Mind Ventures Energy SL.

“**Green Deal**” means an EU package of policy initiatives, which aims to set the EU on the path to a green transition, with the ultimate goal of reaching climate neutrality by 2050, as outlined in Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, Brussels, 11.12.2019, COM(2019) 640 final.

“**Greenshoe Option**” means the option granted by the Issuer to BNP PARIBAS and CaixaBank, S.A, in July 2021, in the context of the admission to trading on Euronext Lisbon of all of the shares representing the Issuer’s share capital, to subscribe new shares issued by the Issuer at the price of €4.25, for the purpose of covering short positions resulting from overallotments or from sales of the Issuer’s shares in that context.

“**GreenVolt HoldCo**” means Greenvolt Energias Renovaveis Holdco Limited.

“**Grid Operator**” means either the TSO or the DSO.

“**Gross Value Added**” means the measure of the value of goods and services produced in an area, industry or sector of an economy.

“**Group**” means the Issuer and its subsidiaries.

“**GSE**” means the Italian Energy Services Manager (*Gestore dei Servizi Energetici*).

“**Guidelines establishing the criteria for granting Clean Energy Certificates**” mean the Mexican Guidelines establishing the criteria for granting Clean Energy Certificates (*Lineamientos que establecen los criterios para el otorgamiento de Certificados de Energías Limpias y los requisitos para su adquisición*).

“**GVA**” means Gross Value Added.

“**GW**” means Gigawatt.

“**GWh**” means Gigawatt per hour.

“**HCl**” means hydrochloric acid.

“**HEDNO**” means the Hellenic Electricity Distribution Network Operator.

“**HF**” means hydrogen fluoride.

“**IBEX**” means the Independent Bulgarian Energy Exchange EAD, a company established in January 2014, holding a licence (№ Л-422-11) from EWRC and organising a power exchange for electricity in Bulgaria. IBEX provides an electricity trading platform to enable market participants to enter into transactions through three organised market segments: (i) day-ahead market; (ii) centralised market for long-term bilateral contracts (CMBC); and (iii) intraday market.

“**ICNF**” means the Portuguese Institute for Nature Conservation and Forests (*Instituto da Conservação da Natureza e das Florestas*).

“**Ideias Fértéis**” means the Ideias Fértéis, Lda.

“**IEA**” means the International Energy Agency.

“**IFRS**” means the Standards and Interpretations issued by the International Accounting Standards Board. They comprise: (a) International Financial Reporting Standards; (b) International Accounting Standards; (c) IFRIC Interpretations; and (d) SIC Interpretations.

“**IFRS-EU**” means the IFRS, as adopted by the EU, pursuant to Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

“**IGAMAOT**” means the Inspectorate General of Agriculture, Sea, the Environment and Spatial Planning.

“**Infraventus**” means Infraventus, Lda.

“**Infraventus Companies**” means the companies Ideias Fértéis, Léguas Amarelas, Cortesia Versátil, Tertúlia Notável, Trivial Decimal, Reflexo Carmim.

“**ILO Convention No. 169**” means the binding international convention concerning indigenous peoples and tribal peoples, and a forerunner of the Declaration on the Rights of Indigenous Peoples applicable in Mexico.

“**Interbolsa**” means Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A., with registered office at Avenida da Boavista no. 3433, 4100-138 Porto, Portugal.

“**IPO**” means the initial public offering launched by the Issuer on 15 July 2021.

“**IRENA**” means International Renewable Energy Agency.

“**ISP**” means Tax on Petroleum and Energy Products (*Imposto sobre Produtos Petrolíferos*).

“**Issuer**” or “**GreenVolt**” means Greenvolt – Energias Renováveis, S.A. (formerly known, until November 2018, as EDP Produção – Bioelétrica, S.A. and as Bioelétrica da Foz, S.A. until March 2021), with registered office at Rua Manuel Pinto de Azevedo 818, 4100-320 Porto, Portugal, with a share capital of €267,099,997.50 and registered with the Commercial Registry Office of Lisbon under the sole registration and taxpayer number 506 042 715.

“**Joint Bookrunners**” means CaixaBank, S.A., Caixa – Banco de Investimento, S.A., Mediobanca Banca di Credito Finanziario S.p.A., and JB Capital Markets, S.V, S.A.U.

“**Joint Global Coordinators**” means BNP PARIBAS and Banco Santander, S.A.

“**KGAL**” means KGAL GmbH & Co KG.

“**KPIs**” means Key Performance Indicators.

“**kV**” means kilovolt.

“**Last Resort Supplier**” means the licensed last resort supplier (*comercializador de último recurso*) under and for the purposes of Decree-Law no. 15/2022, which is currently SU Eletricidade, S.A., previously named EDP Serviço Universal, S.A.

“**LCOE**” means Levelized Cost of Energy.

“**Lease Agreement**” means each of the long-term lease agreements entered into by and between the owner of each Pulp Facility and the developer of the related Portuguese Biomass Power Plant.

“**Léguas Amarelas**” means Leguasamarelas, Lda.

“**LEI**” means the Legal Entity Identifier.

“**LGEEPA and its Rules**” means the Mexican Regulations of the General Law of Ecological Equilibrium and Environmental Protection (*Ley General del Equilibrio Ecológico y Protección al Ambiente*).

“**LGEEPA**” means the Mexican General Law of Ecological Equilibrium and Environmental Protection (*Ley General del Equilibrio Ecológico y Protección al Ambiente*).

“**LIONS Photovoltaic Solar Park**” means the LJG Green Source Energy Alpha photovoltaic solar park.

“**LJG Green Source Energy Alpha**” means LJG Green Source Energy Alpha S.A.

“**LNEG**” means *Laboratório Nacional de Energia e Geologia, I.P.*

“**LNG**” means liquified natural gas.

“**Lower-tier PFICs**” means a PFIC and any of its subsidiaries or other entities in which the PFIC, directly or indirectly, owns equity.

“**LPG**” means liquefied petroleum gas.

“**LT-LEDS**” means long-term low greenhouse gas emission development strategies.

“**Managers**” means, together, the Joint Global Coordinators and the Joint Bookrunners.

“**Market Abuse Regulation**” means Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

“**MaxSolar**” means MaxSolar GmbH.

“**MaxSolar BidCo**” means MaxSolar BidCo GmbH.

“**MCTI**” means the Ministry for Construction, Transportation and Infrastructure of the Republic of Serbia.

“**MEP**” means the Ministry for Environmental Protection of the Republic of Serbia.

“**MEW**” means the Bulgarian Minister of Environment and Waters, a Bulgarian government authority responsible for environment protection.

“**Mexican Constitution**” means the Political Constitution of the United Mexican States (*Constitución Política de los Estados Unidos Mexicanos*).

“**Mexican Grid Code**” means the Mexican National Electric System Grid Code (*Código de Red*).

“**Mexican Income Tax Law**” means the Mexican Income Tax Law (*Ley de Impuesto sobre la Renta*).

“**Mexican National Power Grid**” means the Mexican National Grid (*Red Nacional de Transmisión*).

“**Mexican Supreme Court**” means the National Supreme Court of Justice of Mexico (*Suprema Corte de Justicia de la Nación*).

“**Mexico**” means the United Mexican States.

“**MIA**” means the Mexican Environmental Impact Assessment (*Manifestación de Impacto Ambiental*).

“**MIBEL**” means *Mercado Ibérico de Eletricidade*, including the Spanish and the Portuguese poles.

“**MIBGÁS**” means MIBGAS, S.A.

“**Minnesota RES**” means Minnesota Renewable Energy Standard.

“**Ministerial Order no.171/2020**” means the Spanish Ministerial Order no. 171/2020, of 24 February, which approves the remuneration parameters for the new regulatory period (2020-2022) for standard power generation plants based on renewables, co-generation, and waste sources. (*Orden Ministerial nº. 171/2020, de 24 de febrero, por la que se aprueban los parámetros retributivos para el nuevo periodo regulatorio (2020-2022) de las centrales de generación eléctrica tipo basadas en renovables, cogeneración y residuos*).

“**Ministerial Orden no. 130/2017**” means the Spanish Ministerial Order no. 130/2017 of 17 February, which approves the remuneration parameters for standard power generation plants based on renewables, co-generation and waste sources (*Orden Ministerial nº. 130/2017, de 17 de febrero, por la que se aprueban los parámetros retributivos de las instalaciones tipo de generación eléctrica a partir de fuentes renovables, de cogeneración y de residuos*).

“**Mortágua Power Plant**” means the Portuguese Biomass Power Plant located in Mortágua, owned and operated by the Issuer, as described in Section 0 (“*Principal Activities of the Issuer*”).

“**MVA**” means Megavolt Ampere.

“**MW**” means Megawatt.

“**MWh**” means Megawatt per hour.

“**MWn**” means Megawatt nominal.

“**MWp**” means Megawatt peak.

“**National Energy Strategy 2013 – 2027**” means the Mexican *Estrategia Nacional de Energía 2013–2027* which defines the promotion of renewable energy resources as one of its guiding principles.

“**National Renewable Energy Action Plan**” means a document which is setting the targets of use of renewable energy sources, as well as the manner of their achievement for Serbia.

“**Nature Infrastructure Capital**” or “**NIC**” means Nature Infrastructure Capital Ltd.

“**NDC**” means Nationally Determined Contributions.

“**NECP**” means the national energy climate plans of a given country.”

“**Net debt + Shareholders loans**” means the APM representing the sum of bonds, bank loans, other loans and lease liabilities (“**Gross Debt**”), less cash and cash equivalents (“**Net debt**”), plus Shareholders loans.

“**New Shares**” means the 17,792,576 ordinary nominative book-entry shares, with no nominal value, representing approximately 12.785 percent of the Issuer’s share capital after the increase of its share capital, to be issued by the Issuer in connection with such share capital increase, admission to trading of which on the regulated market Euronext Lisbon managed by Euronext was requested by the Issuer.

“**NOMs**” mean the Mexican Official Standards (*Normas Oficiales Mexicanas*).

“**Non-Defaulting Manager**” has the meaning ascribed thereto in Section 16.4 (“*Underwriting*”).

“**Oak Creek**” means Oak Creek Energy Systems Inc.

“**Offer**” means the offer of the New Shares by the Issuer to (i) the Issuer’s shareholders who, by virtue of holding shares representative of the Issuer’s share capital, hold Subscription Rights; and (ii) investors who acquire Subscription Rights, to whom the offer may lawfully be made.

“**Offer Period**” means the period for the subscription of the New Shares under the Offer, commencing on 20 June 2022 and ending on 4 July 2022.

“**OFGEM**” means the United Kingdom’s Office of Gas and Electricity Markets.

“**OMIE**” means OMI, Polo Español S.A. (OMIE).

“**OMIP**” means Omip – Pólo Português, S.G.M.R., S.A.

“**Operating Costs**” means the APM representing the sum of (i) costs of sales, excluding the cost of biomass sold, (ii) external supplies and services excluding transaction costs, (iii) payroll expenses, (iv) results related to investments, (v) provisions and impairment reversals /(losses) in current assets, and (vi) other expenses.

“**OPEX**” means operating expenses, which in a biomass plant typically include the biomass costs, O&M costs, supplies, insurance, management services and other costs.

“**O&M**” means operation and maintenance.

“**Paraimo Green**” means Paraimo Green, Lda.

“**Paris Agreement**” means the Paris Climate Agreement adopted within UNFCCC.

“**PEP 2040**” means Polish Energy Politics until year 2040.

“**Perfecta Energía**” means Tresa Energía S.L., with registered office at Calle Pedro de Valdivia 36, 4th floor right, 28006, Madrid, Spain and registered with the Commercial Registry Office of Madrid under the sole registration and taxpayer number B-88309745.

“**PFIC**” means Passive Foreign Investment Issuer.

“**PIT**” means Personal Income Tax (*Imposto sobre o Rendimento das Pessoas Singulares*).

“**PLN**” means Polish Zlotys.

“**PNEC 2030**” means Portugal’s National Plan for Energy and Climate 2030.

“**PNI 2030**” means Portugal’s National Investment Plan (*Plano de Investimento Nacional*).

“**PNIEC**” means the Spanish National Plan for Energy and Climate 2021 -2030 (Plan Nacional de Energía y Clima 2021-2030).

“**Portuguese Biomass Power Plants**” means the Constância Power Plant, the Figueira da Foz I Power Plant, the Figueira da Foz II Power Plant, the Mortágua Power Plant and the Ródão Power Plant.

“**Portuguese Biomass Power Plant Developer**” means the Issuer, in respect of Constância Power Plant, Figueira da Foz I Power Plant and Mortágua Power Plant, Sociedade Bioelétrica do Mondego, in respect of Figueira da Foz II Power Plant, and Ródão Power, in respect of Ródão Power Plant.

“**Portuguese Commercial Companies Code**” means the Portuguese Companies Code (*Código das Sociedades Comerciais*), approved by Decree-Law no. 262/86, of 2 September.

“**Portuguese Ministry for Energy**” means the Governmental ministry responsible for the energy matters in Portugal.

“**Portuguese Securities Code**” means the Portuguese Securities Code (*Código dos Valores Mobiliários*), approved by Decree-Law no. 486/99, of 13 November.

“**PPA**” means power purchase agreement.

“**Prefect**” means French state’s representative in a department or region (*Préfet*).

“**President of Polish Energy Regulatory Office**” means *Prezes Urzędu Regulacji Energetyki*.

“**PRODESEN**” means the Mexican National Electric System Development Program (*Programa para el Desarrollo del Sistema Eléctrico Nacional*).

“**PRONASE**” means the Mexican National Program for Sustainable Use of Energy (*Programa Nacional para el Uso Sostenible de la Energía*).

“**Production Licence**” means Electricity Production Licence (*licença de produção*).

“**Profit Energy**” means Track Profit Energy, Lda.

“**Prospectus**” means this prospectus dated 9 June 2022 relating to the Offer and the admission to trading of the New Shares on Euronext Lisbon.

“**Prospectus Regulation**” means Regulation (EU) no. 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

“**PT O&M Agreement**” means each of the long-term operation, maintenance, biomass internal management, waste management and general service provision agreements (*contrato de prestação de serviços de manutenção, de operação de gestão interna da biomassa, de gestão de resíduos e serviços gerais*) entered into by and between the owner of each Pulp Facility and the developer of the related Portuguese Biomass Power Plant.

“**PUHCA**” means the United States Public Utility Holding Company Act of 2005.

“**Pulp Facilities**” means the pulp facilities owned and operated by the Pulp Facility Operators.

“**Pulp Facilities Operators**” means Caima Indústria, Celbi and Biotek.

“**PV**” means photovoltaic.

“**Qualified Investors**” means qualified investors, as defined in Article 2 of the Prospectus Regulation.

“**RAE**” means the Greek Regulatory Authority for Energy.

“**RCN 2050**” means the Roadmap to Carbon Neutrality.

“**RD 2019/1997**” means the Spanish Royal Decree 2019/1997, of 26 December 1997, by which the electric energy production market is organized and regulated.

“**RD 1955/2000**” means the Spanish Royal Decree 1955/2000, of 1 December, on the activities transmission, distribution, commercialization, supply and authorization procedures for electricity facilities (*Real Decreto 1955/2000, de 1 de diciembre, por el que se regulan las actividades de transporte, distribución, comercialización, suministro y procedimientos de autorización de instalaciones de energía eléctrica*).

“**RD 413/2014**” means the Spanish Royal Decree 413/2014 of 6 June which regulates the activity of electric production from renewable energy sources, cogeneration and waste (*Real Decreto 413/2014 de 6 de junio, por el que se regula la actividad de producción de energía eléctrica a partir de fuentes de energía renovables, cogeneración y residuos*).

“**RD 17/2019**” means the Spanish Royal Decree 17/2019, of 22 November, adopting urgent measures for the necessary adaptation of remuneration parameters that affect the electricity system and responding to the process of cessation of activity of thermal generation plants (*Real Decreto-ley 17/2019, de 22 de noviembre, por el que se adoptan medidas urgentes para la necesaria adaptación de parámetros retributivos que afectan al sistema eléctrico y por el que se da respuesta al proceso de cese de actividad de centrales térmicas de generación*).

“**RD 244/2019**” means the Spanish Royal Decree 244/2019, of April 5, 2009, regulating the administrative, technical and economic conditions for self-consumption of electricity (*Real Decreto 244/2019, de 5 de abril, por el que se regulan las condiciones administrativas, técnicas y económicas del autoconsumo de energía eléctrica*).

“**RD 960/2020**”, means the Spanish Royal Decree 960/2020, of 3 November, on the economic regime of renewable energies for electricity production facilities (*Real Decreto 960/2020, de 3 de noviembre, por el que se regula el régimen económico de energías renovables para instalaciones de producción de energía eléctrica*).

“**RD 1183/2020**” means the Spanish Royal Decree 1183/2020, of 29 December, on access and connection to electricity transmission and distribution networks (*Real Decreto 1183/2020, de 29 de diciembre, de acceso y conexión a las redes de transporte y distribución de energía eléctrica*).

“**RD 477/2021**” means the Spanish Royal Decree 477/2021, of 29 June, approving the direct granting to the autonomous communities and the cities of Ceuta and Melilla of aid for the implementation of various incentive programmes linked

to self-consumption and storage, with renewable energy sources, as well as the implementation of renewable thermal systems in the residential sector, within the framework of the Recovery, Transformation and Resilience Plan. (*Real Decreto 477/2021, de 29 de junio, por el que se aprueba la concesión directa a las comunidades autónomas y a las ciudades de Ceuta y Melilla de ayudas para la ejecución de diversos programas de incentivos ligados al autoconsumo y al almacenamiento, con fuentes de energía renovable, así como a la implantación de sistemas térmicos renovables en el sector residencial, en el marco del Plan de Recuperación, Transformación y Resiliencia*).

“**RD 377/2022**” means the Spanish Royal Decree 377/2022, of 17 May, extending the typology of beneficiaries of Royal Decree 477/2021, of 29 June and Royal Decree 1124/2021, of 21 December (*Real Decreto 377/2022, de 17 de mayo, por el que se amplía la tipología de beneficiarios del Real Decreto 477/2021, de 29 de junio, y del Real Decreto 1124/2021, de 21 de diciembre*).

“**RD 6/2022**” means the Spanish Royal Decree-Law -6/2022, of March 29, adopting urgent measures within the framework of the National Plan in response to the economic and social consequences of the war in Ukraine.

“**RD 10/2022**” means the Spanish Royal Decree-Law 10/2022, of May 13, establishing a temporary production cost adjustment mechanism to reduce the price of electricity in the wholesale market.

“**RDL 15/2018**” means the Spanish Royal Decree-Law 15/2018, of 5 October, on urgent measures for energy transition and consumer protection (*Real Decreto-ley 15/2018, de 5 de octubre, de medidas urgentes para la transición energética y la protección de los consumidores*). “**REE**” means the Spanish Electricity Grid (*Red Eléctrica Española*), which acts in the electricity market as the electricity system operator.

“**RDL 23/2020**” means the Spanish Royal Decree-Law 23/2020, of 23 June, approving energy and other measures for economic recovery (*Real Decreto-ley 23/2020, de 23 de junio, por el que se aprueban medidas en materia de energía y en otros ámbitos para la reactivación económica*).

“**RDL 29/2021**” means the Spanish Royal Decree-Law 29/2021, of December 21, adopting urgent measures in the energy sector to promote electric mobility, self-consumption and the deployment of renewable energies.

“**Reflexo Carmim**” means Reflexo Carmim, Lda.

“**REGO**” means Renewable Energy Guarantees Origin.

“**Regulation S**” means Regulation S under the U.S. Securities Act.

“**Regulations of the Electricity Industry Act**” means the Mexican Regulations of the Electric Industry Law (*Reglamento de la Ley de Industria Eléctrica*).

“**Regulatory Energy Agencies Law**” means the Mexican Regulatory Energy Agencies Law (*Ley de los Órganos Reguladores Coordinados en Materia Energética*).

“**Related Party Transaction Policy**” means the related party transaction policy of the Issuer, as published on 15 March 2022, available for consultation at www.greenvolt.pt.

“**REMIT**” means Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency.

“**Remuneration Policy**” means the remuneration policy of the Issuer, as approved by the General Meeting of Shareholders upon proposal of the Shareholders’ Remuneration Committee and described in the remuneration report included as annex II to the Issuer’s corporate governance report published in with respect to 2021.

“**REN**” means REN – Rede Eléctrica Nacional, S.A.

“**Renewable Energy Directive**” means European Parliament and Council Directive 2009/28/EC on the use of energy from renewable sources.

“**REPowerEU Plan**” means the REPowerEU Plan, approved by a communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on 18 May 2022.

“**REPS**” means Massachusetts Renewable Energy Portfolio Standard.

“**RES**” means Renewable Energy Source.

“**Reserved Capacity**” means Reserved Capacity for injection in the Public Grid (*Reserva de Capacidade para injeção na Rede Eléctrica de Serviço Público*).

“**Revenue**” means sales and services rendered.

“**RND**” means National Electricity Distribution Grid (*Rede Nacional de Distribuição*).

“**RO**” means Renewables Obligation, a renewables support scheme introduced in the United Kingdom on 1 April 2002.

“**ROC**” means Renewables Obligation Certificates.

“**RO Order**” means the Renewables Obligation Order 2015.

“**Ródão Power**” means Ródão Power – Energia e Biomassa do Ródão, S.A.

“**Ródão Power Plant**” means the Portuguese Biomass Power Plant located in Vila Velha de Ródão, owned and operated by Ródão Power, as described in Section 0 (“*Principal Activities of the Issuer*”).

“**RIEW**” means a regional Inspectorate for the Environment and Waters for each region of Bulgaria, under the Minister of Environment and Waters (MEW).

“**Romanian Renewable Energy Law**” means Law no. 220/2008 for the promotion of energy production from renewable energy sources, with subsequent amendments.

“**Romanian Energy Law**” means Law no. 123/2012 on electricity and natural gas, with subsequent amendments.

“**RRP**” means Romania’s Recovery and Resilience Plan as adopted by the European Union Council on 28 October 2021.

“**RtB**” means ready-to-build.

“**SDAC**” means Single Day-Ahead Coupling.

“**SEMARNAT**” means the Mexican Environmental and Natural Resources Ministry (*Secretaría del Medio Ambiente y Recursos Naturales*).

“**SEN**” means the Mexican National Electric System (*Sistema Eléctrico Nacional*).

“**SENER**” means the Mexican Energy Ministry (*Secretaría de Energía*).

“**SEO**” means Sustainable Energy One, S.L.

“**Serbian Energy Act**” means the Energy Act (Zakon o energetici, Official Gazette of the Republic of Serbia nos. 145/2014, 95/2018, and 40/2021) which regulates energy activities in Serbia.

“**Serbian Grid Code**” means the Grid Code (Pravila o radu prenosnog sistema, Official Gazette of the Republic of Serbia nos. 60/2020) that regulates the operation of the transmission system in the Republic of Serbia.

“**Serbian Ministry for Energy**” means the Ministry for Mining Energy of the Republic of Serbia.

“**Serbian Renewable Energy Act**” means the Renewable Energy Act (*Zakon o korišćenju obnovljivih izvora energije*, Official Gazette of the Republic of Serbia no 40/2021) which regulates the use of renewable energy sources in the Republic of Serbia.

“**SESAT**” means Sociedade de Energia Solar do Alto Tejo (SESAT), Lda.

“**Settlement Agent**” means CaixaBI.

“**Settlement Operator**” means Zarządca Rozliczeń S.A.

“**Shareholders**” means the shareholders of the Issuer.

“**Shares**” means all ordinary, nominative, book-entry shares, with no nominal value, representing the entire share capital of the Issuer.

“**SIDC**” means Single Intraday Coupling.

“**Sociedade Bioelétrica do Mondego**” means Sociedade Bioelétrica do Mondego, S.A.

“**SO2**” means sulphur dioxide.

“**Spanish Electricity Act**” means Law 24/2013, of 26 December, on the Energy Act (*Ley 24/2013, de 26 de diciembre, del Sector Eléctrico*).

“**SSPU**” means small scale production unit.

“**State Budget Law for 2014**” means Law no. 83-C/2013, of 31 December.

“**State Budget Law Proposal for 2022**” means the Law proposal no. 4/XV/1.

“**Statutory Audit Board**” means the statutory audit board (*Conselho Fiscal*) of the Issuer, appointed by the General Meeting of Shareholders at a meeting held on 24 June 2021.

“**Statutory Auditor**” means Deloitte, the statutory auditor (*Fiscal Único*) of the Issuer in office until the appointment of the Statutory Audit Board, which occurred on 29 April 2022.

“**Statutory External Independent Auditor**” means Deloitte.

“**Subscription Commitments**” means the subscription commitments undertaken by certain holders of Subscription Rights (*i.e.* Promendo Investimentos, S.A., Actium Capital, S.A., Livrefluxo, S.A., Caderno Azul, S.A., 1 Thing, Investments, S.A and Kwe Partners Ltd.), pursuant to the subscription commitment letters dated on or around 6 June 2021, as better described thereto in Section 16.3 (“*Subscription Commitments*”).

“**Subscription Price**” means the subscription price for the New Shares under the Offer, which corresponds to €5.62 per share.

“**Subscription Rights**” means the legal pre-emption rights to subscribe New Shares attributed to the Shareholders (and which, under applicable law and the terms of the Offer, may also be acquired by investors in transactions executed over the counter or on Euronext Lisbon).

“**Subscription Rights Trading Period**” means the period for trading Subscription Rights of the New Shares under the Offer, commencing at 8:30 a.m. on 20 June 2022 and ending at 4:30 p.m. on 29 June 2022 (Lisbon time).

“**Supply Decree**” means the Decree on Conditions for Delivery and Supply of Electric Energy (*Uredba o uslovima isporuke i snabdevanja električnom energijom*, Official Gazette of the Republic of Serbia, no.63/2013 and 91/2018)

“**Sustainalytics**” means Sustainalytics, a leading independent provider of ESG ratings, research and analysis.

“**TAC**” means Spanish Technical Access Contract entered into with the TSO or the DSO that governs the plant's connection to the grid throughout its lifetime.

“**Tertúlia Notável**” means Tertúlia Notável, Lda.

“**TGP**” means Tilbury Power Plant.

“**TGP Lease Agreement**” means the long-term lease agreement entered into by TGP and the Port of Tilbury.

“**TGP O&M Agreement**” means the long-term, fixed-price, operation and maintenance agreement entered into by and between TGP and WBOC.

“**TIC**” means total installed capacity.

“**Tilbury Green Power**” means the wholly-owned subsidiary of Tilbury Holdings, Tilbury Green Power Ltd.

“**Tilbury Holdings**” means Tilbury Green Power Holdings Limited.

“**TNUoS**” means transmission network use of system charges.

“**Total Income**” means the total of sales, services rendered and other income, as disclosed in the consolidated income statement, excluding biomass sales and claim compensation – property damage.

“**Track Profit Energy II Invest**” means Track Profit Energy II Invest, Unipessoal, Lda.

“**Trading Day**” means a day on which Euronext Lisbon is open for trading.

“**TRC**” means Title of Reserved Capacity (*título de reserva de capacidade*).

“**Treaty**” means the Convention Between the United States of America and the Portuguese Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income.

“**Trivial Decimal**” means Trivial Decimal, Lda.

“**TSO**” means Transmission System Operator.

“**TWh**” means Terawatt per hour.

“**TYNDP**” means Ten-Year Network Development Plan.

“**T-Mobile Polska**” means T-Mobile Polska, S.A.

“**Unaudited Condensed Consolidated Interim Financial Statements**” means the unaudited condensed consolidated financial statements prepared by the Issuer comprising the consolidated statement of financial position as at 31 March 2022, the consolidated income statements and the consolidated statements of comprehensive income and consolidated cash flows for the three-month period ended 31 March 2022, and including, for comparative purposes, the unaudited restated consolidated financial information as at 31 December 2021 for the conclusion of the price purchase allocation

of Tilbury and related notes and adjustments made to the ongoing purchase price allocation of Perfecta Energía, prepared in accordance with IAS 34 – Interim Financial Reporting.

“**Underwriting Agreement**” means the agreement executed between the Issuer and the Managers, governed by Portuguese law, for the purposes of subscribing New Shares that have not been subscribed in the Offer, either on behalf of the Managers or on behalf of Qualified Investors, as further described in Section 16.4 (“*Underwriting*”).

“**Underwriting Commitments**” means the underwriting commitments undertaken by the Managers, pursuant to the Underwriting Agreement, as better described thereto in Section 16.4 (“*Underwriting*”).

“**UNFCCC**” means the United Nations Framework Convention on Climate Change.

“**Univergy Autoconsumo**” means Univergy Autoconsumo S.L.

“**Univergy International**” means Univergy International S.L.

“**UPAC**” means Self-Consumption Generation Units (*Unidades de Produção para Autoconsumo*).

“**UPPs**” means Small-Scale Production Units (*Unidades de Pequena Produção*).

“**URE**” means Energy Regulatory Office (*Urząd Regulacji Energetyki*).

“**U.S.**” or “**United States**” means the United States of America.

“**U.S. Holder**” means a beneficial owner of New Shares and (i) a citizen or individual resident of the United States; (ii) a corporation, or other entity taxable as a corporation, created or organised in or under the laws of the United States, any state therein or the District of Columbia; or (iii) an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

“**USD**” means the United States Dollar.

“**Utilities Agreement**” means each of the long-term purchase and sale of utilities agreements entered into by and between the owner of each Pulp Facility and the developer of the related Portuguese Biomass Power Plant.

“**VAT**” means Value Added Tax.

“**V-Ridium Europe**” means V-Ridium Europe Sp. z o.o., a company incorporated under the laws of Poland, with registered offices at Aleja Wyścigowa 6, 02-681 Warszawa, Poland, registered in the National Court Register under the KRS no. 0000898358 and with a registered share capital of PLN 50,000.

“**V-Ridium Investment Agreement**” means the investment agreement entered into on 24 June 2021 by and between the Issuer, Altri and V-Ridium Europe (as sole shareholder of V-Ridium) in respect of V-Ridium.

“**V-Ridium Oak Creek Renewables**” means V-Ridium Oak Creek Renewables, LLC.

“**V-Ridium**” means V-Ridium Power Group, Sp. z.o.o., a company incorporated under the laws of Poland, with registered offices at Aleja Wycsigowa 6, 02-681 Warszawa, Poland, registered in the Polish commercial registry under no. 0000772074 and with a registered share capital of PLN 1,310,000.

“**WACC**” means weighted average cost of capital.

“**WBOC**” means Western Biomass Operating. Co. Ltd.

“**Working Capital**” means the difference between current assets and current liabilities.

“2018 Renewable Energy Directive” means Directive (EU) 2018/2001 of the European Parliament and the Council of 11 December 2018 on the promotion of the use of energy from renewable sources.

“2018-2020 Annual Audited Consolidated Financial Statements” means the consolidated financial statements prepared by the Issuer comprising the consolidated statement of financial position as at 31 December 2018, 2019 and 2020 and the consolidated income statements, the consolidated statements of comprehensive income and consolidated cash flows for the years ended 31 December 2018, 2019 and 2020 and related notes prepared in accordance with IFRS-EU and subject to audit, approved by the Board of Directors in a meeting held on 24 June 2021 and by the General Meeting of Shareholders in a meeting also held on 24 June 2021.

“2021 Annual Audited Consolidated Financial Statements” means the consolidated financial statements prepared by the Issuer comprising the consolidated statement of financial position as at 31 December 2021, the consolidated income statements, the consolidated statements of comprehensive income and consolidated cash flows for the year ended 31 December 2021 and related notes prepared in accordance with IFRS-EU and subject to audit, approved by the Board of Directors in a meeting held on 5 April 2022 and by the General Meeting of Shareholders in a meeting held on 29 April 2022.

2. SUMMARY

Section A – Introduction and Warnings	
A.1. Introduction	
(a) Name and ISIN of Securities	The securities subject to the public subscription offer by GreenVolt – Energias Renováveis, S.A. (the “ Issuer ” or “ GreenVolt ”) are up to 17,792,576 ordinary, nominative book-entry shares, without nominal value (“ New Shares ”), representing approximately 12.785 percent of the Issuer’s share capital after the relevant share capital increase has been fully paid up (“ Offer ”), the subscription of which is reserved for GreenVolt’s shareholders in the exercise of their corresponding pre-emption rights and other investors who acquire subscription rights (the “ Subscription Rights ”). The New Shares, when admitted to trading, shall have the same ISIN code (PTGNV0AM0001) and CFI code (ESVUFR) as the shares representing GreenVolt’s share capital (“ Shares ”) which are already admitted to trading on the date of the prospectus for the Offer (the “ Prospectus ”). The ISIN code for the Subscription Rights is PTGNV0AMS000 and these will be traded under the ticker symbol “GVOS1”. If the New Shares under the Offer are not fully subscribed, they may also be subscribed by qualified investors, as defined in article 2 of Regulation (EU) no. 2017/1129 of the European Parliament and of the Council of 14 June 2017 (“ Qualified Investors ”) or failing that by BNP PARIBAS and Banco Santander, S.A. (“ Joint Global Coordinators ”), CaixaBank, S.A., Caixa – Banco de Investimento, S.A. (“ CaixaBI ”), Mediobanca Banca di Credito Finanziario S.p.A., and JB Capital Markets, S.V, S.A.U. (“ Joint Bookrunners ”, together with the Joint Global Coordinators the “ Managers ”) pursuant to an underwriting agreement governed by Portuguese law (the “ Underwriting Agreement ”).
(b) Identity and contact details of the Issuer, including LEI:	The Issuer is a limited liability company (“ <i>sociedade anónima</i> ”) with shares admitted to trading on a regulated market (<i>sociedade emitente de ações admitidas à negociação em mercado regulamentado</i>), incorporated under Portuguese law, with registered office at Rua Manuel Pinto de Azevedo, 818, 4100-320 Porto, Portugal, with a share capital of €267,099,997.50 and registered with the Commercial Registry Office of Lisbon under the sole registration and taxpayer number 506 042 715. The legal entity identifier of the Issuer is 549300ZSZ6VJXXCVUM49. The Issuer’s telephone number is (+351) 228 246 502 and its e-mail address is sede@greenvolt.pt.
(c) Identity and contact details of the competent authority which approved the Prospectus	<i>Comissão do Mercado de Valores Mobiliários (“CMVM”)</i> , with registered office at Rua Laura Alves, no. 4, 1050-138 Lisbon, with telephone number (+351) 213 177 000 and e-mail address cmvm@cmvm.pt.
(d) Prospectus approval date	9 June 2022.
A.2. Warnings and information regarding subsequent use of the Prospectus	
This summary should be read as an introduction to the Prospectus. Any decision to invest in the New Shares should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor may, under the national legislation of the member states of the European Union, have to bear the costs of translating the Prospectus before legal proceedings are initiated. Investment in the New Shares involves risks and investors may lose all or a part of their investment as a result of subscribing the New Shares or of acquiring Subscription Rights and thereafter subscribing the New Shares. Civil liability in relation to this summary, including any translation thereof, attaches only to the persons responsible for this Prospectus, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the New Shares. This Prospectus cannot be used in any subsequent resale or placement of the New Shares by financial intermediaries.	
Section B – Key information on the Issuer	
B.1. Who is the issuer of the securities?	
(a) Registered office, legal form, LEI, legislation governing its activities and country of incorporation	The Issuer is a public limited liability company (<i>sociedade anónima</i>) with shares admitted to trading on a regulated market (<i>sociedade emitente de ações admitidas à negociação em mercado regulamentado</i>) incorporated under the laws of Portugal, with registered office at Rua Manuel Pinto de Azevedo 818, 4100-320 Porto, Portugal. The legal entity identifier of the Issuer is 549300ZSZ6VJXXCVUM49. The Issuer is governed by Portuguese law, in particular, the Portuguese Companies Code, the Portuguese Securities Code and the CMVM and Euronext Lisbon – <i>Sociedade Gestora de Mercados Regulamentados, S.A.</i> regulations which apply to it. The activities of the Issuer are also regulated, depending on the place where it does business, by EU directives and regulations, and by the laws of EU Member States and those of other applicable jurisdictions.
(b) Main activities	The Issuer’s main activities are the promotion, development, operation, maintenance and management, directly or indirectly, in Portugal or abroad, of power plants and other facilities of generation, storage and supply of renewable energy. These activities are based on three pillars: residual biomass, wind and solar PV utility scale and distributed generation based on solar sources. Having started with the operation of five biomass power plants in Portugal, the Issuer has been implementing, since 2021, a strategy focused on the development of operational improvements at the residual biomass power stations under management in Portugal and the United Kingdom; the systematic increase of the pipeline of its solar and wind utility scale development platform in several European markets and in the U.S.; and, in respect of distributed generation, the acquisition and incorporation of new companies in Iberia.

(c) Main shareholders, including if the Issuer is directly or indirectly controlled and by whom

To the Issuer's knowledge, its qualifying holders, as of the date of this Prospectus, calculated pursuant to article 20(1) of the Portuguese Securities Code, are the following:

Shareholder ²	As at the date of this Prospectus	
	Number of Shares	Percentage of share capital and voting rights held
Altri, SGPS, S.A. ("Altri")		
Directly	4,404,783	3.63%
Through Caima Energia – Empresa de Gestão e Exploração de Energia, S.A. ("Caima Energia")	18,750,000	15.45%
	23,154,783	19.08%
Promendo Investimentos, S.A.	11,678,050	9.62%
V-Ridium Europe Sp. z o.o. ("V-Ridium Europe")	11,200,000	9.23%
Actium Capital, S.A.	10,085,184	8.31%
Livrefluxo, S.A.	9,700,087	7.99%
Caderno Azul, S.A.	9,677,544	7.97%
1 Thing, Investments, S.A.	6,221,231	5.13%

(d) Identity of main directors

The board of directors currently in office, appointed at the General Meeting of Shareholders held on 24 June 2021 for the 2021/2023 term of office, is comprised of 11 members, including: Clara Patrícia Costa Raposo (Chairperson) and João Manuel Manso Neto (Chief Executive Officer).

(e) Identity of statutory auditor

Deloitte & Associados, SROC S.A., with registered office at Avenida Engenheiro Duarte Pacheco, no. 7, 1070-100 Lisbon, Portugal, registered with the Portuguese Institute of Chartered Accountants (*Ordem dos Revisores Oficiais de Contas*) under no. 43 and with the CMVM under no. 20161389, represented by Nuno Miguel dos Santos Figueiredo or, in the event of his unavailability, António Manuel Martins Amaral.

B.2. What is the key financial information regarding the issuer?**(a) Selection of key historical financial information****Consolidated income statement data**

	Year ended 31 December				Three-month period ended 31 March	
	2021 (restated – Unaudited)	2021 (Audited)	2020 (Audited)	2019 (Audited)	March 2022 (Unaudited)	March 2021 (Unaudited)
Sales	130,709,839	130,709,839	89,877,619	64,283,355	48,613,077	21,144,689
Services rendered	9,935,282	9,935,282	-	-	7,457,423	-
EBIT ³	30,116,392	30,560,971	27,208,392	12,077,609	12,670,649	3,155,043
Consolidated net profit for the year attributable to Equity holders of the parent	7,832,443	8,016,098	17,934,337	6,795,387	1,141,172	900,301
Year on year revenue growth	56.5%	56.5%	39.8%	n.a. (a)	165.2%	n.a. (a)
EBITDA Margin ⁴	40.0%	40.0%	37.9%	35.1%	38.7%	30.5%
Earnings per share	0.10	0.10	335	680	0.01	1.02

(a) Not applicable, given that the information for the same period of the previous year is not presented in the Prospectus.

Consolidated statement of financial position

	As at 31 December				As at 31 March
	2021 (restated – Unaudited)	2021 (Audited)	2020 (Audited)	2019 (Audited)	2022 (Unaudited)
Total assets	1,008,004,970	1,004,957,181	196,421,477	204,183,623	1,059,542,031
Total equity	350,332,189	350,365,939	67,311,075	39,791,788	344,932,996
Total liabilities	657,672,781	654,591,242	129,110,402	164,391,835	714,609,035
Net financial debt (long term debt plus short term minus cash) (Net debt + Shareholders loans)	249,555,440	249,555,440	82,036,592	114,820,201	285,310,813

Consolidated statement of cash flows data^(b)

	Year ended 31 December			Three-month period ended 31 March	
	2021 (Audited)	2020 (Audited)	2019 (Audited)	2022 (Unaudited)	2021 (Unaudited)
Net cash from operating activities	28,203,613	28,643,596	30,337,547	20,946,543	10,147,296
Net cash used in investing activities	(235,360,867)	(3,777,216)	(31,847,231)	(53,969,770)	(3,103,281)
Net cash (used in)/from financing activities	450,719,568	(26,872,981)	10,909,494	12,669,850	49,361,387

(b) The restatement of the 2021 accounts does not impact the consolidated statement of cash flows.

² Voting rights attributed as follows: (i) Promendo Investimentos, S.A. also attributable to Ana Rebelo de Carvalho Menéres de Mendonça; (ii) V-Ridium Europe also attributable to Mr. Radek Nowak (the CEO of V-Ridium Europe and of V-Ridium), Mr. Daniel Džaman and Mr. Krzysztof Urban; (iii) Actium Capital, S.A. also attributable to Mr. Paulo Fernandes (board member of GreenVolt and Altri); (iv) Livrefluxo, S.A. also attributable to Mr. Domingos Matos Mendonça (board member of GreenVolt and Altri); (v) Caderno Azul, S.A. also attributable to Mr. João Borges de Oliveira Mendonça (board member of GreenVolt and Altri); and (vi) 1 Thing, Investments, S.A. also attributable to Mr. Pedro Borges de Oliveira Mendonça (board member of GreenVolt and Altri).

³ "EBIT" means earnings before interest, taxes and CESE and is defined as consolidated net profit for the year before financial expenses and financial income, income tax and CESE.

⁴ "EBITDA Margin" means the APM EBITDA as a percentage of Total Income.

(b) Brief description of any qualifications in the auditor's report relating to the historical financial information

The audit opinion on the 2018-2020 Annual Audited Consolidated Financial Statements contains the following emphases of matter and restriction on use and distribution: "We draw attention to note 4, which describes the basis of preparation and special purpose of the Consolidated Financial Statements. The Consolidated Financial Statements are prepared in connection with the announced potential listing of Greenvolt – Energias Renováveis, S.A. and for the purposes of providing historical consolidated financial information for inclusion in the prospectus for the admission to the Euronext Lisbon regulated market. As such, these Consolidated Financial Statements may not be suitable for another purpose. This report was prepared at the request of the Board of Directors of GreenVolt – Energias Renováveis, S.A. in relation to the referred initial public offering and for inclusion in the related prospectus. Therefore, it must not be used for any other purpose or any other market, or published in any other document or prospectus without our written consent. Our opinion is not modified in respect of these matters." The audit opinion on the 2021 Annual Audited Consolidated Financial Statements does not contain any emphases of matter.

B.3. What are the key risks that are specific to the issuer?

Below are some of the main risks which are specific to the Issuer:

Risks associated with the Biomass Power Plants and their operation

(a) **Risks related to the operation of the Biomass Power Plants:** The Issuer's activity depends on the level of performance of the Portuguese Biomass Power Plants and Tilbury Power Plant or major overhauls (and any other Biomass Power Plants that the Issuer may operate in the future) and their adequate operation and maintenance. Mechanical failures or other defects in the Biomass Power Plants' equipment, or accidents that result in suspension of the activities or under performance of the Biomass Power Plants, could impact the Issuer's business, particularly if occurring at Tilbury Power Plant or Figueira da Foz II, the Issuer's Portuguese Biomass Power Plant with the highest injection capacity.

(b) **Risks arising from the Biomass Power Plants being subject to biomass supply shortage and price variations:** Cost of sales of the biomass segment is the main operating cost, having represented 41.5 percent of electricity sales in 2020 and 31.8 percent in 2021. As at 31 March 2022, cost of sales of the biomass segment represented 28.8 percent of electricity revenue. Although each of the Biomass Power Plants has ensured its own biomass supply through a long-term biomass supply agreement with Altri Madeira (in the case of Portuguese Biomass Power Plants) and Esken Renewables (in the case of Tilbury Power Plant), under which each supplier undertakes to deliver the necessary quantity of biomass with the quality and on the delivery dates agreed by the parties, the Issuer may be impacted by biomass supply shortages, arbitrage occurring at the suppliers' level, change in law, and significant biomass price variations, which may, in turn, have a significant impact on biomass cost and restrictions in terms of type and origin.

(c) **Risks deriving from the link between the Portuguese Biomass Power Plants' operation and the operation of the Pulp Facilities:** The continuous operation of the Portuguese Biomass Power Plants (with the exception of Mortágua Power Plant) is dependent on the normal operation of the associated Pulp Facilities. An event leading to the interruption of activity of a given Pulp Facility may impact the normal operation of the associated Portuguese Biomass Power Plant, to the extent that such event prevents the Pulp Facility from supplying the necessary utilities to the associated Portuguese Biomass Power Plant, and eventually lead to a suspension in its generation of electricity.

(d) **Risks deriving from the lack of registered title for occupation of the site by the Mortágua Power Plant:** The Mortágua Power Plant's right of occupation and installation stems from several promissory lease agreements entered into between the EDP Group and the relevant landowners, which were never converted into definitive lease agreements by the Issuer. The Issuer is currently proceeding with an assessment of the plots and their respective titles in order to establish definitive lease agreements or otherwise proceed with legal possession by usucaption (*usucapião*) of the plots in 2022, once the statutory period for this form of possession has elapsed. If one or more landlords make a successful claim in this respect, this may have a material adverse effect on the Issuer's business, financial condition, prospects, results of operations or cash flows. Considering the ongoing development of a new biomass power plant in Mortágua, the lack of plot registered title for occupation of the site by this new power plant shall be taken into consideration.

Risks arising from the shareholding structure, access to capital and contractual relationship with certain counterparties

(e) **Risks associated with a change of control of the Issuer since its shares are listed on a stock exchange:** Being an issuer of shares listed on a stock exchange, the Issuer may be the subject of a tender offer or of any transaction resulting in one or more entities acquiring control of the majority of its voting rights. Any acquisition of a qualifying holding in the Issuer's share capital or relevant change of control by a shareholder (current or future) may impact the Issuer's corporate strategy, operations, business and resources, which may in turn have an adverse effect on its financial condition or operational results.

(f) **The Issuer may be subject to liquidity risk:** The Issuer is exposed to liquidity risk and may face a shortage of cash to meet its obligations as and when they fall due and/or to pursue the strategies outlined in compliance with its commitments to third parties. As at 31 December 2021, the amount of consolidated loans, including bank loans, bonds, other loans, lease liabilities and shareholders' loans, maturing in the following 12 months is approximately €30.7 million (€33.8 million as at 31 March 2022). As at that same date, the Group had unused credit lines in the amount of approximately €219.5 million and its cash and cash equivalents totalled €258.8 million (€221.1 million of unused credit lines and €238.1 million of cash and cash equivalents as at 31 March 2022). On that same date, the Issuer had positive Working Capital in the amount of €254.6 million (€230.2 million as at 31 March 2022).

(g) **Risks arising from the Altri Group entities being the main counterparties of the Issuer:** The activities of the Issuer carried out through the Portuguese Biomass Power Plants are supported by long-term contracts entered into with entities from the Altri Group, which are among the Issuer's main counterparties. The main activities of these entities are the production of paper pulp, the operation of the paper pulp facilities, the management of forest areas and cogeneration. In what specifically concerns purchase and acquired services, transactions with Altri related parties amounted to €44.2 million with reference to 31 December 2021 (and €12.8 million with reference to 31 March 2022), representing circa 57.0 percent of the Issuer's total costs of sales and external supply and services with reference to 31 December 2021 (80.7 percent with reference to 31 December 2020 and 43.5 percent with reference to 31 March 2022). Although Altri Group is a creditworthy group of companies, the Issuer is significantly exposed to Altri's counterparty risk as its main operation contracts depend on Altri Group's companies. The Issuer cannot exclude potential conflicts of interests in the management of its contractual relationships taking into account that Altri currently holds a qualified participation of 19.08%. Although Altri no longer exercises direct control over the Issuer, it continues to have the same shareholding base structure and to be a relevant shareholder. Any potential conflict of interests or material breach of contract could have a material adverse effect on the Issuer's business, financial condition and results of operations, since the Issuer may face problems in finding other third parties to supply biomass and ensure the provision of operation and maintenance services or in internalising such services at the same efficiency and cost levels as currently provided by its current counterparties which form part of the Altri Group.

Risks associated with the energy sector, sectorial regulation and changes in laws

(h) **Risks arising from changes in laws and regulations:** The Group's activity is focused on electricity generation and related services that depend on licences and other legal or regulatory permits awarded to the Group under highly regulated legal frameworks and its development and profitability is significantly dependent on the policies and regulatory frameworks supporting such development. Laws and regulations affecting the Group's activities may be subject to amendments, notably as a result of governmental decisions, the ordinary expiry of regulatory periods, unilateral imposition by regulators, the State Budget or legislative authorities, or as a result of judicial or administrative proceedings or actions. In addition to possible amendments to the applicable legal frameworks, additional laws and regulations may be implemented. In this scenario, a change in European or national laws and regulations may ultimately revise any applicable remuneration regime, as well as any incentives and public subsidies granted to the Portuguese Biomass Power Plants. The change in law and regulations risk may also apply for the licensing and development of new projects by the Issuer and its subsidiaries.

(i) **Risks arising from changes in tax laws and other regulatory charges:** The Issuer's business is also affected by other general laws and regulations, including taxes, levies and other charges in the countries where it has presence, which may be amended or subject to varying interpretations, from time to time, such as the Extraordinary Contribution on the Energy Sector, the "clawback" mechanism or any "windfall taxes" (i.e., taxes levied on unforeseeable or unexpected large profits) which could impose additional costs on the Issuer's activity. Taxes, charges and contributions, not foreseen at present, may be enacted during the lifetime of the Issuer's power plants and have significant impacts on its profit and business model, as well as the development of future projects in the Issuer's pipeline.

(j) **Risks inherent to certain pending and possible environmental future claims that may result in the application of fines and ancillary penalties:** The Issuer is currently involved in (i) two administrative misdemeanour proceedings as a defendant, which may result, should their outcome prove unfavourable to the Issuer, in a total aggregate liability of up to €288,000 as well as potentially applicable ancillary sanctions, such as the prohibition of receiving public subsidies, seizure of equipment, closure of the facility and suspension of permits and authorisations; and (ii) two environmental misdemeanour proceedings due to the Issuer's failure to provide, until 31 January 2020, an inventory of sealed radioactive sources, which may constitute two serious offences if the Issuer is found guilty of these charges.

Risks related to the investment strategy

(k) **The Issuer may not be able to purchase (or obtain new licenses for) other Biomass Power Plants nor acquire or develop other assets within its business plan (wind and solar photovoltaic) and benefit from the optimisation potential and may not be able to implement an asset rotation strategy:** Considering that the Issuer's business strategy is significantly based on new acquisitions and projects, there is a risk of the Issuer being unable to acquire the targeted projects in the context of international competitive procedures, taking into account the Issuer's profitability investment criteria and the financial conditions in the market. Any such event may lead to delays or other adverse impacts on the implementation of the Issuer's strategy and objectives.

(l) **The Issuer is consolidating its activities in energy sectors and markets in which it is present and expanding to new markets:** The Issuer foresees to continue the geographic expansion of its activities, either by increasing its presence in markets where it already develops operations or by assessing the opportunity to enter into new markets if circumstances so permit, while enhancing its role in the renewables value chain, although biomass is currently still predominant in terms of cashflow generation. In this context, since June 2021, the Issuer acquired (i) a 70 percent equity stake in Profit Energy, a well-established distributed generation player in Portugal (in August 2021); (ii) a 42.19 percent equity stake in Perfecta Energía, a Spanish company operating in the distributed energy sector (in October 2021); (iii) a 80 percent equity stake of Oak Creek, a California-based company that has been developing, since 1982, renewable energy projects, through the Issuer's subsidiary V-Ridium (in January 2022); (iv) a 50 percent equity stake of each of the Infraventus Companies, six Portuguese-based companies with a portfolio of solar projects in Portugal with a combined 243 MW of capacity, spread in 24 small production renewable projects clusters (in March 2022); (v) a 35 percent equity stake in MaxSolar, a German company operating in the renewable energy sector (in March 2022); (vi) a 50 percent equity stake of Univergy Autoconsumo, a Spanish company focused on the sale, installation and maintenance of solar photovoltaic panels for the commercial and industrial segment (in April 2022); and (vii) a 100 percent equity stake of LJC Green Source Energy Alpha, a Romanian company that operates LIONS Photovoltaic Solar Park, which is located in southern Romania and has an installed capacity of 45MWp, through the Issuer's subsidiary V-Ridium (in May 2022). Although these acquisitions are expected to enhance the Issuer's position in the renewable energy sector and upscale its activities in relevant European markets, as with any other similar arrangement, risks may arise related to performance by the relevant parties and implementation of the envisaged strategy in each relevant market.

(m) **The Issuer is exposed to foreign currency risk as it operates in markets where the currency is different from euro:** The Issuer is subject to the risk associated with fluctuations in the cost of energy in connection with the promotion, development, operation, maintenance and management of power stations, plants and other facilities for the production, warehousing and supply of electricity from renewable sources, with the cost of investments denominated in foreign currencies. The Issuer is also subject to the risk of transactional foreign currency – namely to the Pound Sterling (£) (representing c. 54% of the Issuer's Adjusted EBITDA in 2021), the Romanian Leu (RON), the Bulgarian Lev (BGN), the United States dollar (USD) and the Mexican peso (MXN) –, as well as currency fluctuations which can occur when the Issuer incurs revenue in one currency and costs in another, or its assets or liabilities are denominated in foreign currency, and there is an adverse currency fluctuation in the value of net assets, debt and income denominated in foreign currencies.

(n) **The Issuer may face challenges in the licensing and development of new projects:** The development of new projects is significantly affected by scarcity of grid capacity and any rights for the development of new projects are subject to increasingly competitive processes for the attribution of grid capacity or significant capital expenditure for the reinforcement of grid capacity. The development of projects is also subject to a significant level of uncertainty in the licensing phase, where planning and environmental restrictions may wholly or partially prevent the implementation of the projects, extend timelines and increase costs to ensure the successful implantation of the projects, as well as construction risk. The proceeds arising from the Offer will be used by the Issuer taking into account opportunities related with the implementation of its revised growth and expansion strategy.

Section C – Key information on the securities

C.1. What are the main features of the securities?

(a) Type, class and ISIN

The New Shares are ordinary, nominative, book-entry shares, without nominal value, representing 12.785 percent of the entire share capital of the Issuer after full subscription of the share capital increase. After their admission to trading on Euronext Lisbon, the New Shares shall have the same ISIN code (PTGNV0AM0001) and CFI Code (ESVUFR) as the shares representing the Issuer's share capital which are already admitted to trading on the date of this Prospectus and will be fungible with those existing shares.

(b) Currency, denomination, nominal value and number of securities
Up to 17,792,576 New Shares, without nominal value, representing 12.785 percent of the entire share capital of the Issuer after full subscription of the share capital increase, will be issued and admitted to trading on Euronext Lisbon. GreenVolt shares that currently represent GreenVolt's share capital are issued in Euros. The New Shares will also be issued in Euros.
(c) Rights granted by the securities
The New Shares are ordinary and, therefore, they all form part of the same class (<i>categoria</i>), with all inherent rights and obligations as established in the Portuguese Commercial Companies Code, the Portuguese Securities Code and the Articles of Association.
(d) Restriction to the free transferability of securities
Without the prior written consent of the Joint Global Coordinators (on behalf of the Managers), during the period of 180 days from the issue and admission of the New Shares on Euronext Lisbon, and save for certain exemptions, the Issuer shall not directly or indirectly dispose of any Shares or any interest in any Shares or any securities convertible into or exercisable or exchangeable for, or substantially similar to, the Shares or any interest in Shares. This lock-up undertaking shall not prevent the Issuer from granting rights in the context of takeover offers, rights issues and any other pre-emptive offerings, schemes of arrangement, transfers of shares to margin loan lenders, share buy-backs and the vesting of awards under employee share schemes. Pursuant to their subscription and lock-up letters, Promendo Investimentos, S.A., Actium Capital, S.A., Livrefluxe, S.A., Caderno Azul, S.A., 1 Thing, Investments, S.A. (which are core shareholders of both Altri and GreenVolt) and Kwe Partners Ltd. (which is also controlled by V-Ridium Europe's controlling shareholder) assume towards the Issuer, not to, during the period of 180 days from the issue and admission of the New Shares on Euronext Lisbon, directly or indirectly, dispose of any Shares (meaning, in each case, the New Shares each of them will acquire upon exercise of their respective Subscription Rights pursuant to their respective Subscription Commitment and the Shares already held at the present date) or any interest in Shares or any securities convertible into or exercisable or exchangeable for, or substantially similar to, the Shares or any interest in Shares. Pursuant to the V-Ridium Investment Agreement entered into on 24 June 2021, the Issuer, Altri and V-Ridium Europe have agreed on V-Ridium Europe being subject to a lock-up period of 24 (twenty-four) months counting from admission to trading of the Shares on Euronext Lisbon in July 2021, during which V-Ridium Europe cannot, directly or indirectly, sell, transfer, encumber or otherwise dispose of any of the Shares held by it or any of the rights attached to them (with exception to the subscription rights which have been assigned to Kwe Partners Ltd. with the Issuer's consent), subject, in case of breach, to a penalty in the global amount of €14 million.
(e) Dividend policy
Prior to the date of this Prospectus, and with reference to the fiscal years ended on 31 December 2021, 2020 and 2019, the Issuer has not paid any dividends. As it is an accelerated growth company, the Issuer does not expect to distribute dividends in the horizon of its business plan (up until 2026) and does not foresee, under its Articles of Association, any obligation to distribute dividends or a minimum threshold for such. The Issuer's past dividend distribution track record and its current dividend policy do not mean however that the Issuer excludes the possibility of distributing dividends or that the Issuer will never distribute dividends. The payment of dividends (if any) by the Issuer and the respective amount and timing will depend on a number of factors, including the Issuer's capital structure, availability of distributable reserves, future sales and profits, financial condition, general economic and business conditions and any other factors the Board of Directors may deem relevant. There can be no assurance that a dividend will be declared in any given year. If a dividend is declared, there can be no assurance as to such dividend amount. Moreover, any dividend paid in any given year will not be indicative of any dividends to be paid in any subsequent year. If any dividend is distributed, all Shares will be entitled to the same gross dividend.
(f) Seniority of the securities in the Issuer's capital structure in the event of insolvency
In the event of the Issuer's liquidation, and once the rights of unsubordinated creditors have been satisfied, the remainder of the assets (if any) shall firstly be channelled to the repayment of the contributions effectively made by each shareholder (corresponding to the portion of share capital held by such shareholder). If there is still a positive balance to be distributed following this repayment, it shall be apportioned among shareholders in the proportion applicable to the distribution of profits amongst them.
C.2. Where will the securities be traded?
The Issuer has requested the admission to trading of the New Shares on Euronext Lisbon.
C.3. Is there a guarantee attached to the securities?
No.
C.4. What are the key risks that are specific to the securities?
Volatility may trigger a fall in the price of the Issuer's New Shares and in the value of the investment: The shares representing the Issuer's share capital are admitted to trading on the regulated market of Euronext Lisbon and, therefore, the price of the shares representing the Issuer's share capital may vary. The market may be subject to fluctuations and the price of the Issuer's shares may be more or less volatile due to several factors (many of which are not under the Issuer's control). This volatility could have a negative effect on the market price of GreenVolt's shares. In addition, if a significant number of the Issuer's shares are acquired by a limited number of investors, this could have a negative impact on the liquidity of those shares. The price of the Issuer's shares may vary as a result and investors may be unable to acquire or dispose of the Issuer's shares at the expected price.
Section D – Key information on the offer of securities to the public and/or the admission to trading on a regulated market
D.1. Under which conditions and timetable can I invest in this security?
(a) General terms and conditions Addressees: The Offer of up to 17,792,576 New Shares is addressed to (i) GreenVolt's shareholders who, by virtue of holding shares representing the share capital of the Issuer, hold Subscription Rights for the New Shares; and (ii) investors who acquire Subscription Rights. Subscription Price and Payment: The subscription price per New Share, pursuant to the Offer, is of €5.62 (" Subscription Price ") and the total amount of the offer of the New Shares is estimated at €99,994,277.12 (taking into account the Subscription Price). The payment of the Subscription Price in respect of the New Shares subscribed by each investor (either by means of the exercise of Subscription Rights or by request for additional subscription in the apportionment phase) shall be made against registration of the certificates of the subscribed New Shares in the relevant securities account, under the terms of articles 61 <i>et seq.</i> of the Portuguese Securities Code. Such certificates shall be converted into Issuer's shares following the commercial registration of the share capital increase of the Issuer. Conditions: The effectiveness of the Offer is not subject to conditions. Settlement Agent: CaixaBI.

(b) Envisaged calendar for the Offer and admission to trading	
Description of the main steps	Envisaged date
Approval and publication of the Prospectus	9 June 2022
Publication of the notice to Shareholders of the Issuer regarding their Subscription Rights	9 June 2022
Share cum-Subscription Rights date – last day on which the shares of the Issuer may be traded on Euronext Lisbon with the inherent Subscription Rights attached	15 June 2022
Record Date - <i>Note: Issuer's shares acquired outside the regulated market and registered in the book-entry securities account of the relevant Shareholder up to, and including, 05:00 p.m. on 17 June 2022 shall grant such Shareholder the related Subscription Rights, unless otherwise stipulated</i>	17 June 2022
Subscription Rights Trading Period	20 June 2022, 8:30 a.m. – 29 June 2022, 4:30 p.m. Lisbon time
Offer Period	20 June 2022, 8:30 a.m. – 4 July 2022, 3:00 p.m. Lisbon time
Remittance by financial intermediaries to Interbolsa of orders received in the Offer	20 June 2022, 8:30 a.m.– 4 July 2022, 4:00 p.m. Lisbon time
First day of the Subscription Rights Trading Period (i.e. first day on which Subscription Rights may be traded on Euronext Lisbon)	20 June 2022
First day of the Offer Period (i.e. first day on which subscription orders in respect of the New Shares may be placed)	20 June 2022
Last day and end of the Subscription Rights Trading Period (i.e. last day on which Subscription Rights may be traded on Euronext Lisbon); <i>Note: The Subscription Rights may also be traded outside Euronext Lisbon, in accordance with the general terms of the law, having to be registered on the relevant individual securities account of the acquirer until 4 July 2022 (inclusive), in order for the relevant exercise of such Subscription Rights</i>	29 June 2022
Date and time from which subscription orders in respect of New Shares become irrevocable and may only be amended to increase the number of New Shares to be subscribed, to the extent permitted under the Offer and the law	1 July 2022, 3:00 p.m.
Last day and end of the Offer Period (i.e. last day on which subscription orders in respect of the New Shares may be placed)	4 July 2022
Announcement of the results of the Offer	5 July 2022
Completion of the settlement of the New Shares	6 July 2022
Registration of the share capital increase with the commercial registry office	7 July 2022
Completion of the physical settlement through the application of the same ISIN code to the New Shares that were issued in order they become fungible with the others - <i>Note: the issue of New Shares and the commencement of trading on Euronext Lisbon is conditioned upon prior registration of the share capital increase with the commercial registry office, which is expected to occur on 7 July 2022. There is no assurance that the registration of the share capital increase and the commencement of trading on Euronext Lisbon will not be delayed</i>	11 July 2022
First day of trading of the New Shares - <i>Note: Conditioned to prior favourable decision by Euronext Lisbon.</i>	11 July 2022
(c) Admission to trading	
The shares representing GreenVolt's share capital are admitted to trading on Euronext Lisbon. The New Shares, when admitted to trading, shall have the same ISIN code (PTGNVOAM0001) and CFI code (ESVUFR) as the shares representing GreenVolt's share capital which are already admitted to trading on the date of this Prospectus, and will be traded under the same ticker symbol "GVOLT". It is expected that the admission of the New Shares, should it be decided favourably by Euronext Lisbon, will occur on or around 11 July 2022, after the commercial registration of the share capital increase.	
(d) Allocation and Distribution of the Offer	
<p>Allocation and negotiation of Subscription Rights: The New Shares are offered directly for subscription to all Shareholders upon exercise of their Subscription Rights. As of the date of this Prospectus, the Issuer does not hold any treasury shares. The initially unsubscribed New Shares pursuant to the exercise of the Subscription Rights shall be apportioned amongst the holders of Subscription Rights who have expressed the intention to subscribe more shares than the amount they would be entitled to, in proportion to the value of the corresponding subscriptions for New Shares through the exercise of the Subscription Rights, rounded down to the nearest whole ordinary share. The request for the additional subscription of New Shares shall be made along with the request for subscription and shall not be detachable from the latter. Shares (i) acquired on Euronext Lisbon up to, and including, 15 June 2022, and (ii) transferred or acquired outside of a regulated market and registered on the acquirer's securities account up to, and including, 17 June 2022, shall entitle such holders to the right to subscribe for New Shares as part of the Offer. Shareholders that do not intend to exercise their Subscription Rights, in whole or in part, or that intend to hold a higher number of Subscription Rights, may trade such Subscription Rights either on Euronext Lisbon, between 20 June 2022 and 29 June 2022, and/or outside Euronext Lisbon, having to be registered on the relevant individual securities account until 4 July 2022 (inclusive). Subscription Rights that are not disposed of or exercised prior to the end of the Subscription Rights Trading Period and of the Offer Period (see the calendar above), respectively, will expire and no compensation will be due to the holders of such Subscription Rights.</p> <p>Distribution: The New Shares shall be distributed among the holders of Subscription Rights in the Offer as follows: a) pursuant to the exercise of Subscription Rights, each holder of Subscription Rights, shall be entitled to subscribe the number of New Shares that result from the application of the factor to the number of Subscription Rights held at the moment of subscription (rounded down to the nearest whole ordinary share) and which it has declared its intention to exercise, rounded down to the nearest whole number; (b) the New Shares not subscribed for are to be allotted to holders of Subscription Rights that have expressed their intention to subscribe for more New Shares than those they are proportionally entitled to subscribe for pursuant to their Subscription Rights, <i>pro rata</i> to their exercise of Subscription Rights, rounded down to the nearest whole number; and (c) with regards to the New Shares not allocated under the preceding paragraphs, lots will be drawn, one at a time, to apportion such New Shares among the holders of Subscription Rights whose requests for the additional subscription of New Shares were not fully satisfied.</p>	
(e) Amount and immediate dilution resulting from the Offer	
The maximum number of New Shares to be issued under the Offer is 17,792,576. Shareholders who subscribe for all the New Shares to which they are entitled, by exercising their Subscription Rights, will receive New Shares in a percentage proportional to their current percentage of ownership in the Issuer's share capital. Upon completion of the Offer, these Shareholders will maintain the same percentage of interest in the Issuer's share capital as they held prior to the Offer, thus not suffering any dilution as a result of the share capital increase carried out through the Offer. The proportion of share ownership and voting rights in GreenVolt of shareholders who do not exercise their Subscription Rights shall be diluted with the issuance of the New Shares, such dilution being equivalent to the quotient between the amount of the New Shares issued and the total number of shares representing the share capital of the Issuer after this Offer. For instance, for current shareholders that do not exercise their Subscription Rights in the Offer, a participation in the share capital of GreenVolt corresponding to 1 percent shall be reduced to approximately 0.8722 percent after the respective capital increase, assuming that the relevant shareholder does not exercise any Subscription Rights and that the share capital increase is fully subscribed.	

<p>(f) Estimate of total costs for the Offer</p> <p>The expenses of the Offer include, notably, fees due to the Managers and costs with other advisors and with the admission of the New Shares and the Subscription Rights to trading, which are estimated to amount to €4,262,278. The Issuer will not charge any commissions or other expenses to investors in relation to the admission to trading of the New Shares or the Subscription Rights on Euronext Lisbon.</p>
<p>D.2. Why is this prospectus being produced?</p>
<p>(g) Use and estimated net proceeds</p> <p>The Issuer intends to principally use the net proceeds of the Offer, which, assuming full subscription, will correspond to a net amount of approximately €95,731,999, after deducting all expenses, including the fees due to Managers and other advisors, registration of the New Shares with CVM and admission of the New Shares to trading on Euronext Lisbon, to speed up the roll out of its development plan which reflects a strategy adjustment motivated by the current market environment, i.e. focusing a significant part of the asset rotation strategy at COD, meaning selling the projects after being constructed. The Issuer intends to use the proceeds to partially finance the equity portion of certain projects until they can be self-funded through internal cash generation. In addition, this capital injection will provide the Group with additional liquidity following the growth programme pursued in recent months. There is no upfront defined allocation for the proceeds that will result from the Offer and, accordingly, no order of priority has been established by the Issuer in this respect.</p>
<p>(h) Subscription and underwriting arrangements</p> <p>On 9 June 2022, the Issuer and the Managers signed the Underwriting Agreement governed by Portuguese law. The Managers have severally agreed to procure subscribers, namely Qualified Investors, or to otherwise themselves subscribe for, and the Issuer has agreed to issue to the subscribers procured by the Managers or to the Managers themselves, as the case may be, at the Subscription Price, any New Shares that are not subscribed for pursuant to the exercise of the Subscription Rights (other than by Promendo Investimentos, S.A., Actium Capital, S.A., Livrefluxo, S.A., Caderno Azul, S.A., 1 Thing, Investments, S.A. and Kwe Partners Ltd., as described below) in the following percentages: BNP PARIBAS – 32.5%; Banco Santander, S.A. - 32.5%; CaixaBank, S.A. – 9.6%; CaixaBI - 6.2%; Mediobanca Banca di Credito Finanziario S.p.A. – 9.6%; and JB Capital Markets, S.V, S.A.U. - 9.6%. The Underwriting Agreement may be terminated until the expected date for registration of the share capital increase by means of the issuance of the New Shares with the Commercial Registry, inter alia, including in the event of breach of representations and warranties rendered by the Issuer or the occurrence of a material adverse change, if two or more of the aforementioned entities whose subscription commitments in aggregate represent a percentage higher than 20 percent of all the aggregate commitments of those entities default (in whole or in part) their respective subscription commitments. A supplement to the Prospectus will be prepared in case the Underwriting Agreement is terminated, a situation where any investors who have accepted the Offer before the publication of such supplement have the right to withdraw their acceptance within three working days after the publication of the supplement; however, a breach by any of Promendo Investimentos, S.A., Actium Capital, S.A., Livrefluxo, S.A., Caderno Azul, S.A., 1 Thing, Investments, S.A. and Kwe Partners Ltd. that does not lead to the termination of the Underwriting Agreement will not affect the subscription commitments of the Managers (which, for the avoidance of doubt, do not include the New Shares that the relevant defaulting entity failed to subscribe by breaching its subscription commitment) and will not, in itself, trigger a supplement to the Prospectus to be prepared and, consequently, will not allow any right of investors to withdraw their acceptance of the Offer. As the Offer is not subject to any conditions, termination of the Underwriting Agreement shall not result in the Offer not becoming effective. If one or more of the Managers defaults in the performance of its obligations to underwrite its proportion of the underwritten New Shares (“Defaulted Shares”), obligation which is due on the last day of the Offer Period, the Joint Global Coordinators shall have the right to make arrangements for one or more of the other Managers (each a “Non-Defaulting Manager”) to procure subscribers for all of the Defaulted Shares in such amounts as the Joint Global Coordinators may determine. If the Joint Global Coordinators have not completed these arrangements within a 48-hour (or other agreed) period, then, if the number of Defaulted Shares does not exceed 10 percent of the aggregate number of New Shares to be subscribed for by the Managers under the Underwriting Agreement, each of the Non-Defaulting Managers shall be obliged, severally and not jointly or jointly and severally, to subscribe for the full amount thereof in the proportion that its respective underwriting obligation hereunder bears to the underwriting obligations of all Non-Defaulting Managers. If the number of Defaulted Shares exceeds 10 percent of the aggregate number of New Shares to be subscribed for by the Managers under the Underwriting Agreement, the Non-Defaulting Managers shall not be obliged to subscribe for any Defaulted Shares. If the subscription of the Offer becomes incomplete as a result of the non-subscription of the Defaulted Shares, the Offer results announcement will be republished indicating the effective total amount of the share capital increase subscribed. In connection with the Offer, the Issuer has agreed to pay the Managers: (i) an underwriting commission equal to 2.25 percent of the amount equal to the product of the Subscription Price and the aggregate number of New Shares minus the Subscription Commitments (“Base Commission”) plus taxes (VAT or stamp duty, as applicable), to be distributed amongst the Managers in proportion to their Underwriting Commitments; and (ii) in the Issuer’s sole and absolute discretion, an additional discretionary commission of up to 1.25 percent of the amount equal to the product of the Subscription Price and the aggregate number of New Shares (allocated and paid by the Issuer between Managers at the Issuer’s discretion), plus taxes (VAT and stamp duty, as applicable). Out of such Base Commission payable to the Managers, the Managers shall pay or procure the payment of sub-underwriting commissions payable to such persons (if any) as the Managers may procure to acquire New Shares.</p> <p>Subscription Commitments: Promendo Investimentos, S.A., Actium Capital, S.A., Livrefluxo, S.A., Caderno Azul, S.A., 1 Thing, Investments, S.A. and Kwe Partners Ltd. have, individually, on a several and not joint basis, assumed towards the Issuer the commitment to subscribe New Shares upon exercise of the Subscription Rights they currently hold (“Subscription Commitments”). The sum of the New Shares those holders of Subscription Rights commit to subscribe corresponds to a total of about 48.2 percent of the share capital increase, assuming that it is fully subscribed. GreenVolt has been informed by Altri that Altri and Caima Energia (or Celbi, upon completion of the already publicly announced spin-off involving Caima Energia) will not exercise their Subscription Rights, which are intended to be sold to Altri’s shareholders on a <i>pro rata</i> basis taking into account their relevant shareholdings, so as to promote full implementation of Altri’s spin-off transaction pursuant to its general meeting of shareholders of 29 April 2022.</p>
<p>(i) Indication of conflicts of interest</p> <p>The Managers are in a contractual relationship with the Issuer in connection with the Offer. The Managers and/or their respective affiliates have in the past provided, and may in the future, from time to time, provide, commercial banking, investment banking and financial advisory or other services to the Issuer or any parties related to it, in the ordinary course of their respective businesses. The Managers have received and will receive customary fees and commissions for these transactions and services. Notwithstanding the above, there is no significant interest of any person involved in the Offer which is in conflict with the Offer.</p>

3. RISK FACTORS

An investment in shares, including the subscription of the New Shares and/or the acquisition of the Subscription Rights, involves a high degree of risk. Prospective investors should carefully consider the information in this Prospectus and the documents incorporated by reference herein, as well as the following risk factors, before investing in any New Shares or Subscription Rights. The occurrence of any of the following risks could have a material adverse effect on the Issuer's business, financial condition, prospects, results of operations or cash flows. Therefore, the trading price of the New Shares could decline due to any of these risks, and investors may lose all or part of the investment made.

References in this Chapter to "the Issuer" or "Group" are to the Issuer and its subsidiaries. The Issuer cannot ensure that, in the event of adverse scenarios, the policies and procedures it uses to identify, monitor and manage risks will be effective. The risk factors described below are those considered most relevant to investors when making an investment decision. However, additional risks not currently known, or currently deemed immaterial, may also have material adverse effects. This Prospectus also contains statements about future events that involve risks and uncertainties. Please note that actual results may differ materially from those foreseen in these forward-looking statements.

Within each category of risk, those considered by the Issuer to be the most material risks are set out first. The Issuer has assessed the relative materiality of the risk factors based on the probability of their occurrence and expected magnitude of their negative impact. The order of the categories does not imply that any category of risk is more material than any other. Prospective investors should read the information set out in this Prospectus (including the documents incorporated by reference herein) and form their own opinion prior to making an investment decision.

3.1. Risks associated with the Biomass Power Plants' activity and their operation

3.1.1. Risks related to the operation of the Biomass Power Plants

The Issuer's activity depends on the level of performance of the Portuguese Biomass Power Plants and TGP (and any other Biomass Power Plants that the Issuer may operate in the future) and their adequate operation and maintenance. Mechanical failures or other defects in the Biomass Power Plants' equipment, or accidents that result in suspension of the activities (such as, for example, the 2017 forest fires that damaged the Mortágua Power Plant and required the suspension of its activity for almost 70 days and, the 2019 dust explosion in the fuel handling system in TGP that caused a six-month outage), or the under-performance of the Biomass Power Plants or major overhauls (such as, for example, the major maintenance carried out on the Mortágua Power Plant in October 2021 which required the suspension of its activity for more than 40 days), could impact the Issuer's business.

The operation of the Portuguese Biomass Power Plants is ensured through long-term operation and maintenance contracts established with Altri Group's companies (each such company being the owner of the facility where the relevant Portuguese Biomass Power Plant is installed, with the exception of the Mortágua Power Plant), establishing minimum availability/level of services and an obligation to proceed with extensive repair or the replacement of damaged equipment. Although the Issuer will be entitled to compensation for default or shortfalls in performance, there is the risk that damages settled under the operation and maintenance contracts in place will not be sufficient to fully compensate the Issuer's decrease in revenues.

The Altri Group companies (and any subcontractor thereof) that ensure the operation and maintenance of the Portuguese Biomass Power Plants, and the companies that ensure the operation and maintenance and feedstock supply of TGP, follow the higher operational standards for this type of industry and there are no relevant incidents to report

with respect to major unplanned overhauls, damages to third party property, environmental damages or personal injuries. On the other hand, the insurance coverage maintained by the Group with respect to each of the Biomass Power Plants should be able to cover the main risks resulting from their operational activity. The engineering, procurement and construction contracts and the guarantees provided thereunder follow common standards for this type of agreements.

In TGP, the operation is ensured through long-term operation and maintenance contract established with WBOC, in force until January 2039, in which the supplier is responsible for all activities onsite related to the operation and maintenance of the plant, including lifecycle repairs/maintenance, and provides an availability guarantee of 91 percent for the first 15 years of the contract and 89 percent for the year 16th through the year 20th. However, there are several corrective maintenance works that are out of scope that could translate into unexpected losses for the Issuer. Fuel supply for TGP is ensured through a long-term fuel supply agreement, entered into with Esken Renewables, covering the exclusive supply of feedstock to TGP, on the basis of i) minimum purchase obligations by the Issuer, ii) pre-defined feedstock specification, among others. Despite the strong balance sheet and market recognition of Esken Renewables, the exclusivity provided can result in shortages of feedstock (such as, for example, the shortage of feedstock supply throughout the UK during the first Covid-19 outbreak in March 2020).

In 2021, the total days of outage of the Portuguese Biomass Power Plants was 40 days (weighted average according to installed capacity (as per license)), of which 22 days refer to the extraordinary turbine maintenance made to the Ródão Power Plant. During the first quarter of 2022, the total days of outage of the Portuguese Biomass Power Plants was 7 days (weighted average according to installed capacity (as per license)).

Due to the fact that it is the most recently built Portuguese Biomass Power Plant, with the highest injection capacity (34.5MW) and longest contractual term (2044), the Figueira da Foz II Power Plant contributes significantly to the Group in terms of injection capacity and revenues in Portugal: the plant represents 41 percent of total GWh injected by Portuguese biomass plants and 39 percent of the Group's revenue generated by the Biomass segment in Portugal in 2021 (35 percent of the Group's revenue generated by the Biomass segment in Portugal as at 31 March 2022). As such, any adverse fact or circumstance relating to the Figueira da Foz II Power Plant will have a greater impact on the Issuer than any adverse fact or circumstance relating to any other of the Portuguese Biomass Power Plants.

Without prejudice to the standards followed in this respect, the lack of relevant incidents and the existence of the insurance(s) deemed appropriate by the Group, the occurrence of any of the risks described above may have a material adverse effect on the Issuer's business, financial condition, prospects, results of operations or cash flows.

3.1.2. Risks arising from the Biomass Power Plants being subject to biomass supply shortage and price variations

The operation of the Biomass Power Plants (namely, the ability to sustain high load factors over time) is dependent on continuous access to biomass supply. Biomass refers to the set of products consisting of, at least partially, vegetable material resulting from agriculture or forestry activities, or certain forms of waste, the Issuer focusing its activity on residues derived from forestry operations and wood waste from industrial processes. Although each of the Portuguese Biomass Power Plants has ensured its own biomass supply through a long-term biomass supply agreement with Altri Madeira, under which Altri Madeira undertakes to deliver the necessary quantity of biomass with the quality and on the delivery dates agreed by the parties, the Issuer may be impacted by biomass supply shortages, arbitrage occurring at the suppliers' level and significant biomass price variations.

Cost of sales of the biomass segment is the main operating cost, having represented 41.5 percent of electricity sales in 2020⁵ and 31.8 percent in 2021⁶. As at 31 March 2022⁷, cost of sales of the biomass segment represented 28.8 percent of electricity revenue.

On average, 30 to 40 percent of the biomass supplied to the Portuguese Biomass Power Plants results from the paper pulp facilities production process (eucalyptus bark resulting from the debarking of the wood used in such operation) and the remainder of the biomass being procured by Altri either from forest owned or managed by entities of Altri Group or from other sources. Notwithstanding the protection granted to the Issuer under the Biomass Supply Agreement with respect to the quality and quantities of biomass to be supplied, which are determined by the Portuguese Biomass Power Plants in September of each year based on their efficiency and minimum consumption requirements, and the obligation of Altri Madeira to procure the necessary biomass through alternative sources (namely, and as already mentioned, biomass resulting from the paper pulp facilities production process, residual forest biomass collected from forest owned or managed by entities of Altri Group, or biomass from other national sources or from the Galiza region), the Issuer cannot dismiss the risk of disruption in the biomass supply chain.

This risk may be increased considering the requirements set forth in the recently enacted Climate Framework Law regarding the nature and quality of biomass used for electricity generation – i.e., the prohibition of using quality wood, biomass from growing energy crops, and residual biomass coming from remote land for electricity generation from biomass, as well as the requirement to coordinate the use of residual forestry biomass with wildfire prevention and land use planning measures. This risk may be increased by other European and national legislation that may establish further rules linked with the type of biomass that can be used in the biomass power plants leads to challenges in biomass supply.

The above-mentioned requirements may trigger an increasing competition for biomass to be supplied to the Portuguese Biomass Power Plants.

Any such disruption may adversely affect the operation of the Portuguese Biomass Power Plants.

Under the Biomass Supply Agreement, the biomass price is fixed for all biomass sourced from the paper pulp facilities production process for the duration of the agreement (which is coincident with the duration of the guaranteed tariff for the Portuguese Biomass Power Plants), however the annual price determined for other sources of biomass is subject to review on a yearly basis in accordance with a budget to be agreed by the parties reflecting the actual costs incurred by Altri Madeira with the supply of biomass in the previous year. In addition, any variation greater than 2 percent in the costs of biomass supplied from sources other than the biomass resulting from the paper pulp facilities production process may lead to a revision of prices in the following semester. As such, the Issuer and the subsidiaries operating the Portuguese Biomass Power Plants are subject to some volatility in the prices of biomass, impacted by the source of biomass supplied by Altri Madeira. Additionally, the Biomass Supply Agreement does not provide for minimum supply percentages depending on the types or origins of biomass, but rather a price for each type of biomass and a commitment to supply sufficient quantities to guarantee the full operation of the Portuguese Biomass Power Plants, irrespective of the types of biomass concerned.

⁵ In 2020, cost of sales of the biomass segment – cost of biomass sold = €39,028,957-€3,023,190= €36,005,767 In the same year, cost of biomass / electricity sales = €36,005,767 / €86,854,429 = 41.5 percent.

⁶ In 2021, cost of sales of the biomass segment / electricity sales of the biomass segment=€41,507,026 / €130,708,543 = 31.8 percent.

⁷ In the first quarter of 2022, cost of sales of the biomass segment/ electricity sales of the biomass segment = €13,981,831/ €48,586,272 = 28.8 percent.

In addition, the cost of biomass under the Biomass Supply Agreement may be affected by market volatility due to shortage of biomass in the supply chain, which in turn may be impacted by weather and seasonality factors, the reduction of forest areas producing biomass, restrictions imposed by law on the planting of new eucalyptus areas, distance to the origin of biomass, or the construction of more biomass facilities, developments which fall outside the Issuer's control. Transport cost is a key component of the marginal supply cost, with disruption, adverse impacts in the transportation routes or the need to use longer transportation routes entailing higher risks of deterioration of the product's quality, leading to higher emissions. The significant rise in electricity and gas prices, mainly due to the outbreak of war between Russia and Ukraine in February 2022, which could result in a disruption of gas supplies in Europe as a reaction to the imposition of sanctions to Russia and Belarus, may also have an impact in terms of biomass supply shortages, biomass transportation delays and rise in marginal supply costs.

Notwithstanding, most of the biomass processed at the Portuguese Biomass Power Plants comes from areas of close proximity. Furthermore, the transportation of biomass in adequate vehicles with large capacities (90 m³) increases transport efficiency and, consequently, reduces emissions of CO₂. The restrictions imposed on the cultivation of eucalyptus, together with the wood deficits foreseen in the coniferous sector as a result of the forest fires of 2003, 2004 and 2017, may generate a resource deficit. However, such deficit may be compensated by the Issuer with the use of other type of biomass namely deriving from other economic activities, for example, agricultural. Also, forestry biomass does not exhaust itself in the cultivation of eucalyptus as forestry biomass may also arise from new types of forestry, such as pinewood and acacia wood which can be used for the same purpose, as well as other types of waste.

Furthermore, the presence of water and sand in biomass (i) has an adverse impact on its calorific value and, therefore, its achieved load factor, consequently affecting its performance; and (ii) may lead to important equipment failure. The Issuer is addressing this problem by trying to link biomass cost to achieved energy generation output.

In what concerns TGP, it may also be subject to biomass supply shortage, change in law, namely changes that prevent the usage of biomass for energy purposes (i.e., wood from urban sources) and price variations; however, similarly to what has been implemented in respect to the Portuguese Biomass Power Plants, as described above, the Issuer has ensured its own biomass supply through a long-term biomass supply agreement of waste wood biomass entered into with Esken Renewables until 2037 (the FSA), with an option of extension of four years. The FSA foresees a fixed price and an obligation of the supplier to provide 100 percent of the biomass to TGP. The risk of presence of water and sand in biomass further described in the paragraph above also may apply to TGP.

The occurrence of any of the risks described above that may have an impact on the Portuguese Biomass Power Plants and TGP's access to biomass, including without limitation biomass shortages, factors adversely impacting the supply chain or volatility in the biomass price, may have a material adverse effect on the Issuer's business, financial condition, prospects, results of operations or cash flows.

3.1.3. Risks deriving from the link between the Portuguese Biomass Power Plants' operation and the operation of the Pulp Facilities

The continuous operation of the Portuguese Biomass Power Plants (with the exception of Mortágua Power Plant) is dependent on the normal operation of the associated Pulp Facilities, which supply some of the utilities required for the operation of the Portuguese Biomass Power Plants, namely water and compressed air.

An event leading to the interruption of activity of a given Pulp Facility may impact the normal operation of the associated Portuguese Biomass Power Plant, to the extent that such event prevents the Pulp Facility from supplying the necessary utilities to the associated Portuguese Biomass Power Plant, and eventually lead to a suspension in its generation of electricity.

If the interruption of activity in a given Pulp Facility is only temporary, risks arising from the possible consequent interruption of the associated Portuguese Biomass Power Plant may be mitigated given that the affected Portuguese Biomass Power Plant can operate in normal conditions with the water treatment, effluent treatment and compressed air in normal operation, even if the associated Pulp Facility is at a standstill.

However, an unexpected event leading to an interruption in the supply of utilities by a Pulp Facility may impact the normal operation of the associated Portuguese Biomass Power Plant, to the extent that such event may lead to a suspension in its generation of electricity. Scheduled outages of the Pulp Facilities and the Portuguese Biomass Power Plants may be performed simultaneously to mitigate the negative impact of suspending the supply of utilities or, if this is not possible, alternative solutions (namely the rental of equipment for the supply of compressed air) may be put in place to avoid a suspension of the activities of any affected Portuguese Biomass Power Plant. Otherwise, suspension of the supply of utilities by the Pulp Facilities, with potential impact on the operation of the affected Portuguese Biomass Power Plant, would be limited to rare situations caused by an external problem outside the control of the Group (thunderstorms, earthquakes, forest fires, defects related to the power grid, acts of terrorism, health crisis (such as the still ongoing global Covid-19 pandemic), cyber or other terrorist attacks or catastrophic events, etc.) which would stop the Portuguese Biomass Power Plant even with all utilities available.

The occurrence of any of the risks described above may temporarily impact the operation of the Portuguese Biomass Power Plants and have a material adverse effect on the Issuer's business, financial condition, prospects, results of operations or cash flows.

There is no relevant history regarding supply interruption events of water and compressed air, as such events are rare and of short duration. Notwithstanding, whereas the Constância Power Plant had no recent events to report, in the Figueira da Foz I Power Plant and Figueira da Foz II Power Plant there were outages during scheduled shutdowns of Celbi. These outages were used to perform preventive maintenance activities, so their impact was minimal (as these activities would have to be performed in any case). Ródão Power Plant had three stoppages due to lack of compressed air (each lasting less than 6 hours).

3.1.4. Risks deriving from the lack of registered title for occupation of the site by the Mortágua Power Plant

The Mortágua Power Plant's right of occupation and installation stems from several promissory lease agreements entered into between EDP Group and the relevant landowners. These promissory lease agreements were never converted into definitive lease agreements by the Issuer given that the identification of the current landowners of the plots where the Mortágua Power Plant is installed is still in course. As such, although no claim has been made by any potential landowner since the beginning of the Mortágua Power Plant's operation, the Issuer is currently proceeding with an assessment of the plots and their respective titles in order to establish definitive lease agreements or otherwise proceed with legal possession by usucaption (*usucapião*) of the plots in 2022 once the statutory period for this form of possession has elapsed.

If one or more landlords make a successful claim in this respect, that may have a material adverse effect on the Issuer's business, financial condition, prospects, results of operations or cash flows.

In 2021, electricity sales at Mortágua Power Plant amounted to circa €9.3 million, corresponding to circa 10.8 percent of the Group's electricity sales in Portugal in 2021, which amounted, in the same period, to approximately €85.4 million.

Considering the ongoing development of a new biomass power plant in Mortágua (please refer to Section 10.1. for more detail in respect of this power plant), which, at this stage, has not yet obtained a title of reserved capacity, nor a production licence, the lack of plot registered title for occupation of the site by this new power plant shall be taken into consideration.

3.2. Risks arising from the shareholding structure, access to capital and contractual relationship with certain counterparties

3.2.1. Risks associated with a change of control of the Issuer since its shares are listed on a stock exchange

Being an issuer of shares listed on a stock exchange, the Issuer may be the subject of a tender offer or of any transaction resulting in one or more entities acquiring control of the majority of its voting rights.

Upon completion of a change of control, a majority shareholder may have, directly or indirectly, the power to influence, among other things, the capital structure and day-to-day operations of the Issuer, the ability to elect and change the management of the Issuer, as well as the ability to approve other changes to the operations and strategies of the Issuer.

Any acquisition of a qualifying holding in the Issuer's share capital or relevant change of control by a shareholder (current or future) may impact the Issuer's corporate strategy, operations, business and resources, which may in turn have an adverse effect on its financial condition or operational results.

3.2.2. The Issuer may be subject to liquidity risk

Liquidity risk is the risk of not having sufficient net funds to meet the Issuer's financial commitments as a result of a mismatch in terms of volume between expected income and expenses. The Issuer is exposed to liquidity risk and may face a shortage of cash to meet its obligations as and when they fall due and/or to pursue the strategies outlined in compliance with its commitments to third parties. The Group pursues an active refinancing policy guided by two main principles: (i) maintaining a high level of free and readily available resources to address short-term needs; and (ii) extending or maintaining debt maturity according to expected cash flows and the leveraging capability of its statement of financial position.

The Group has maintained a liquidity reserve, in the form of credit lines, with its relationship banks in order to ensure its ability to meet its commitments without having to refinance in unfavourable conditions. As at 31 December 2021, the amount of consolidated loans, including bank loans, bonds, other loans, lease liabilities and shareholders' loans, maturing in the following 12 months is approximately €30.7 million (it was €41.8 million as at 31 December 2020 and it is €33.8 million with reference to 31 March 2022). As at 31 December 2021, the Group had unused credit lines (namely bank overdrafts, pledged current accounts and unused commercial paper programs) in the amount of approximately €219.5 million (compared with €30 million as at 31 December 2020 and €221.1 million as at 31 March 2022). Additionally, the Group's cash and cash equivalents totalled €258.8 million as at 31 December 2021, representing approximately 350 percent of its current liabilities as at 31 December 2021, whereas with reference to 31 March 2022,

the Group's cash and cash equivalents amounted to approximately €238.1 million, representing approximately 251 percent of its current liabilities as at 31 March 2022.

Finally, as at 31 December 2021, the Issuer had positive Working Capital in the amount of €254.7 million, calculated based on the difference between current assets (€328.7 million) and current liabilities (€74.0 million). With reference to 31 March 2022, the Issuer has a Working Capital in the amount of €230.2 million, calculated based on the difference between current assets (€325.2 million) and current liabilities (€95.0 million).

During the year ended at 31 December 2021, the Issuer completed i) the acquisition of V-Ridium, which did not have any impact on the Issuer's liquidity, since the acquisition was made by the Issuer pursuant to a contribution in kind, although with an earn-out of €13.4 million (corresponds to the fair value of the contingent price), which is expected to be fully paid until 31 December 2024; (ii) the acquisition of Tilbury Holdings on 30 June 2021, for an enterprise value of £246.5 million, together with the funds managed by the Equitix Group, (iii) the acquisition of Profit Energy and its subsidiary Track Profit Energy II Invest on 24 August 2021, for an acquisition value of €4.6 million (including the fair value of the contingent payment of €2.3 million), and (iv) Perfecta Energía on 25 October, for an acquisition value of €13.7 million.

During the first quarter of 2022, based on a low capital intensive and opportunistic strategy, the Issuer, through its subsidiary V-Ridium, performed the acquisition of Oak Creek, a California-based company that has been developing, since 1982, renewable energy projects, including wind, for an acquisition value of €7.1 million (including an estimated fair value amount of contingent payment of €5.9 million, which is expected to be paid until 31 December 2030). In addition, the Issuer acquired a 35% stake in MaxSolar, a leading company in the development, implementation and management of solar photovoltaic and battery storage projects, in Germany, for €4.8 million of acquisition cost, Shareholder loans of approximately €19 million euros and a short term convertible loan of 10 million Euros that entitles GreenVolt to reinforce its stake in MaxSolar through the conversion of the loan (held by the current partner) into equity, as well as entered into a partnership with Infracore, for the development of a pipeline of 243 MW. For more information on the Issuer investments in 2021 and 2022, please see Section 10.7 ("*Investments of the Issuer*").

If there is a significant change in the creditworthiness of the financial institutions on which the Issuer relies for its funding, if the financial condition of the Issuer or the markets deteriorate, or if the operational implementation of the risk management policy is not correctly carried out, the Issuer's liquidity position could be negatively affected, which could in turn have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Additionally, potential delays in projects commissioning and/or delivery (hence resulting in the periods between upfront investments and revenue collection being longer than expected) may adversely affect liquidity, growth strategy, business financial condition and results of operation of the Issuer. Furthermore, turbulence in financial markets or market changes in terms of the Issuer's current costs or revenues, can impact its liquidity and financial balance.

3.2.3. Risks arising from the Altri Group entities being the main counterparties of the Issuer

The activities of the Issuer carried out through Portuguese Biomass Power Plants are supported by long-term contracts ensuring the provision of relevant services at least throughout the term of the feed-in-tariffs period entered into with entities from the Altri Group, such entities being among the Issuer's main counterparties.

The Portuguese Biomass Power Plants are installed within industrial facilities held by the Pulp Facility Operators, with the exception of the Mortágua Power Plant, which is the Portuguese Biomass Power Plant with the lowest injection capacity as per respective licence (10 MW). Title for such occupation rights is granted under the Lease Agreements for the plots of land where the Portuguese Biomass Power Plants are installed. The operation and maintenance of the Portuguese Biomass Power Plants are carried out under the PT O&M Agreements. Biomass supply for all the Portuguese Biomass Power Plants is ensured through the Biomass Supply Agreements. Utilities required for the Portuguese Biomass Power Plants' operation are supplied by the Altri Group entities which operate the corresponding Pulp Facilities. Accordingly, the Group's counterparties in the Lease Agreements, Utilities Agreements, PT O&M Agreements and Biomass Supply Agreements are all Altri Group entities and Altri was, during 2021, the supplier to the Issuer of back-office services, such as procurement, treasury, accounting, payroll services and IT.

Although the Altri Group is a creditworthy group of companies with no recent history of events of default in the context of the Issuer's relationship with Altri Group entities, the Issuer is significantly exposed to Altri's counterparty risk as its main operation contracts in respect of the Portuguese Biomass Power Plants depend on Altri Group's companies performing their contractual obligations as and when due. Therefore, a possible breach of contract would have a more significant and adverse impact on the Issuer than would otherwise occur had it entered into these contractual relationships with unrelated counterparties, seeing as in the Lease Agreements and Utilities Agreements the counterparties of the Altri Group will not or are unlikely to be replaceable, and as regards the Biomass Supply Agreements and PT O&M Agreements there is no guarantee of similar contractual conditions being agreed with other third parties.

These contracts are qualified as transactions with related parties and are carried out at market prices and at arm's length terms in accordance with industry market practices. In what specifically concerns purchase and acquired services, transactions with Altri related parties amounted to €44.2 million with reference to 31 December 2021 (and €12.8 million with reference to 31 March 2022), representing circa 57.0 percent of the Issuer's total costs of sales and external supply and services with reference to 31 December 2021 (80.7 percent with reference to 31 December 2020 and 43.5 percent with reference to 31 March 2022).

The Issuer cannot exclude potential conflicts of interests in the management of its contractual relationships taking into account that Altri currently holds a qualified participation of 19.08%. Although Altri no longer exercises direct control over the Issuer, it continues to have the same shareholding base structure as the Issuer and to be a relevant shareholder.

Any such potential conflict of interest or material breach of contract could have a material adverse effect on the Issuer's business, financial condition and results of operations, since the Issuer may face problems in finding other third parties to supply biomass and to ensure the provision of O&M services or in internalising such services at the same efficiency and cost levels as currently provided by its current counterparties which form part of the Altri Group.

3.3. Risks associated with the energy sector, sectorial regulation and changes in laws

3.3.1. Risks arising from changes in laws and regulations

The Group's activity is focused on electricity generation and related services (including the development, construction, licensing and operation of power plants in several countries through V-Ridium, TGP, Perfecta Energía, SEO and through co-developments in Romania) pursuant to licences and other legal or regulatory permits, as applicable, granted by

governments, municipalities and regulatory entities, with the Portuguese Biomass Power Plants being remunerated through feed-in tariffs, and TGP being remunerated through ROCs and energy market prices.

Such licences, permits and feed-in tariffs are awarded under highly regulated legal frameworks which are, in turn, highly dependent on European and national economic, financial, tax, energy, environmental and sustainability policies. Indeed, the development and profitability of renewable energy projects is significantly dependent on the policies and regulatory frameworks supporting such development.

For instance, Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the EU Taxonomy Regulation), which is part of the European Union's Sustainable Finance Package, took effect from December 2021 for the "climate change mitigation" and "adaptation" objectives and will take effect from December 2022 for the other environmental objectives, implying higher compliance costs for GreenVolt.

Similarly, for greenfield projects (both utility-scale and distributed generation), and considering the pressure on the Governments to accelerate the renewable targets and energy transition, the current licensing procedures may suffer amendments, including, but not limited to, the deadlines for starting the implementation of the projects and the deadlines for the entry into operation.

Considering that in some European countries there is a high demand for obtaining reserved capacity combined with the willing of the Governments to reach the proposed renewable targets, the change in laws may also impose different or more significant bonds and/or fees for the entrance of the players in the sector.

Therefore, laws and regulations affecting the Group's activities may be subject to amendments, notably as a result of governmental decisions, the ordinary expiry of regulatory periods, unilateral imposition by regulators, the State Budget or legislative authorities, or as a result of judicial or administrative proceedings or actions. In addition to possible amendments to the applicable legal frameworks, additional laws and regulations may be implemented. If laws and regulations (notably European Union's regulatory framework) evolves towards the introduction of more stringent criteria on the use of biomass, it could lead to the partial or total inability of GreenVolt to develop new biomass plants.

In this context, it should be highlighted that change in laws and regulation may also arise from the significant increase in electricity and gas market prices. This extraordinary circumstance leads to the enactment of diplomas that act in the National Electricity System and in the MIBEL (and other markets) and its operators, namely power generators, and whose impacts may be unpredictable in the appetite for investment in renewable capacity.

In this scenario, a change in European or national laws and regulations may ultimately revise any applicable remuneration regime, as well as any incentives and public subsidies granted to the Portuguese Biomass Power Plants (and other renewable energy projects), for instance under the revised Renewable Energy Directive 2018/2001/EU (RED II). Increasingly stringent carbon regulations and energy efficiency requirements could lead to higher associated costs for the company and compliance issues, namely considering the RePowerEu Plan and the increase of gas and electricity prices in the context of the Ukrainian conflict, as materialized in the cap on gas prices approved and rule in Iberia. In this context, the Issuer highlights the authorisation granted to the Government under Law no. 75-B/2020, of 31 December (enacting the 2021 State Budget Law) to evaluate and reassess the public incentives granted to the Portuguese Biomass Power Plants and, more recently, National Assembly Resolution (Resolução da Assembleia da República) no. 42/2021, of 3 February, recommending the Government to reformulate the public support models to be granted to Portuguese

Biomass Power Plants, by restricting the issuance of operation licences for new power plants to power plants that duly comply with environmental and sustainability criteria. This resolution aims to promote the use of surplus residual forest biomass (biomassa florestal residual) which does not impact on the deficit of organic material and degradation of the soil, specifically recommending that the Government not to grant operation licences to biomass plants using energy crops (culturas energéticas).

Lastly, the recent enactment of Climate Framework Law also imposed several requirements for biomass, such as the certification of the origin of residual forestry biomass and the regular inspection of the nature of biomass used for electricity generation, as well as the prohibition of using quality wood, biomass from growing energy crops, and residual biomass coming from remote land for electricity generation from biomass. The use of residual forestry biomass shall also be coordinated with wildfire prevention and land use planning measures.

The possibility that any new regulation enacted pursuant to said reformulation of public support to biomass plants may have an impact on the Issuer's activity or prospects cannot be excluded. For further details regarding the power plants' remuneration regime, please refer to Chapter 10 (*"Description of the Issuer's business"*), and regarding the regulatory framework, please see Chapter 12 (*"Regulatory framework of the Issuer's activity"*).

3.3.2. Risks arising from changes in tax laws and other regulatory charges

The Issuer's business is also affected by other general laws and regulations, including taxes, levies and other charges in the countries where it has presence, which may be amended or subject to varying interpretations, from time to time, which could impose additional costs on the Issuer's activity.

This is the case, in Portugal, of regimes subject to successive amendments and changing interpretation in the past few years, such as the Extraordinary Contribution on the Energy Sector, intended to finance social and environmental policies and reduce the tariff debt of the National Electricity System, which withdrew renewable and cogeneration exemption as from 2019. In 2021, the Issuer's CESE amounted to €1,015,013 (compared to €1,078,934 in 2020 and €797,390 in 2019). In the first quarter of 2022, the Issuer's CESE amounted to €951,000 (representing the total amount for 2022).

This is also the case of the "clawback" mechanism, as better described in Chapter 12 (*"Regulatory Framework of the Issuer's Activity"*) below, which was introduced in Portugal in 2013 as a competition balancing mechanism and which was recently amended to broaden its scope.

In what relates to Poland, an amendment reforming Polish tax law (the "Polish Deal") entered into force on 1 January 2022. This amendment significantly affected several areas of taxation, including corporate income tax (CIT), personal income tax (PIT) and value added tax (VAT). For instance, (i) the Polish Deal introduced the so-called Polish Holding Company ("PHC"), which is exempt from tax on dividends received from subsidiaries in the part corresponding to 95 per cent of the amount of these dividends and income earned on the disposal of shares in a subsidiary to an unrelated entity; (ii) the Polish Deal also introduces a minimum tax on entities whose proportion of income to revenues (other than from capital gains) is 1% or less, or which incur a loss for a given tax year. Changes in Polish tax law introduced under the Polish Deal are still under discussion and the Ministry of Finance has announced further changes in this regard, but their scope is not yet known. The Issuer has been closely working with its tax advisers to understand the potential impacts of these recent changes. At the date of the Prospectus these cannot be quantified, although they are not expected to be material.

Considering the increasing demand for energy, as the world emerges from the pandemic and partly because of supply concerns due to Russia's invasion of Ukraine, several European Countries (such as UK or Romania) are equating the possibility of applying a windfall tax on electricity generators, as well as on oil and gas producers, as these companies may have benefited from rocketing global energy prices, whose potential tax impacts should not be excluded. Although this issue has been under discussion in several countries, the Issuer does not anticipate material adverse impacts from windfall in the geographies where it is present.

A windfall tax is a tax levied by governments against certain industries when economic conditions allow those industries to experience above-average profits. Windfall taxes are primarily levied on companies in the targeted industry that have benefited the most from the economic windfall, in other words, the idea is to target firms that have somewhat benefited from something they were not responsible for with the aim of, for example, raising funds to help tackle the cost-of-living crisis.

In light of the above, other taxes, charges and contributions, not foreseen at present, may be enacted during the lifetime of the Issuer's power plants and have significant impacts on its profit and business model, as well as the development of future projects in the Issuer's pipeline. Since the tax legislation of Portugal and of each investor's Member State may have an impact on the income received from the Shares, it is recommended that prospective investors in the New Shares consult their professional advisers on the tax implications for them of an investment in the New Shares.

3.3.3. Risks inherent to certain pending and possible environmental future claims that may result in the application of fines and ancillary penalties

The Issuer operates in a highly regulated industry and its operations are subject to the applicable environmental laws and regulations and to inspections by regulatory agencies (such as IGAMAOT and APA). Most misdemeanours related to environmental damage are governed by the Environmental Misdemeanour Framework Law and, depending on the seriousness of the infraction, the Issuer may be subject to fines and ancillary penalties.

The Issuer and two of its subsidiaries are currently involved in (i) two administrative misdemeanour proceedings as a defendant, which may result, should their outcome prove unfavourable to the Issuer, in a total aggregate liability of up to €288,000 as well as potentially applicable ancillary sanctions, such as the prohibition of receiving public subsidies, seizure of equipment, closure of the facility and suspension of permits and authorisations; and (ii) two environmental misdemeanour proceedings due to the Issuer's failure to provide, until 31 January 2020, an inventory of sealed radioactive sources, which may constitute two serious offences if the Issuer is found guilty of these charges. If the Issuer is found guilty, these proceedings could result in a fine ranging from €24,000 to €144,000, as well as the application of the ancillary sanctions listed in the previous paragraph]. For further details on these legal proceedings, please refer to Section 10.11 ("*Legal and arbitration proceedings*") below.

Although the outcome of these proceedings, even if the Issuer is found guilty, is not expected to have a direct material impact on the Issuer's activity, business development, operational results or financial situation, the Issuer cannot exclude the possibility of an unfavourable decision negatively affecting its interests and reputation.

3.4. Risks related to the investment strategy

3.4.1. The Issuer may not be able to purchase (or obtain new licenses for) other Biomass Power Plants nor acquire or develop other assets within its business plan (wind and solar photovoltaic) and benefit from the optimisation potential and may not be able to implement an asset rotation strategy

The Issuer intends to develop its business strategy in part through the acquisition of other Biomass Power Plants already in operation, which the Issuer identifies as being operated below their potential capacity and, therefore, as potentially benefiting from optimisation with the aim of consolidating underperforming biomass assets in Europe. The Issuer also intends to implement an equity rotation strategy, namely through V-Ridium, via the sale of minority stakes to financial investors in several renewable energy projects (namely wind and solar), to maximise project return for de-risked assets.

The Issuer also intends to renew the production licence in relation to Mortágua Biomass Power Plant.

There is the risk that the Issuer may not be able to acquire the targeted projects in the context of international competitive procedures and that it is not able to complete a successful equity partnership for the deleverage of the projects, considering the Issuer's profitability investment criteria and the financial conditions in the market. Any such event may lead to delays or other adverse impacts on the implementation of the Issuer's strategy and objectives. Notwithstanding, the Issuer will continue to pursue several investment opportunities.

Once it has acquired a majority shareholding in biomass power plants, the Issuer intends to implement its operational and management skills with a view to enhancing the efficiency of those power plants and, consequently, increasing value to the Issuer and all stakeholders involved.

However, the successful implementation of the changes necessary to improve a plant's operating conditions is not certain and unexpected factors, such as the existence of contracts already in force with little margin for negotiation of amendments or the acquisition of assets with unknown defects / liabilities, may delay the process and impact the Issuer's activity. In addition, the Issuer's ability to meet the targets for its EBITDA and Net Profit growth may be jeopardised if the envisaged transactions are not completed as and when expected by the Issuer or if the Issuer is unable to take advantage of the upsides and synergies identified in the relevant transactions and is therefore required to seek out other opportunities, which may not be immediately available or may imply higher costs or adaptations to its defined international expansion strategy.

3.4.2. The Issuer is consolidating its activities in energy sectors and markets in which it is present and expanding to new markets

The Issuer's revenue and Adjusted EBITDA in 2021 (€140.6 M and €61.6M, respectively) were strongly influenced by the performance of the Portuguese Biomass Power Plants and TGP. In fact, the biomass segment represents more than 90% of the Issuer's revenues, and in 2021 it was the only segment which had positive EBITDA. The strong electricity output from TGP reflects GreenVolt's management expertise, highlighted by November and December output levels reaching record highs, and GreenVolt will continue to enhance its operational capabilities, notably by the continuous improvement and digitalisation of the Portuguese Biomass Power Plants and TGP. Considering that TGP is exposed to the brown power price variation, the recent increase of the electricity prices in UK lead to a positive outcome in the contribution of TGP to the Issuer's revenues and EBITDA (daily average of £166.2/MWh⁸ during the second semester of 2021, which compares with a daily average of £68.6/MWh⁹ during the first semester of 2021). Moreover, in 2021 GreenVolt reinforced its presence in markets where it already operated wind and solar power plants (notably Greece, Italy, Poland and Portugal) and sought the consolidation of its position in distributed generation segment, a growing and strategic sector in which GreenVolt incremented the capacity of installation.

⁸ Source: <https://www.nordpoolgroup.com/en/Market-data1/GB/Auction-prices/UK/Daily/?view=table>.

⁹ Source: <https://www.nordpoolgroup.com/en/Market-data1/GB/Auction-prices/UK/Daily/?view=table>.

In accordance with its defined strategy plan (please refer to Section 10.5 (*“The Issuer’s main objectives”*)), the Issuer foresees to continue the geographic expansion of its activities, either by increasing its presence in markets where it already develops operations (e.g. Italy, France, Serbia, United States of America, Spain and Germany), or by assessing the opportunity to enter into new markets if circumstances so permit (e.g. Hungary and Iceland), while enhancing its role in the renewables value chain, notably by pursuing organic growth opportunities in the energy communities segment in Portugal, as well as in the B2B segment in Spain, through Perfecta Energía, and focusing more attention in construing and subsequently selling wind and solar projects, as the Issuer believes that solar and wind are the main renewable drivers to achieve the energy transition in Europe.

This strategy and the focus on segments and geographies in which the Issuer has not yet achieved the level of maturity and revenues obtained in the operation of the Portuguese Biomass Power Plants in Portugal and TGP in the United Kingdom may expose it to development, operational and regulatory risks with which the Issuer is not so familiar, thus requiring the engagement of employees and developers with solid track-record and expertise. Additionally, the development by the Group of its business activities in several countries exposes GreenVolt to the risk of inflation, mainly in operations associated with the generation of operating revenues and costs related for the development of the business.

Electricity generation output from onshore wind and solar photovoltaic power plants are highly dependent on weather conditions, particularly wind and sunshine hours, which vary substantially across different locations, seasons and years. In respect of wind power plants, turbines only operate when wind speeds fall within certain operating ranges that vary by turbine type and manufacturer. If wind speeds fall outside or towards the lower end of these ranges, energy output declines. With regards to solar farms, the level of solar energy impacts the production of electricity, within specific operating ranges, which are particularly affected by temperature. Accordingly, the Issuer cannot guarantee that its solar photovoltaic and onshore wind power plants will be able to meet their anticipated generation levels and any such shortfall in generation levels could have a material adverse effect on the Issuer’s business, financial condition, results of operations and prospects.

With the completion of the initial public offering launched by the Issuer in 2021 and in addition to the Portuguese Biomass Power Plants, with a combined installed injection capacity of 100.5 MW (as per respective licences), the Issuer jointly acquired with Equitix Group of Tilbury Holdings, a fully operational renewable energy biomass power plant with a net generating capacity of 43.6 MW (with injection capacity currently limited to 41.6 MW in-line with the Renewables Obligation Certificates (*“ROC”*) accreditation limit set by the United Kingdom’s Office of Gas and Electricity Markets (*“OFGEM”*)), and acquired in full V-Ridium, a leading player in the renewable energy sector with a large portfolio of wind and solar projects under development, mainly in Poland and Greece.

Since June 2021, the Issuer acquired equity holdings in Profit Energy (acquisition of a 70 percent stake in August 2021), in Perfecta Energía (acquisition of a 42.19 percent stake in October 2021), in Oak Creek (acquisition of a 80 percent stake, through the Issuer’s subsidiary V-Ridium, in January 2022), in Infracore Companies (acquisition of a 50 percent stake in six Portuguese-based companies in March 2022), in MaxSolar (acquisition of a 35 percent stake in March 2022), in Univergy Autoconsumo (acquisition of a 50 percent stake, in April 2022) and in LIG Green Source Energy Alpha (through the Issuer’s subsidiary V-Ridium, in May 2022). All these acquisitions completed in 2021 and 2022 are expected to allow the Issuer to better pursue its strategic goal of international growth, solidifying its position in the renewable energy sector within the European market and thus contributing to the expansion of its business.

With the exception of V-Ridium, and due to the fact that it is fully owned subsidiary of the Issuer, the completion of these acquisitions involved and will continue to imply regular interactions with Equitix in what regards Tilbury Holdings, the minority shareholders of Profit Energy and Perfecta Energía, Nature Infrastructure Capital in what regards MaxSolar and Univergy International in what regards Univergy Autoconsumo, resulting in the Issuer developing activities in new markets and geographies, with the inherent aforementioned challenges and risks. Particularly, while (co-)development of utility-scale wind and solar photovoltaic developments are strengthened by unique partnerships with key local stakeholders, they also rely on such relationships being functional and efficient.

Accordingly, although these acquisitions are expected to enhance the Issuer's position in the renewable energy sector and upscale its activities in relevant European markets, as with any other similar arrangement, operational risks may arise related to development, construction and its operational performance and implementation of the envisaged strategy in each relevant market. Hence, these acquisitions may require adaptations and execution measures, with the current personnel employed by Tilbury Holdings / Tilbury Green Power, Profit Energy, Perfecta Energía, MaxSolar and Univergy Autoconsumo playing a relevant role in such transitions.

In order to maintain and expand its business, GreenVolt needs to recruit, promote and maintain qualified executive management, technical personnel and employees to operate the Portuguese Biomass Power Plants and TGP, other solar and wind power plants and equipment also in the Group's remit. Although the Group has not experienced to date any significant loss of key personnel, labour disputes or work stoppages (including due to the Covid-19 pandemic), a future inability to attract or retain sufficient technical and managerial personnel could limit or delay GreenVolt's development efforts or negatively affect its operations. The loss of key executive management or technical personnel, which the Issuer cannot exclude, also considering that the contribution of these individuals could be affected by their own circumstances, could lead to a loss of specific know-how in several areas of the company's activities and result in difficulties in the implementation of the Issuer's defined business strategy, in the execution of critical operations and in assuring the normal and timely flow of the business activities developed by the Group. The Group's extensive experience and track-record in renewables, particularly in its core business, mitigates its exposure to the potential impacts of this risk, if and when the same occurs, but there can be no assurance that such losses of personnel will not occur or that adequate replacements can be found, which exposes GreenVolt to a potential loss of competitiveness possibly resulting in diminished profitability and growth prospects, which could in turn have a material adverse effect on GreenVolt's business, financial condition, results of operations and prospects.

Furthermore, since the beginning of the invasion by the Russian Federation of Ukraine, neighbouring country of Poland and Romania, geographies in which GreenVolt, through its subsidiary V-Ridium, has significant activity (Poland representing c. 50 percent of the overall pipeline), there have been changes in the Polish labour market, with the return to Ukraine of several Ukrainian workers to fight in the war, which may lead to delays in the completion of photovoltaic plants, in addition to other impacts expected in terms of exchange rate devaluation, namely of the Polish zloty, but whose effects are not expected to be significant at the Group level.

Also in what specifically refers to V-Ridium's group worldwide, as key personnel plays a crucial role in the development and implementation of the projects in the cross border pipeline, retaining directors, senior managers and other key employees assumes great importance, particularly due to the development stage of the projects to be carried out by V-Ridium, a risk that is to a certain extent mitigated by (i) the existence of lock-in agreements with key managers (total of 12) for a period of 36 months upon completion of acquisition of V-Ridium by GreenVolt, (ii) the circumstance of V-

Ridium's shares, representing 100 percent of its share capital, having been acquired by the Issuer, and (iii) the implementation of an incentive plan targeting those key managers and employees. If these adaptations and execution measures are unsuccessful or not adequately carried out, the Issuer will be exposed to adverse effects, particularly a negative impact on its pipeline activities and business development, as well as its future prospects or ability to achieve the goals set.

3.4.3. The Issuer is exposed to foreign currency risk as it operates in markets where the currency is different from euro

The Issuer is subject to the risk associated with fluctuations in the cost of the purchase and sale of energy in connection with the promotion, development, operation, maintenance and management of power plants and other facilities for the production, warehousing and supply of electricity from renewable sources with the cost of investments denominated in foreign currencies. The Issuer is also subject to the risk of transactional foreign currency, as well as currency fluctuations which can occur when the Issuer incurs revenue in one currency and costs in another, or its assets or liabilities are denominated in foreign currency, and there is an adverse currency fluctuation in the value of net assets, debt and income denominated in foreign currencies.

The operation of Tilbury Holdings, incorporated in the United Kingdom, the official currency of which is the Pound Sterling (£) (representing c. 54% of the Issuer's Adjusted EBITDA in 2021¹⁰), of V-Ridium, whose main business is developed in Poland with the Polish Zloty (PLN) as the official currency (representing c. 50 percent of the overall pipeline), and additionally in Romania and Bulgaria, where the Romanian Leu (RON) and Bulgarian Lev (BGN) are the official currencies, respectively, and of V-Ridium Oak Creek Renewables, whose main business is developed in the United States of America and Mexico, with the American dollar (USD) and the Mexican peso (MXN) as the official currencies, respectively, exposes the Issuer to currency translation risk, creating a potential exposure to loss of economic value in the event of one or more currency exchange rates adversely changing.

The Issuer will attempt to naturally hedge currency fluctuation risks by matching its non-euro costs with revenues in the same currency and by using various financial instruments. Nonetheless, there can be no assurance that the Issuer's efforts to mitigate the effects of currency exchange rate fluctuations will be successful, that the Issuer will undertake hedging activities which effectively protect its financial condition and operating results from the effects of exchange rate fluctuations, that these activities will not result in additional losses, or that the Issuer's other risk management policies will operate successfully.

3.4.4. The Issuer may face challenges in the licensing and development of new projects

Decarbonisation has led to the emergence of new competitors (particularly small and medium-sized) in green electricity markets, which may limit the potential for growth in GreenVolt's renewable energy revenues. Growing competition can also create challenges for developing new projects due to the scarcity of grid capacity. Accordingly, the Issuer may face challenges in the successful development of new projects, namely considering the alluded growing competitiveness in the market. This may happen in Portugal and in other countries where the Issuer is planning to expand its businesses in search for higher returns, namely in Spain and through V-Ridium, which is envisaging the development of a significant project pipeline, in particular in Poland, Greece, United States of America and through co-development in Italy and

¹⁰ Considering the contribution of Tilbury Holdings EBITDA to the Issuer's Adjusted EBITDA, as presented in section 13.1.4 Alternative Performance Measures.

Romania, especially in what concerns early-stage and advanced phase projects, the conclusion of which depend on factors outside the Issuer's control, notably in terms of availability of the electricity grid, access to transmission and distribution lines, obtaining suitable sites and obtaining necessary licensing (environmental clearance, construction permits, production licences, among others).

The development of new projects is significantly affected by scarcity of grid capacity and any rights for the development of new projects are subject to increasingly competitive processes for the attribution of grid capacity or significant capital expenditure for the reinforcement of grid capacity.

The development of projects is also subject to a significant level of uncertainty in the licensing phase, where planning and environmental restrictions may wholly or partially prevent implementation of the project, extend timelines and increase costs to ensure the successful implantation of the projects.

In this context, the Issuer is developing several projects in Portugal – namely, the development of the new Mortágua power plant with 10 MW of installed capacity, licensed under Decree-Law no. 64/2017, and two solar projects to be developed by SESAT and Paraimo Green (please refer to Section 10.1 (*"Main activities of the Issuer"*)), under which the Issuer is subject to grid capacity being awarded by DGEG and is exposed to licensing risk.

The Issuer currently has 6.4 GW at an advanced and early stage of development (before licensing), which represent 96 percent of the Issuer's asset portfolio. V-Ridium currently has 5.5 GW at an advanced and early stage of development (before licensing), which represent 97 percent of V-Ridium's asset portfolio.

Regarding pipeline projects for which a power purchase agreement or other similar long-term agreements are not secured, the Issuer will be exposed to variation in the market prices of electricity that may continue until the project reaches the RtB stage and such agreements are secured or the Issuer may opt not to develop that particular project.

Additionally, despite the cash flow generation capability the Issuer enjoys and plans to enjoy from the protection of the feed-in-tariff regimes, PPAs, CfDs and ROCs, it is not possible to ensure or predict the remuneration conditions of the Issuer's assets when they are initiated or at the end of their term, given that they will depend on the merchant electricity prices and other market conditions in operation at the time and, as such, this may have a material impact on the value of the Issuer's assets and its future cash flow generation capability. The CfDs or virtual PPAs, are entered to hedge the exposure to the volatility of energy market prices, being measured at fair value under the hedge accounting principles, at each date of the statement of financial position.

3.4.5. The Issuer may face risk in relation to the construction and implementation of new projects

The Issuer may face challenges in ensuring the successful and timely construction of new projects, particularly considering recent events which are leading to the scarcity of stocks and raw materials, volatility in their prices, disruption in the supply chains and delays in cross-border and intra-border transportation of materials and equipment. This situation may continue and affect countries where the Issuer is operating, expanding or planning to expand its businesses and create difficulties in the implementation of the Issuer's increased focus on development and construction, as the Issuer identifies this as the highest return phase of the value chain, and flip at RtB or COD stage (in this latter case, requiring additional capex), depending upon a project-by-project analysis (please refer to Chapter 4 (*"Reasons for the Offer and Use of Proceeds"*)).

The main factor leading to a substantial increase in raw material prices¹¹ is growing demand in Asia and Europe. China's industrial production was significantly delayed due to the COVID-19 outbreak and the factories producing raw materials have still not returned to full capacity. Given the continued uncertainty around the pandemic, it is unclear when these factories will reach their maximum production and full capacity supply. As such, demand has exceeded supply, resulting in price increases and delays.

The outbreak of war between Russia and Ukraine, in February 2022, has further contributed to the global shortage in raw materials, as well as triggered an impact in the labour market, e.g., the decrease of manpower in Poland. This because, in 2021, Russia was the second global producer and net exporter of crude oil, the second producer and first net exporter of natural gas, and the sixth producer and third net exporter of coal¹². Moreover, supply chains around the world rely on Russia for its metal exports, particularly as it is the top producer of palladium (40 percent of world production¹³), a metal used in catalytic converters and for chemical production and petroleum refining. Palladium belongs to the platinum-group metals, which are on the EU's critical raw materials list¹⁴.

The Issuer subcontracts the engineering, procurement and construction of its projects and equipment. Shortages or delays in the procurement of the equipment necessary for the implementation of its projects will lead to delays in their entry into operation and, therefore, a more extended return on the Issuer's investments.

Considering that in Portugal stringent deadlines are set forth between the issuance of the TRC and of the Production Licence (i.e. granting the right to implement a power plant) and between the issuance of the Production Licence and of the operation licence (granting the right to start operation), a significant delay in the implementation of the Issuer's projects may ultimately lead to a loss of the Issuer's licences required for this implementation if the Issuer is unable to obtain an extension of the relevant deadlines by arguing that such delays are imputable to global market conditions and not to the Issuer.

Notwithstanding the above, the construction agreements foresee that liquidated damages be applied as penalties to the contractor and suppliers in case of delays or impossibility to proceed with the projects. However, the exercise of these rights may eventually be halted in situations of force majeure and it is uncertain whether these penalties would completely cover the Issuer's investment costs in new projects.

3.4.6. The Issuer may not be able to implement its asset rotation strategy and may face challenges in the sale of stakes in certain projects

The Issuer's growth strategy is rooted in a vertically integrated renewable energy business model focused on the development of renewable projects (biomass, solar and wind projects) in several countries in Europe, with flexible options for asset or equity rotation. The partnerships to be established with recognised local developers with proven capabilities in the development of renewable projects, such as in Greece or Romania (through V-Ridium) and in Spain (through SEO), is intended to allow for optionality in the implementation of an asset rotation strategy that can be driven

¹¹ Source: <https://www.iea.org/articles/what-is-the-impact-of-increasing-commodity-and-energy-prices-on-solar-pv-wind-and-biofuels>.

¹² Source: Information for Russia as third coal exporter: <https://www.worldstopexports.com/coal-exports-country/#:~:text=The%205%20biggest%20exporters%20of,United%20States%20and%20South%20Africa> and <https://www.worldstopexports.com/coal-exports-country/#:~:text=The%205%20biggest%20exporters%20of,United%20States%20and%20South%20Africa>. For Russia as sixth coal producer: <https://www.statista.com/statistics/265638/distribution-of-coal-production-worldwide/>; <https://www.nsenerybusiness.com/features/six-largest-coal-producing-countries/#>; and <https://www.worldometers.info/coal/coal-production-by-country/>.

¹³ Source: Palladium production (2021): <https://www.statista.com/statistics/273647/global-mine-production-of-palladium/>.

¹⁴ Source: EC Critical Raw Material List, available at https://ec.europa.eu/growth/sectors/raw-materials/areas-specific-interest/critical-raw-materials_en.

by market conditions, allowing to (i) sell projects at both RtB phase or COD, depending on the premium spreads at each moment in time associated with construction risk and to (ii) operate some projects to be carefully selected, using operating know-how to promote the sale of minority stakes (up to 49 percent) to investors. Furthermore, the Issuers intends to sell-down 70-80 percent of selected assets to tier 1 partners at both RtB phase and COD.

There can be no assurance that the Issuer will be able to implement its asset rotation strategy at COD (meaning selling the projects after being constructed, versus selling the majority of projects at RTB, with all the authorizations to start the construction works, as previously presented to the market) and to conclude divestment opportunities that allow the Issuer to realise the anticipated benefits for the projects under development or in operation. The delay in concluding divestment strategies could cause the Issuer to reject or delay other investments and/or increase its debt levels, which could have a material impact on its cost of funding, earnings and cash flow generation.

The Issuer may face challenges in the sale of minority stakes in projects developed with other partners and co-developers and in the sale-down of 70-80 percent of selected assets to tier 1 partners, depending on the market or financial context, and the divestment of any such stakes may depend on agreements for the joint sale of relevant projects through tag along or drag along mechanisms to be agreed. Such mechanisms may, if exercised, lead to the Issuer selling stakes on terms and conditions it may not control and that may not correspond to the Issuer's expectations. If this happens, the Issuer may have to dispose of a shareholding prior to the envisaged investment period and may not adequately and efficiently reinvest the proceeds resulting from the sale in profitable terms and in accordance with its defined strategy. In this context, the difficulties arising from the sale of the previously mentioned stakes may have a negative impact on the Issuer's financial ability to pursue its investment and growth strategy and, ultimately, the capability to execute its target revenue and EBITDA growth (please refer to Section 10.4 ("*Strategy and objectives of the Issuer*")).

3.4.7. The financing of new projects is dependent on lenders' credit analysis and risks associated with project finance transactions

In order to implement its growth strategy, the Issuer intends to finance the development of new projects by contracting financing, particularly on a project finance basis. The ability of the Issuer to raise financing for the development of these projects and the terms and conditions applicable to such financing, including aspects such as the relevant amount, applicable interest, maturity, security package and other relevant standard covenants and undertakings, may change from time to time and will depend not only on macroeconomic trends and circumstances outside the Issuer's control, but also on the credit analysis carried out by the lender(s) or each project. On the other hand, the stage of each project will also have an impact on the banks' credit analysis. Therefore, the Issuer's investment and growth strategy may be adversely affected if the Issuer is unable to raise financing and/or the conditions of such financing, including pricing, are too expensive or onerous. Please see Section 10.5 ("*The Issuer's main objectives*") and Section 10.7 ("*Investments of the Issuer*").

Furthermore, financing of the projects on a project finance basis may imply additional risks (such as interest rate risk; in fact, although most project finance contracts are set up with interest rate hedging schemes, this risk cannot be neglected, as possible interest rate fluctuations may still have an undesired impact on results or in equity), restrictions on the management of the projects, the potential provision of material guarantees and security on the assets and revenues of the Issuer and its subsidiaries that may be financed to develop each project financed on a project finance

basis, as well as potential limitations on the payment of dividend and other distributions to the Issuer, which may result in implementation difficulties regarding ongoing or planned projects.

3.4.8. Sustainability and ESG matters may impact the Issuer's business and reputation

Sustainability and ESG matters are today of undoubtedly and growing importance, especially in the case of companies operating in the renewables sector. Companies are required to evidence their performance and provide information in this respect, as these matters are more and more scrutinised by investors in the context of assessing, among other aspects, the long-term sustainability of a company, notably in the sector the Group operates. Therefore, the performance of the Issuer on sustainability and ESG matters, as well as its management, is thus expected to be under great and increasing scrutiny.

The Issuer's strategic commitment with promoting renewable energy, carbon neutrality and circular economy is aligned with its sustainability strategy. Climate change is occurring around the world and situations such as increased frequency of extreme weather events, such as storms, forest fires, earthquakes, droughts, which cause damage to the forests, may impact the Issuer's business in various ways. On the other hand, the electricity production capacity of residual forest biomass plants in operation (in Portugal and the United Kingdom) and that are in development, may be interrupted due to mechanical and equipment failures, as well as due to such extreme weather events. Additionally, the increase in average temperatures and thermal amplitude in the regions in which GreenVolt operates can cause damage to solar modules and electrical components, resulting in a lower amount of energy produced. Rising temperatures can also force GreenVolt to inspect high-risk assets more frequently, increasing operating costs. In this scenario, climate change could result in a decrease in the operating income and an increase in capital costs and insurance premiums, hence leading to a reduction of growth and profitability of the Issuer.

There is no certainty that the Issuer will manage all the sustainability and ESG matters and/or issues successfully, or that it will successfully meet its sustainability and ESG commitments and/or targets, and what is expected by investors and/or remaining stakeholders of the Issuer in this respect. Any failure or perceived failure by the Issuer in this respect could have a material adverse effect on its reputation and on its business, financial condition, or results of operations, including the sustainability of the Issuer's business over time. For further details, including in respect of the ESG Risk Rating, please refer to Section 10.6 (*"Environmental, Social and Governance"*).

3.5. Risks related to the Offer, the Shares and the market

3.5.1. Volatility may trigger a fall in the price of the Issuer's New Shares and in the value of the investment

The shares representing the Issuer's share capital are admitted to trading on the regulated market of Euronext Lisbon and, therefore, the price of the shares representing the Issuer's share capital may vary.

The market may be subject to fluctuations and the price of the Issuer's shares may be more or less volatile due to several factors (many of which are not under the Issuer's control), including: (i) the risk factors described in this Prospectus; (ii) the entry of new competitors in the geographic areas where the Group operates; (iii) legislative, regulatory and tax changes in Portugal and in other jurisdictions in which the Group operates; (iv) fluctuations in the Issuer's operating results and in investors' expectations in this regard; (v) general economic conditions in the countries where the Group operates, relevant budget deficits and the sustainability of public debt; (vi) political conditions and perceptions of stability in the countries where the Group operates; (vii) actual or estimated changes in the activity, results or financial situation of the Group; (viii) variations in financial estimates and analysts' recommendations regarding the Issuer and

the geographies in which the Group operates, as well as changes in the financial and capital markets generally; (ix) announcements made by the Issuer or its competitors about significant contracts, merger and acquisition agreements, new services and products, major operating events or the future issue or disposal of the Issuer's shares or assets; and (x) changes in investors' perception of the Issuer and of the investment environment.

General market and industry factors may also adversely affect the market price of the Issuer's shares, regardless of the operating performance of its subsidiaries. In addition, if a significant number of the Issuer's shares are acquired by a limited number of investors, this could have a negative impact on the liquidity of those shares. The price of the Issuer's shares may vary as a result and investors may be unable to acquire or dispose of the Issuer's shares at the expected price.

3.5.2. The market price of the Shares may be lower than the Subscription Price

The market price of the Shares is volatile and may be subject to fluctuations for unpredictable reasons. As at 8 June 2022, the closing price was €7.49. The Issuer cannot ensure that the market price of its shares will be equal to or higher than the Subscription Price. If the market price falls after the irrevocable exercise of Subscription Rights (i.e., after 3:00 p.m. on 1 July 2022), investors who have exercised such Subscription Rights will suffer an immediate unrealised loss. The Issuer cannot ensure investors that, following the subscription of New Shares, it will be possible to sell the Shares at a price equal to or higher than the Subscription Price or that the market price of the New Shares will be equal to or higher than the market price of the Shares prior to the Offer.

3.5.3. Exchange rate fluctuations can have a significant impact on the value of the New Shares

The market price of the Issuer's shares is denominated in Euro. Fluctuations in the exchange rate between the Euro and other currencies may affect the value of the Issuer's shares held by investors from countries using currencies other than the Euro.

In addition, any payments in cash of dividends on the Issuer's shares will be denominated in Euro and, therefore, will be subject to exchange rate fluctuations when converted to an investor's local currency.

3.5.4. No compensation if the Subscription Rights expire unexercised or if a trading market does not develop

The Subscription Rights Trading Period begins at 8:30 a.m. on 20 June 2022 and ends at 4:30 p.m. on 29 June 2022 (Lisbon time). Some financial intermediaries may set their own earlier cut-off times for the receipt of subscription orders within the Subscription Rights Trading Period. Shareholders that fail to sell or exercise their Subscription Rights prior to the end of the Subscription Rights Trading Period and of the Offer Period, respectively, will receive no compensation for those Subscription Rights, which will expire without value.

The Issuer requested the admission to trading of the Subscription Rights on Euronext Lisbon. However, shareholders of the Issuer cannot be assured that an active trading market will develop.

3.5.5. Market price of the New Shares may be adversely affected by the sale of the Issuer's shares by current shareholders

Under the terms of the Underwriting Agreement, the Issuer and the Managers have agreed to the Issuer being subject to a lock-up period of 180 days after the issue and admission of the New Shares in Euronext Lisbon, subject to certain exemptions. Additionally, under the terms of the V-Ridium Investment Agreement, the Issuer, Altri and V-Ridium Europe

have agreed, subject to penalties, to V-Ridium Europe being subject to a lock-up period of 24 months after the admission of the Shares in Euronext Lisbon in July 2021, in respect of the Shares held by V-Ridium Europe. Finally, Promendo Investimentos, S.A., Actium Capital, S.A., Livrefluxo, S.A., Caderno Azul, S.A., 1 Thing, Investments, S.A. and Kwe Partners Ltd. have also entered into subscription and lock-up arrangements pursuant to which each of them agreed to exercise its Subscription Rights and a lock-up period, in respect of the New Shares each of them will acquire upon exercise of such Subscription Rights and of the Shares already held at the present date, of 180 days after the issue and admission of the New Shares in Euronext Lisbon, subject to exemptions. Upon expiration of these lock-up periods, the market price of the Shares may be adversely affected due to a potential increase in volatility.

To the best of GreenVolt's knowledge, other than as described in this Prospectus, there are no other restrictions on any of its Shareholders to sell, transfer or otherwise dispose of or encumber any of the Shares, including the New Shares.

In general, any disposal of Shares by the Issuer, members of its corporate bodies or any Shareholders holding or being attributed with qualifying holdings in the Issuer's voting share capital could materially and adversely affect the trading price of the Shares. On the other hand, a sale of a substantial number of the Shares before or after the completion of the Offer, or the perception that such a sale may occur, may adversely affect the market price of the New Shares or the Issuer's ability to raise capital through a future public offer of its shares.

3.5.6. Shareholders that do not exercise their rights may suffer a significant dilution

Shareholders that do not exercise their Subscription Rights may see their proportion of share ownership and voting rights in the Issuer reduced following the completion of the Offer. If the share capital increase is fully subscribed, such dilution will be equivalent to 12.785 percent, resulting from the quotient between the amount of New Shares issued under the Offer and the total amount of shares representing the Issuer's share capital after the Offer. As an example, for current shareholders of the Issuer that do not exercise their Subscription Rights, a shareholding corresponding to 1 percent will be reduced to approximately 0.8722 percent upon completion of the Offer, assuming that the New Shares are fully subscribed.

On the other hand, failure by shareholders of the Issuer to exercise their Subscription Rights may result in a higher portion of New Shares being allocated to the remaining shareholders, which may reduce the free float and the liquidity of the Issuer's shares.

For shareholders that decide to sell their Subscription Rights, the value of the consideration received may not be enough to compensate them for the dilution of their percentage of share ownership that may result from the Offer.

For more information on dilution and shareholding after the issuance, please refer to Section 18.11 (*"Dilution and shareholding after the issuance"*).

3.5.7. The termination of the Underwriting Agreement and the failure of the Subscription Commitments may have a material adverse effect on GreenVolt's business, financial condition, results of operations and prospects

Promendo Investimentos, S.A., Actium Capital, S.A., Livrefluxo, S.A., Caderno Azul, S.A., 1 Thing, Investments, S.A. (which are core shareholders of both Altri and GreenVolt) and Kwe Partners Ltd. may not subscribe the number of New Shares foreseen in the relevant Subscription Commitment if the underlying agreement is terminated or if the applicable conditions are not met.

Pursuant to the Underwriting Agreement, the Managers have agreed severally, on the terms and subject to the conditions disclosed therein, to procure subscribers, namely Qualified Investors, or otherwise themselves to underwrite the relevant proportion of any New Shares that are not subscribed in the Offer, including through oversubscription. The Underwriting Agreement provides that the Managers' obligations are subject to certain conditions precedent, as more fully described in Section 16.4 ("*Underwriting*"). The Underwriting Agreement also provides that the Managers may terminate the Underwriting Agreement under certain circumstances, as more fully described in Section 16.4 ("*Underwriting*").

If Promendo Investimentos, S.A., Actium Capital, S.A., Livrefluxo, S.A., Caderno Azul, S.A., 1 Thing, Investments, S.A. (which are core shareholders of both Altri and GreenVolt) and Kwe Partners Ltd. fail to subscribe the predicted number of New Shares and/or, subject to the following paragraph, if the Underwriting Agreement is terminated, a supplement to the Prospectus will be prepared in accordance with Article 23 of the Prospectus Regulation, a situation where any investors who have accepted the Offer before the publication of such supplement have the right to withdraw their acceptance within three working days after the publication of the supplement.

In a scenario where such holders of Subscription Rights (*i.e.* Promendo Investimentos, S.A., Actium Capital, S.A., Livrefluxo, S.A., Caderno Azul, S.A., 1 Thing, Investments, S.A and Kwe Partners Ltd.) whose Subscription Commitments in aggregate represent a percentage lower than or equal to 20 percent of the aggregate of all of the Subscription Commitments of those entities default (in whole or in part) its respective Subscription Commitment, the Managers continue to be required to subscribe the New Shares under the Underwriting Agreement, in which case the subscription of New Shares will include the New Shares that are subject to subscription orders validly transmitted during the Offer Period by Shareholders or investors that acquire Subscription Rights, as well as the New Shares that are subject to subscription orders corresponding to the subscription commitments of the Managers under the Underwriting Agreement (which, for the avoidance of doubt, do not include the New Shares that the relevant defaulting entity failed to subscribe by breaching its Subscription Commitment), and therefore no supplement to the Prospectus will, due to such default and assuming there is no other cause for termination of the Underwriting Agreement, be prepared in accordance with Article 23 of the Prospectus Regulation taking into account that the obligations of the Managers under the Underwriting Agreement remain unchanged.

As the Offer is not subject to any conditions, neither the termination of the Underwriting Agreement nor the subscription of less than the New Shares subject to the Offer (*oferta incompleta*) will result in the Offer not becoming effective. Therefore, in any scenario where the Offer is not successfully completed by means of the subscription of all New Shares, the Offer will be limited to the number of New Shares subject to valid subscription orders, the share capital of the Issuer being thus increased accordingly, which means that GreenVolt would have failed to raise the capital it intended to raise pursuant to the Offer, an event that could undermine its expected credit metrics, and have a material adverse effect on the Issuer's business, financial condition and prospects).

3.5.8. Any increases in the Issuer's share capital may have a negative impact on the share price and existing shareholders may experience a dilution of their shareholdings if they do not subscribe their relevant *pro rata* Subscription Rights or if such *pro rata* Subscription Rights are limited or suppressed

The Issuer may, in the future, increase its share capital, by means of contributions in cash or in kind, to finance any acquisitions or investments or to strengthen its balance sheet. This may have a negative impact on the Issuer's share price.

Shareholders have *pro rata* Subscription Rights in share capital increases by means of contributions in cash, in the case of issuances of new shares or other securities that entitle the holder to acquire new shares. However, this right may be limited or suppressed by a resolution taken at a General Meeting of Shareholders, and/or, even if such Subscription Rights are not limited or suppressed, the Shareholders may not subscribe their relevant *pro rata* Subscription Rights. In these cases, the Issuer's shareholders may suffer dilution in their shareholdings.

In addition, the exercise of Subscription Rights by certain shareholders not resident in Portugal may be restricted by applicable law, standard practices or other rules, thus preventing them from exercising those rights. Shareholders in jurisdictions outside Portugal who are unable to exercise their Subscription Rights in the event of a future share capital increase may see their shareholdings diluted.

3.5.9. GreenVolt cannot ensure investors that the registration of the share capital increase before the competent commercial registry office and the subsequent admission to trading of the New Shares will take place on the scheduled date

The admission to trading of the New Shares on Euronext Lisbon, scheduled to occur on 11 July 2022, requires prior registration of the share capital increase through the Offer with the competent commercial registry office (which is expected to occur on 7 July 2022). The Issuer cannot ensure investors that the aforementioned registration of the share capital increase with the commercial registry office will take place when scheduled and, in case of a delay, there may be a relevant time gap between payment of the Subscription Price and receipt of the New Shares by the relevant shareholder of the Issuer. Additionally, completion of the commercial registration of the share capital increase is subject to the interpretation of the applicable legislation, the Articles of Association and relevant corporate resolutions by the competent Portuguese commercial registry office.

Likewise, a delay in the admission to trading of the New Shares may affect their liquidity.

3.5.10. The rights of Shareholders will be governed by Portuguese law and may differ from the rights conferred to shareholders in jurisdictions other than Portugal

GreenVolt is a company with shares listed in a regulated market ("sociedade emitente de ações admitidas à negociação em mercado regulamentado") governed by Portuguese law and the rights of the Shareholders are those arising from the Articles of Association and from the Portuguese companies and securities law, regardless of the local law applicable to the respective shareholders. The possibility for Shareholders to bring actions against GreenVolt and its directors under foreign applicable laws and the recognition of foreign judicial decisions by Portuguese courts may be limited by that fact and, whenever a request is made in court regarding the information contained in this Prospectus, under the applicable law of the Member States, the investor may have to bear the costs of translating the Prospectus before the judicial proceeding begins.

Under Portuguese law, shareholders are generally entitled to request the judicial declaration of nullity or the annulment of resolutions passed by a company's corporate bodies, such as resolutions regarding share capital increases, and, in some cases, to file against the company proceedings with suspensive effects on resolutions passed by a company's corporate bodies. Such rights may be exercised in relation to, for example, among others, resolutions regarding the increases or reductions of the share capital or any other changes to the articles of association. In case a resolution relating to a share capital increase of a company with shares listed in a regulated market ("*sociedade emitente de ações admitidas à negociação em mercado regulamentado*") is judicially disputed, the shares issued under such share capital increase will be deemed a separate class of shares in relation to the remaining company's shares (meaning that such shares will not be fungible in relation to the remaining shares of the company) until the judicial dispute is resolved, pursuant to article 25, paragraph b), of the Portuguese Securities Code.

3.5.11. Potential investors may face tax consequences resulting from an investment in the New Shares

Potential investors should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where dividends are paid or the New Shares are transferred, in cases where the investors are resident for tax purposes in other jurisdictions.

Dividends paid by the Issuer in respect of the New Shares are generally subject to Portuguese income tax to be collected through withholding, subject to applicable exemptions or relief under the applicable Conventions. Capital gains on the sale of any New Shares are likewise generally subject to tax, to be declared through the filing of a tax return, subject to applicable exemptions or relief under the applicable Conventions. Under the terms of the New Shares, the Issuer is not required to pay any additional amounts to the extent that any withholding or tax applies.

Accordingly, if any such withholding or tax were to apply to income arising in respect of the New Shares, investors would receive less than the full amount otherwise expected by such investors.

For a description of the material tax consequences resulting from an investment in the New Shares, please see Chapter 19 ("*Taxation*"). Potential investors are nonetheless advised not to rely on the tax summary contained in this Prospectus and to instead consult their own tax advisers with respect to the potential tax consequences arising from the acquisition, ownership and disposal of the New Shares, including the legal and tax consequences in foreign jurisdictions.

3.5.12. If closing of the Offer does not take place, purchases of the New Shares will be disregarded and the admission to trading of the New Shares on Euronext Lisbon will not take place

Under the Portuguese Securities Code, in the event of an unforeseeable and substantial change in the circumstances which, in a manner known to the addressees of the Offer, motivated the decision to launch the Offer, and exceeding the risks inherent to the Offer, the Issuer may, within a reasonable period of time and after having obtained CMVM's authorization, modify or revoke the Offer.

A modification of the Offer constitutes grounds for the extension of the Offer Period, decided by the CMVM on its own initiative or at the request of GreenVolt. In such scenario, the subscription orders presented prior to the amendments are considered effective for the purposes of the amended Offer. A modification to the Offer shall be disclosed immediately with the same arrangements as were applied when the Prospectus was published.

If the Offer is revoked or withdrawn, the Offer and all acceptances related thereto are deemed ineffective, and the investors are entitled to receive from the financial intermediaries the funds that have been delivered on their account. Under the Portuguese Securities Code, CMVM must order the withdrawal of an Offer or prohibit its launch if it concludes

that the Offer constitutes an irremediable legal or regulatory breach. A decision to withdraw or prohibit the Offer under such circumstances should be published, at the expenses of the Issuer, through the same means as the Prospectus.

With regards to the Subscription Rights which have been acquired under the Offer (over the counter or in Euronext Lisbon), if the Offer is revoked or withdrawn, such transactions will not be annulled, which will lead to losses for investors who have acquired such Subscription Rights and will not be able to place orders for the subscription of New Shares.

Also, in accordance with the Portuguese Securities Code, CMVM shall suspend the Offer whenever it finds any illegality or breach of regulations that is susceptible of being remedied. If the Offer is suspended for any reason, investors may revoke their subscription orders within five days after the suspension has ceased. Investors have the right to receive all funds they have delivered for the subscription of New Shares.

In addition, if between the time when the Prospectus is approved and the time when trading of the New Shares on the regulated market Euronext Lisbon begins any significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus which may affect the assessment of the New Shares or the Subscription Rights arises or is noted, the Issuer shall request without undue delay to CMVM the approval of a supplement to the Prospectus pursuant to article 23 of the Prospectus Regulation.

The investors who have accepted the Offer before the publication of a supplement have the right to withdraw their acceptance within three working days after the publication of the supplement, provided that the relevant significant new factor, material mistake or material inaccuracy that led to the preparation and approval of the supplement arose or was noted before the closing of the Offer Period or the delivery of the New Shares, whichever occurs first.

4. REASONS FOR THE OFFER AND USE OF PROCEEDS

4.1 Reasons for the Offer

Over a year ago, in May 2021, GreenVolt defined and presented to the market its strategy, which is fully focused on renewable energy and based on three pillars: residual biomass, wind and solar PV utility scale and distributed generation based on solar sources.

Since the successful completion of the initial public offering launched by the Issuer in 2021, the Issuer has been implementing the defined strategy with operational improvements at the residual biomass power stations under management in Portugal and the United Kingdom; systematic increases of the pipeline of solar and wind utility scale development platform in several European markets and in the U.S., and the acquisition of a 45 MWp operating solar photovoltaic park in Romania; and in respect of the distributed generation, the acquisition and incorporation of new companies in Iberia.

Renewable energy sources are the main driver to achieving the energy transition and carbon neutrality and, currently, have the lowest levelised cost of energy (LCOE) of the entire spectrum of energy sources. Although renewable energy sources are critical and economically more efficient on a utility scale than other energy sources, they also require specific and complex permitting processes, whilst the increase of the total amount of renewables in the electric system depends on the development of utility scale platforms.

From the third quarter of 2021 onwards, a new trend has emerged in energy markets across Europe¹⁵ driven by high-power prices. In the first quarter of 2022, the outbreak of the war between Russia and Ukraine further reinforced this trend and led the European authorities, namely the European Commission, to set Europe's energy independence as a crucial target, a scenario in which renewable energy sources stand out as the natural, cleanest and cheapest way of achieving such objective. The RePowerEU Plan recognises that permitting is the major bottleneck in the development of renewable energy sources and establishes ambitious targets in respect of the levels required in the European Union to achieve the aforementioned energy independence both at utility scale and distributed generation level.

In this context and considering that:

1. Mainly through V-Ridium, GreenVolt owns a sizable development platform with a wide pan-European presence. With a strong track record on project development taking renewable energy sources projects from the start to RtB or COD, the Issuer has a unique opportunity to increase its pipeline of renewable energy sources contributing to the European effort that is underway, whilst keeping the intention to maintain in balance sheet between 20 percent to 30 percent of the pipeline as operating assets;
2. In the Issuer's view, the uncertainty that characterises the current market environment, considering the above-mentioned circumstances, and that higher Capex prices, are driving potential buyers of renewable energy sources projects to prefer acquiring these projects at a later stage, i.e. on or after COD being constructed. This recent trend has resulted into higher premiums being paid for asset rotation at COD versus RTB, which means that the Issuer is willing to do the construction of a higher percentage of its pipeline than previously considered so as to increase its expected profitability, which will also be reinforced through the establishment of long term PPA with relevant off-takers at the time of the construction; and

¹⁵ Source: Nordpool, OMIE and Argus.

3. The solar based distributed generation, namely self-consumption and other innovative concepts such as energy communities, will play a significant role in energy independence, with the EC foreseeing 25 percent of electricity consumption to be provided by distributed generation sources¹⁶. GreenVolt aims to strengthen its presence in this market niche, and to expand its presence to geographies other than Iberia, where GreenVolt is currently present;

the Issuer reviewed its Capex needs and has decided to proceed with the Offer as it is expected to reinforce GreenVolt's presence in the capital markets, namely as a source to raise funding for its growth plans as referred in 1, 2 and 3 above. Furthermore, the Offer is also expected to enhance the Issuer's value proposition by means of providing Shareholders and investors that acquire Subscription Rights the opportunity to participate in such growth plans.

4.2 Interest of natural and legal persons involved in the Offer

In connection with the Offer, the Managers are in a contractual relationship with the Issuer. The Managers and/or their respective affiliates have in the past provided, and may in the future, from time to time, provide, commercial banking, investment banking and financial advisory or other services to the Issuer or any parties related to it, in the ordinary course of their respective businesses. The Managers have received and will receive customary fees and commissions for these transactions and services. Notwithstanding the above, there is no significant interest of any person involved in the Offer which is in conflict with the Offer.

4.3 Use of proceeds

The Issuer intends to principally use the net proceeds of the Offer, which, assuming full subscription, will correspond to a net amount of approximately €95,731,999, after deducting all expenses, including the fees due to Managers and other advisors, registration of the New Shares with CVM and admission of the New Shares to trading on Euronext Lisbon, to speed up the roll out of its development plan which reflects a strategy adjustment motivated by the current market environment, i.e. focusing a significant part of the asset rotation strategy at COD, meaning selling the projects after being constructed, versus selling the majority of projects at RTB (with all the authorizations to start the construction works) as previously presented to the market. The revised development plan comprises a 6.6 GW pipeline, of which 2.7 GW are expected to reach RTB/COD by 2023, and a reinforcement of the DG vertical. The Issuer intends to use the proceeds to partially finance the equity portion of certain projects until they can be self-funded through internal cash generation. In addition, this capital injection will provide the Group with additional liquidity following the growth programme pursued in recent months. In 2021 and 2022, GreenVolt increased its footprint in its original markets and entered new geographies offering high-growth opportunities. There is no upfront defined allocation for the proceeds that will result from the Offer and, accordingly, no order of priority has been established by the Issuer in this respect. As further detailed in Section 10.5. (*"The Issuer's main objectives"*), the proceeds arising from the Offer, complemented by a mix of cash flow from operations (including asset rotation programme's proceeds), the sale of minority stakes in certain projects and new debt, will thus be used by the Issuer taking into account opportunities related with the implementation of the revised growth and expansion strategy, i.e. to fund its development plan.

¹⁶ Source: EU Solar Energy Strategy.

5. GENERAL INFORMATION ABOUT THE ISSUER AND THE GROUP

5.1. Corporate information about the Issuer

The Issuer's legal name is Greenvolt – Energias Renováveis, S.A. and its commercial name is GreenVolt.

The Issuer is a public limited liability company (*sociedade anónima*) with shares admitted to trading on a regulated market (*sociedade emitente de ações admitidas à negociação em mercado regulamentado*), incorporated and operating under Portuguese law, with registered office at Rua Manuel Pinto de Azevedo 818, 4100-320 Porto, Portugal, and registered with the Commercial Registry Office (*Conservatória do Registo Comercial*) of Lisbon under the sole registration and taxpayer number 506 042 715.

As of the date of this Prospectus, the Issuer's share capital is €267,099,997.50, divided in 121,376,470 shares with no nominal value, and is fully subscribed and paid-up. The Issuer's fiscal year begins on 1 January and ends on 31 December.

The Issuer's telephone number is (+351) 228 346 502 and its official website is www.greenvolt.pt.

The Issuer's LEI code is 549300ZSZ6VJXXCVUM49.

According to its Articles of Association, the Issuer's corporate purpose is "(a) the promotion, development, operation, maintenance and management, directly or indirectly, in Portugal or abroad, of power plants and other facilities of generation, storage and supply of renewable energy, such as sourced from bioelectric, solar, wind, water, industrial or urban waste, biomass or any other renewable source; (b) the performance of any research and implementation of projects in any way connected with the energetic sector, including without limitation in the fields of renewable energies, efficient and sustainable use of energy resources, management of energy generation or consumption; and (c) the provision of consultancy, assistance or training services in the fields of energy, resources' use, energy transition or any others connected thereto".

5.2. History

The Issuer was incorporated in 2002, for an unlimited period of time, under the corporate name "EDP Produção - Bioelétrica S.A.".

To fulfil its energetic needs and expand its activity in a strategic sector, and with the specific aim of enhancing the value of forest resources, in 2006 Altri invested indirectly through Caima Indústria and Caima Energia in 50 percent of the share capital and voting rights, capital contribution and debts of the Issuer (at the time still named EDP Produção – Bioelétrica S.A.) to generate electricity from forest biomass in partnership with EDP.

In 2018, Altri reached an agreement with EDP to acquire, directly or indirectly through its subsidiary Caima Indústria, the shares representing the remaining 50 percent of the share capital of the Issuer (at the time still named EDP Produção – Bioelétrica S.A.). The Portuguese Competition Authority having decided not to object to the proposed acquisition, the transaction took place at the end of November 2018 and Altri, directly and indirectly through Caima Indústria, took control of the entire share capital of the Issuer (at the time still named EDP Produção – Bioelétrica S.A.). The acquisition of the remaining 50 percent of the Issuer's share capital and shareholders' loans on the acquisition date amounted to €55.6 million.

At that time, the Issuer (still named EDP Produção – Bioelétrica S.A.) was already a leading player in electric power production through forest biomass and, directly or through its wholly owned subsidiaries, operated four plants in Portugal having a new plant under construction (Figueira da Foz II Power Plant), the completion of which was foreseen

to occur in the first half of 2019. The Issuer (at that time still named EDP Produção – Bioelétrica S.A.) was the leader in this market segment, holding a 50 percent share of the licences for generating electricity from forest biomass.

The acquisition of the entire share capital of the Issuer (at that time still named EDP Produção – Bioelétrica S.A.) allowed Altri to pursue its strategy of continuous integration between the biomass produced by forestry activity and the production of energy from this renewable resource, increasing its capacity to actively contribute to smart forest planning and management and, consequently, promoting its sustainability.

Following this acquisition, the Issuer changed its corporate name to “Bioelétrica da Foz, S.A.” and, as at the acquisition date, became consolidated in the Altri Group.

In 2019, the Figueira da Foz II Power Plant entered into operation. This power plant is owned by Sociedade Bioelétrica do Mondego (100 percent held by the Issuer), which financed its investments in Figueira da Foz II through the issue of “SBM 2019-2029” Green Bonds, in the amount of €50 million. This bond issue is aligned with the conditions set forth by the Green Bond Principles and was the first green bond issuance admitted to trading in Portugal, on Euronext Access Lisbon. For further details, please see paragraph entitled *Investment in Sociedade Bioelétrica do Mondego in 2017-2019* in Section 10.7 (a) of Chapter 10 (“*Description of the Issuer’s business*”). Together with the other Portuguese Biomass Power Plants, the Figueira da Foz II Power Plant was expected to contribute to the pursuit of a structural policy in the energy field.

On 31 December 2020, the Issuer acquired the entire share capital of Golditábuá, a company that holds a production licence for the operation of a solar photovoltaic power plant named Tábuá, as better described in Section 10.4 (“*Strategy and objectives of the Issuer*”).

The Issuer changed its corporate name to “GreenVolt – Energias Renováveis, S.A.” on 9 March 2021.

On 14 July 2021, the Issuer informed the market that it had carried out a share capital increase in the amount of €177,599,998.75, resulting in the issuance of 41,788,235 new ordinary, book-entry, nominative shares, without nominal value, at a subscription price of €4.25 per share. The Issuer’s shares were admitted to trading on Euronext Lisbon’s regulated market.

On 26 July 2021, the Issuer informed the market that it had carried out a share capital increase in the amount of €19,499,998.75, resulting in the issuance of 4,588,235 new ordinary, book-entry, nominative shares, without nominal value, at a subscription price of €4.25 per share, pursuant to the exercise of the Greenshoe Option, granted by the Issuer in relation to the admission to trading of the Issuer’s shares on Euronext Lisbon.

In August 2021, the Issuer acquired a 70 percent equity stake in Profit Energy, well-established distributed generation player in Portugal, operating in the development of energy efficiency and power generation projects and investments in renewable energies. Subsequently, in October 2021, the Issuer acquired a 42.19 percent equity stake in Perfecta Energía, a Spanish company operating in the distributed energy sector, namely in the sale, installation and maintenance of solar photovoltaic panels for the domestic segment’s self-consumption.

On 25 November 2021, the Issuer issued green bonds in the amount of €100 million pursuant to GreenVolt’s Green Bond Framework. GreenVolt’s Green Bond Framework intends to finance and refinance new and existing renewables projects and energy efficiency projects, integrated pollution prevention and control, M&A transactions within the renewable energy sector. The use of proceeds of such green bonds issue was exclusively allocated to refinance the funding structure for the acquisition of Tilbury Green Power – UK, a joint venture in which GreenVolt (indirectly)

acquired a 51 percent stake in June 2021) and other related and supporting expenditures. This bond issue is aligned with the conditions set forth by the Green Bond Principles and the green bonds were admitted to trading in Portugal on Euronext Lisbon.

In January 2022, GreenVolt incorporated a company under Spanish law, SEO, in which GreenVolt currently holds a 98.75% stake. This company will engage in the promotion, development, construction and sale of small utility scale solar photovoltaic projects in Spain.

In March 2022, the Issuer has also concluded a strategic partnership with the renewable energy promoter Infracapital, by means of which the Issuer acquired 50 percent of a portfolio of solar projects in Portugal (six companies), with 243 MW of capacity, spread in 24 small production renewable projects clusters.

Also in March 2022, the Issuer acquired a 35 percent equity stake in MaxSolar, a German company operating in the renewable energy sector, a company in which Nature Infrastructure Capital has also invested, with the Issuer's shareholding being reinforced by active participation rights in the management of this company and the right to increase its current shareholding. On April 2022 the Issuer acquired 50 percent of Univergy Autoconsumo, a Spanish company focused on the sale, installation and maintenance of solar photovoltaic panels for the commercial and industrial segment.

In April 2022, GreenVolt launched Energia Unida, a company that enters the market with an innovative value proposition, betting on the concept of energy communities by linking producers to consumers and promoting the sharing of energy produced from photovoltaic panels. Without requiring any prior investment, producers can consume the energy generated from their photovoltaic panels and share the remaining capacity with other consumers, provided that consumers are located within an average radius of up to 4 kilometres. This project will allow a reduction of up to 20 percent in the value of the energy consumed and the EU has already agreed to create Energy Communities with an installed capacity corresponding to around 3.1MW – the first of which was created in the building where both Energia Unida and GreenVolt are located, in Lisbon.

In May 2022, through its subsidiary V-Ridium, the Issuer acquired 100 percent of LIG Green Source Energy Alpha S.A, a 45 MWp solar power plant in Romania. This solar photovoltaic park has its remuneration ensured through two components: a market component and a regulated component of green certificates, which have a validity period until 2031, most of which have a sales contract established, in EUR, with the German electricity company EON.

At Altri's general meeting held on 29 April 2022, Altri has deliberated the distribution of dividends in kind to its shareholders through the distribution of shares representing the share capital of the Issuer. As a result, the shareholder structure of the Issuer was changed and Altri ceased to hold the majority of the Issuer's share capital and, therefore, to have control over the Issuer.

5.3. Structure of the Group

On 14 July 2021, the Issuer registered a share capital increase with the competent Commercial Registry Office, which resulted in the issuance of 41,788,235 new ordinary, book-entry, nominative shares, without nominal value, at a subscription price of €4.25 per share, which were (i) offered for subscription to qualified investors, having the Issuer's shareholders waived their pre-emption rights in the issuance of the shares, and (ii) offered to V-Ridium Europe, with an issuance premium of €0.75, through the delivery of 11,200,000 shares of the company V-Ridium, representing 100 percent of the share capital of that company. As such, the share capital of the Issuer, which was €70,000,000, became

€247,599,998.75, representing a share capital increase of €177,599,998.75 corresponding to (i) the subscription of 30,588,235 new shares by qualified investors (amount of the increase €129,999,998.75) and 11,200,000 new shares by V-Ridium Europe (amount of the increase €47,600,000), represented by 116,788,235 ordinary, book-entry, nominative shares without nominal value.

On 26 July 2021, pursuant to the exercise of the Greenshoe Option, granted by the Issuer in relation to the admission to trading of the Issuer's shares on Euronext Lisbon, the Issuer registered a share capital increase with the competent Commercial Registry Office, which resulted in the issuance of 4,588,235 additional new ordinary, book-entry, nominative shares, without nominal value, at a subscription price of €4.25 per share, resulting in a share capital increase of €19,499,998.75. As such, the share capital of the Issuer, which was €247,599,998.75 before the exercise of the Greenshoe Option, became €267,099,997.50, represented by 121,376,470 ordinary, book-entry, nominative shares without nominal value.

Following the share capital increase, Altri held 58.72 percent of the Issuer's voting rights. Altri's main focus is the production of eucalyptus pulp through the production of bleaching eucalyptus kraft pulp (BEKP) and dissolving pulp (DWP). Altri operates three pulp mills, namely Celbi and Biotek, producing BEKP, and Caima, producing DWP. Altri – through its subsidiary Altri Florestal – manages a forest area of about 86.3 thousand hectares in Portugal. To optimise forest management, Altri has developed (through the Issuer) biomass, a single renewable source of energy.

Pursuant to the resolutions approved at Altri's General Meeting of Shareholders held on 29 April 2022, which at such stage held, directly and indirectly, 58.72 percent of Issuer's existing share capital, it was decided to move forward with the separation of the pulp (Altri) and renewable energy (Issuer) businesses and to proceed with a distribution of dividends in kind by means of the distribution of the Issuer's shares held by Altri, in the terms of the proposal presented thereof and in accordance with articles 31 and 32 of the Portuguese Companies Code. As a result of such distribution, Altri's shareholders acquired a direct stake in the Issuer's share capital and Altri's stake was reduced to 19.08 percent of the Issuer's existing share capital. As a result of the above, Altri and GreenVolt are partly held by the same shareholders (Promendo Investimentos, S.A., Actium Capital, S.A., Livrefluxo, S.A., Caderno Azul, S.A. and 1 Thing, Investments, S.A.).

As better described in Section 6.1 ("*Main shareholders of the Issuer*"), the Issuer's main shareholders¹⁷ at the date of this Prospectus are:

- (a) Altri, which currently holds 19.08%¹⁸ of the Issuer's share capital;
- (b) Promendo Investimentos, S.A.¹⁹, which currently holds 9.62% of the Issuer's share capital;
- (c) V-Ridium Europe²⁰, which currently holds 9.23% of the Issuer's share capital.
- (d) Actium Capital, S.A.²¹, which currently holds 8.31% of the Issuer's share capital;

¹⁷ Consulted on the date hereof (source: <https://greenvolt.pt/investors/stock-information/#shareholderstructure>).

¹⁸ Currently, 3.63% held directly by Altri and 15.45% indirectly held through Caima Energia (or Celbi, upon completion of the already publicly announced spin-off involving Caima Energia).

¹⁹ Which holds 18.67 percent of Altri's share capital, a shareholding which is attributable to Ana Rebelo de Carvalho Menéres de Mendonça (member of the board of directors of GreenVolt and Altri), pursuant to article 20 (1) b) of the Portuguese Securities Code.

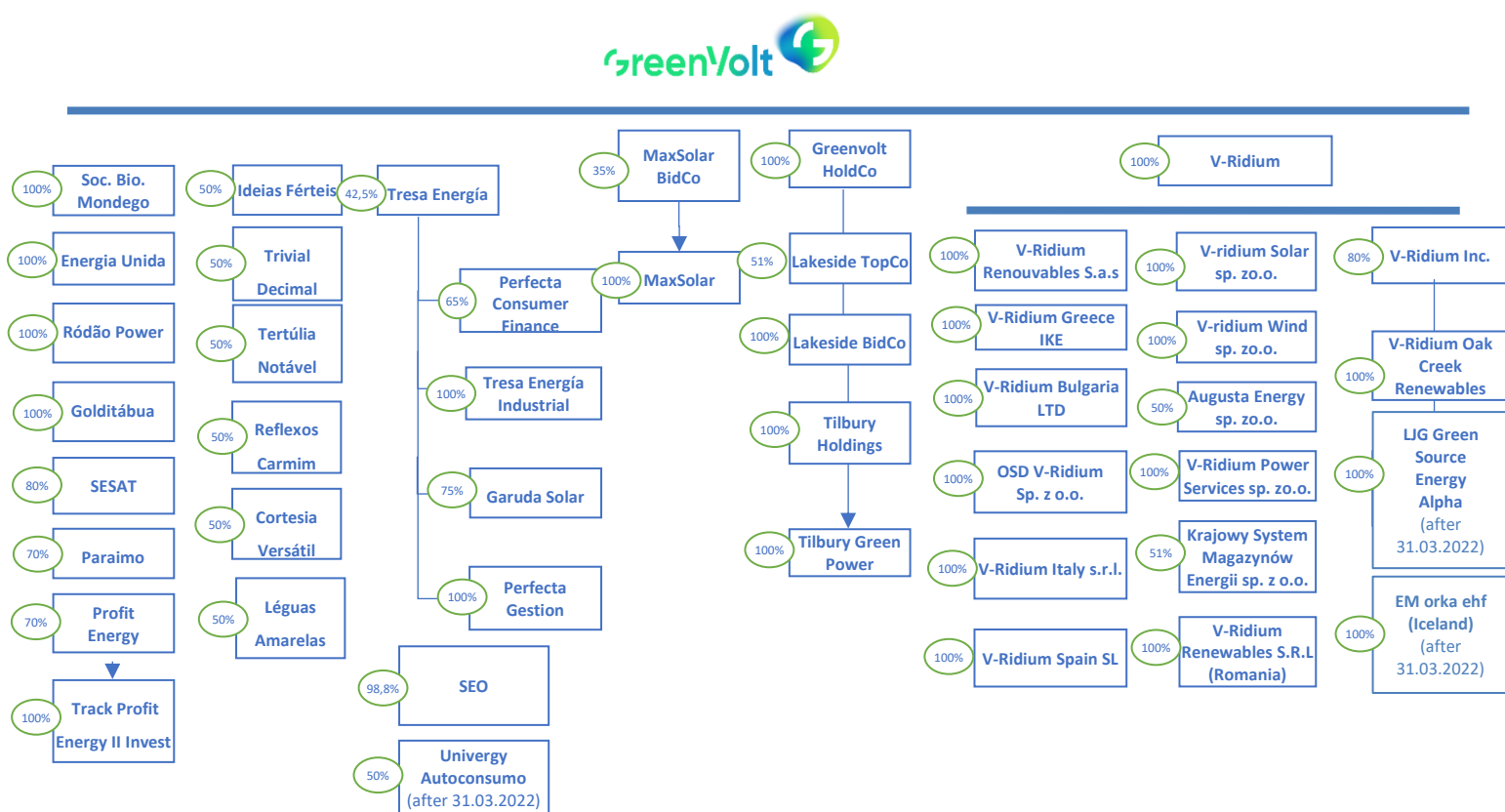
²⁰ Which holds 9.23 percent of GreenVolt's share capital, a shareholding which is attributable to Mr. Radek Nowak (the CEO of V-Ridium Europe and of V-Ridium), Mr. Daniel Dżaman and Mr. Krzysztof Urban, pursuant to article 20 (1) b) of the Portuguese Securities Code.

²¹ Which holds 13.38 percent of Altri's share capital, a shareholding which is attributable to Paulo Jorge dos Santos Fernandes Mendonça (member of the board of directors of GreenVolt and Altri), pursuant to article 20 (1) b) of the Portuguese Securities Code.

- (e) Livrefluxo, S.A.²², which currently holds 7.99% of the Issuer's share capital;
- (f) Caderno Azul, S.A.²³, which holds 7.97% of the Issuer's share capital; and
- (g) 1 Thing, Investments, S.A.²⁴, which currently holds 5.13% of the Issuer's share capital.

5.4. Subsidiaries

The Issuer directly owns and operates the Constância Power Plant, the Figueira da Foz I Power Plant and the Mortágua Power Plant. Additionally, the Issuer is the holding company of the following main subsidiaries²⁵:



Sociedade Bioelétrica do Mondego

Sociedade Bioelétrica do Mondego is a fully directly owned subsidiary of the Issuer, which holds 100 percent of the voting share capital thereof.

Sociedade Bioelétrica do Mondego is incorporated and operates under Portuguese law, has registered office at Lugar da Leirosa, 3090-484Marinha das Ondas, Figueira da Foz, Portugal, a share capital of €50,000 and is registered with the Commercial Registry Office under the sole registration and taxpayer number 514193620. Sociedade Bioelétrica do

²² Which holds 13.00 percent of Altri's share capital, a shareholding which is attributable to Domingos José Vieira de Matos Mendonça (member of the board of directors of GreenVolt and Altri), pursuant to article 20 (1) b) of the Portuguese Securities Code.

²³ Which holds 15.11 percent of Altri's share capital, a shareholding which is attributable to João Manuel Matos Borges de Oliveira Mendonça (member of the board of directors of GreenVolt and Altri), pursuant to article 20 (1) b) of the Portuguese Securities Code.

²⁴ Which holds 10.01 percent of Alti's share capital, a shareholding which is attributable to Pedro Miguel Matos Borges de Oliveira Mendonça (member of the board of directors of GreenVolt and Altri), pursuant to article 20 (1) b) of the Portuguese Securities Code.

²⁵ The percentages indicated correspond to direct holdings.

Mondego's corporate purpose is the promotion, development and management, directly or indirectly, of power plants and other facilities for the production and sale of bio-electric energy in Portugal, through waste sources and biomass, and the undertaking of studies and implementation of projects within the same framework, as well as the provision of any other related activities and services.

Sociedade Bioelétrica do Mondego holds a production licence issued by the General-Directorate for Energy and Geology on 30 June 2017 for the operation of the Figueira da Foz II Power Plant, with an injection capacity of 34.5 MVA (as per respective license), which entered into operation in 2019.

Energia Unida (formerly Bioródão)

Energia Unida is a fully directly owned subsidiary of the Issuer, which holds 100 percent of the voting share capital thereof.

Energia Unida is incorporated and operates under Portuguese law, has registered office at Lugar da Leirosa, 3090-484 Marinha das Ondas, Figueira da Foz, Portugal, a share capital of €50,000 and is registered with the Commercial Registry Office under the sole registration and taxpayer number 514201991.

Energia Unida's corporate purpose is the is the promotion, development, operation, maintenance and management, directly or indirectly, in Portugal or abroad, of power stations and other facilities for self-consumption of renewable or non-renewable electricity, of all types of equipment and accessories for microgeneration of energy and energy efficiency, as well as the production, consumption, storage, sharing and sale of electricity, namely, but not limited to, through purchase contracts of renewable electricity, in a logic of complementarity with the rest of the electricity system in Portugal, promoting the creation and operation of renewable energy communities. It also includes (i) the provision of all types of services in the areas of engineering, civil construction, energy and microgeneration, aggregation and management of collective self-consumption and energy communities, (ii) the carrying out all kinds of studies and the execution of projects somehow related to the energy sector, including but not limited to the field of renewable energies, the efficient and sustainable use of energy resources and the management of energy production or consumption, and (iii) the provision of consultancy, advisory, research and development services, internationalisation projects or training in the field of energy, resource use, energy transition, or any other related services. Finally, Energia Unida also carries out activities related to the reparation, management and execution of engineering projects in the energy area, as well as the conduction of audits and the sale and purchase activity of real estate and property.

Ródão Power

Ródão Power is a fully directly owned subsidiary of the Issuer, which holds 100 percent of the voting share capital thereof.

Ródão Power is incorporated and operates under Portuguese law, has registered office at the industrial premises of Portucel Tejo, S.A., 6030-223 Vila Velha de Ródão, a share capital of €50,000 and is registered with the Commercial Registry Office under the sole registration and taxpayer number 507029135. Ródão Power's corporate purpose is the production and distribution of electrical energy and thermal energy, implementing the cogeneration process.

Ródão Power holds a production licence issued by the General-Directorate for Energy and Geology on 26 January 2009 for the operation of the Ródão Power Plant, with an installed injection capacity of 13 MW (as per respective license), which entered into operation in December 2006.

Golditábua

Golditábua is a fully directly owned subsidiary of the Issuer, which holds 100 percent of the voting share capital thereof.

Golditábua is incorporated and operates under Portuguese law, has registered office at Lugar da Leirosa, 3090-484 Marinha das Ondas, Figueira da Foz, Portugal, a share capital of €50,000 and is registered with the Commercial Registry Office under the sole registration and taxpayer number 514771089. Golditábua's corporate purpose is the production of electrical energy; the development of renewable projects; engineering, consultancy and training services; and the leasing of movable and immovable property.

Golditábua holds a production licence issued by the General-Directorate for Energy and Geology on 19 July 2019 for the operation of a solar photovoltaic power plant named Tábua, with an installed capacity of 48 MWp, limited to injecting 40 MVA in the public grid. Its commercial operation is foreseen to start in 2022. Please refer to Section 10.1 (*"Main activities of the Issuer"*).

SESAT

SESAT is a subsidiary directly owned by the Issuer, which holds 80 percent of the voting share capital thereof.

SESAT is incorporated and operates under Portuguese law, has registered office at Praça da República, no. 116, R/C, 6050-350 Nisa, Portugal, a share capital of €50,000 and is registered with the Commercial Registry Office under the sole registration and taxpayer number 515261769. SESAT's corporate purpose is the development of projects in the field of renewable energies; the promotion, production and commercialisation of renewable energy; and the production and commercialisation of renewable energies equipment.

SESAT is developing a solar photovoltaic power plant project in Nisa. Please refer to Section 10.1 (*"Main activities of the Issuer"*).

Paraimo Green

Paraimo Green is a subsidiary directly owned by the Issuer, which holds 70 percent of the voting share capital thereof.

Paraimo Green is incorporated and operates under Portuguese law, has registered office at Avenida das Tulipas, no. 6, 5th floor, Miraflores Office Centre, 1495-158 Algés, Portugal, a share capital of €1,000 and is registered with the Commercial Registry Office under the sole registration and taxpayer number 515465194. Paraimo Green's corporate purpose is the production of electrical energy; the development of renewable projects; engineering, consultancy and training services; and the leasing of property and real estate.

Paraimo Green obtained a title of reserved capacity issued by E-Redes – Distribuição de Eletricidade, S.A. Please refer to Section 10.1 (*"Main activities of the Issuer"*).

GreenVolt HoldCo

GreenVolt HoldCo is a fully directly owned subsidiary of the Issuer, which holds 100 percent of the voting share capital thereof.

GreenVolt HoldCo is incorporated and operates under English law, has registered office at Central House 20 Central Avenue, St Andrews Business Park, Norwich, England, NR7 0HR, a share capital of 1 £ and is registered with the Registrar of Companies for England and Wales under the company number 13427514.

Tilbury Holdings

Tilbury Holdings is a subsidiary owned by the Issuer, which holds 51 percent of the voting share capital thereof (while the remaining 49 percent are held by funds managed by Equitix).

Tilbury Holdings is incorporated and operates under English law, having registered offices at Leslie Ford House, Tilbury Freeport, Tilbury, Essex, RM18 7EH.

Tilbury Holdings is the owner (through Tilbury Green Power) of a fully operational renewable energy biomass power plant, which processes waste wood, with a net generating capacity of 43.6 MW (with injection capacity currently limited to 41.6 MW in-line with the ROC accreditation limit set by the United Kingdom's OFGEM). This biomass power plant presents a biomass consumption of 256,717 ton, exported energy of 313,479 MWh and a biomass consumption of 0.82 ton/MWh (for 2021).

TGP is strategically located in the South East of England, which has the highest population density in the country and intense construction activity, circa 25 miles from London, directly by the River Thames in the port of Tilbury, Essex, England. TGP is one of the few large-scale power plants in the vicinity capable of disposing of grades B and C waste wood. This location also allows TGP to benefit from the high concentration of waste wood within close proximity, providing the strong competitive advantage of economically processing waste wood with few viable alternatives for recovery.

The Tilbury project was granted the Renewable Energy Guarantees Origin ("REGO") accreditation with an effective date of 26 October 2017. For further information regarding Tilbury Holding, please refer to Section 10.1 ("*Main activities of the Issuer*").

V-Ridium

V-Ridium is a fully directly owned subsidiary of the Issuer, which holds 100 percent of the voting share capital thereof.

V-Ridium is incorporated and operates under Polish law, and has registered offices at Aleja Wycsigowa 6, 02-681 Warszawa, Poland, being registered in the Polish commercial registry under no. 0000772074 and with a registered share capital of PLN 1,310,000. V-Ridium has subsidiaries in Poland, France, Italy, Greece, Romania, Serbia, United States of America and Spain.

As at April 2022, V-Ridium had management structures in Poland, Greece, Italy, Romania, Bulgaria, France and Spain and counts with 103 employees, being expected that it will continue to grow over the course of the year. V-Ridium has currently more than 110 MW of assets under construction (photovoltaic and wind) in Poland and also co-owns a portfolio of energy storage projects with a total capacity of 1.400 MW. Please refer to Section 10.1 ("*Main activities of the Issuer*").

On 18 May 2022, V-Ridium, through its subsidiaries V-Ridium Solar 45 and V-Ridium Renewables (Romania), signed, with Samsung C&T Corporation, LSG Building Solutions, and Green Source Consulting, a contract for the purchase of the LIG Green Source Energy Alpha and the LIONS Photovoltaic Solar Park, which is located in southern Romania and has an installed capacity of 45MWp.

Profit Energy

Profit Energy is a subsidiary directly owned by the Issuer, which holds 70 percent of the voting share capital thereof.

Profit Energy is incorporated and operates under Portuguese law, with registered office at Núcleo Empresarial Venda do Pinheiro, Rua C. Arm 56, 2665-602 Venda do Pinheiro, Portugal, has a share capital of €1,941,000 and is registered with the Commercial Registry Office under the sole registration and taxpayer number 514108649. Profit Energy is a well-established distributed generation player in Portugal. Profit Energy's corporate purpose is the development of energy efficiency and power generation projects and investments in renewable energies. By the end of 2021, Profit Energy completed the installation of 18.5 MWp, and currently has over 40 MWp contracted/under construction with more than 30 business segment customers.

Track Porfit Energy II

Track Profit Energy II is a subsidiary directly owned by the Issuer, which indirectly holds 100 percent of the voting share capital thereof.

Track Profit Energy II is incorporated and operates under Portuguese law, with registered office at Núcleo Empresarial Venda do Pinheiro, Rua C. Arm 56, 2665-602 Venda do Pinheiro, Portugal, has a share capital of €500.000,00 and is registered with the Commercial Registry Office under the sole registration and taxpayer number 514461055. Track Profit Energy II's corporate purpose is the development of energy efficiency and power generation projects and investments in renewable energies.

Perfecta Energía

The Issuer currently holds a 42.19 percent stake in Perfecta Energía's share capital, with an option to acquire the remaining share capital of Perfecta Energía in 2024.

Perfecta Energía is incorporated and operates under Spanish law, with registered office at Calle Pedro de Valdivia 36, 4th floor right, 28006, Madrid, Spain, and registered with the Commercial Registry Office of Madrid under the sole registration and taxpayer number B-88309745. Perfecta Energía operates in the renewable energy sector, namely in the sale, installation and maintenance of solar photovoltaic panels for domestic segment's self-consumption. In 2021, Perfecta Energía installed 4.5 MWp, currently with around 2.5 MWp in more than 800 residential customers.

In April 2022, the Issuer, through Perfecta Energía, launched a new business unit that will focus on the commercial and industrial segment of the Spanish market (Tresa Energía Industrial, S.L.).

V-Ridium Oak Creek Renewables

V-Ridium Oak Creek Renewables is a Delaware Limited Liability Company, with registered office at 500 La Terraza Blvd. Suite 350, Escondido, CA 92025, United States. V-Ridium Oak Creek Renewables operates in the renewable energy sector, namely in the development, installation and maintenance of utility scale solar photovoltaic and wind power generation projects in the United States and Mexico. V-Ridium Oak Creek Renewables has a development pipeline in the United States and Mexico along with a team that is very experienced in developing successful renewable energy projects.

Infraventus Companies

In March 2022, the Issuer acquired 50% shareholding in the following companies:

- (i) Cortesia Versátil, incorporated under Portuguese Law, which holds a total number of 49UPPS, with a total capacity of 48.7MWp, with registered office at Rua Ivone Silva, Edifício Arcis, 6, 4^º Piso, 1050-124 Lisboa, and registered with the Commercial Registry under the sole registration and taxpayer number 515 519 154;

- (ii) Ideias Fértéis, incorporated under Portuguese Law, which holds a total number of 49UPPS, with a total capacity of 33.70MWp, with registered office at Rua Ivone Silva, Edifício Arcis, 6, 4º Piso, 1050-124 Lisboa, and registered with the Commercial Registry under the sole registration and taxpayer number 515 534 730;
- (iii) Léguas Amarelas, incorporated under Portuguese Law, which holds a total number of 49UPPS, with a total capacity of 28.00 MWp, with registered office at Rua Ivone Silva, Edifício Arcis, 6, 4º Piso, 1050-124 Lisboa, and registered with the Commercial Registry under the sole registration and taxpayer number 515 479 284;
- (iv) Reflexo Carmim, incorporated under Portuguese Law, which holds a total number of 49UPPS, with a total capacity of 35.00 MWp, with registered office at Rua Ivone Silva, Edifício Arcis, 6, 4º Piso, 1050-124 Lisboa, and registered with the Commercial Registry under the sole registration and taxpayer number 515 389 447;
- (v) Tertúlia Notável, incorporated under Portuguese Law, which holds a total number of 49UPPS, with a total capacity of 49.00 MWp, with registered office at Rua Ivone Silva, Edifício Arcis, 6, 4º Piso, 1050-124 Lisboa, and registered with the Commercial Registry under the sole registration and taxpayer number 515 507 849;
- (vi) Trivial Decimal, incorporated under Portuguese Law, which holds a total number of 49UPPS, with a total capacity of 47.94 MWp, with registered office at Rua Ivone Silva, Edifício Arcis, 6, 4º Piso, 1050-124 Lisboa, and registered with the Commercial Registry under the sole registration and taxpayer number 515 467 243.

GreenVolt entered into this strategic partnership with Infracventus, becoming the holder of 50% of a set of photovoltaic solar projects under development by Infracventus, totalling 243 MW of capacity, of which about 160 MW are in an advanced stage of development.

Currently, 10 MW are already under construction, being expected to reach COD date in the second semester of 2022, and in addition it is expected to have more than 50 MW reaching RtB until the end of the year.

Each of the Issuer and Cordialreturn – Unipessoal, Lda. holds a quota representing 50 percent of the share capital of each of the six companies listed above. This partnership accelerates the commitment that GreenVolt has been making at European level - and also in Portugal - in the development of electricity production projects through photovoltaic solar source.

MaxSolar

Through its associated company MaxSolar BidCo GmbH, the Issuer holds a 35 percent stake in MaxSolar's share capital, with rights of active intervention in its management and with the right to, in the future, come to reinforce its level of shareholder participation.

MaxSolar is incorporated and operates under German law, with registered offices at Schmidhamer Str. 22, 83278 Traunstein, Germany, and registered with the District Court of Traunstein under HRB 19235. MaxSolar develops ground-mounted and rooftop photovoltaic solar projects in its home market and neighbouring Austria and has a pipeline of 3.2 GW, of which 0.8 GW are in an advanced stage of development. In addition to the development of solar and storage projects, MaxSolar is one of Germany's leading full-service providers of utility-scale and rooftop engineering procurement and construction (EPC) services.

Univergy Autoconsumo

The Issuer acquired 50 percent of Univergy Autoconsumo, a company previously held by Univergy Solar and by Remigio Abad (former general manager of Powen, who still holds 50 percent of Univergy Autoconsumo's share capital), having guaranteed the option to purchase the entire capital.

Univergy Autoconsumo is incorporated and operates under Spanish law, with registered offices at Calle Serrano 41, 7ª - Derecha, 28001 Madrid, Spain, and is registered with taxpayer number B-88609177 under Commercial Registry Office of Madrid. Univergy Autoconsumo is a leading business group in the renewable energy sector, particularly focused on the development and construction of large solar and wind energy plants and green hydrogen storage solutions, as well as installations for solar self-consumption, both residential and industrial. Since its foundation in 2019, Univergy Autoconsumo implemented around 400 projects, currently holding an additional pipeline of 600 MW across 3,500 customers.

SEO

The Issuer incorporated SEO together with Green Mind Ventures in January 2022, holding 98.75 percent of the company (and Green Mind Ventures holding 1.25 percent). SEO is a joint venture primarily focused on developing, constructing and operating small utility scale projects in Spain.

SEO is incorporated and operates under Spanish Law, with registered office at Paseo Club Deportivo 1, - Edificio 4, Planta 1 Pozuelo De Alarcón 28223-Madrid, with tax identification number B67974113 and registered before the Commercial Registry office of Madrid, volume 42931, sheet 100, page M-758925.

LJG Green Source Energy Alpha

The Issuer acquired LJG Green Source Energy Alpha from Samsung C&T Corporation, LSG Building Solutions and Green Source Consulting in May 2022, currently holding 100 percent of the company.

LJG Green Source Energy Alpha is incorporated and operates under Romanian law, with registered office at 22 Tudor Vladimirescu Bvd, Unit 4, 1st Floor, Room 2, Green Gate Offices, 5th District, Bucharest and registered with the Commercial Registry Office of Romania under the sole registration and taxpayer number RO 27885478. LJG Green Source Energy Alpha operates in the renewable energy sector, namely in the production of electricity for photovoltaic sources. In 2021, LJG Green Source Energy Alpha produced 56 650 MWh.

The strategy underlying this acquisition, in addition to an opportunistic component given the excellent profitability (asset with a regulated revenue share in Euros and a recognised offtaker), is related to the possibility of reinforcing profitability through the establishment of a long-term PPA in the non-regulated revenue share, with several companies potentially interested. GreenVolt understands it has the necessary experience to enter into this type of agreements, as recently demonstrated by the PPA signed with T-Mobile in Poland.

5.5. Remuneration and benefits

In 2021, the members of the Board of Directors were remunerated by the Issuer as follows:

Non-Executive Directors²⁶	Fixed remunerations	Variable remunerations	TOTAL
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²⁶ In the case of non-executive directors, the remuneration listed corresponds to the exercise period from 24 June 2021 to 31 December 2021.

Clara Raposo (Chairsperson) ²⁷	N/A	N/A	N/A
Paulo Fernandes	€51.944,42	N/A	€51.944,42
João Borges de Oliveira	€51.944,42	N/A	€51.944,42
Ana Mendonça	€23.375	N/A	€23.375
Pedro Borges de Oliveira	€23.375	N/A	€23.375
Domingos de Matos	€23.375	N/A	€23.375
Clementina Barroso	€24.933,33	N/A	€24.933,33
Céline Abecassis-Moedas	€27.270, 83	N/A	27.270, 83
Jorge Vasconcelos	€24.933,33	N/A	€24.933,33
José Soares de Pina	N/A	N/A	N/A
Executive Directors²⁸	Fixed remunerations	Variable remunerations	TOTAL
João Manso Neto	€416,660	€350,000	€766,660 ²⁹

Further to remuneration (fixed and variable), the following benefits (including benefits in kind) are also granted to executive directors:

- (a) Right to participation in a pension fund to which GreenVolt makes a variable contribution per participant, according to the results of the Group and the seniority of the employee;
- (b) Payment of annual premium for health insurance, extendable to spouse and children;
- (c) Payment of annual premium for life insurance and also personal accident's insurance; and
- (d) Use of vehicle of service, provided by the Issuer, which include the attribution of a driver and payment of costs and expenses related with the vehicle and its use.

The global amount of benefits attributed to executive directors does not represent more than 5 percent of their fixed annual remuneration. There are no bonuses or benefits attributed to the other members of the management and supervisory bodies. In addition, for the year of 2021 no amounts were set aside or accrued by the Issuer or its subsidiaries to provide for pension, retirement or similar benefits.

In 2021, the non-executive directors were remunerated by the Issuer's subsidiaries or other entities of the Group as follows:

Non-Executive Directors	Fixed remunerations	Variable remunerations	TOTAL
Paulo Fernandes	€490,310	N/A	€490,310
João Borges de Oliveira	€490,310	N/A	€490,310
Ana Mendonça	€109, 900	N/A	€109, 900
Pedro Borges de Oliveira	€282,500	N/A	€282,500
Domingos de Matos	€282,500	N/A	€282,500
José Soares de Pina	€450,000	€350,000	€800,000

In 2021, the members of the Statutory Audit Board were remunerated by the Issuer as follows:

Members of the Statutory Board	Fixed Remuneration	Variable Remuneration	Total
Pedro João Reis de Matos Silva (President)	€15,583.33	N/A	€15.583,33
Francisco Domingos Ribeiro Nogueira Leite	€5,194.44	N/A	€5,194.44
Cristina Isabel Linhares Fernandes	€5,194.44	N/A	€5,194.44

²⁷ The Chairperson of the Board of Directors has waived remuneration during the 2021 financial year and will only receive remuneration in the 2022 financial year.

²⁸ In the case of the executive director, the remuneration listed corresponds to the exercise period from 18 March 2021 to 31 December 2021.

²⁹ As better described in the Issuer's 2021 corporate governance report, the executive director benefits from "phantom shares", corresponding to the valuation of an investment of two million euros by reference to the closing price of GreenVolt's shares as of 15 July 2021, exercisable for 50% of its total amount from 2024 and 2025, respectively.

In 2021, the fees of the Statutory External Independent Auditor for external auditing services and statutory auditing of the annual accounts of all the Portuguese companies that form a part of the Group amounted to €220,700. The overall fees of Deloitte & Associados, SROC S.A. for other reliability assurance services that include services other than auditing to Portuguese companies integrating the Group amounted to €402,500, including the limited review processes, the issuance of comfort letters associated with the process of admission to trading of GreenVolt shares in Euronext Lisbon, the reliability assurance services associated with the sustainability report and the green bonds.

6. MAIN SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

6.1. Main shareholders of the Issuer

Ownership Structure

On the date of this Prospectus, in accordance with Article 4(1) and (2) of the Articles of Association, the fully subscribed and paid-up share capital of the Issuer amounts to €267,099,998 and is represented by 121,376,470 book-entry shares with no nominal value.

As of the date of this Prospectus, the entities that are, vis-à-vis the Issuer, in any of the situations provided for in article 20(1) of the Portuguese Securities Code, are the following:

Shareholder	As at the date of this Prospectus	
	Number of Shares	Percentage of share capital and voting rights held
Altri		
Directly	4,404,783	3.63%
Through Caima Energia	18,750,000	15.45%
	23,154,783	19.08%
Promendo Investimentos, S.A. ³⁰ ,	11,678,050	9.62%
V-Ridium Europe ³¹	11,200,000	9.23%
Actium Capital, S.A. ³²	10,085,184	8.31%
Livrefluxo, S.A. ³³	9,700,087	7.99%
Caderno Azul, S.A. ³⁴	9,677,544	7.97%
1 Thing, Investments, S.A. ³⁵	6,221,231	5.13%

³⁰ Which holds 18.67 percent of Altri's share capital, a shareholding which is attributable to Ana Rebelo de Carvalho Menéres de Mendonça (member of the board of directors of GreenVolt and Altri), pursuant to article 20 (1) b) of the Portuguese Securities Code.

³¹ Which holds 9.23 percent of GreenVolt's share capital, a shareholding which is attributable to Mr. Radek Nowak (the CEO of V-Ridium Europe and of V-Ridium), Mr. Daniel Dżaman and Mr. Krzysztof Urban, pursuant to article 20 (1) b) of the Portuguese Securities Code.

³² Which holds 13.38 percent of Altri's share capital, a shareholding which is attributable to Paulo Jorge dos Santos Fernandes Mendonça (member of the board of directors of GreenVolt and Altri), pursuant to article 20 (1) b) of the Portuguese Securities Code.

³³ Which holds 13.00 percent of Altri's share capital, a shareholding which is attributable to Domingos José Vieira de Matos Mendonça (member of the board of directors of GreenVolt and Altri), pursuant to article 20 (1) b) of the Portuguese Securities Code.

³⁴ Which holds 15.11 percent of Altri's share capital, a shareholding which is attributable to João Manuel Matos Borges de Oliveira Mendonça (member of the board of directors of GreenVolt and Altri), pursuant to article 20 (1) b) of the Portuguese Securities Code.

³⁵ Which holds 10.01 percent of Altri's share capital, a shareholding which is attributable to Pedro Miguel Matos Borges de Oliveira Mendonça (member of the board of directors of GreenVolt and Altri), pursuant to article 20 (1) b) of the Portuguese Securities Code.

General information about the Shares

On the date of this Prospectus, in accordance with Article 4 of the Articles of Association, GreenVolt's share capital amounts to €267,099,998, fully subscribed and paid up, and is represented by 121,376,470 nominative book-entry shares with no nominal value.

These Shares are registered under the symbol "GVOLT" with the ISIN Code PTGNVOAM0001 and the CFI code ESVUFR, and grant the respective shareholders identical rights, entitling each shareholder to the same voting rights (in the proportion of the number of Shares held) and to, at least, one vote, according to the law and the Articles of Association, in any given general meeting of shareholders.

Relationship with the Altri Group

As a result of the spin-off operation approved by Altri's general meeting on 29 April 2022, as of the date of this Prospectus Altri directly and indirectly holds 19.08 percent of the Issuer's voting share capital and Altri and GreenVolt are partly held by the same core shareholders (Promendo Investimentos, S.A., Actium Capital, S.A., Livrefluxo, S.A., Caderno Azul, S.A. and Thing, Investments, S.A.). Further to the above, the directors of such core shareholders to whom the relevant shareholdings are attributable to members of both Altri's and GreenVolt's board of directors.

With a view to ensuring the independence of the Issuer *vis-à-vis* its shareholders and that their respective influence over the Issuer is not exercised in an abusive manner, the Issuer seeks to ensure total transparency in mutual relationships through strict compliance with the regulatory and legal provisions applicable to it, notably those relating to information obligations, information rights of the shareholders (including the rights detailed in Chapter 0 ("*Information Concerning the Securities to be Admitted to Trading*"), related party transactions and potential conflicts of interest.

As far as the Issuer is aware, there are no arrangements, operations or agreements in place (other than as described above) that may cause Altri and/or Promendo Investimentos, S.A., Actium Capital, S.A., Livrefluxo, S.A., Caderno Azul, S.A. and Thing, Investments, S.A. to exercise a different type of influence over GreenVolt or change or subvert the manner described in the paragraph above, namely through abusive influence, after the date of this Prospectus, without prejudice to the contents of Section 6.2 ("*Related party transactions*").

6.2. Related party transactions

In the normal course of business, the Group enters into transactions with related parties. A related party transaction as defined by IAS 24 is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Pursuant to IAS 24, related parties include (i) parties with whom the Issuer forms an affiliated group or in which it holds an interest that enables it to exercise control, joint control or a significant influence over the business policy of the associated company or is a member of its key management personnel, as well as (ii) the principal shareholders in the Issuer, including their affiliates and the key management personnel of the Issuer or of Altri.

The Issuer and its subsidiaries have relationships among each other and with the Altri Group that qualify as transactions with related parties and which were carried out within the scope of the Issuers' current business and at market prices, as defined in the Related Party Transaction Policy. In the consolidation procedures, transactions between the Issuer and its subsidiaries and between the subsidiaries are eliminated given that such subsidiaries are included in the consolidation perimeter of the Issuer using the full consolidation method. Since the Annual Audited Consolidated

Financial Statements show information on the Issuer and its subsidiaries as if they were a single company, therefore, they are not disclosed below.

Balances as at 31 December 2021, 31 December 2020, 31 December 2019 and 31 March 2022, as well as the transactions with related entities during the financial years ended 31 December 2021, 31 December 2020 and 31 December 2019 and the first quarter of 2022 ended on 31 March 2022, can be summarised as follows:

	Trade payables, Other payables and Other current liabilities				Trade receivables, Other receivables and Assets associated with contracts with customers			
	31 Mar 2022 (unaudited)	31 Dec 2021 (audited)	31 Dec 2020 (audited)	31 Dec 2019 (audited)	31 March 2022 (unaudited)	31 Dec 2021 (audited)	31 Dec 2020 (audited)	31 Dec 2019 (audited)
Balances (Euro)								
Altri	-	(152)	(1,018,440)	(584,557)	-	-	4,615	-
Celbi	(1,302,202)	(1,306,955)	(1,744,263)	(2,700,864)	37,031	-	19,580	-
Caima Indústria	(231,959)	(236,485)	(378,362)	(440,283)	-	-	-	-
Biotek	(236,907)	(709,246)	(560,777)	(1,496,197)	-	37,031	-	-
Altri Florestal	-	-	-	(228,735)	-	-	-	-
Cofina Media, S.A.	-	(4,112)	-	-	-	-	-	-
Altri Madeira	(4,987,430)	(6,756,309)	(3,071,273)	(286,143)	-	-	-	-
Actium Capital, S.A.	-	-	(350,100)	-	-	-	-	-
Caderno Azul, S.A.	-	-	(350,100)	-	-	-	-	-
Promendo	-	-	(350,100)	-	-	-	-	-
Investimentos, S.A.	-	-	-	-	-	-	-	-
Livrefluxo, S.A.	-	-	(350,100)	-	-	-	-	-
1 Thing, Investments, S.A.	-	-	(350,100)	-	-	-	-	-
Ramada	-	-	-	-	162,000	18,414	-	-
Personally related parties - V-Ridium	(29,506)	(12,389)	-	-	123,697	116,631	-	-
Joint ventures	-	-	-	-	251,718	164,085	-	-
Cofihold, S.A.	-	-	(7,002)	-	-	-	-	-
	(6,788,004)	(9,025,648)	(8,530,617)	(5,736,779)	574,446	336,161	24,195	-

	Income Tax	Lease liabilities			
	31 Dec 2020 ³⁶ (audited)	31 March 2022 (unaudited)	31 Dec 2021 (audited)	31 Dec 2020 (audited)	31 Dec 2019 (audited)
Balances					
Altri	(3,411,127)	-	-	-	-
Celbi	-	(5,398,944)	(5,449,501)	(4,423,028)	(4,564,000)
Caima Indústria	-	(820,219)	(833,271)	(884,247)	(928,626)
Biotek	-	(1,211,855)	(1,230,366)	(813,731)	(869,663)
Cofina Media, S.A.	-	(201,270)	(226,033)	-	-
	(3,411,127)	(7,632,288)	(7,739,171)	(6,121,006)	(6,362,289)

	Shareholders' loans			
	31 March 2022 (unaudited)	31 Dec 2021 (audited)	31 Dec 2020 (audited)	31 Dec 2019 (audited)
Balances				
Equitix	-	(41,246,944)	(40,826,529)	-
Caima Energia	-	-	-	(24,596,424)
	(41,246,944)	(40,826,529)	-	(24,596,424)

³⁶ In 2020 GreenVolt was in Tax group with Altri. The balances were nil as at 31 December 2019, 31 December 2021 and 31 March 2022.

Balances	Loans granted to related parties			
	31 March 2022 (unaudited)	31 Dec 2021 (audited)	31 Dec 2020 (audited)	31 Dec 2019 (audited)
Personally related parties - V-Ridium	20,196	20,140	-	-
NIC Solar Limited	10,000,000	-	-	-
Joint ventures and associated companies	48,718,622	20,329,191	-	-
	58,738,818	20,349,331	.	-

Balances	Advances for investments
	31 March 2022 (unaudited)
Altri Florestal	94,604
	94,604

Transactions	Purchases and acquired services				Sales and services rendered			
	31 March 2022 (unaudited)	31 Dec 2021 (audited)	31 Dec 2020 (audited)	31 Dec 2019 (audited)	31 March 2022 (unaudited)	31 Dec 2021 (audited)	31 Dec 2020 (audited)	31 Dec 2019 (audited)
Altri	-	-	1,656,000	1,020,150	-	-	-	-
Caima Energia	-	-	-	-	-	-	-	-
Celbi	1,614,184	6,303,204	5,522,207	11,406,116	-	-	-	-
Caima Indústria	284,669	1,173,547	1,186,814	1,309,966	-	-	-	-
Altri Florestal	-	-	-	1,259,236	-	-	-	-
Biotek	443,939	1,860,460	1,962,017	4,897,893	-	-	-	-
Altri Madeira	10,506,197	34,872,147	35,628,178	840,570	-	-	3,013,987	-
Ramada	-	-	-	-	41,734	18,414	-	-
Joint ventures	.	-	-	-	389,826	618,391	-	-
Personally related parties - V-Ridium	21,525	70,831	-	-	97,694	148,494	-	-
	12,870,514	44,280,189	45,955,216	20,733,931	529,254	785,299	3,013,987	-

Transactions	Interest income / (expense)			
	31 March 2022 (unaudited)	31 Dec 2021 (audited)	31 Dec 2020 (audited)	31 Dec 2019 (audited)
Altri	-	-	-	(180,699)
Caima Energia	-	-	(240,057)	(771,045)
Equitix	(707,860)	(1,421,363)	-	-
Caima Indústria	-	-	-	(16,655)
Joint ventures	353,835	246,804	-	-
	(354,025)	(1,174,559)	(240,057)	(968,399)

Transactions	Payments Lease liabilities			
	31 March 2022 (unaudited)	31 Dec 2021 (audited)	31 Dec 2020 (audited)	31 Dec 2019 (audited)
Celbi	(104,058)	(366,796)	(356,232)	(250,832)
Caima Indústria	(20,943)	(83,772)	(83,772)	(83,352)
Biotek	(28,029)	(96,116)	(88,116)	<u>(87,674)</u>
Cofina Media, S.A.	(25,500)	(66,000)	-	-
	(178,530)	(612,684)	(528,120)	(421,858)

Purchases and acquired services

During 2020, Altri provided management corporate services to the Issuer, of a strategic, management and administrative nature, and contributed to the definition of its investment and financing policies. These services amounted to €1,656,000 as at 31 December 2020 and €1,020,150 as at 31 December 2019. With the organisational changes introduced in 2021, these services ceased being charged and the respective contract is no longer in force.

Celbi provides operation, maintenance and utilities services, as well as back office services and other general services to the Issuer for both power plants located in Figueira da Foz. These services amounted to €6,303,204 as at 31 December 2021, €5,522,207 as at 31 December 2020, €11,406,116 as at 31 December 2019 and €1,614,184 as at 31 March 2022.

Caima Indústria provides operation, maintenance and utilities services and other general services to the Issuer for the power plant located in Constância. These services amounted to €1,173,547 as at 31 December 2021, €1,186,814 as at 31 December 2020, €1,309,966 as at 31 December 2019 and €284,669 as at 31 March 2022.

Biotek provides operation, maintenance and utilities services and other general services to the Issuer, mainly for the power plant located in Vila Velha de Ródão. These services amounted to €1,860,460 as at 31 December 2021, €1,962,017 as at 31 December 2020, €4,897,893 as at 31 December 2019 and €443,939 as at 31 March 2022.

In 2019, Altri Florestal provided biomass procurement services to the Issuer, notably involving several operational areas focused on ensuring the adequate and normal supply of forest biomass to each power plant. As at 1 January 2020, operations have been restructured and this contract is no longer in force. These services amounted to €1,259,236 as at 31 December 2019.

Altri Madeira provides services to the Issuer related to the acquisition and sale of biomass, acting as a central purchasing entity. These services amounted to €34,872,147 as at 31 December 2021, €35,628,178 as at 31 December 2020, €840,570 as at 31 December 2019 and €10,506,197 as at 31 March 2022.

It is worth mentioning that the transfer of control of the biomass occurs upon its consumption, which explains why as at 31 December 2021 and 31 December 2020 the Group does not have any biomass inventories.

For further details regarding the relevant agreements entered into the Issuer and Altri Group please refer to Chapter 3 (*“Risk Factors”*) and Section 10.1 (*“Main activities of the Issuer”*).

Sales and services rendered

In January 2020, the Group sold all the inventories of forest biomass held by it to Altri Madeira. Following this sale, Altri Madeira became the Group’s only buyer and supplier of biomass, having become the sole responsible for the biomass inventory. These sales amounted to €3,013,987 as at 31 December 2020 and are reflected in the revenue for that year.

Financing

Shareholders’ loans include a loan of GBP 34,300,000 obtained from a shareholder of one of the Issuer’s subsidiaries, Lakeside Topco Limited. This loan bears interest at a rate of 7 percent and payment of the loan is due on 31 March 2054. The shareholders’ loan with Caima, amounting to €24,596,424, that was outstanding as at 31 December 2019, was partially paid (in the amount of €14,913,000) and the remaining amount was converted into supplementary capital (in the amount of €9,583,819 subsequently converted to capital).

The loans granted to joint ventures refer to loans granted to companies held by the joint venture Augusta Energy Sp. z o.o., which were granted to develop of the operational activity of those companies, i.e. development and construction of projects. As at 31 March 2022, the Issuer also granted loans associated with MaxSolar's acquisition, in the total amount of €29,087,625.

At the General Meeting of Shareholders held on 22 December 2020, it was unanimously approved that the amount of supplementary capital (€13,150,000) would be transferred to the exclusive and unconditional ownership of the Issuer, classified as 'Other reserves', thereby reinforcing the Issuer's financial position.

At the same meeting, it was also unanimously approved that the shareholder Caima Energia would perform a supplementary capital increase, in the amount of €9,583,819, by conversion of loans granted to the Issuer, in order to reinforce the company's equity.

As at 31 March 2022 and 31 December 2021, 2020 and 2019, the reconciliation of the change in 'Shareholders' loans' to cash flows is as follows:

	31 March	31 December		
	2022 (Unaudited)	2021 (Audited)	2020 (Audited)	2019 (Audited)
Balance as at 1 January	40,826,529	-	24,596,424	111,313,870
Payments of shareholder loans obtained	-	(1,421,363)	(14,913,000)	(92,230,135)
Receipts of shareholder loans obtained	-	39,974,360	-	5,000,000
Conversion of shareholder loans to supplementary capital	-	-	(9,583,819)	-
Change in expenses incurred	707,860	1,421,363	(99,605)	512,689
Effect of exchange rate variation	(287,445)	852,169	-	-
Change in debt	420,415	40,826,529	(24,596,424)	(86,717,446)
Balance as at 31 December	-	40,826,529	-	24,596,424
Balance as at 31 March	41,246,944	-	-	-

During the financial years ended 31 December 2021, 31 December 2020 and 31 December 2019, and the first quarter of 2022 ended on 31 March 2022, besides the payment of their remuneration, there were no transactions with the Board of Directors, nor were they granted loans.

6.3. Agreements or provisions affecting the governance of the Issuer

As at the date of this Prospectus, the Issuer is not aware of any agreements that may result in a change of its shareholding structure after the publication of this Prospectus or of any other agreements pertaining to the exercise of any rights associated with the holding of the Issuer's Shares, other than as described in this Prospectus, in particular the Subscription Commitments, as better described in Section 16.3 ("*Subscription Commitments*"). The Issuer is also not aware of any shareholders' agreements entered into by and between any of its shareholders. The Articles of Association do not contain any provisions that may restrict, defer or postpone the transfer of qualified shareholdings, notably, but not limited to, any provisions that limit the number of Shares held by any shareholder.

7. MANAGEMENT AND SUPERVISORY BODIES OF THE ISSUER

According to Article 278(1)(a), 278(3) and Article 413(1)(b) of the Portuguese Commercial Companies Code and the Articles of Association, the corporate bodies of the Issuer are:

- (j) the General Meeting of Shareholders;
- (k) the Board of Directors; and
- (l) the Statutory Audit Board (*Conselho Fiscal*) and a Statutory External Independent Auditor (*Revisor Oficial de Contas*).

According to the Articles of Association, the Issuer shall also have a Secretary and an alternate secretary. The Board of Directors may also appoint a Chief Executive Officer or an Executive Committee, as well as other specialised committees. At the date of this Prospectus, the following specialised committees have been appointed: Shareholders' Remuneration Committee, Audit, Risk and Related Parties Committee; Ethics and Sustainability Committee; Remunerations and Nominations Committee and Strategic and Operational Monitoring Committee.

General Meeting of Shareholders

In accordance with the Articles of Association, the Board of the General Meeting of Shareholders is composed of at least a Chairperson and a Secretary. The General Meeting of Shareholders elects the Board of the General Meeting of Shareholders, whose members must be independent. Under the Portuguese Commercial Companies Code, the independence criteria and other requirements applicable to the Board of the General Meeting of Shareholders are the same as those applicable to the members of the Statutory Audit Board (described below).

Among other tasks, the Chairman of the Board of the General Meeting of Shareholders is responsible for (i) convening the General Meeting of Shareholders; (ii) preparing the meetings; (iii) chairing the meetings; (iv) verifying the proper constitution of the meetings; (v) verifying the quorum; and (vi) counting the votes and announcing the results.

Board of Directors

The Issuer follows a one-tier governance model, where the management structure lies with the Board of Directors and the supervisory structure includes a Statutory Audit Board and a Statutory External Independent Auditor. According to the Articles of Association, the Board of Directors may appoint a Chief Executive Officer. Under the Portuguese Commercial Companies Code, the Board of Directors may delegate to the Chief Executive Officer all powers for the day-to-day management of the Issuer, except the powers to: (i) appoint its Chairman; (ii) co-opt directors; (iii) request that a General Meeting of Shareholders is convened; (iv) decide on annual accounts and reports of the Issuer; (v) provide any pledges (*cauções*) or personal or real estate guarantees on behalf of the Issuer; (vi) change the registered office of the Issuer; (vii) increase the share capital of the Issuer; or (viii) approve any reports prepared in connection with any merger, spin-off or restructuring of the Issuer. The Issuer has appointed a Chief Executive Officer in whom it has delegated all powers for its day-to-day management.

The Board of Directors has representation powers and is responsible for ensuring the management of the Issuer's business, exercising all management acts pertaining to the Issuer's corporate purpose, setting strategic guidelines, and appointing and generally supervising the activity of the Chief Executive Officer and of any specialised committees.

In accordance with the Articles of Association, the Board of Directors may be composed of a minimum of three and a maximum of fifteen members, elected by the General Meeting of Shareholders for a three-year term of office. All members can be re-elected for one or more terms of office.

The Chairman of the Board of Directors is appointed by the General Meeting of Shareholders from among the members of the Board.

According to the Articles of Association, the powers of the Board of Directors include, but are not limited to, the following:

- to purchase, dispose of and encumber any movable assets, namely auto vehicles, and immovable assets;
- to purchase, dispose of and encumber holdings in other companies;
- to rent movable and immovable assets;
- to mandate attorneys or authorise signatories for the performance of certain acts or category of acts, within the terms of its own term of office;
- to represent GreenVolt, in or outside court, to file or challenge suits, to settle and waive in these proceedings, and to carry out a settlement through arbitration, to which end the Board of Directors can delegate its powers to a sole mandated person;
- to appoint the Secretary and the alternate secretary;
- to draft and approve the annual budget of GreenVolt;
- to decide to associate GreenVolt with other natural or legal entities, public or private, in accordance with the terms of its Articles of Association, as well as to appoint any natural or legal persons to sit on other companies' governing bodies;
- to decide to issue bonds, commercial paper and/or to contract loans in the national and/or foreign financial markets;
- to decide if GreenVolt is to provide technical and financial support to its subsidiaries; and
- to approve its rules of procedure, which include the rules of engagement with the remaining corporate bodies.

Under the Portuguese Commercial Companies Code, the powers of the Board of Directors include, but are not limited to, the following:

- requesting the convening of the General Meeting of Shareholders;
- deciding on the provision of personal or real estate surety or guarantees by GreenVolt;
- deciding on the opening or closing of any establishments or any important parts thereof;
- deciding on important extensions or reductions of GreenVolt's activities;
- deciding on significant changes to GreenVolt's organisation;
- deciding on changes to the headquarters of GreenVolt, under the terms provided for in the Articles of Association;
- deciding on increases in GreenVolt's share capital, under the terms provided for in the Articles of Association;
- deciding on plans for mergers, spin-offs and the conversion of the Issuer; and
- deciding on any other matter on which any Director requests a decision from the Board of Directors.

The members of the Board of Directors, under Portuguese law and the Articles of Association, are elected by the General Meeting of Shareholders.

Under the terms set forth in the Articles of Association, and in accordance with the applicable law, one director may be elected from among the candidates proposed in lists signed by groups of shareholders, provided that none of these groups holds more than twenty percent or less than ten percent of the share capital of GreenVolt. The same shareholder cannot sign more than one list and each list shall identify at least two eligible candidates for each office. If there are several lists proposed by different shareholders' groups, the voting will respect to all lists as a whole.

Pursuant to the Articles of Association, the Board of Directors will meet quarterly (each a "**Board Meeting**") and whenever convened by the Chairman of the Board or by two members of the Board of Directors. The Board of Directors may only decide if the majority of its members are present or represented and resolutions are approved by a simple majority of the votes cast by the Directors present or represented or voting by correspondence. The Board Meetings may be carried through telematic means.

A Director (an "**Appointing Director**") may appoint another board member (a "**Proxy Director**") to attend and vote on their behalf at a Board Meeting, by giving written notice to the Chairman of the Board. A Proxy Director shall be entitled to vote at a Board Meeting simultaneously (i) on their own behalf, in their capacity as a Director, and (ii) on behalf of the Appointing Director, in their capacity as a Proxy Director. A Proxy Director does not need to exercise both votes at a Board Meeting in the same way.

The Articles of Association establish, in accordance with applicable law, that the Board of Directors shall appoint a substitute (by calling the alternate members or, if there are none, by co-optation) in case of death, resignation, dismissal or temporary or permanent incapacity of any member, which includes the absence of any member in two Board Meetings, whether consecutively or not, without a justification being submitted and accepted by the Board of Directors.

Board Practices

The Issuer's Board of Directors, as at the date of this Prospectus, was elected for the 2021/2023 term of office.

As at the date of this Prospectus, the Issuer only has one management service contract with the Chief Executive Officer, which provides for benefits upon termination of employment in the terms described in the Remuneration Policy. The Issuer (and its subsidiaries) does not have any other administrative, management or supervisory bodies' service contracts.

As at the date of this Prospectus, the Issuer complies with its corporate governance regime, adopts the IPCG Corporate Governance Code 2018 recommendations, as updated and revised in 2020, in accordance with CMVM Regulation 4/2013, and has issued a corporate governance report in accordance with such regulation and the Portuguese Securities Code, available at www.cmvm.pt.

Current Board of Directors

As at the date of this Prospectus, the Board of Directors is composed of 11 members and all the elected members have adequate knowledge and skills for the performance of their duties. The Board of Directors entrusted the current management of the Issuer to a Chief Executive Officer at the meeting held on 28 June 2021 for the 2021/2023 term of office.

As at the date of this Prospectus, the Issuer complies with IPCG's recommendation on the independence of one third of its members, including the Chairperson.

For the purposes of the duties of the members of the Board of Directors, their professional address is the Issuer's registered office at Rua Manuel Pinto de Azevedo 818, 4100-320 Porto, Portugal.

The current Board of Directors, elected at the General Meeting of Shareholders held on 24 June 2021 for the 2021/2023 term of office, is composed of the following members:

- Clara Patrícia Costa Raposo (Chairperson);
- João Manuel Manso Neto (Chief Executive Officer);
- Paulo Jorge dos Santos Fernandes;
- José Armindo Farinha Soares de Pina;
- João Manuel Matos Borges de Oliveira;
- Ana Rebelo de Carvalho Menéres de Mendonça;
- Pedro Miguel Matos Borges de Oliveira;
- Domingos José Vieira de Matos;
- Clementina Maria Dâmaso de Jesus Silva Barroso;
- Céline Dora Judith Abecassis-Moedas; and
- António Jorge Viegas de Vasconcelos.

Regarding disclosure of the relationship between members of the Issuer's current Board of Directors, Paulo Jorge dos Santos Fernandes and Domingos José Vieira de Matos are brothers-in-law and João Manuel Matos Borges de Oliveira and Pedro Miguel Matos Borges de Oliveira are siblings.

The biographies of the members of the Board of Directors are as follows:

Clara Patrícia Costa Raposo

Chairperson of the Board of Directors appointed in the General Meeting of Shareholders held on 24 June 2021, for the 2021/2023 term of office.

Skills and experience: Degree in Economics – Nova University of Lisbon (1992); MSc in Economics – Queen Mary & Westfield College, University of London (1994); PhD in Finance – London Business School, University of London (1998); Course – Full Professor of Finance – ISEG Lisbon School of Economics & Management, University of Lisbon (2010-present); President of the Supervisory Board – IDEFE, S.A. (2011-2014); Member of the Audit Committee – Fundbox, SGFII (2012-2016); Member of the Audit Committee – Fundbox, SGFIM (2011-2019); Member of the Pedagogical Board – ISEG (2014-2018); Non-Executive Independent Member – Interbolsa, S.A. (2018-2021); Member of the Senate – University of Lisbon (2018-present); Member of the University Coordination Council (CCU) – University of Lisbon (2018-present); President/Dean of ISEG Lisbon School of Economics & Management, University of Lisbon (2018-present); Board of Directors Member – Portuguese Institute of Corporate Governance (2019-present); Member of the International Advisory Board – School of Business and Economics, University of Maastricht (2020-present); Member of the European Advisory Board – Association for the Advancement of Collegiate Schools of Business (2020-present); Member of the Advisory Board – Business Council for Sustainable Development Portugal (2020-present).

Throughout her career, Mrs. Clara Patrícia Costa Raposo was responsible for and lectured various curricular units of several study programmes, such as: Macroeconomics – Nova University of Lisbon (1992-1993); Introduction to Management – University of Oxford (1998-2000); Finance – University of Oxford (1998-2000); Finance – MBA Programme Saïd Business School, Oxford (1998-2000); Financial Management – ISEG and ISCTE (2000-2018); Corporate Finance – Doctoral Programme ISCTE (2000-2010); Corporate Finance – ISEG (2010-2018); Corporate Finance – Doctoral Programme ISEG (2010-2013). In addition, Mrs. Clara Patrícia Costa Raposo was a lecturer of various executive education and postgraduate programmes.

João Manuel Manso Neto

Member of the Board of Directors and Chief Executive Officer appointed in the General Meeting of Shareholders held on 18 March 2021, having resigned from his mandate for the 2020/2022 term of office on 23 June 2021 and reappointed in the General Meeting of Shareholders held on 24 June 2021, for the 2021/2023 term of office.

Skills and experience: Degree in Economics – ISEG Lisbon School of Economics & Management, University of Lisbon (formerly known as *Instituto Superior de Economia*) (1981); Postgraduate in European Economy – Portuguese Catholic University (1982); Course – American Bankers Association (1982); Advanced Management Program for Overseas Bankers – Wharton School of Business (1985); Financial and Commercial Retail South Central Director – Banco Português do Atlântico (1981-1995); Financial Directorate, Large Institutional Businesses and Treasury General Director, Board Member – BCP Investment Bank and Vice-Chairman of BIG Bank Gdansk (1995-2002); Board Member – Grupo Banco Português de Negócios (2002-2003); General Director and Board Member – EDP – Gestão de Produção de Energia, S.A. (2003-2005); Member of the Executive Board of Directors of EDP, appointed in March 2006 and successively reappointed in April 2009, February 2012, April 2015 and April 2018 for a term that lapsed on 31 December 2020; Member of the Executive Committee of EDP Renováveis appointed in March 2008 and then appointed as CEO of this same company in February 2012, for a term that lapsed on 31 December 2020; Advisor – Beaufort Investment Limited (2021 – present); Advisor – IGE Investment Limited (2021 – present).

Following an anonymous complaint, circumstances related with Mr. João Manso Neto's position at EDP are being investigated by the Portuguese Public Prosecutor ("*Ministério Público*") in connection with alleged corruption, which took place in 2007 and 2008, the investigation covering facts occurring until 2014. This investigation and all alleged facts are completely unrelated with GreenVolt, bearing no connection with this company, and all alleged facts are being contested by Mr. João Manso Neto, no formal accusation having been made to this date. Mr. João Manso Neto is currently a named defendant ("*arguido*") in this case, subject to the duty of informing the authorities of his place of residence at all times ("*termo de identidade e residência*"), which is usual in any pending investigations of this nature.

As at 31 December 2021, the other companies in which Mr. João Manso Neto performs management or supervisory functions are:

- Profit Energy;
- Energia Unida, S.A.;
- Perfecta Energía;
- SEO;
- V-Ridium.

During the last five years, the other companies in which Mr. João Manso Neto performed management or supervisory functions were:

- OMIP – Operador do Mercado Ibérico (Portugal), SGPS, S.A.;
- Operador del Mercado Ibérico de Energía, Polo Español, S.A. (OMEL);
- EDP Renováveis, S.A.;
- EDP;
- MIBGÁS.

During the last five years, Mr. João Manso Neto held shares in EDP.

Paulo Jorge dos Santos Fernandes

Member of the Board of Directors appointed in the General Meeting of Shareholders held on 24 June 2021, for the 2021/2023 term of office.

Skills and experience: Degree in Electronic Engineering – University of Porto (1982); MBA from Nova University of Lisbon (1983-1984); Course – was one of the founders of Cofina, S.A. (company that led to the incorporation of Altri, by a demerger); Assistant to the Production Director – Cortal, S.A. (1982-1984); Managing Director – Cortal, S.A. (1986-1989); Chairman of the Board of Directors – Cortal, S.A. (1989-1994); Board Member – Crisal – Cristais de Alcobaça, S.A. (1995-2005); Board Member – Grupo Vista Alegre, S.A. (1997-2005); Board Member – Sociedade Independente de Comunicação, S.A. (2000-2001).

Throughout his career, Mr. Paulo Jorge dos Santos Fernandes has also held positions in various associations: President – *Fédération Européenne de Mobilier de Bureau* for Portugal (1989-1994); Chairman of the General Meeting – Associação Industrial de Águeda (1989/1990); Member of the Advisory Board – Associação Industrial Portuense (1991/1993); Board of Governors Member – MBA Alumni Association (2005); Chairman of the Supervisory Board – BCSD (2013-2016); Member of the Advisory Board in Engineering and Management – Instituto Superior Técnico of the University of Lisbon (2006-present); Board Member – CELPA – Associação da Indústria Papeleira (2016).

Mr. Paulo Jorge dos Santos Fernandes is a shareholder of Altri since 2005 and has been a Board member since that date. Currently, he is also Vice-Chairman of Altri.

As at 31 December 2021, the other companies in which he performs management or supervisory functions are:

- A Nossa Aposta – Jogos e Apostas On-Line, S.A.;
- Actium Capital, S.A.;
- Articulado – Actividades Imobiliárias, S.A.;
- Cofihold, S.A.;
- Cofihold II, S.A.;
- Cofina, S.G.P.S, S.A. (CEO);
- Cofina Media, S.A.;
- Elege Valor, Lda.;
- F. Ramada II Imobiliária, S.A.;
- Préstimo – Prestígio Imobiliário, S.A.;
- Ramada Aços, S.A.;

- Ramada Investimentos e Indústria, S.A.;
- Santos Fernandes & Vieira Matos, Lda.;
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.; and
- Fisio Share – Gestão de Clínicas, S.A.

José Armindo Farinha Soares de Pina

Member of the Board of Directors appointed in the General Meeting of Shareholders held on 24 June 2021, for the 2021/2023 term of office.

Skills and experience: Degree in Civil Engineering – New Jersey Institute of Technology (1989-1993); Master’s Degree in Construction Management – Instituto Superior Técnico of the University of Lisbon (1994-1995); Advanced Programme in Business Management – Indiana University, United States of America (2005); Advanced Programme – INSEAD (2008); Course – Several roles and functions – DOW Chemical Company (1995-2020): Sales and Marketing management positions for Europe, Middle East and Africa in the Building Material and Polymers divisions, based in Portugal, Germany and Switzerland (1995-1999); Global Managing Director – ADC Inc. Germany (nonwoven elastic materials unit) (2005-2007); Global Head of Strategy and Business Development of the Specialty Chemicals Division (Switzerland) (2008-2010); President and Global CEO – AgroFresh Inc. (2010-2014); President of Agricultural Sciences and Biotechnology Division for Asia/Pacific, China (2014-2017); Corporate Director of Strategy and Business Development for Asia/Pacific, China (2017-2020).

Throughout his career, Mr. José Armindo Farinha Soares de Pina has also held management positions in other organisations: Board Member – World Monuments Fund for Portugal (1996-2010); Vice-Chairman – CropLife Asia (2014-2017).

As at 31 December 2021, the other companies in which he performs management or supervisory functions are:

- Altri;
- Altri Madeira;
- Altri Florestal;
- Biotek;
- Caima Indústria;
- Caima Energia;
- Celbi;
- Florestsul, S.A.

João Manuel Matos Borges de Oliveira

Member of the Board of Directors appointed in the General Meeting of Shareholders held on 24 June 2021, for the 2021/2023 term of office.

Skills and experience: Degree in Chemical Engineering – University of Porto (1982); MBA – INSEAD (1986); Course – Assistant of the Production Director – Cortal, S.A. (1982-1983); Production Director – Cortal, S.A. (1984-1985); Marketing Director – Cortal, S.A. (1987-1989); General Manager – Cortal, S.A. (1984-1994); Board Member – Seldex (1989-1994); Vice-Chairman – Cortal, S.A. (1989-1995); Non-Executive Director – Atlantis, S.A. (1996-2000); Non-Executive Director –

Vista Alegre, S.A. (1997-2000); Board Member – Efacec Capital, SGPS, S.A. (1998-1999); Non-Executive Director – Zon Multimédia, SGPS, S.A. (2008-2011).

Throughout his career, Mr. João Manuel Matos Borges de Oliveira has also held management positions in other organisations/associations: Vice-Chairman of the General Meeting – Associação Industrial de Águeda (1992-1994); Chairman of the Supervisory Board – Associação Industrial do Distrito de Aveiro (1995-2004); Member – ISCTE-IUL CFO Advisory Forum (2011-2013).

As at 31 December 2021, the other companies in which he performs management or supervisory functions are:

- Altri;
- Caderno Azul, S.A.;
- Cofina, S.G.P.S., S.A.;
- Cofina Media, S.A.;
- Cofihold, S.A.;
- Cofihold II, S.A.;
- Elege Valor, Lda.;
- F. Ramada II Imobiliária, S.A.;
- Indaz, S.A.;
- Préstimo – Prestígio Imobiliário, S.A.;
- Ramada Aços, S.A.;
- Ramada Investimentos e Indústria, S.A.;
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.;
- Universal – Afir, S.A.

Ana Rebelo de Carvalho Menéres de Mendonça

Member of the Board of Directors appointed in the General Meeting of Shareholders held on 24 June 2021, for the 2021/2023 term of office.

Skills and experience: Degree in Economics – Portuguese Catholic University in Lisbon (1993); Course – Economic journalist with Semanário Económico newspaper (1996); Commercial Department – Citibank (1996); Board Member – Promendo, S.A. (1996); Board Member – Promendo, SGPS, S.A. (2009).

As at 31 December 2021, the other companies in which Mrs. Ana Rebelo de Carvalho Menéres de Mendonça performs management or supervisory functions are:

- Altri;
- Cofina, S.G.P.S., S.A.;
- Cofihold, S.A.;
- Cofihold II, S.A.;
- F. Ramada II Imobiliária, S.A.;
- Promendo Investimentos, S.A.;
- Préstimo – Prestígio Imobiliário, S.A.;
- Ramada Aços, S.A.;

- Ramada Investimentos e Indústria, S.A.

Pedro Miguel Matos Borges de Oliveira

Member of the Board of Directors appointed in the General Meeting of Shareholders held on 24 June 2021, for the 2021/2023 term of office.

Skills and experience: Degree in Financial Management – ISAG (1996); MBA – Portuguese Catholic University – Business School (Porto) & ESADE (2000); Business Valuation Course – EGE – Business Management School (2009); Course – Management consultant – Ferágueda, Lda. (1986-2000); Manager – Bemel, Lda. (1992); Assistant Manager – Galan, Lda. (1997-1998); Assistant Manager of the Saws and Tools Department – F. Ramada, Aços e Indústrias, S.A. (1999-2000); Director of the Saw and Tools Department – F. Ramada, Aços e Indústrias, S.A. (2000); Board Member – Universal Afir, Aços Especiais e Ferramentas, S.A. (2006); Board Member – F. Ramada – Investimentos, SGPS, S.A. (2009).

As at 31 December 2021, the other companies in which Mr. Pedro Miguel Matos Borges de Oliveira performs management or supervisory functions are:

- Altri;
- Cofina, S.G.P.S., S.A.;
- Cofihold, S.A.;
- Cofihold II, S.A.;
- F. Ramada II Imobiliária, S.A.;
- Préstimo – Prestígio Imobiliário, S.A.;
- Ramada Aços, S.A.;
- Ramada Investimentos e Indústria, S.A.;
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.;
- Título Singular, S.A.;
- Universal – Afir, S.A.;
- Valor Autêntico, S.A.;
- 1 Thing, Investments, S.A.

Domingos José Vieira de Matos

Member of the Board of Directors appointed on the General Meeting of Shareholders held on 24 June 2021, for the 2021/2023 term of office.

Skills and experience: Degree in Economics – School of Economics, University of Porto (1974); Course – Board Member – Cortal, S.A. (1978-1994); Founding Partner – Promede – Produtos Médicos, S.A. (1983-present); Board Member – Electro Cerâmica, S.A. (1998-2000).

As at 31 December 2021, the other companies in which Mr. Domingos José Vieira de Matos performs management or supervisory functions are:

- Cofina;
- Altri;
- Cofina, S.G.P.S., S.A.;
- Cofihold, S.A.;

- Cofihold II, S.A.;
- Elege Valor, Lda.;
- F. Ramada II Imobiliária, S.A.;
- Livrefluxo, S.A.;
- Préstimo – Prestígio Imobiliário, S.A.;
- Ramada Aços, S.A.;
- Ramada Investimentos e Indústria, S.A.;
- Santos Fernandes & Vieira Matos, Lda.;
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.;
- Universal – Afir, S.A.

Clementina Maria Dâmaso de Jesus Silva Barroso

Member of the Board of Directors appointed in the General Meeting of Shareholders held on 24 June 2021, for the 2021/2023 term of office.

Skills and experience: Degree in Management – ISCTE (1981); Master in Management – ISE (1984-1985); PhD in Business Administration – ISCTE IUL (2015); Certified Public Accountant (ROC), registered with the Portuguese Institute of CPA (*Ordem dos Revisores Oficiais de Contas*) under no. 734, since March 1990; Certified Accountant registered with the *Ordem dos Contabilistas Certificados* under no. 30295, since 1982.

Mrs. Clementina Maria Dâmaso de Jesus Silva Barroso has also held the following relevant positions: Executive Director and member of the Board of INDEG (*Instituto para o Desenvolvimento da Gestão Empresarial*) / ISCTE (1999-2013); Non-Executive member of the Board of Directors and member of the Audit Committee – FundBox – SGFII, S.A. (*Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.*) (2012-2013); Non-Executive member of the Board of Directors and member of the Audit Committee – FundBox – SGFIM, S.A. (*Sociedade Gestora de Fundos de Investimento Mobiliário, S.A.*) (2011-2016); Non-Executive member of the Board of Directors and President of the Audit Committee – FundBox – SGFIM, S.A. (*Sociedade Gestora de Fundos de Investimento Mobiliário, S.A.*) (2016-2019); President of the General Meeting of Shareholders – Science 4 YOU, S.A. (2014-2020); Member of the General and Supervisory Board – EDP. (2015-2021).

As at 31 December 2021, the other company in which Mrs. Clementina Maria Dâmaso de Jesus Silva Barroso performs management or supervisory functions is Banco CTT, S.A.

Throughout her career, Mrs. Clementina Maria Dâmaso de Jesus Silva Barroso has held the following academic positions: Professor of the Finance Department at ISCTE Business School lecturing in the BSc degree in Management, Finance and Accounting, Economics, Marketing Management, Human Resources Management (1982-2021) and in the following courses (i) Financial Accounting, (ii) Investments, (iii) Corporate Finance, (iv) Fundamentals of Finance, (v) Analysis and Corporate Finance; and Member of the Consulting Board of ISCTE Junior Consulting (2011). Furthermore, Mrs. Clementina Maria Dâmaso de Jesus Silva Barroso has been a member of the Board of IPCG – Portuguese Institute of Corporate Governance (*Instituto Português de Corporate Governance*) (2016-present).

Céline Dora Judith Abecassis-Moedas

Member of the Board of Directors appointed in the General Meeting of Shareholders held on 24 June 2021, for the 2021/2023 term of office.

Skills and experience: Degree in Management and Economics – *École Normale Supérieure de Cachan and La Sorbonne* (1994); MSc in Scientific Methods of Management (DEA) – Dauphine University (Paris) (1996); PhD in Management Studies – *École Polytechnique* (1999); Strategy of Leadership course – Kellogg School of Management (2014); International Directors Programme (certified IDP-C in Corporate Governance) – INSEAD (2017); Advanced Financial Statement Analysis – Amsterdam Institute of Finance (2019).

Throughout her career, Mrs. Céline Dora Judith Abecassis-Moedas has held the following executive positions: Research Assistant – Orange Labs (Paris) (1996-1999); E-Business Product Manager – Lectra (1999-2000); Management Consultant – AT Kearney (2000-2002); Assistant Professor in Strategy – Queen Mary’s School of Business and Management (2002-2005); Assistant Professor in Strategy – Portuguese Catholic University (2005-2013); International Faculty Fellow – MIT’s Sloan School of Management (2011-2012); affiliate Professor in Strategy & Innovation and Academic Director of “Fashion & Technology” course unit – ESCP Business School (Paris) (2014-2019); Associate Professor in Strategy & Innovation – Portuguese Catholic University (2013-2015); Founder & Academic Director of the Centre for Technological Innovation & Entrepreneurship – Portuguese Catholic University (2015-present); Dean for Executive Education – Portuguese Catholic University (2019-present).

Throughout her career, Mrs. Céline Dora Judith Abecassis-Moedas has held the following non-executive positions: Non-Executive Director and Lead Independent Director – Europac (*Papeles y Cartones de Europa, S.A.*) (2012-2019); Non-Executive Director – CTT Correios de Portugal, S.A. (2016-2020); Non-Executive Director – CUF, S.A. (2016-present); Non-Executive Director – Vista Alegre Atlantis, S.A. (2020-present); Member (non-executive) of the Board of Directors – Lectra (2021-present).

António Jorge Viegas de Vasconcelos

Member of the Board of Directors appointed in the General Meeting of Shareholders held on 24 June 2021, for the 2021/2023 term of office.

Skills and experience: Degree in Electrotechnical Engineering – University of Porto (1977-1982); Master’s Degree in Engineering – Erlangen-Nuremberg University (1982-1985); Course – Deputy Secretary General – EUELECTRIC (European association of electricity undertakings) (1989-1996); Invited to set up the Portuguese Electricity Regulatory Authority (ERSE) (1996); Chairman – ERSE (1997); Co-founder and Chairman – Council of European Energy Regulators (CEER) (2000); Co-founder and co-chair – EU/U.S. Energy Regulators’ Roundtable (2000-2005); Co-founder of the Ibero-American Association of Energy Regulatory Authorities (ARIAE) (2000); Chairman – European Regulators Group of Electricity and Gas (ERGEG) (2003); Owner and Chairman – NEWES, New Energy Solutions (2007-present); Advisory Board Member – APREN (Portuguese Association of Renewable Energy) (2007-present); Partner – Novenergi (private equity fund for renewable energy) (2007-2008); Alternate Member of the Administrative Board – ACER (Agency for the Cooperation of Energy Regulators) (2010-2018); Member – European Commission Advisory Group on the Energy Roadmap 2050 (2011); President – Portuguese Association of Electric Vehicles (2012-2016); Board Member – Homing Homes (2017-2020); Board Member – FF New Energy Ventures, S.A. (2019-present); Business Advisory Board Member – INESC TEC (2019-present); Supervisory Board Member – econnect GmbH & Co. KgaA (2020-present).

Throughout his career, Mr. António Jorge Viegas de Vasconcelos has held the following academic positions: Monitor – Faculty of Engineering (University of Porto) (1982); Guest Professor – University of Pavia (Italy) (1990-1991); Invited Professor for MIT/Portugal on Sustainable Energy Systems – University of Lisbon (2007-present); Invited Professor – WU Vienna (2013-present); Part-time Professor – European University Institute (2018-present).

As at 31 December 2021, the other companies in which Mr. António Jorge Viegas de Vasconcelos performs management or supervisory functions are:

- NEWES, New Energy Solutions, Lda.;
- SOFID;
- Homing Homes, Lda.;
- FF New Energy Venture, S.A.;
- Econnext GmbH & Co. KgaA.

Statutory Audit Board

The Statutory Audit Board is, under the governance model adopted, and together with the Statutory External Independent Auditor, the auditing body of the Issuer responsible for the internal oversight of GreenVolt.

In accordance with the Articles of Association, the Statutory Audit Board shall be composed of three members and shall have one or two alternates.

In accordance with Article 414(4) of the Portuguese Commercial Companies Code, the Statutory Audit Board must include at least one member holding an appropriate academic degree for the exercise of his/her functions who possesses knowledge of auditing or accounting and is independent.

Also, in accordance with Article 414(6) of the Portuguese Commercial Companies Code, the Statutory Audit Boards of companies with shares admitted to trading on a regulated market must be composed of a majority of independent members. For these purposes, a person is considered independent if they are not associated with any specific interest group within the Issuer or subject to any circumstance likely to affect their impartiality in analysis or decision, particularly in relation to:

- (a) holding or acting in the name or on behalf of a shareholder that holds a qualifying participation exceeding 2 percent of the share capital of the Issuer; or
- (b) having been re-elected to more than two terms of office, whether consecutive or not.

Additionally, in accordance with Article 414-A of the Portuguese Commercial Companies Code, the following persons cannot be elected or appointed as members of the Statutory Audit Board or as the statutory external independent auditor:

- (a) beneficiaries of special benefits from GreenVolt;
- (b) persons who carry out management roles in GreenVolt;
- (c) members of the management bodies of companies which are in a controlling or group situation with GreenVolt;
- (d) a partner in a general partnership company (sociedade em nome coletivo) that is in a control relationship with GreenVolt;
- (e) persons who, directly or indirectly, provide services or establish a significant business relationship with GreenVolt or with companies which are in a controlling or group situation with GreenVolt;
- (f) persons who carry out functions in competing companies and that act in the name or on behalf of such companies or who are otherwise bound to the interests of a competitor;

- (g) the spouses or certain direct or indirect relatives, including, with respect to indirect relatives, people barred under the provisions of paragraphs (a), (b), (c), (d) and (f), as well as spouses of persons covered by paragraph (e);
- (h) those in positions of management or supervision in five other companies, except for law firms and companies of chartered accountants;
- (i) chartered accountants in relation to which other incompatibilities provided in the respective legislation exist; and
- (j) the legally barred, the incapacitated, the insolvent, the bankrupt and those subject to a judgment barring them, even temporarily, from the exercise of public functions.

Given that GreenVolt is an issuer of securities admitted to trading on a regulated market, it is qualified as a public interest entity (*entidade de interesse público*), thus becoming subject to the audit supervision regime approved by Law no. 148/2015, of 9 September (*Regime Jurídico da Supervisão de Auditoria*) ("**Law 148/2015**"), which regulates the public supervision activity of chartered accountants and auditors from other EU Member States and third countries in Portugal and determines, in particular, that GreenVolt's Statutory Audit Board must be composed of a majority of independent members, including its Chairman.

The majority of the members of the Statutory Audit Board, including its Chairperson, are independent as required by Article 414(5) and 414(6) of the Portuguese Commercial Companies Code and pursuant to Law 148/2015, which applies to GreenVolt as a public interest entity (*entidade de interesse público*) with its shares admitted to trading on a regulated market. Furthermore, the members of the Statutory Audit Board are not in breach of any of the criteria of incompatibility set out in Article 414-A, paragraph 1 of the Portuguese Commercial Companies Code.

The members of the Statutory Audit Board (including the alternate members) are elected by the General Meeting of Shareholders for a three-year term.

If the General Meeting of Shareholders fails to elect the Statutory Audit Board, the Board of Directors must, and any shareholder may, petition the courts for the necessary appointment.

If the General Meeting of Shareholders does not designate the Chairperson of the Statutory Audit Board, the Chairperson shall be appointed by the members of the Statutory Audit Board.

If the Chairperson leaves office prior to the end of the term for which he/she was elected, the other members of the Statutory Audit Board must choose, from among themselves, a substitute to exercise these duties until the end of the current term of office.

Alternate members who replace members who have resigned shall remain in office until the next annual General Meeting of Shareholders, at which time the vacant positions shall be filled.

In the absence of an elected alternate member to replace a vacancy left by an effective member, the vacant positions, of both the effective member and the alternate member, shall be filled by means of a new election.

Pursuant to Article 420 of the Portuguese Commercial Companies Code, the Statutory Audit Board is responsible for, among others:

- monitoring the management of GreenVolt;

- verifying compliance with the law and with the Articles of Association;
- verifying the regularity of the books, accounting records and supporting documents;
- verifying, whenever deemed convenient, and in the manner deemed appropriate, the extension of cash and stock of any kind of goods or other values that belong to GreenVolt or that were received by GreenVolt as a guarantee, deposit or otherwise;
- verifying the accuracy of the financial statements of GreenVolt;
- verifying that the accounting policies and valuation criteria adopted by GreenVolt lead to a correct valuation of GreenVolt's assets and results;
- preparing an annual report on its monitoring activity and providing an opinion on the report, financial statements and proposals presented by the Board of Directors;
- convening the General Meeting of Shareholders, whenever the Chairperson of the Board of the General Meeting of Shareholders fails to do so;
- supervising the efficacy of GreenVolt's risk management system, internal control system and internal audit system;
- receiving communications on irregularities presented by shareholders, employees of GreenVolt and others;
- appointing and hiring services from experts to help one or more of its members in the exercise of their duties. The hiring and fees of these experts should take into consideration the importance of the underlying matters and the financial situation of GreenVolt;
- certifying that the corporate governance report includes the features mentioned in Article 29-H of the Portuguese Securities Code;
- appointing substitute directors in accordance with the law and the Articles of Association; and
- complying with any other attributions defined by the applicable law and the Articles of Association.

The current Statutory Audit Board, elected at the General Meeting of Shareholders held on 24 June 2021 for the 2021/2023 term of office, is composed of the following members:

- Pedro João Reis de Matos Silva (Chairperson);
- Francisco Domingos Ribeiro Nogueira Leite; and
- Cristina Isabel Linhares Fernandes.

The biographies of the members of the Statutory Audit Board are as follows:

Pedro João Reis de Matos Silva

Chairperson of the Statutory Audit Board appointed on 24 June 2021, following the General Meeting of Shareholders held on 24 June 2021, for the 2021/2023 term of office.

Skills and experience: Degree in Finance – ISEG (formerly known as Instituto Superior de Ciências Económicas e Financeiras) (1971); Course in Auditing and Accounting – Centre D'enseignement Supérieur des Affaires (CESA), Versailles (1974); Course in Industrial Project Analysis – Economic Development Institute, World Bank (1980); Internship in Athens – promoted by the World Bank (1980); Course – Naval Reserve Officer – Naval Administration (1972); Consultant – Portuguese Industrial Association (1972-1974); Auditor – A. Andersen (1974); held various positions such as Technical Specialist, Division Head and Services Director – Institute to Support Small and Medium-Sized Companies (IAPMEI) (1975-1986); Statutory Auditor and Partner – M. Silva, P. Caiado, P. Ferreira & Associados, Lda. (1987-present);

Economic Advisor to the Prime Minister (1987-1991); Economic and Financial Advisor to the Minister for Industry and Energy (1993-1995); Chairman of the Supervisory Board – Banco Português do Atlântico (1993-1995); Chairman of the Statutory Audit Board – Ordem dos Revisores Oficiais de Contas (2005-2010); Member of the Audit Committee – Banco Espírito Santo, S.A. (2012-2014); Member of the Senior Board of the Statutory Board – Ordem dos Revisores Oficiais de Contas (2016-2018); Member of the Representative Assembly - Ordem dos Revisores Oficiais de Contas (2019-present).

Throughout his career, Mr. Pedro João Reis de Matos Silva has performed functions as statutory auditor in several large companies, such as:

- Portugal Telecom, SGPS, S.A.;
- Galp Energia, SGPS, S.A.;
- Transgás, S.A.;
- Águas de Douro e Paiva, S.A.

From 1972 to 1992, he was also a visiting professor at ISEG, having taught the following subjects: Public Finance and Taxation; Business Economics; Accounting and Balance Sheet Analysis; and Analytical Accounting.

Francisco Domingos Ribeiro Nogueira Leite

Member of the Statutory Audit Board appointed on 24 June 2021, following the General Meeting of Shareholders held on 24 June 2021, for the 2021/2023 term of office.

Skills and experience: Degree in Law – University of Lisbon; Course – General Secretary – Sociedade Geral de Projetos Industriais e Serviços, S.A. (1989-1992); Statutory Board Member – Euroshore, S.A. (1991-1992); President – SIJE, S.A. (1994-1995); Executive Board Member – FERNAVE – Formação Técnica, Psicologia Aplicada e Consultoria em Transporte e Portos S.A. (2003-2007); Chairman of the Board of Directors – ECOSAÚDE – Educação, Investigação e Consultoria em Trabalho, Saúde e Ambiente, S.A. (2010-2012); Chairman of the Board of Directors – Real Vida Seguros, S.A. (2012-2013); Chairman of the Board of Directors – BPN (IFI) Cabo Verde (2012-2013); Chairman of the Board of Directors – BPN Crédito – Instituição Financeira de Crédito, S.A. (2012-2014); Chairman of the Board of Directors – Banco EFISA, S.A. (2012-2019); Chairman of the Board of Directors – BPN Serviços – Serviços Administrativos, Operacionais e Informáticos ACE (2012-2019); Chairman of the Board of Directors – Imofundos – Sociedade Gestora de Fundos de Investimento Imobiliário, S.A. (2012-2019); Board Member – Parups, S.A. (2012-2019); Board Member – Parparticipadas SGPS, S.A. (2012-2019); Chairman of the Board of Directors – Parvalorem, S.A. (2012-2019); Manager – SAROS – Sociedade de Mediação de Seguros, Lda. (2019-present); Sole Director – FERNAVE – Formação Técnica, Psicologia Aplicada e Consultoria em Transporte e Portos, S.A. (2019-present); Sole Director – ECOSAÚDE – Educação, Investigação e Consultoria em Trabalho, Saúde e Ambiente, S.A.; Advisor to the Board – CP – Comboios de Portugal, E.P.E (present).

Mr. Francisco Domingos Ribeiro Nogueira Leite is also the main shareholder of Sociedade Pharegistrum – Consultoria Farmacêutica e Técnica, Lda.

Cristina Isabel Linhares Fernandes

Member of the Statutory Audit Board appointed on 24 June 2021, following the General Meeting of Shareholders held on 24 June 2021, for the 2021/2023 term of office.

Skills and experience: Degree in Economics – University of Coimbra (1991-1996); Post-graduation in Taxation – Instituto Superior de Administração e Gestão of Porto; Qualified as a Chartered Accountant, registered with the Portuguese

Institute of Chartered Accountants (*Ordem dos Revisores Oficiais de Contas*) under number 1262 (2006); MBA – Porto Business School (2006-2007); Course – Senior of the Audit Division – Arthur Andersen, S.A. (Porto) (1996-2001); Manager of the Audit Division – Deloitte (Porto) (2001-2005); Senior Manager of the Audit Division – Deloitte (Angola) (2005-2006); Statutory Audit Board Member – Altri (2007-2013); Statutory Audit Board Member – F. Ramada Investimentos, SGPS, S.A. (2007-2013); Statutory Audit Board Member – Cofina, SGPS, S.A.(2007-2013); Sole Auditor – AT-Peers Serviços de Tecnologia e Informação, S.A. (2016-present); Responsible for the Accounting and Financial area – APAF – Engineering Services, Lda. (2016-present); Sole Auditor – Never Lose, S.A. (2017-present); Sole Auditor – MDM Imobiliária, S.A. (2017-present); Sole Auditor – Base Item – Actividades Imobiliárias, S.A. (2017-present); Sole Auditor – Título Singular, S.A. (2017-present).

Throughout her career, Mrs. Cristina Isabel Linhares Fernandes has attended various training courses, such as: Corporate Finance (2004); Accounting Normalisation System (2008); Corporate Restructuring – Legal and Tax Aspects (2010); Tax Incentives (2014); VAT recovery on bad and doubtful debts (2017); Prevention of money laundering and terrorist financing (2019). All of these training courses were organised by the Portuguese Institute of Chartered Accountants (*Ordem dos Revisores Oficiais de Contas*).

Statutory External Independent Auditor

The Statutory External Independent Auditor is responsible for issuing the legal certification of accounts for GreenVolt's financial statements, as well as for the examination of the GreenVolt's accounts, pursuant to Article 420(4) of the Portuguese Commercial Companies Code.

Deloitte, registered with the Portuguese Institute of Chartered Accountants (*Ordem dos Revisores Oficiais de Contas*) under no. 43 and with the CMVM under no. 20161389, represented by Nuno Miguel dos Santos Figueiredo (registered with the Portuguese Institute of Chartered Accountants (*Ordem dos Revisores Oficiais de Contas*) under no. 1272 and with the CMVM under no. 20161389) or, in the event of impossibility of exercising his functions as partner responsible for the guidance or direct execution of the statutory audit, by António Manuel Martins Amaral (registered with the Portuguese Institute of Chartered Accountants (*Ordem dos Revisores Oficiais de Contas*) under no. 1130 and with the CMVM under no. 20160742), was appointed as the Statutory External Independent Auditor (*Revisor Oficial de Contas*) at the General Meeting of Shareholders held on 26 July 2018 for the 2017/2019 term of office, at the General Meeting of Shareholders held on 14 July 2020 for the 2020/2022 term of office having resigned from its role and subsequently been re-elected for the 2021 term of office at the General Meeting of Shareholders held on 24 June 2021. Deloitte was also appointed as Statutory External Independent Auditor at the General Meeting of Shareholders held on 29 April 2022 for the 2022 term of office.

Secretary of GreenVolt

Pursuant to the Portuguese Commercial Companies Code, listed companies shall appoint an effective and an alternate Secretary. The persons acting as Secretary must hold a university degree suitable for the performance of such functions, or be a solicitor, and may not exercise such functions in more than seven companies. The Secretary shall, among other powers:

- provide support to the meetings of the Issuer's corporate bodies;
- draft the minutes of the meetings of the corporate bodies and sign these minutes together with the members of the corporate bodies;

- maintain the Issuer's minutes books, attendance lists, share registration book and related documentation;
- issue convening notices for the meetings of all corporate bodies, with the exception of the General Meeting of Shareholders;
- certify the signatures of the members of the statutory bodies on the Issuer's documents;
- certify, fully or partially, the content of the Issuer's Articles of association, the Issuer's books or filed documents, as well as the identity and the powers of the members of the statutory governing bodies;
- provide feedback, pursuant to the applicable legal provisions, to Shareholders' requests for information;
- request the registration, where applicable, of all corporate actions subject to registration.

The current Secretary, who was appointed following a meeting held on 29 November 2021, for the 2021/2023 term of office is currently composed as follows:

- Raquel de Sousa Rocha (Effective) (appointed with effect from 1 December 2021); and
- João Paulo Marques Cortez Vaz (Alternate) (appointed with effect from 24 May 2021).

Committees

Shareholders' Remuneration Committee

Under the Articles of Association and in accordance with the applicable law, the General Meeting has delegated the powers to define the remuneration of the Issuer's corporate bodies to a Shareholders' Remuneration Committee.

The Shareholders' Remuneration Committee is composed of two members, one of whom is the Chairperson, with casting vote, who is appointed by the General Meeting of Shareholders for a period of three years, corresponding to the term of office of the corporate bodies.

The Shareholders' Remuneration Committee is responsible for approving the remuneration of the members of the Board of Directors and other governing bodies, in representation of the shareholders, according to a remuneration policy prepared by the Shareholders' Remuneration Committee itself and submitted to the approval of the General Meeting of Shareholders. The operating rules and scope of the powers to be exercised by the Shareholders' Remuneration Committee, and the rules that govern its relations with the other corporate bodies, are established in an internal regulation.

As at the date of this Prospectus, the members of the Shareholders' Remuneration Committee are:

- Fernanda Luísa Z. C. Vieira de Moura (Chairperson); and
- Francisco Domingos Ribeiro Nogueira Leite.

Strategic and Operational Monitoring Committee

The Strategic and Operational Monitoring Committee is composed of four Directors and functions as an internal committee of the Board of Directors. The role of the Strategic and Operational Monitoring Committee is, namely, to support the Board of Directors in matters of corporate governance appraisal and evaluation, and to provide opinions in relation to the Issuer or its subsidiary companies on: (i) the Annual Budget and any amendments; (ii) the Medium-Term Strategic Plan; (iii) the execution of the Business Plans, Investment Plans and Activity Plans; (iv) the Issuer's Annual Budgets; (v) the incurring of costs or making of investments outside the scope of the Annual Budget. The Strategic and Operational Monitoring Committee is governed by an internal regulation approved by the Board of Directors.

As at the date of this Prospectus, the members of the Strategic and Operational Monitoring Committee are:

- João Manuel Manso Neto;
- Paulo Jorge dos Santos Fernandes;
- João Manuel Matos Borges de Oliveira; and
- José Armindo Farinha Soares de Pina.

Audit, Risk and Related Parties' Committee

The Audit, Risk and Related Parties' Committee is composed of three Directors, appointed by the Board of Directors for a period of three years, corresponding to the term of office of the corporate bodies. The Audit, Risk and Related Parties' Committee performs supervisory audit and control functions, independently from the Board of Directors, and also supervises the transactions between the Issuer and related parties. Its functions include carrying out general and specific audits to the Issuer's activities, preparing gap analysis reports and improvement proposals, defining principles and policies for the Issuer's relationships with related parties and verifying compliance with said principles and policies, enforcing their implementation. The Board of Directors establishes, by means of an internal regulation, the rules that govern the Audit, Risk and Related Parties' Committee.

On 15 March 2022, the Audit, Risk and Related Parties' Committee approved the rules for the identification, in-house reporting and procedure to be followed in the event of conflicts of interest, applicable to all the Group's employees who play a decisive role in transactions with related parties. These rules are available on the Issuer's website at (www.greenvolt.pt).

As part of its improvement of governance practices, on 15 March 2022 the Board of Directors approved GreenVolt's Regulation on Transactions between Related Parties, available on the Issuer's website at (www.greenvolt.pt).

As at the date of this Prospectus, the members of the Audit, Risk and Related Parties' Committee are:

- Clara Patrícia Costa Raposo (Chairperson);
- Clementina Maria Dâmaso de Jesus Silva Barroso (Vice-Chairperson); and
- António Jorge Viegas de Vasconcelos.

Remunerations and Nominations Committee

The Remunerations and Nominations Committee reports to and assists the Board of Directors in drafting the policies regulating the appointment, re-election, hiring, dismissal and performance evaluation of the company's employees, proposing the remuneration policy applicable throughout the Issuer's organisational structure. The Remunerations and Nominations Committee also monitors the implementation of and compliance with these policies. The Remunerations and Nominations Committee is governed by an internal regulation approved by the Board of Directors (available on the Issuer's website at: www.greenvolt.pt) and is elected for a period of three years, corresponding to the term of office of the corporate bodies.

As at the date of this Prospectus, the members of the Remunerations and Nominations Committee are:

- João Manuel Matos Borges de Oliveira;
- Paulo Jorge dos Santos Fernandes; and
- Céline Dora Judith Abecassis-Moedas.

Ethics and Sustainability Committee

The role of the Ethics and Sustainability Committee is to assist the Board of Directors in integrating sustainability and incorporating ESG objectives and criteria into the Group's strategy and management processes, promoting industry best practices in all its activities, with a view to enhancing long-term sustainable value creation for the Group. It also has the mission of safeguarding and monitoring the implementation of and compliance with the Issuer's Code of Ethics and Conduct. This document reflects the principles and rules guiding the internal and external relationships between the Group and its stakeholders and steers the professional and personal conduct of all company members, based on common ethical principles and values. This Committee also ensures the maintenance of high standards of ethical practices in the Issuer's business and professional conduct. The Ethics and Sustainability Committee's competences include, among others, the drafting of sustainability policies and good practices to be submitted for approval by the Board of Directors, the implementation of these policies and monitoring of compliance and the preparation of the Issuer's Annual Sustainability Report, also serving as the recipient of complaints, ensuring their rigorous investigation and fair treatment, and providing for the adoption of appropriate measures to deal with any improper conduct and punish the offender, if applicable. The Board of Directors establishes, by means of an internal regulation, the rules governing the Ethics and Sustainability Committee, which is elected for a period of three years, corresponding to the term of office of the corporate bodies.

As at the date of this Prospectus, the members of the Ethics and Sustainability Committee are:

- Céline Dora Judith Abecassis-Moedas (Chairperson);
- Clementina Maria Dâmaso de Jesus Silva Barroso;
- João Manuel Manso Neto;
- Radek Nowak (CEO of V-Ridium Europe and V-Ridium);
- Raquel de Sousa Rocha (Head of Legal);
- Carla Sampaio (Head of Sustainability); and
- Mariana Ortiz Gala (Head of People Management, Talent & Communication).

Other

To the best of the Issuer's knowledge, there are no actual or potential conflicts of interest between the individuals that are part of the Issuer's management and supervisory bodies and the Issuer or any other company of the Group.

There are no existing or proposed service agreements between any members of the Board of Directors or of the supervisory bodies of the Issuer and the Issuer or any member of the Group providing for benefits upon termination of employment, other than the ones provided for in the Remuneration Policy.

The members of the Board of Directors, the Statutory Audit Board and the Statutory External Independent Auditor do not hold Shares of the Issuer and, therefore, are not subject to any restrictions with respect to the disposal of the Shares.

As at the date of this Prospectus, none of the members of the Board of Directors nor of the supervisory bodies have, at any time in at least the past five years:

- (a) been convicted for fraudulent offences;

- (b) been members of the administrative, management or supervisory bodies, or senior managers (relevant to establishing that a company has the appropriate expertise and experience for its management) of, or held another executive function at, any company or partnership at the time of, or immediately preceding, any bankruptcy, receivership or liquidation of such company or partnership, or has otherwise been associated with any such bankruptcy, receivership or liquidation; or
- (c) received any official public incrimination and/or sanction by any statutory or regulatory authorities (including any designated professional bodies) or have been disqualified by a court from acting as members of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of any company.

8. RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THE PROSPECTUS

The form and content of the Prospectus complies with the terms set forth in the Portuguese Securities Code, the Prospectus Regulation, Delegated Regulation 2019/980, as well as other applicable laws and regulations.

The information in this Prospectus that has been sourced from third parties has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as the Issuer is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

8.1. Identification of the entities responsible for the information in the Prospectus

The persons and entities listed below are responsible for the information contained in this Prospectus, which is complete, true, up to date, clear, objective and lawful as at the date of this Prospectus, in the terms and subject to the exceptions referred to in Articles 149, 150 and 238 of the Portuguese Securities Code and Article 11 of the Prospectus Regulation.

For the avoidance of doubt, those persons for which no specific position is identified have acted as members of the relevant management or supervisory body of the Issuer.

8.1.1. The Issuer

GreenVolt, a public limited liability company (*sociedade anónima*) incorporated under the laws of Portugal, with registered office at Rua Manuel Pinto de Azevedo 818, 4100-320 Porto, Portugal, with a share capital of €267,099,997.50 and registered with the Commercial Registry Office of Lisbon under the sole registration and taxpayer number 506 042 715.

8.1.2. Members of the Board of Directors in office at the date of this Prospectus

- Clara Patrícia Costa Raposo (Chairperson)
- João Manuel Manso Neto (Chief Executive Officer)
- Paulo Jorge dos Santos Fernandes
- José Armindo Farinha Soares de Pina
- João Manuel Matos Borges de Oliveira
- Ana Rebelo de Carvalho Menéres de Mendonça
- Pedro Miguel Matos Borges de Oliveira
- Domingos José Vieira de Matos
- Clementina Maria Dâmaso de Jesus Silva Barroso
- Céline Dora Judith Abecassis-Moedas
- António Jorge Viegas de Vasconcelos (Members)

8.1.3. Members of the Statutory Audit Board in office at the date of this Prospectus

- Pedro João Reis de Matos Silva (Chairperson)
- Francisco Nogueira Leite
- Cristina Isabel Linhares Fernandes

8.1.4. Statutory External Independent Auditor in office at the date of this Prospectus

Deloitte, represented by Nuno Miguel dos Santos Figueiredo, who is registered with the Portuguese Institute of Chartered Accountants (*Ordem dos Revisores Oficiais de Contas*) under no. 1272 and with the CMVM under no. 20160883.

8.2. Relevant legal provisions regarding responsibility for the information contained in the Prospectus

Under the terms of Article 149(3) of the Portuguese Securities Code, the liability of the persons referred to in Section 8.1 (*"Identification of the entities responsible for the information in the Prospectus"*) is excluded when they can prove that the addressee knew or should have known about the irregularity in the contents of the Prospectus on the date the contractual declaration was issued or when the withdrawal of such contractual declaration was still possible.

Under the terms of Article 149(4) of the Portuguese Securities Code and Article 11(2) of the Prospectus Regulation, liability is further excluded whenever the damages in question result solely from the Prospectus summary, or any translation thereof, unless the summary, when read together with other parts of the Prospectus, contains misleading, inaccurate or inconsistent references or does not provide key information necessary for investors to determine whether and when to invest in the relevant securities. Under the terms of Article 149(2) of the Portuguese Securities Code, any fault is judged according to the highest standards of professional diligence.

Under the terms set forth in Article 150 of the Portuguese Securities Code, and regarding this Prospectus, the Issuer shall be liable regardless of fault in the event of liability of its Board of Directors, sole auditor, Statutory Audit Board and/or Statutory External Independent Auditor or of other persons who have certified or otherwise assessed the financial statements on which this Prospectus is based.

Under Article 238(b) of the Portuguese Securities Code, the right to compensation should be exercised within six months after becoming aware of the unconformity of the Prospectus or of its amendment and will cease, in any case, two years after the date of publication of this Prospectus or the date of publication of the supplement containing the deficient information or statement.

8.3. Responsibility statements

The persons and entities mentioned in 8.1.1 to 8.1.4 above state that, to the best of their knowledge, after carrying out all reasonable diligence to attest such statement, the information contained in this Prospectus, or in the sections for which each entity is responsible in accordance with the applicable legal provisions, is in accordance with the facts, there being no omissions likely to affect its import.

9. INDUSTRY OVERVIEW AND TRENDS

9.1. Energy policies and regulations

9.1.1. The international framework: the Paris Climate Agreement

Global warming and the concerns associated with it are an ever more present banner in the policies of many nations and in the mindset of people around the world. We have thus witnessed an increasing growth in pro-sustainability and neutrality solutions, in order to ensure the sustainability of the whole world.

The Paris Agreement is a legally binding international treaty adopted within the context of the UNFCCC's 21st Conference of the Parties in Le Bourget, near Paris, by 196 countries on 12 December 2015. In accordance with the Paris Agreement, it is necessary to reduce global greenhouse gas emissions in order to limit global temperature increase in the 21st century to 2° Celsius above pre-industrial levels and to pursue efforts to limit the increase to 1.5° Celsius. This Paris Agreement includes commitments from major emitting countries to mitigate or, preferably, eliminate their climate pollution and to strengthen those commitments over time. In addition to those commitments, the agreement provides a pathway for developed nations to assist developing nations in their mitigation and adaption efforts.

The Paris Agreement provides a framework for global climate action, including the mitigation of and adaptation to climate change, transparent report and strengthening of climate goals. To achieve this, the Paris Agreement requires deep economic and social transformation. The Paris Agreement also provides a framework for finance, technology and capacity building support for developing countries that require it. Each aspect is covered as follows:

- Finance: developed countries should provide financial assistance to developing countries. Additionally, voluntary contribution by other parties is encourage. Finance support is required as large-scale investments are required for mitigation of the emissions and adaptation to the adverse impacts of climate change;
- Technology: the Paris Agreement supports accelerating technology development, a transfer for targeting both reducing of greenhouse gases and improving resilience to climate change;
- Capacity-Building: as not all developing countries have sufficient capacity to deal with many of the challenges resulting from climate change, the Paris Agreement emphasizes on climate-related capacity-building. As already mentioned, it requests developed countries to enhance support.

The Paris Agreement established a process working scheme 5-year cycles with increasingly ambitious climate goals. By 2020, countries were requested to submit their NDCs, which are national action plans for climate change, detailing the specific actions that will be taken by each country to reduce their greenhouse gas emissions, in line with the Paris Agreement objectives, and to build their resilience to the impacts of rising temperatures.

Moreover, the Paris Agreement invited countries to prepare and submit, in 2020, LT-LEDS setting out a long-term development strategy for their NDCs. Unlike NDCs, LT-LEDS are not mandatory. With the Paris Agreement, participating countries also established an ETF. Under the ETF, starting in 2024, countries will report transparently on actions taken and the progress achieved in relation to climate change mitigation and adaptation measures and support provided or received. The framework also establishes international procedures for the review of submitted reports. The information gathered through the ETF will feed into the global stocktake, which will assess collective progress towards achieving the long-term climate goals set. Based on this assessment, recommendations will then be presented to countries in order to formulate more ambitious plans for the following cycle in the form of the Nationally Determined Contributions

pledged under the Paris Agreement. All 134 of those Nationally Determined Contributions included renewable energy targets for electricity generation. If all renewable power targets included in the Nationally Determined Contributions are implemented, an additional 1,041 gigawatts (GW) of renewables would be added by 2030, most of which (567 GW) in Asia. Global installed capacity for renewable power generation would consequently grow almost 42 percent, from 2,523 GW in 2019 to an estimated 3,564 GW in 2030³⁷.

9.1.2. European Green Deal

The Paris Climate Agreement is not the only framework to have established guidelines and standards to regulate and ensure global neutrality and sustainability.

In 2019, the EC presented the European Green Deal, establishing an action plan to boost the efficient use of resources in order to help promote the transition to a clean circular economy, to restore biodiversity and mitigate pollution.

The European Green Deal areas of actions are:

- A higher level of EU climate ambition for 2030 and 2050 to achieve climate neutrality by 2050:
As part of the European Green Deal, in September 2020 the EC proposed to raise the 2030 greenhouse gas emissions reduction target, including emissions and removals, to at least 55 percent compared to 1990.
- Clean, affordable and secure energy supply:
Energy production and use in all economic sectors accounts for more than 75 percent of the EU's greenhouse gas emissions and thus the further decarbonisation of the energy system is essential to achieve the 2030 and 2050 climate targets. With this in mind, the EC proposed the prioritisation of high-energy efficiency, increase in offshore wind energy production, the forward-looking set-up of a competitive decarbonised gas market and the addressing of methane emissions in the energy sector.
- Mobilising industry for a clean and circular economy:
Industry accounts for 20 percent of the EU's greenhouse gas emissions. It takes 25 years to transform an industrial sector and all value chains. To reach the 2050 targets, decisions and actions need to be taken in the next five years.
- Energy and resource efficiency in building construction and renovation:
The annual renovation rate of the building stock in Member States is currently between 0.4 percent and 1.2 percent. This rate will need to be at least doubled to achieve the EU's energy efficiency and climate targets.
- Accelerate the transition to sustainable and smart mobility:
Transport industry accounts for a quarter of the EU's greenhouse gas emissions, and it is growing. To achieve climate neutrality, a 90 percent reduction in transport emissions is needed by 2050. All types of transport – road, rail, air and inland waterway – will have to contribute to this reduction.
- Devising a fair, healthy and environmentally friendly food system:

³⁷ Renewable energy and climate pledges: Five years after the Paris Agreement (irena.org)

Food production continues to pollute air, water and soil, contributing to biodiversity loss and climate change, and consumes excessive natural resources, while a significant proportion of food is wasted.

The EC's proposals for the common agricultural policy for the period 2021-2027 provide for at least 40 percent of the overall common agricultural policy budget and at least 30 percent of the maritime and fisheries fund to contribute to climate action.

- Preservation and restoration of ecosystems and biodiversity:

The EU is failing to meet some of its most important environmental targets for 2020, such as the Aichi targets under the Convention on Biological Diversity. To ensure that the EU plays a key role in this area, in May 2020 the EC presented a European Biodiversity Strategy for 2030.

- Aiming for zero pollution for a toxic-free environment:

In 2021, the EC will adopt a "zero pollution" action plan for air, water and soil. To ensure a toxic-free environment, the EC will present a chemicals strategy for sustainability.

Considerable investment is needed to realise the aspirations of the European Green Deal. The EC has estimated that achieving today's climate and energy targets by 2030 will require €260 billion of additional annual investment, approximately 1.5 percent of the 2018 GDP. The EC has proposed a 25 percent target for mainstreaming the climate dimension in all EU programmes and the EIB has set itself the objective of doubling its climate change target from 25 percent to 50 percent by 2025, thus becoming the European climate change bank. Finally, the private sector will be key to financing the green transition.

9.1.3. Clean Energy Package

Further to the Paris Agreement and the European Green deal, the "Clean energy for all Europeans package" marked a significant step towards implementing the EU strategy, published in 2015. Based on Commission proposals published in 2016, the package consists of 8 new laws. Following political agreement by the EU Council and the European Parliament (finalised in May 2019) and the entry into force of the different EU rules, EU countries have 1-2 years to convert the new directives into national law.

The new rules will bring considerable benefits for consumers, the environment, and for the economy. By coordinating these changes at EU level, the legislation also underlines EU leadership in tackling global warming and makes an important contribution to the EU's long-term strategy of achieving carbon neutrality (net-zero emissions) by 2050.

From the proposed targets, the following should be highlighted:

- Energy performance in buildings

Buildings are responsible for around 40% of energy consumption and 36% of CO₂ emissions in the EU, making them the single largest energy consumer in Europe. By making buildings more energy efficient, the EU can more readily achieve its energy and climate goals. The Energy Performance of Buildings Directive ((EU 2018/844) outlines specific measures for the building sector to tackle challenges, updating and amending many previous rules (Directive 2010/31/EU).

- Renewable energy

To show global leadership on renewables, the EU has set an ambitious, binding target of 32% for renewable energy sources in the EU's energy mix by 2030. The revised Renewable Energy Directive which contains this commitment, entered into force in December 2018.

- Energy efficiency

Putting energy efficiency first is a key objective in the package, as energy savings are the easiest way of reducing greenhouse emissions, while also saving consumers money. The EU has therefore set binding targets of increasing energy efficiency over current levels by at least 32.5% by 2030. The Directive on Energy Efficiency ((EU) 2018/2002), in place since December 2018, sets out this target.

9.1.4. Plano Nacional Integrado Energia Clima 2030

The aforementioned legal and regulatory standards and guidelines, together with Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, have led to the adoption, by various Member States, of their own integrated energy and climate plan, in line with the aforementioned standards. The PNEC 2030 is the main energy and climate policy instrument in Portugal.

This instrument is aligned with RCN 2050 and establishes the national objectives for greenhouse gas emissions, renewable energies, energy efficiency and interconnection, as well as long-term emission targets. To achieve carbon neutrality in 2050, the PNEC 2030 includes the reduction of greenhouse gas emissions between 45 percent to 55 percent by 2030, between 65 percent to 75 percent by 2040 and between 85 percent and 90 percent by 2050, in comparison to 2005 levels.

The main line of actions described in PNEC 2030 are to: (i) decarbonise the Portuguese economy, (ii) prioritise energy efficiency, (iii) reinforce the focus on renewable energy and reduce Portugal's energy dependency, (iv) ensure the security of electricity supply, (v) promote sustainable mobility, (vi) promote sustainable agriculture and enhance carbon capture, (vii) develop an innovative and competitive industry, and (viii) ensure a democratic and cohesive transition.

Since the PNEC 2030 is aligned with the PNI 2030, the PNI 2030 considers a total investment of €21.9 billion during the 2020-2030 decade, approximately 66 percent (€13.7 billion) of which contributes to the objectives of the PNEC 2030. Additionally, the PNEC 2030 considers an additional investment budget in the energy sector of between €17.1 to €18.7 billion. Total installed wind and solar power is expected to be 18.3 GW (9.3 GW for wind and 9.0 GW for solar). The PNEC 2030 forecasts a growth in biomass installed capacity from 0.4 GW in 2020 to 0.5 GW in 2030³⁸.

For further details on the PNEC 2030 requirements and objectives as regards the regulatory framework of the Issuer's activity, please refer to Section 12.1 ("Overview").

9.1.5. Spanish National Integrated Energy and Climate Plan 2021-2030

In the framework of the "Long-Term Strategy for a Modern, Competitive and Climate Neutral Spanish Economy in 2050", the Resolution of March 25, 2021, jointly issued by the General Directorate of Energy Policy and Mines and the Spanish Climate Change Office, publishes the Agreement of the Council of Ministers of March 16, 2021, adopting the final version of the National Integrated Energy and Climate Plan 2021-2030 (PNIEC). The PNIEC is published in the Official State

³⁸ Source: Table 7 of the PNEC 2030.

Gazette of March 31, 2021 and on the website of the Ministry for Ecological Transition and the Demographic Challenge (www.miteco.es).

The objectives set out in the PNIEC are aligned with those set by the European Council which agreed to reduce EU emissions by at least 55% by 2030, compared to 1990 levels, with the aim of achieving climate neutrality in the EU by 2050, in line with the Paris Climate Agreement targets.

The PNIEC 2021-2030 identifies objectives and adopts measures in the five dimensions of the Energy Union: (i) decarbonization, including renewable energies; (ii) energy efficiency; (iii) energy security; (iv) the internal energy market; and (iv) research, innovation and competitiveness.

According to the Spanish government, the measures envisaged in the PNIEC will make it possible to achieve the following results by 2030:

- 23% reduction in greenhouse gas (GHG) emissions compared to 1990.
- An increase of up to 42% of renewables over final energy use.
- Improvement of energy efficiency by 39.5%.
- Increase up to 74% of renewable energy in electricity generation.

Among other measures, there are plans to promote the installation of renewable energy production capacity, the specific distribution among renewable technologies will depend on the evolution of the relative costs of each one of them; the total cessation of coal-fired plants by 2030 at the latest; the promotion of storage technologies, as well as the electric car and the use of biofuels. Along these lines, the Official State Gazette of March 31 also published Royal Decree 205/2021, of March 30, which amends Royal Decree 1085/2015, of December 4, on the promotion of biofuels, and regulates the targets for the sale or consumption of biofuels for the years 2021 and 2022.

Finally, the measure 1.4 “Development of self-consumption with renewables and distributed generation” of the PNIEC sets out the lines of action regarding self-consumption with renewable energy sources, which allow generation to be brought closer to consumption and, therefore, reduce losses. Furthermore, this measure establishes the development of a National Self-consumption Strategy as one of its action mechanisms.

9.1.6. European Law on Climate

Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) no 401/2009 and (EU) 2018/1999, applicable from 29 July 2021, aims to create a scheme to achieve climate neutrality in the European Union by 2050.

The European Law on Climate comprises (i) a binding target of climate neutrality in the EU by 2050, (ii) a target of achieving negative emissions in the EU thereafter, (iii) a binding reduction target of at least 55 percent (compared to 1990 levels) for 2030 of the EU net domestic greenhouse gas emissions; (iv) a climate target for 2040 within six months

of the first global stocktaking under the Paris Agreement, and (v) rules to ensure continued progress towards the adaptation target included in the Paris Agreement.

For this purpose, in addition to creating an independent European scientific advisory council on climate change, the European Law on Climate sets out the EU's interim climate targets, such as:

- (i) Reducing the EU's net greenhouse gas emissions by at least 55 percent (compared to 1990 levels) by 2030;
- (ii) Limiting net removals to 25 million tonnes CO₂ equivalent to ensure that the necessary mitigation efforts are made by 2030. In order to enhance the EU carbon sink in line with the objective of achieving climate neutrality by 2050, the regulation also provides that the EU should aim to achieve a greater volume of its net carbon sink by 2030;
- (iii) Allow the Commission to propose a climate target for 2040 within six months of the first global stocktake under the Paris Agreement;
- (iv) Require the Commission to report to the European Parliament and the Council, within six months of each global stocktaking under the Paris Agreement, on the progress the EU and its Member States are making towards meeting the objectives of the Regulation.

9.1.7. FiT for 55

Following the aforementioned regulation, European Commission proposed a set of legislative and non-legislative initiatives which aims provide a coherent and balanced framework for achieving a 55 percent net reduction in GHG emissions by 2030 compared to 1990 levels (the previous target was 40 percent) – the FiT for 55 Package. This package was presented in two different moments (July and December 2021) and includes amendments to many of the legislative acts of the Clean Energy Package, as well as new legislative initiatives.

The FiT for 55 Package includes, inter alia, proposals to:

- (i) amend the Renewable Energy Directive, aiming to increase the current EU-wide target of at least 32 percent of energy from renewable sources in the total energy mix to at least 40 percent by 2030. The proposal also introduces several changes which tighten the criteria to be fulfilled in what concerns the use of forest biomass in order to count towards the renewables targets and to receive financial support;
- (ii) amend the existing Energy Efficiency Directive, increasing the EU energy efficiency target from 32.5 percent to 36 percent in relation to final energy consumption and to 39 percent in relation to primary energy consumption;
- (iii) amend the current EU ETS, which should result in an overall emission reduction of 61 percent by 2030 in the targeted sectors compared to 2005;
- (iv) set out new targets to be achieved by 2030 in sectors not covered by the EU ETS or the Regulation on land use, land-use change and forestry. The proposal raises the EU's greenhouse gas emission reduction target from 29 percent to 40 percent compared to 2005 and updates national targets accordingly.

9.1.8. Climate Framework Law

The Climate Framework Law entered into force on 1 February and sets goals and obligations in the design of public policies, in the various sectors and at the various levels of governance. This law appears in the context of the European

Law on Climate and the FIT for 55 package referred to above and is in line with the European ESG regulatory framework, in particular the European taxonomy and obligations under the sustainable finance legislative framework, already in force.

The Climate Framework Law (i) recognises the climate emergency situation, (ii) assumes the goal of carbon neutrality by 2050, (iii) establishes 14 objectives and 11 principles of climate policy, (iv) establishes the right to a balanced climate, (v) foresees rights and obligations in climate matters, namely the right to intervene and participate in administrative procedures relating to climate policy and the obligation to protect, preserve, respect and ensure the protection of the climate balance.

For this purpose, and with regard to climate policy and targets, this law envisages (i) a schedule of GHG reduction targets, relative to 2005 values, excluding land use and forestry: at least 55 percent reduction by 2030, 65 percent to 75 percent by 2040, 65 percent to 75 percent by 2050, (ii) a target for net CO₂ equivalent sink from land use and forestry sector of at least 13 megatons on average between 2040 and 2050, and target for marine and coastal ecosystems, and (iii) sectoral targets for the reduction of GHG emissions, in relation to 2005 values, and mandatory approval of sectoral plans for mitigation and adaptation to climate change.

Additionally, in relation to economic and financial instruments, Climate Framework Law foresees (i) respect of budgetary and fiscal policies for the guiding green budgetary and fiscal principles on climate matters, (ii) the creation of a category of tax deductions - Green IRS (*IRS Verde*) - benefiting taxable persons who acquire, consume or use environmentally sustainable goods and services, (iii) provision of a financial instrument aimed at supporting climate policies.

Alongside decarbonisation, a policy of electricity production from renewable sources is reaffirmed, also focusing on the aspects of distributed generation and energy efficiency. With regard to biomass this law foresees, in particular, the certification of the origin of residual forest biomass and the regular monitoring of the nature of the biomass used for electricity generation and the interdiction of the use of quality wood, biomass from energy crops and residual biomass and the interdiction of resorting to quality wood, biomass from energy crops and residual biomass from distant territories for the production of energy from biomass.

9.1.9. REPowerEU Plan

On 8 March 2022, the European Commission proposed the outline of a plan to make Europe independent from Russian fossil fuels well before 2030, in light of Russia's invasion of Ukraine. At the European Council on 24-25 March, EU leaders agreed on this objective and asked the Commission to present the detailed REPowerEU Plan which has been adopted on 18 May 2022. The recent gas supply interruptions to Bulgaria and Poland demonstrate the urgency to address the lack of reliability of Russian energy supplies.

This plan focused on green transformation will strengthen economic growth, security, and climate action for Europe. The recovery and resilience facility is at the core of the REPowerEU Plan, supporting coordinated planning and financing of cross-border and national infrastructure as well as energy projects and reforms. In addition, the European Commission proposes to make targeted amendments to the recovery and resilience facility regulation to integrate dedicated REPowerEU Plan chapters in Member States' existing recovery and resilience plans.

The measures in the REPowerEU Plan can respond to this ambition, through energy savings, diversification of energy supplies, and accelerated roll-out of renewable energy to replace fossil fuels in homes, industry and power generation, as follows:

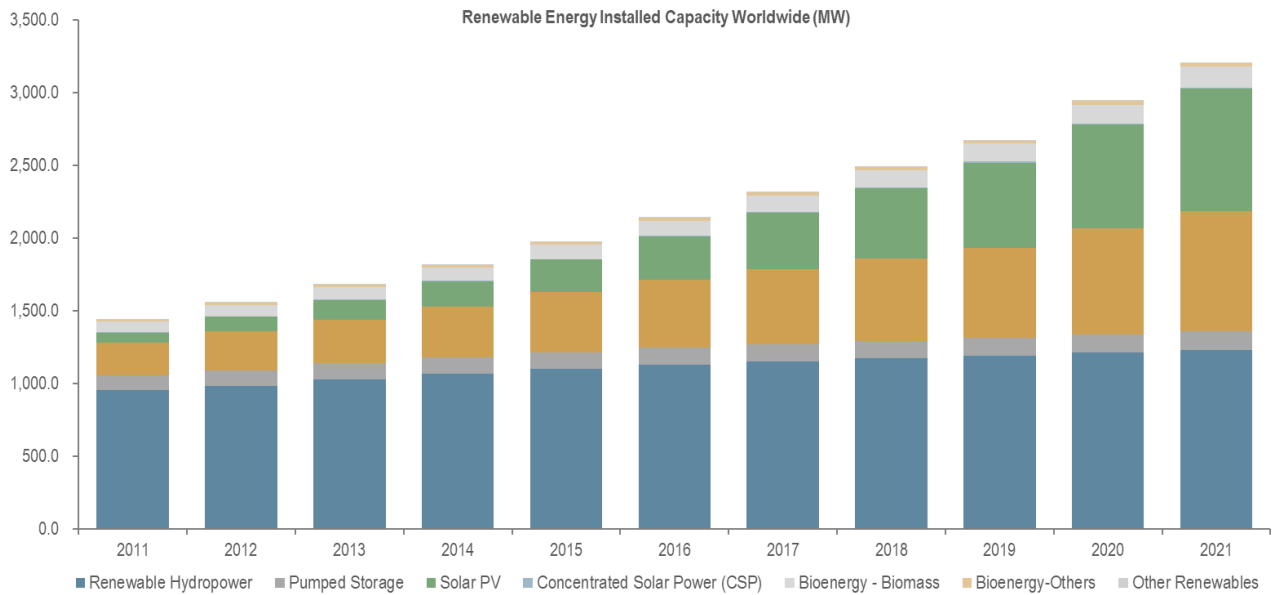
- (a) In what concerns energy savings, REPowerEU Plan proposes to enhance long-term energy efficiency measures, including an increase from 9% to 13% of the binding energy efficiency target under the Fit for 55 package of European Green Deal legislation. As such, the European Commission also published on the 18 May 2022 an 'EU Save Energy Communication' detailing short-term behavioural changes which could cut gas and oil demand by 5% and encouraging Member States to start specific communication campaigns targeting households and industry. Member States are also encouraged to use fiscal measures to encourage energy savings, such as reduced VAT rates on energy efficient heating systems, building insulation and appliances and products.
- (b) In what concerns diversifying supplies and supporting our international partners, the EU has secured record levels of LNG imports and higher pipeline gas deliveries and has created a new EU energy platform which will enable voluntary common purchases of gas, LNG and hydrogen by pooling demand, optimising infrastructure use and coordinating outreach to suppliers, as well as consider a 'joint purchasing mechanism' which will negotiate and contract gas purchases on behalf of participating Member States. In the Mediterranean and North Sea, major hydrogen corridors will be developed. In the face of Russia's aggression, the EU will support Ukraine, Moldova, the Western Balkans and Eastern Partnership countries, including through the REPowerUkraine initiative.
- (c) In what concerns accelerating the rollout of renewables, the European Commission proposes to increase the headline 2030 target for renewables from 40% to 45% under the Fit for 55 package, including (i) a dedicated EU solar strategy to double solar photovoltaic capacity by 2025 and install 600GW by 2030; (ii) a solar rooftop initiative with a phased-in legal obligation to install solar panels on new public and commercial buildings and new residential buildings; (iii) doubling of the rate of deployment of heat pumps, and measures to integrate geothermal and solar thermal energy in modernised district and communal heating systems; (iv) amendments to the Renewable Energy Directive to recognise renewable energy as an overriding public interest, with shortened and simplified permitting processes in areas with lower environmental risks; and (v) additional funding for domestic renewable hydrogen production and research.
- (d) In what concerns reducing fossil fuel consumption in industry and transport, the European Commission will roll out carbon contracts for difference to support the uptake of green hydrogen by industry and specific financing for REPowerEU Plan under the innovation fund, using emission trading revenues to further support the switch away from Russian fossil fuel dependencies. To enhance energy savings and efficiencies in the transport sector and accelerate the transition towards zero-emission vehicles, the European Commission will present a greening of freight package, aiming to significantly increase energy efficiency in the sector, and consider a legislative initiative to increase the share of zero emission vehicles in public and corporate car fleets above a certain size.
- (e) In what concerns smart investment, the REPowerEU Plan proposes an additional investment of €210 billion between now and 2027.

9.2. Renewable Energy Market Outlook

Market trends in renewable technology point in the direction of progressive growth. In this regard, CAGR of the new annual power instalments of renewable technology reached 8.7 percent worldwide in the period 2011-2021. Solar photovoltaic technology has led the growth, with a CAGR of 27.2 percent, and installed power in 2021 (circa 843 GW) surpassed wind energy (circa 825 GW). The increasing development of photovoltaic technology is based on the advantages offered by this technology when compared to other renewables, namely:

- In the last decade, photovoltaic has experienced a rapid decline of the global weighted average LCOE: “Between 2009 and 2021, the PV LCOE fell 90 percent”³⁹;
- The simplicity of photovoltaic technology, from both a constructive and operational point of view; and
- The wide distribution of the solar resource, in comparison to wind or biomass resources.

Biomass technology has had a CAGR of 7.1 percent, though its share in the energy matrix is still residual (4.7 percent as at 2021). Finally, hydro energy is the most widespread renewable technology, with a circa 40 percent share of the energy mix. Despite its growth, the matrix has become more diversified and the share of this technology has reduced from 76 percent in 2010 to the above-mentioned 40 percent in 2021.



³⁹ Source: IRENA.

Technology accumulated power (GW)	2011	2016	2021
Renewable hydropower	953.9	1,129.0	1,230.0
Pumped storage	103.0	116.9	130.0
Wind	220.1	466.9	824.9
Solar Photovoltaic	72.2	295.2	843.1
Concentrated Solar Power (CSP)	1.7	5.0	6.4
Bioenergy - Biomass	72.3	105.2	143.4
Bioenergy - Others*	13.4	19.0	24.2
Other Renewables: Marine, Geothermal	0.5	0.5	0.5
Total Renewable Electric power**	1,334	2,021	3,072

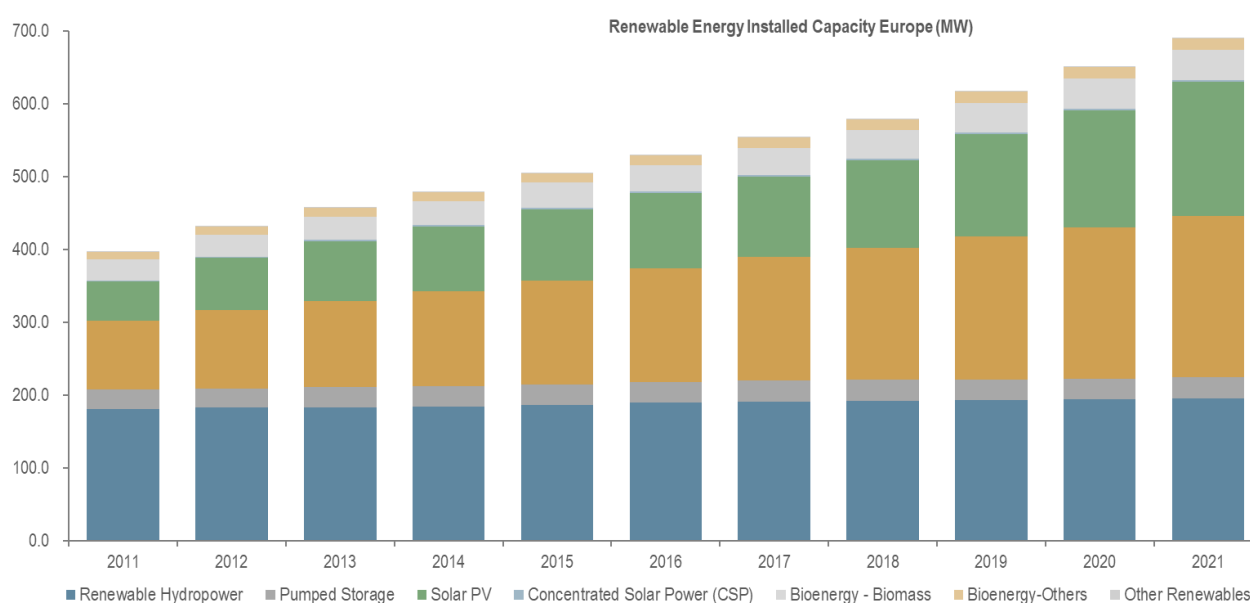
* Liquid biofuels and biogas

** Pumped storage power is provided but it is not included in category but not in the "Total renewable Electric power"

Source: IRENA

Based on IRENA data, around 37 percent of the generation power installed globally comes from renewable sources.

Taking a closer look at Europe, the CAGR of new annual power instalments of renewable technology reached 6.0 percent in the period 2011-2021, a slightly more moderate percentage than at the global level. Between 2010 and 2020, wind energy (the technology with the highest installed power in Europe) has shown a CAGR of 8.9 percent, with solar photovoltaic showing a CAGR of 13.1 percent. Regarding bioenergy and biomass, they have shown a CAGR of 3.9 percent (in the 2011-2021 period), though their share in the energy matrix is still residual (6.3 percent).



Technology Power Capacity (GW)	2011	2016	2021
Renewable hydropower	181.1	189.3	195.7
Pumped storage	26.7	28.6	28.3
Wind	94.7	155.8	222.1
Solar Photovoltaic	53.6	103.9	183.6
Concentrated Solar Power (CSP)	1.2	2.3	2.3
Bioenergy - Biomass	28.6	35.5	41.8
Bioenergy - Others*	10.2	13.6	16.1
Other Renewables: Marine, Geothermal	0.2	0.2	0.2
Total Renewable Electric power**	369.5	500.5	661.9

* Liquid biofuels and biogas

** Pumped storage capacity is provided but it is not included in category but not in the "Total renewable Electric power"

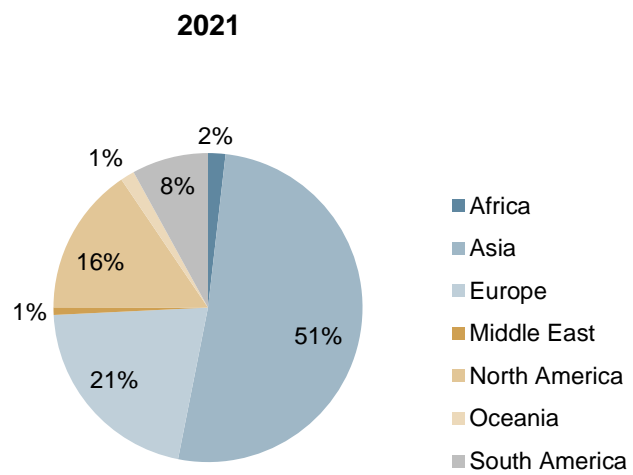
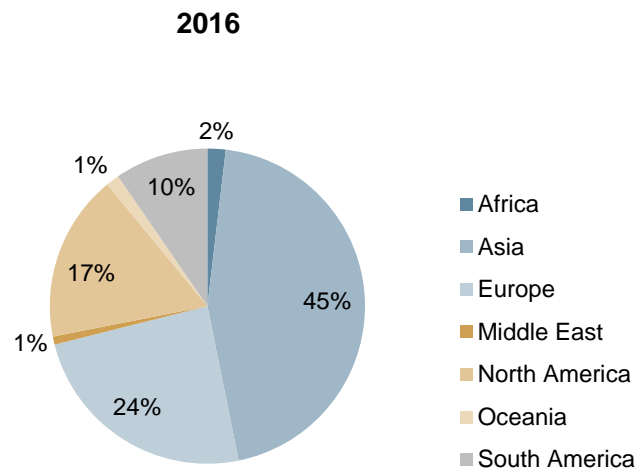
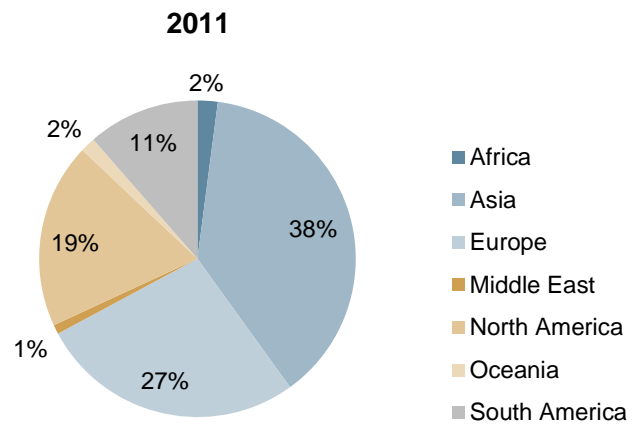
Source: IRENA

Based on IRENA data, around 52 percent of the generation power installed in Europe comes from renewable sources.

Asia is the only continent in the world that has increased over the last years its share in the world's renewable energy installed power, making up 51 percent of the total renewable energy power in 2021 (representing a CAGR of 12.9 percent between 2011 and 2021). The decline in costs that has enabled the rapid development of solar technology has been even faster in Asia since most equipment suppliers are Asian, mainly Chinese. The module price decrease boosted by Asian manufacturers has resulted in a huge amount of new solar facilities in this continent. There are also Asian wind turbine manufacturers that are almost totally focused on this market, offering very competitive prices based, among other factors, on a very competitive steel price in Asia.

On the other hand, South America was the continent that has demonstrated a slower rate of grow, with a CAGR of 4.9 percent between 2011 and 2021. Europe stands in the middle, roughly maintaining the share of world renewable power with a CAGR, between 2011 and 2021, of 6.0 percent.

Accumulated renewable power by Region (GW)⁴⁰:

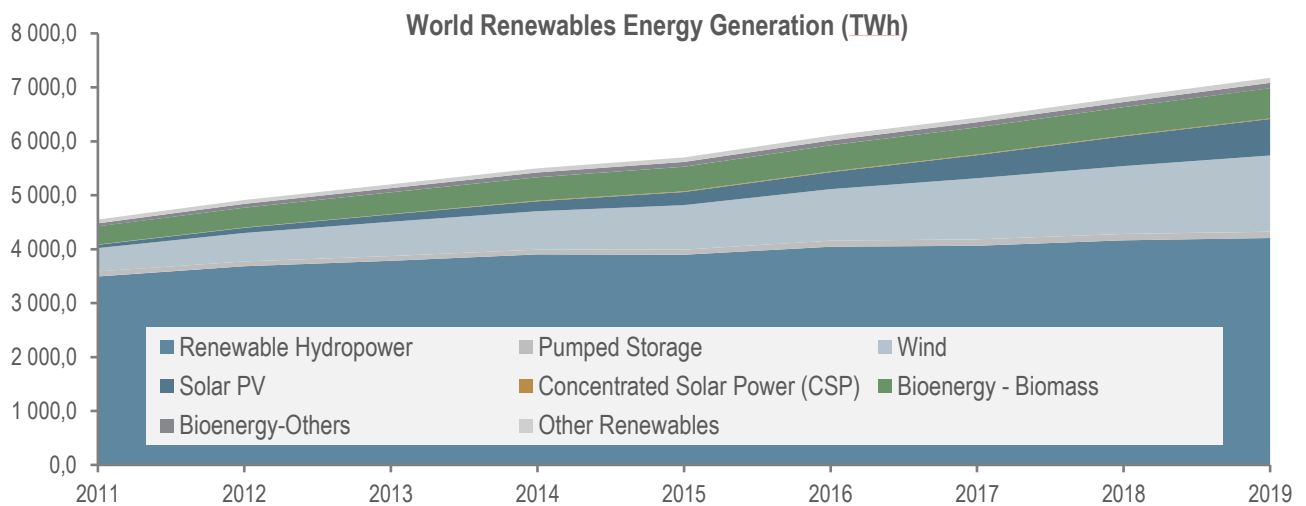


9.2.1. Renewable energy generation

Hydro power has been, is and will continue to be, in the mid-term, the leading technology in the renewables mix in terms of energy generation, with its load factor having remained quite flat over time, at around 41 percent worldwide. Many countries highly dependent on hydro energy have diversified their matrix by introducing other renewable energies to avoid lack of supply in dry years or increased electricity cost for the use of oil products.

Regarding wind energy generation in 2018, it was four times greater than in 2010, having increased its share from 2015 onwards. Wind energy load factor has improved from 22 percent to 26 percent over time. Solar photovoltaic is the brightest technology in the energy generation sector, having recorded an 11x increase in production from 2011 to 2019. However, the load factor has been quite stagnant in recent years, at around 13 percent. In both wind and solar technologies, one of the reasons behind the decline of the LCOE is the increased efficiency of equipment (wind turbines, photovoltaic modules, inverters and trackers).

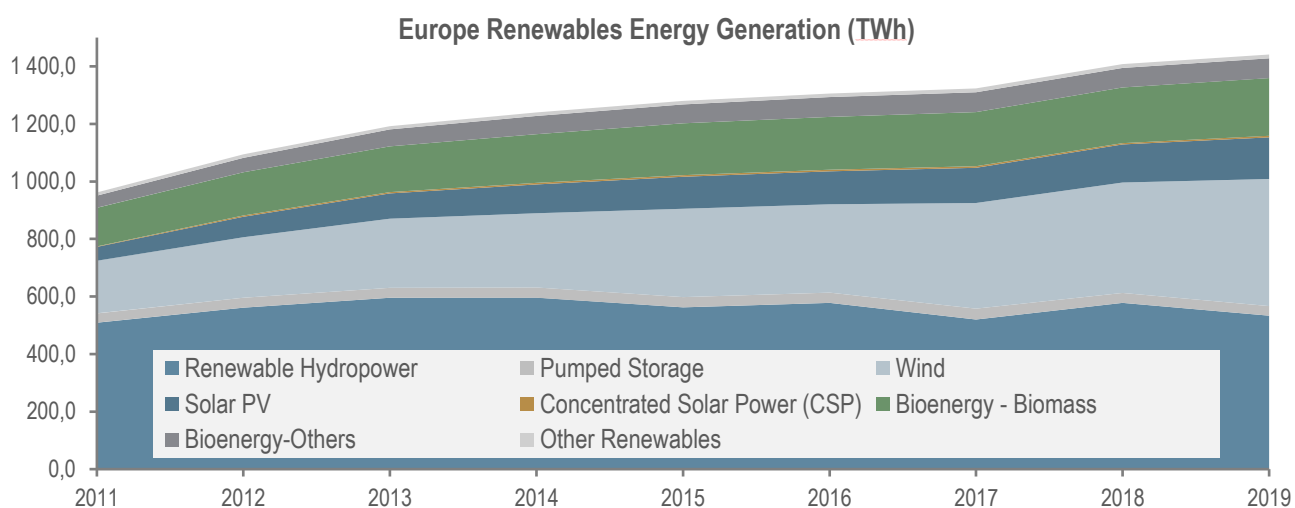
Finally, biomass and bioenergy technology have barely changed over the last decade, both in terms of share (around 6.5 percent) and load factor (around 55 percent).



Source: IRENA

In Europe, wind technology has become the leading technology in terms of production, having generated around 441 TWh. Wind’s average load factor has been 2,005 equivalent hours. Energy generated by hydropower facilities has been quite stable, at around 534 TWh. Solar photovoltaic amounted to only 5 percent of renewable generation in 2011, while in 2019 it reached 10 percent. However, the average load factor is still relatively low (mean value of 11 percent) but has grown gradually over the years. This makes sense considering that the average age of the plants installed in Europe is quite old and, therefore, the equipment is less efficient. Besides, except for the Mediterranean countries, Europe is not a particularly good territory in terms of irradiation, at least, in comparison with other geographies in the world. Finally, biomass and bioenergy technology have barely changed over the last decade, both in terms of share (around 14 percent) and load factor (around 54 percent).

⁴⁰ Source: IRENA.



Europe Technology accumulated power (TWh)	2011	2016	2019
Renewable hydropower	377.9	343.3	533.9
Pumped storage	31.1	30.0	33.1
Wind	150.2	303.5	441.3
Solar Photovoltaic	22.6	103.3	144.9
Concentrated Solar Power (CSP)	0.8	5.6	5.7
Bioenergy - Biomass	86.9	112.5	200.4
Bioenergy - Others*	37.4	65.9	68.6
Other Renewables: Marine, Geothermal	6.1	7.2	13.2
Total Renewable Electric power**	713.0	971.2	1,408.1

* Liquid biofuels and biogas

** Pumped storage power is provided but it is not included in category but not in the "Total renewable Electric power"

Source: IRENA

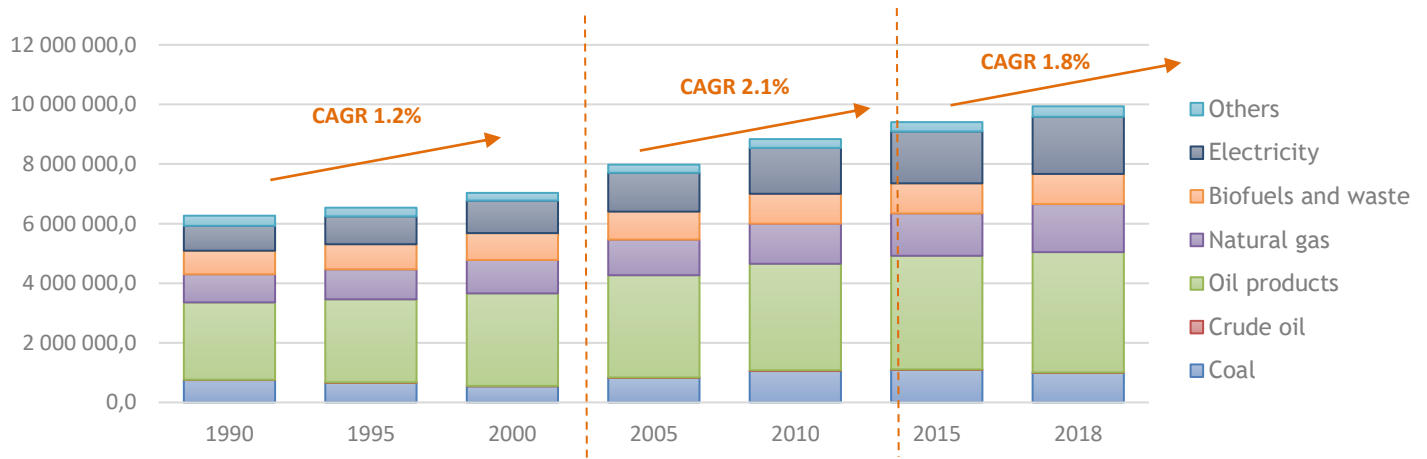
9.2.2. Energy consumption

Globally speaking, final energy consumption has increased throughout the years fostered by the demographic increase and the development of countries' economies.

According to IEA data, in 2018 worldwide final energy consumption was dominated by three main sectors with an equivalent share percentage (29 percent): transport, industry and buildings (residential, commercial and services), meaning that the energy consumption of these 3 sectors made up 79 percent of global energy consumption, with each sector representing a third of this amount.

Year	Coal	Crude oil	Oil products	Natural gas	Biofuels and waste	Electricity	Others
1990	751,739	10,913	2,595,230	944,409	790,960	834,254	339,671
1995	660,320	11,138	2,789,815	1,005,865	842,366	935,008	291,775
2000	541,691	13,726	3,105,737	1,119,246	902,805	1,091,798	257,029
2005	825,410	12,525	3,432,774	1,194,586	940,969	1,301,294	272,292
2010	1,058,479	21,939	3,574,760	1,345,822	1,002,077	1,537,998	296,657
2015	1,097,261	13,500	3,811,786	1,422,661	1,008,654	1,740,726	313,398
2018	994,497	12,588	4,038,502	1,611,345	1,012,374	1,918,779	349,617

Source: International Energy Agency (ktoe)



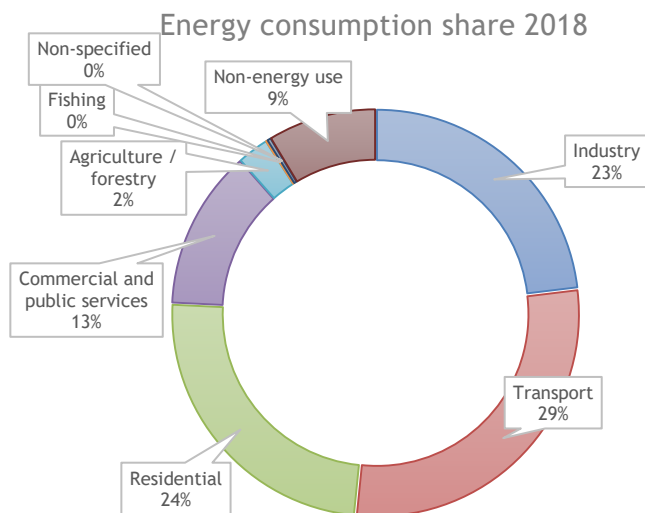
Notwithstanding the pro-sustainability regulatory frameworks, the predominant sources of energy are still fossil fuels, such as oil products (41 percent), natural gas (16 percent), coal (10 percent) and crude oil (0.1 percent). However, the electric sector has increased its share from 13 percent in 1990 to 19 percent in 2018; meanwhile, biofuels and waste have maintained their stake. The expectation is that electricity will see increased growth in the future, to the detriment of current fossil fuels.

The CAGR of the industry sector's worldwide electricity consumption has amounted to 2.6 percent since 1990. Buildings (residential, commercial and services sectors) have always been the most electro intensive, with their share of electricity consumption having increased over the years, from 19 percent to 32 percent. The trend in these two sectors is to increase the use of electricity, to the detriment of fossil fuels, for heating/colding purposes.

Finally, electricity consumption in transport is still negligible since the penetration of electric vehicles is marginal so far, having a relatively flat and almost negligible stake of consumption, in comparison with other sources, of around 1.1 percent.

In Europe, final energy consumption has decreased in comparison to 2005 driven mainly by the economic crisis of 2008 and energy efficiency measures introduced in recent years in different sectors.

In Europe, the residential, commercial and public services sector was the most demanding in terms of final energy consumption with a stake of 37 percent, followed by transport (29 percent) and industry (23 percent). Predominant sources are still fossil fuels such as oil products, natural gas, coal and crude oil.



Source: IEA

Notwithstanding this, the electric sector has increased its share from 16 percent, in 1990, to 21 percent in 2018.

9.3. Portugal electricity system overview

9.3.1. Generation

Before the enactment of Decree-Law no. 15/2022, in Portugal, electricity generation is open to competition and is structured by two legal regimes: (i) ordinary regime, which includes classical non-renewable thermal generators and large hydroelectric power plants, and (ii) special regime, which encompasses renewable resources, cogeneration units, UPPs and UPACs. Ordinary and special generators, as well as, suppliers, can participate freely in the wholesale electricity market, selling electricity through organised markets or through bilateral contracts. Electricity generated from renewable resources power plants which initiated their licensing procedure before the enactment of Decree-Law no. 215-B/2012, of 8 October still benefit from technology specific feed-in tariffs. These feed-in tariffs are no longer applicable to renewable generation plants which initiated their licensing procedure after the entry into force of Decree-Law no. 215-B/2012, of 8 October, except if the award of reserved capacity was granted through tender in which case generators may benefit from public tender-based guaranteed revenues, as better detailed in Section 12.4. (*Remuneration regime*). Decree-Law no. 15/2022 eliminated the difference between ordinary and special regimes of generation of electricity.

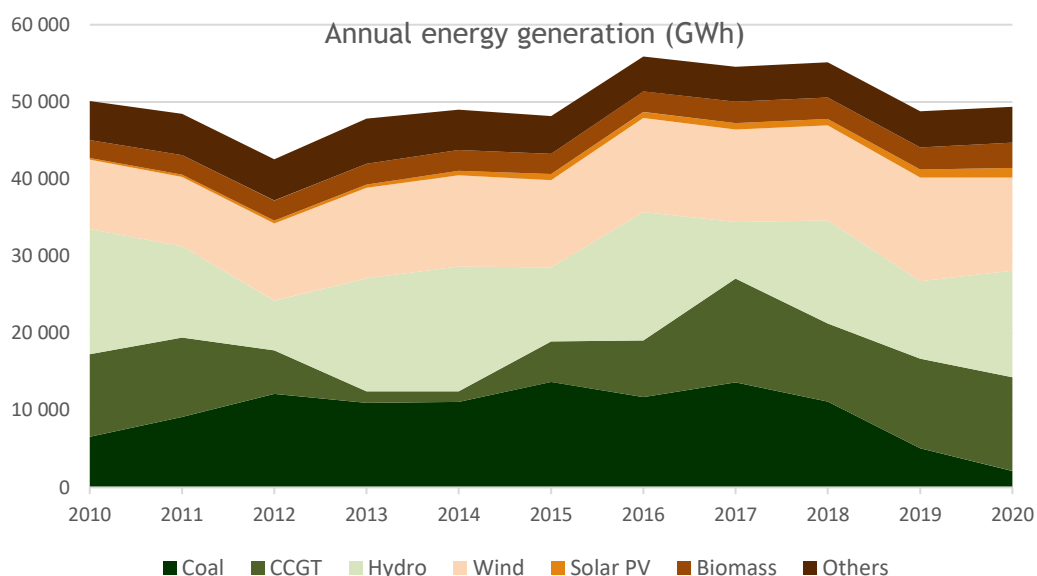
Following the approval of Decree-Law no. 76/2019, of 3 June, the granting of a prior Reserved Capacity title is required before a renewable generator can apply for a production licence to build a power plant. Additionally, the government may launch a tender procedure for the granting of Reserved Capacity titles for one or more network areas or otherwise, when the grid has no available capacity, such Reserved Capacity may be contracted with the relevant grid operator provided the generator bears the costs for the required reinforcement of the grid. As further detailed in Section 12, this

legal regime has been revoked and replaced by Decree-Law no. 15/2022 which follows the same principles in terms of modalities for obtaining prior reserved capacity.

In addition to this, a specific incentive scheme for the construction and operation of biomass energy plants located near high fire risk forest areas was approved by the European Commission under EU State aid rules in 2019.

9.3.2. Portuguese generation technologies

The Portuguese electricity generation mix used to rely, to a great extent, on fossil fuels but has gradually evolved over the past two decades to integrate a significant amount of renewable resources. This positive trend is aligned with the Portuguese and EU decarbonisation objectives, as detailed in PNEC 2030 presented to the EC for the 2030 horizon. Generation from renewable resources, especially from onshore wind but also from hydroelectricity, biomass and solar energy, significantly increased in the first decade of this century, while most fuel-oil and gas-oil power units have been phased out. Expectations for the near future are that coal plants will be finally shut down, volumes of solar photovoltaic plants will be increased and battery storage facilities installed. By the end of 2020, the national installed power share per type of technology was dominated by hydro and wind, followed by CCGT and coal. In terms of produced electricity, hydro, wind and CCGT present the largest share. Solar photovoltaic penetration is still low in the Portuguese generation mix.



Coal

The Portuguese generation system included only two large coal-fired power plants: Sines (1,180 MW), which ceased coal operation in January 2021, and Pego (628 MW), which ceased coal operation in November 2021. Sines was initially expected to be shut down in September 2023, but rising carbon dioxide costs and additional taxes have made coal plants increasingly uncompetitive, which led to EDP (owner of Sines Power Plant) having requested to advance its closure. EDP is now evaluating the development of a green hydrogen project in Sines.

Additional taxes for coal used to generate electricity were implemented in 2018 and are expected to rise, gradually, until 2022. These taxes consist of a rate equal to 10 percent of the ISP and a tax corresponding to 10 percent of the additional levy on CO₂ emissions.

CCGT

CCGT power plants in Portugal include the Central Termoelétrica do Ribatejo (1,200 MW), Central Termoelétrica de Lares (885 MW), Central de Ciclo Combinado da Tapada do Outeiro (990 MW), and Pego C.C. (830 MW). Installed power of CCGT has remained constant in the past decade but annual generation has varied greatly, conditioned by hydroelectric production, commodity costs and the availability of other thermal generation technologies, namely coal. For instance, in 2013 and 2014 it remained at around 1.5 TWh, while in recent years it has reached around 12 TWh.

Hydro

Portugal has abundant hydropower resources. It has storage, run-of-the-river, and pumped hydro storage plants. Storage plants accumulate large quantities of water that can be used in the driest months, while run-of-the-river may include a small storage power, and turbines operate depending on the river's flow. Pumped hydro storage plants include a system for pumping water from a lower elevation reservoir to a higher elevation, from where it can then be turbined again when most convenient from an electricity price approach. Its most important river basins are the Lima, Cávado, Mondego, Tejo, Guadiana and Douro (the latter being, by far, the most relevant in terms of generation capacity and production). Hydropower is strongly affected by hydrological conditions, which vary from year to year around 12 TWh. Hydro installed power has increased considerably in recent years, with renewable hydro power (excluding pumped storage) having increased from 5,693 MW in 2014 to 7,193 MW in 2017. As indicated in PNEC 2030, new hydro power plants with storage capacity and pumping totalling 2 GW of additional capacity are expected to be installed by the end of the decade. Hydro pumping is intended to play a key role in the provision of additional storage capacity to the system, for greater stability and efficiency, together with hydrogen and batteries.

Wind

By the end of 2021, Portugal had a total of 5,628 MW of installed power of onshore wind power generation. In terms of installed power it represents a share of 22.7 percent and in terms of total generation of 24.5 percent. Most of this power was installed before 2012, when feed-in tariffs were granted to wind generators, but the installation trend of new wind power plants has remained steady in the past years. Wind power production is massively obtained in the Centre and Northern regions of Portugal, together representing 87 percent of the overall production. It is important to mention that, in the central region, the capacity factor, which measures the number of equivalent hours at full load with respect to the number of hours available in each period, is around 0.4, much higher than the number of equivalent hours at full load of other regions of Portugal, where these factors range from 0.2 to 0.3. Under PNEC 2030, a significant increment in renewable power is expected in the coming decade, especially of wind and solar photovoltaic.

Solar photovoltaic

Solar photovoltaic capacity started to be installed in Portugal in 2005 and has increased continuously ever since. By the end of 2021 total solar photovoltaic installed capacity amounted to 1,777⁴¹ MW and had produced 1.7⁴² TWh. These quantities remain relatively low in comparison with other renewable energy sources, like wind, as they account for 2.6⁴³ percent and 3.7⁴⁴ percent of total generation in 2020 and 2021, respectively. The penetration of solar in Portugal is significantly lower than in Spain. However, given the high irradiation rates in Portugal, the lower installation costs and the focus set by the Portuguese government on this particular technology to increase the share of renewables in the

⁴¹ Source: https://www.dgeg.gov.pt/media/5fjpfuk1/dgeg-arr-2021-12_v2.pdf (Page 8).

⁴² Source: <https://datahub.ren.pt/pt/eletricidade/balanco-mensal/?date=2021-12-31>.

⁴³ Source: <https://datahub.ren.pt/pt/eletricidade/balanco-mensal/?date=2021-12-31> (2020 Generation: 1,270/49,343 = 2.6%)

⁴⁴ Source: <https://datahub.ren.pt/pt/eletricidade/balanco-mensal/?date=2021-12-31> (2021 Generation: 1,721/46,720 = 3.7%)

country's future electricity mix, a significant growth in solar is expected in the next years. In fact, PNEC 2030 foresees a cumulative power of 8.1 GW to 8.9 GW of solar photovoltaic power by 2030. Two rounds of auctions have been held by the Portuguese government, in 2019 and 2020, to grant access to the network to new solar and combined solar plus storage capacity. 1,150 MW and 670 MW were awarded, respectively, with very low bid prices. An auction for floating solar photovoltaic capacity, awarding both a title of reserved capacity and a provisory water use title was launched in 2021 and in 2020 183 MW of capacity were awarded. More tenders are expected to be held in the period 2022-2030 to achieve the targets set.

Biomass

Biomass refers to the set of products consisting of, at least partially, vegetable material resulting from agriculture or forestry activities, or certain forms of waste, which can be used as fuel by recovering its energy content through the production of heat and electricity. Biomass can be in the form of solid biomass, biogas or liquid biofuels depending on its origin and the transformation processes involved. The installed power of biomass power generation in Portugal has remained stable at around 600 MW in the past decade, with a significant increase in 2019 to almost 700 MW. Around half of the total biomass generation capacity consists of combined heat and power (cogeneration). The most common biomass resources used in Portugal are wood residues derived from forestry operations and wood waste from industrial processes, particularly from the paper and pulp industry. Other biomass resources receiving attention are animal waste and municipal solid waste. The Portuguese territory is very rich in raw materials that can be used as sources of biomass, seeing as forests cover more than one third of the territory. Forestry residues and municipal waste are typically combusted in furnaces and boilers to produce heat for a steam turbine generator. Portuguese Biomass Power Plants are generally small, usually less than 25 MW, due to limitations in the supply of the necessary raw material. Their size can be increased if the biomass resource used is readily available and located close to the generation plant, but values are rarely beyond 75 MW and in most cases are below 50 MW. Existing biomass power units commissioned before 2013 still benefit from the former feed-in tariff schemes, with an average value of €119 per MWh for forest biomass and €102 to €104 per MWh for animal biomass. The support scheme for biomass electricity generation approved in 2019 aims to encourage forest owners to clean their land at risk of fires by using these forest residues to produce biomass energy. Only installations that meet certain requirements are eligible, such as proximity to critical forest fire risk areas and less than 10 MW power for each single plant. The subsidy consists of a feed-in premium in addition to the market price paid to designated installations for all energy produced, as well as an environmental tariff premium linked to the use of biomass from Portuguese forests in "critical areas". The scheme will run for 15 years with a budget of around €320 million, which will be funded through an increase in energy tariffs.

Cogeneration and others

Other technologies include oil and gas, other renewable resources with scarce representation and cogeneration with non-renewable fuels, predominantly natural gas. Cogeneration is the production of energy from a fossil fuel, like natural gas, or from a renewable combustible, like biogas or biomass, which harness the thermal heat resulting from the energy production process for productive uses. Cogeneration plants are subject to the Special Status Regime, with priority access to the grid and energy sold at a regulated tariff, despite several generators opted to receive general remuneration (market prices) between the end of 2021 and the beginning of 2022, for a period of one year, due to the rising of natural gas wholesale prices. Natural gas-based cogeneration power and electricity production have remained stable

throughout the period 2010-2020, accounting for 3.3 percent of total installed power and almost 9 percent of total generation in 2020.

9.3.3. Future installation of renewable energies in Portugal

PNEC 2030 forecasts a significant growth in two renewable technologies: wind and solar. Solar photovoltaic is the technology expected to be developed faster, with an expected CAGR of 26.2 percent between 2020 and 2030, implying an annual installation of 812 MW. The growth in wind energy is more moderate, with a CAGR of 5.9 percent and annual installation rate of around 400 MW. Total installed power of wind and solar is expected to be 18.3 GW (9.3 GW for wind and 9.0 GW for solar).

The PNEC 2030 forecasts a growth in biomass installed capacity from 0.4 GW in 2020 to 0.5 GW in 2030⁴⁵.

9.3.4. Transmission

Transmission is the transportation of electricity at high voltage levels from power plants to boundary delivery points that then feed the distribution network and, in some cases, to very intensive consumers directly connected to the transmission grid.

Portugal

REN is the single TSO of Portugal's RND (with 8,733 km of lines across the country). Its functions include the planning, construction, operation and maintenance of the transmission grid and its interconnections with the Spanish transmission system. REN is also responsible for the system's operation and the security and adequacy of electricity supply. Allowed revenues for transmission activity and transmission tariffs for network users are determined by ERSE. The 400 kV lines follow a longitudinal design aligned with the coastline, with several transversal branch circuits extending from west to east to interconnect with the Spanish transmission network. The transmission network also comprises several 220 kV lines in the northern half of the country and old 150 kV circuits throughout the country. Network planning is REN's responsibility and is based on a national 10-year horizon network development plan, established in line with the European TYNDP, which is reviewed every two years and sent to DGEG for approval. REN also participates in the elaboration of the European TYNDP and promotes the submission of some projects proposed in the Portuguese national 10-year horizon network development plan to be considered as projects of common interest. Investments made in recent years to reinforce the transmission system have been driven by the need for stronger interconnection with Spain, but also to cope with the higher penetration levels of renewable resources, particularly wind energy, usually in inland areas, where the natural resource is more abundant but consumption is lower.

International interconnections

Cross-border interconnection capacity provides the electricity system with robustness and security and improves market competitiveness and efficiency.

Portugal is interconnected with Spain through several transmission lines along its border. It is interconnected to the rest of Europe through Spain and, therefore, its degree of integration in the European electricity network is conditioned by the network transfer capacity between Spain and France, which remains low in comparison with other European borders.

⁴⁵ Source: Table 7 of the PNEC 2030

Portugal has historically been a net importer of electricity from Spain, except for the period 2016-2018. The 2018-2027 national 10-year horizon network development plan and the 2018 TYNDP include a project for the construction of a new transmission line reinforcing the interconnection capacity between Portugal and Spain. This project consists of a 400kV overhead line between Fontefría (Spain) and Ponte de Lima (Portugal) and requires further internal reinforcements to complement it at both sides. Interconnection capacity would increase by around 500 MW. This project was included in the ENTSO-E's projects of common interest list in 2013, 2015 and 2017. Its commissioning date is still uncertain.

9.3.5. Distribution

Electricity is distributed in the RND, which consists of high, medium and low voltage lines. Most electricity consumers are connected to the distribution network. The role of the DSO consists in managing the network by developing and maintaining the existing infrastructures. The allowed revenues, tariff methodology and tariff structure are defined by ERSE. As a regulated network activity, distribution is subject to a public concession regime. In Portugal, the company E-Redes - Distribuição de Eletricidade, S.A. is the main distribution DSO and was privatised in 2013. It holds the concession to operate the national distribution network in high and medium voltage and is also the concessionaire of most low voltage municipal distribution systems. Besides E-Redes - Distribuição de Eletricidade, S.A., there are several small electricity distributors, mainly small local communities organised as cooperatives that operate in single municipalities at the low voltage level, with less than 1 percent of market share. DSOs have long grappled with the challenge of integrating distributed and intermittent generation in the distribution networks. For this reason, and as noted in PNEC 2030, national research and innovation initiatives are planned to integrate smart energy management systems and new infrastructures, such as new storage systems, in the distribution networks.

9.3.6. Retail activity

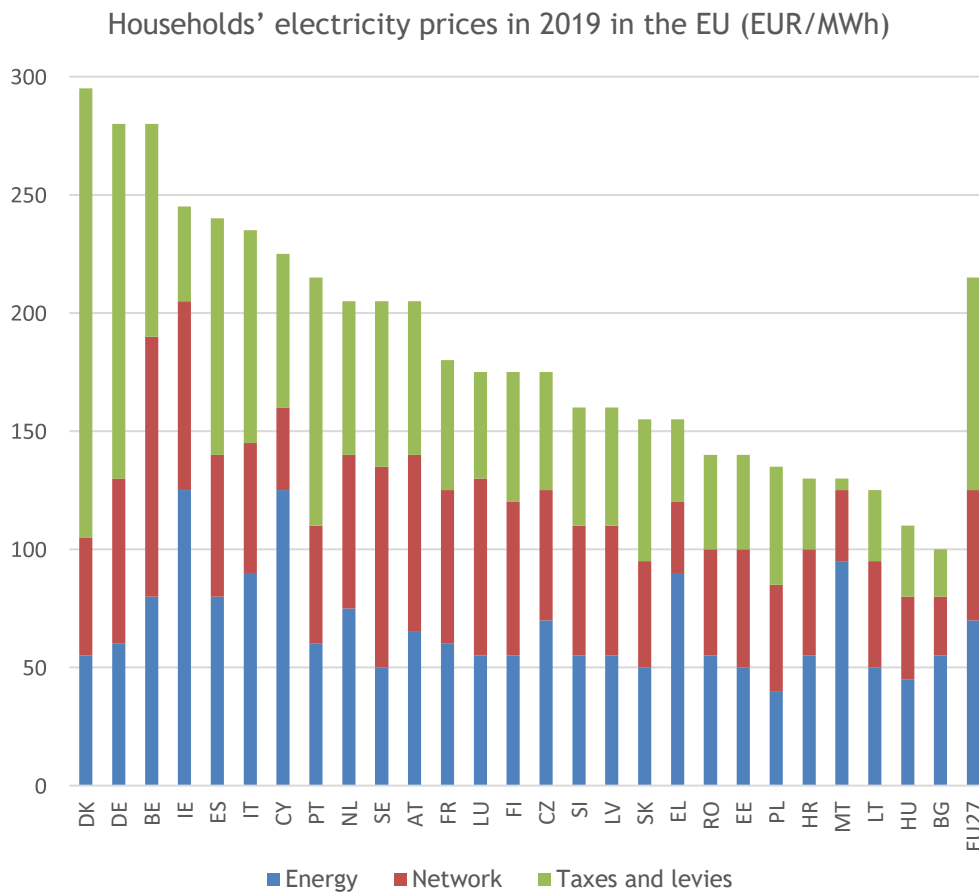
According to REN, there are almost 6.2 million consumers in Portugal, most of which use low voltage, 23,500 medium voltage and 350 high and extra high voltage. Retailers are responsible for managing relations with end consumers, including billing and customer service. The electricity retail sector in Portugal has experienced a gradual process of liberalisation since 2006. The majority of consumers buy electricity in the free retail market, where they can choose among several suppliers.

A regulated market coexists with the liberalised market regime under the figure of supplier of last resort, subject to a public concession regime like other regulated activities. This regime exists for certain consumer groups that require special protection, such as economically vulnerable consumers or consumers whose supplier has been prevented from exercising its activity. In addition, a transitory regulated tariff, annually reviewed by ERSE, is still available for other customers until 2025, even though most consumers have already switched to the free market. The last resort supplier is also required to buy special regime electricity from producers under regulated prices (feed-in tariff).

The final electricity prices paid by customers under the different markets are composed of the following components:

- Energy and supply costs, which include the cost of purchasing electricity on the wholesale market, but also retailer's operating costs to run the business, including sales, billing and profit margin. Consumers in the regulated market pay the energy tariff and the supply tariff, set by ERSE, while in the liberalised market each supplier defines this price in free competition;
- Network access tariff, paid by all consumers, comprises the global technical system operation tariff, the transmission network tariff, the distribution network tariffs and the supplier switch operation tariff; and

- VAT and other taxes, defined by the government, are the same across the liberalised and regulated markets. Final electricity prices for consumers in Portugal are among the highest in Europe, mainly due to a high VAT (23 percent) and various additional taxes and regulated charges.



Source: EC Report on Energy prices and costs in Europe⁴⁶, with data from Eurostat.

9.4. Biomass technology insights

Biomass has certain characteristics that must be properly addressed when using it as energy source, such as its heterogeneity, low density and high degree of moisture. To cope with these special characteristics, the design, construction and operation of biomass to energy plants must be accomplished by specialised companies, thus reducing the competence and risk of new entrants. There are different types of biomass depending on their nature and source. Each biomass plant must be designed taking into consideration the specific characteristics of the biomass to be used as fuel. Biomass can be directly burned for heating or power generation, or it can be converted into oil or gas substitutes. Liquid biofuels, a renewable substitute for gasoline, are mostly used in the transport sector.

Regarding the different technologies applicable to biomass to produce energy, the most predominant are the following:

- Thermal technologies:** The biomass thermo-chemical conversion is based on biomass combustion. There are three main methods of biomass thermo-chemical conversion depending on the amount of air spent to oxidise

⁴⁶ Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and Committee of the Regions Energy prices and costs in Europe, COM(2020) 951 final.

the biomass: (i) direct combustion in excess air, (ii) gasification in reduced air, and (iii) pyrolysis in the absence of air. Direct combustion is the best established and most commonly used technology for converting biomass into heat;

- (b) **Biochemical technologies:** Biochemical processes, such as anaerobic digestion, can also produce clean energy by transforming the biomass into biogas, which can produce electricity and/or heat using a gas engine. In Portugal, biogas is usually produced from municipal solid waste, sludge produced in water treatment plants, sludge from industrial activities (food industry, paper mills, etc.), cattle manure, pig slurry, chicken poultry, etc. At the end of 2020, the installed power of biogas plants in Portugal was 72 MW.

9.5. Biomass plants' key performance indicators

The main KPIs of the most common Portuguese Biomass Power Plants, namely direct combustion Portuguese Biomass Power Plants, are summarised as follows:

- (a) **Electrical power:** As mentioned, Portuguese Biomass Power Plants in Portugal are mostly below 50 MW. Moreover, plants in the high end of this threshold (50 MW) will need considerable amounts of biomass, around 300,000 to 500,000 tons per year, depending on the biomass humidity, which entails a challenge in terms of biomass supply and logistics;
- (b) **Thermal power:** Biomass combustion plants with thermal capacity over 50 MW are considered large combustion plants under European regulation and, therefore, are subject to stricter environmental requirements;
- (c) **Biomass consumption:** This KPI is driven by the biomass type used, based on its energy density. In the case of low energy density biomass, such as agricultural waste or forest biomass, biomass amounts are higher, increasing supply and logistics difficulties. Moreover, the seasonal nature of certain agricultural waste, such as straw, implies the need to make enough biomass storage capacity available for the whole year, usually not at the plant site but rather distributed in external storing facilities. Higher capacity plants have higher biomass demands, which tends to increase their operational complexity and the biomass logistics and storage needs;
- (d) **Gross efficiency:** European regulation establishes that large combustion plants, with thermal power over 50 MW, must fulfil certain limits and conditions established in the corresponding best available technologies documents. One such requirement is the need to comply with the gross efficiency threshold included in the best available technologies for large combustion biomass plants, which for new biomass plants is 33.5 percent to 38 percent and for existing biomass plants is 28 percent to 38 percent. Furthermore, as the Biomass Power Plant LCOE strongly depends on biomass cost, reaching higher efficiencies is of great relevance for the project's economic feasibility;
- (e) **Electricity self-consumption:** Self-consumption is highly related to the biomass pre-treatment processes and the cooling system. If the biomass is received pre-treated (milled and sorted), self-consumption will be lower. Equally, if the plant's cooling media is water (cooling towers), self-consumption will be lower. On the other hand, the configuration of the biomass plant may have the biomass pre-treatment facilities electrically connected to the power plant, thus counting as self-consumption, or have a separate grid connection; and
- (f) **Availability:** Reaching high availability levels is crucial for biomass to be cost effective. Portuguese Biomass Power Plants can operate on base load with availabilities of around 80 percent to 90 percent. Also, their

manageability (i.e. they can run at any time provided that feedstock biomass is available on site) gives biomass a significant advantage compared with other renewable sources.

9.6. Environmental aspects

The main advantage of biomass, from an environmental standpoint, is that it is considered carbon neutral given that biomass has a biogenic origin. This does not mean that biomass does not emit CO₂ in the combustion process, but the CO₂ emitted is previously fixed in solid carbon (for example by plants, trees, etc.) during the maturing process of the feedstock later used as fuel in biomass plants.

Another big advantage is that biomass is “renewable”, since new plants and trees can (in principle) be planted and grown in a never-ending process. This is not the case with customary fossil fuels (coal, oil derivative fuels, natural gas, etc.).

On the other hand, biomass to power or heat is based on the technology used for classic thermal power or heat generating plants: the combustion of fuel in a furnace and the recovery of the combustion heat in a boiler to produce high temperature and high pressure steam, which will then be used for generating power or useful heat by an end consumer (industrial process, district heating, etc.). This means that all the environmental impacts of classical thermal power plants must also be considered and properly addressed in a Portuguese Biomass Power Plant, such as air emissions, water discharges, waste generation (slag, flying ashes, lubricating oil and greases), noise prevention, dust prevention, visual impact, among others. For further details on the Issuer’s main objectives, such as its commitment to carbon neutrality and promotion of the circular economy, Section 10.5 (“*The Issuer’s main objectives*”).

9.7. Economic aspects

LCOE past and prospects

The LCOE is a ratio that expresses the average total investment and operating costs per unit of total electricity generated over an assumed lifetime. It is normally used to assess and compare alternative methods of energy production. Unlike other renewables (whose LCOE relies mainly on the initial investment and OPEX), the LCOE of biomass is highly dependent on fuel costs, which is the cost of the biomass itself. For power plants located at a close distance to biomass production facilities, such as paper mills or board factories, the LCOE can be highly competitive (with the cost being even lower in cases where the plant owner is also the biomass production owner).

The LCOE for biomass power plants also relies on the biomass quality (i.e. its energy density). The energy density of the biomass somewhat limits the size of the power plant, due to the fact that the amount of biomass required for a high capacity plant would make the logistics more difficult and costly.

Another aspect that leads to cost reduction is the installed capacity of the technology. In the case of Portugal, at the end of 2021 the Portuguese Biomass Power Plants represented a total installed capacity of 707 MW with a share of 7 percent of the country’s total electricity generation. Finally, an additional advantage of using biomass instead of other renewable sources is that it is possible to manage the fuel input, therefore reducing the intermittency of power output.

Investment CAPEX⁴⁷

⁴⁷ These are industry typical numbers, therefore the following figures and values may be not comparable to the Issuer’s values.

The typical average CAPEX is between €2,500,000 and €3,500,000 per MW, ranging between around €2,500,000 per MW for power plants with an installed capacity of 50MW or more and around €3,500,000 per MW for power plants with an installed capacity of 20MW or less. From this value, the material investment accounts for 88 percent.

OPEX⁴⁸

The total OPEX amount for a Biomass Power Plant in Portugal is approximately €70-80 per injected MWh, which is split as follows:

- (a) **Biomass costs:** As indicated above, this represents the highest operative cost for the plant. In Portugal, the average cost ranges between €40 to €50 per MWh, around 60-70 percent of the total OPEX;
- (b) **O&M costs:** These refer to the O&M agreement signed for a power plant. The range for a non-full scope contract (i.e. spare costs excluded) is between €7 to €12 per MWh. The O&M costs also depend on economies of scale. As a complement to this, a spare parts cost should be considered, based on the contractual terms (i.e. EPC expiration guarantees);
- (c) **Supplies:** This item includes water, electricity, gas and chemicals used in the processes. These represent around 8 percent of the total OPEX. Among these, self-consumption electricity and water are the most significant because the amount is also determined by economies of scale;
- (d) **Insurance:** The typical value observed in recent biomass projects is around 0.3 percent to 0.6 percent of the initial material investment;
- (e) **Management:** These costs are typically 2 percent of the total OPEX; and
- (f) **Other costs:** These costs typically amount to €3.5 per MW.

Recurrent CAPEX/Overhaul strategies

Biomass Power Plants suffer continuous wear and tear due to the abrasive and, sometimes, corrosive characteristics of biomass. They therefore need recurrent investments to maintain equipment in proper conditions and to achieve good availability and efficiency levels. Moreover, the steam turbine and the electrical generator need annual inspections as well as an intermediate overhaul every 3 years and a complete overhaul every 6 years. During these overhauls, an in-depth review of the steam turbine and the electrical generator is performed and the most worn parts are replaced, preferably by the steam turbine and generator manufacturers. The cost of these overhauls is remarkable and is not usually included in the O&M agreement. In this regard, the plant owner usually signs a long-term service agreement with the steam turbine and generator manufacturers, with a yearly cost, which includes daily supervision of the steam turbine and generator production parameters (by means of a remote monitoring system), as well as the provision of support in the scheduled maintenance operations and of any spare parts needed during the overhauls. Corrective maintenance may be excluded from the scope of the long-term service agreement in order to reduce its price. Fixed price and delivery time for critical spare parts may be established to mitigate risk of unavailability.

⁴⁸ These are industry typical numbers, therefore the following figures and values may be not comparable to the Issuer's values.

9.8. Portuguese biomass market

9.8.1. Portuguese forestry sector

The Gross Value Added (GVA) of forestry and forest industries is about 800 million euros and represents 0.6% percent of the GVA of Portuguese industry and 2 percent of Portugal's GVA (2014), while the forest sector is worth an estimated 2.5% of the national GDP⁴⁹. In 2017, the industries in the national forestry sector were made up of 9,987 companies, which were responsible for a GVA of 2,227.45 million euros, around 1.14% of the Portuguese Gross Domestic Product (GDP) and 10.19% of the total manufacturing industry. Furthermore, these companies hired 72,787 people, which represented more than 10% of the total manufacturing industry and around 1.87% of the total staff working for national companies⁵⁰.

The relevance of this sector is explained by the significant extension of forested areas in Portugal. 32 percent of the Portuguese territory is dedicated to forest production, with forest area occupying 2.5 million hectares (6.2 million acres) with 1.3 million hectares (3.22 million acres) of forested tree zone. The predominant industries in this sector are mostly linked to the use of wood in two important industries: chemical pulp (mainly eucalyptus) and the board sector (particle board, medium density fiberboard, etc.). Portugal is also the main cork producer in the world.

The country's productive forests are mostly populated by pine and eucalyptus, which accounts for 70 percent of the forested area of Portugal's North and Central regions, whereas the Alentejo region is dominated by oak trees (mainly cork and holm oak).

The biomass and wood industries in Portugal are the following:

- (a) **Pulp and panel industries:** The Portuguese pulp industry mainly consumes eucalyptus (hardwood species). However, one specific company produces craft paper from softwood. The panel industry mainly uses softwood;
- (b) **Thermal and electricity production:** The forestry industry has historically been connected to the bioenergy sector for various reasons. In the case of the pulp industries, wood residuals not used in the production processes, due to their size or characteristics (e.g. bark), have been used to produce thermal energy and, in some cases, electricity (combined heat and power plants) for the factories themselves. Moreover, in the case of paper mills, the so-called "black liquor" generated in the process of heating the wood is burned in a boiler to obtain thermal energy and electrical energy used to reduce the energy costs of the process; and
- (c) **Pellet production:** This industry has grown in recent years, having reached a consumption of 1.8 million tons of biomass in Portugal (2020) to produce around 860,000 tons of wood pellets. Some 545,000 tons of pellets were exported, equivalent to 64% of the total production. Although pellet production is mainly based on coniferous wood, eucalyptus is also used for pellet production.

There has traditionally been a relationship between Portuguese Biomass Power Plants and the forest industry in Portugal, which represents a competitive advantage given that it provides companies with greater control over biomass logistics. However, there are currently three Portuguese Biomass Power Plants not owned or operated by forest companies.

⁴⁹ National Forestry Accounting Plan Portugal 2021-2025 (APA).

⁵⁰ Indústrias de Base Florestal (INE).

Forest biomass is a very heterogeneous resource, quite dispersed in the territory, associated with adverse geographical conditions and, often with little associated infrastructure, which makes it expensive and difficult to explore. In this scenario, the search for and development of new sources of biomass is advisable and it would be helpful to analyze the potential of forest biomass from olive trees and other areas. The use of biomass for power generation has different advantages, such as:

- Stimulation of rural areas with job creation;
- Reduction of GHG emissions;
- Assistance in meeting national targets through renewable sources;
- Increase in the diversity of supply and possibility of energy storage;
- Reduction of fire risks;
- Neutral CO₂ balance;
- Stimulation and creation of more sustainable forests.

9.8.2. Portuguese agricultural sector

The Portuguese agricultural is historically dominated by small properties (70 percent of farms in Portugal are less than 2 hectares) and lack of sophisticated means. However, the sector is showing signs of change in this regard. The increase seen in larger agricultural structures (over 20 hectares) means that, although they still only represent 4 percent of all farms, they now account for around 70 percent of the used agricultural land area, with a much higher level of productivity than smaller farms. There has also been growth in organic farming, which generally produces goods with greater added value.

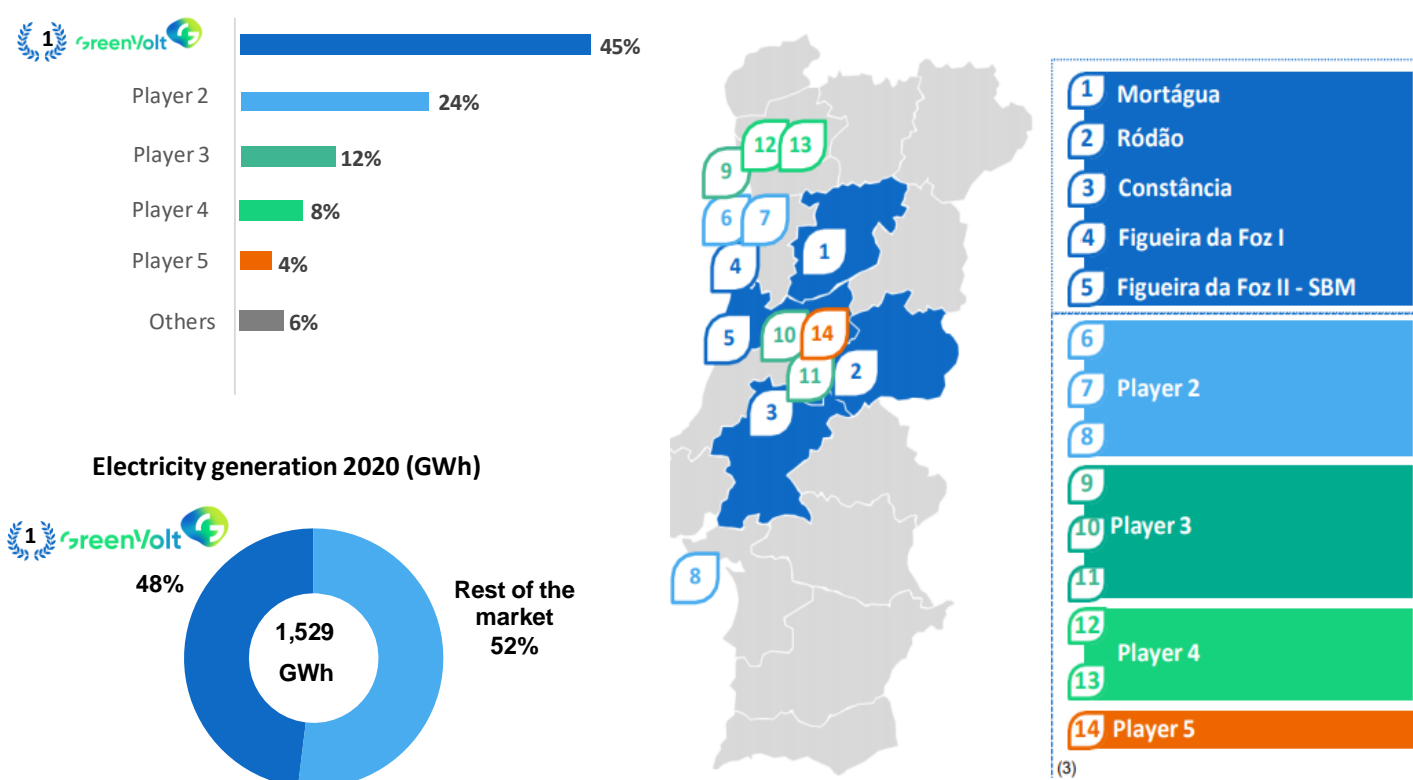
The production of fruit, horticultural products and animals (which represent 62 percent of total production) has increased at an average annual rate of 4.5 percent, 2.6 percent and 1.5 percent, respectively, since 2007. Based on the area cultivated by crop and their biomass productivity, it is estimated that there is high biomass potential on the agricultural sector in Portugal.

9.8.3. Biomass sector key players

The main consumer of biomass in Portugal are the pulp and paper companies, since they use by-products of their own productive process as biomass. The second most important biomass consumer is the pellet market in Portugal.

In terms of renewable energy production from forestry biomass sources, there are 5 main competitors in Portugal, where Greenvolt is the leader in terms of installed capacity⁵¹.

⁵¹ Source: DGEG.



GreenVolt, through the Portuguese Biomass Power Plants, has a combined installed injection capacity (as per respective licenses) of 100.5 MW (please refer to Section 5.4 (“Subsidiaries”). Yearly output of the Portuguese Biomass Power Plants is 713 GWh, meaning an operational load factor of around 7,095 equivalent hours per year. Yearly production of the Portuguese Biomass Power Plants accounts for around 2 percent of the total renewable electricity production in Portugal and 27 percent of the biomass electricity production.

Meanwhile, the Issuer’s biomass installed power represents 0.7 percent of the renewable energy installed power in Portugal and 16 percent of the biomass installed power.

9.8.4. Supply Chain

9.8.4.1. Biomass market

The biomass sector in Portugal has been traditionally linked to the forestry industry and, especially, to the pulp and paper industry.

The supply chain of forest biomass in Portugal is mainly characterised by:

- 85 percent of land ownership is private (with most forest plots smaller than a hectare; and
- Most of the wood demand and production of biomass comes from forest residues, provided by the forest industry (controlled by large forest industry groups).

Thus, while the forest industry groups set the wood and biomass demand, several small independent forestry companies are responsible for harvesting and transporting the forestry products. These small companies make the distribution of biomass resources to large consumers feasible.

9.8.4.2. Biomass flows in Portugal

Most of the bioenergy projects in Portugal are linked to the pulp and panel industry. The restrictions imposed on the cultivation of eucalyptus, together with the wood deficits foreseen in the coniferous sector as a result of the forest fires of 2003, 2004 and 2017, may generate a resource deficit. Given that the origin of the biomass sector is linked to the forest industry, the entire supply chain is linked to forest exploitation and controlled by the big pulp and paper companies.

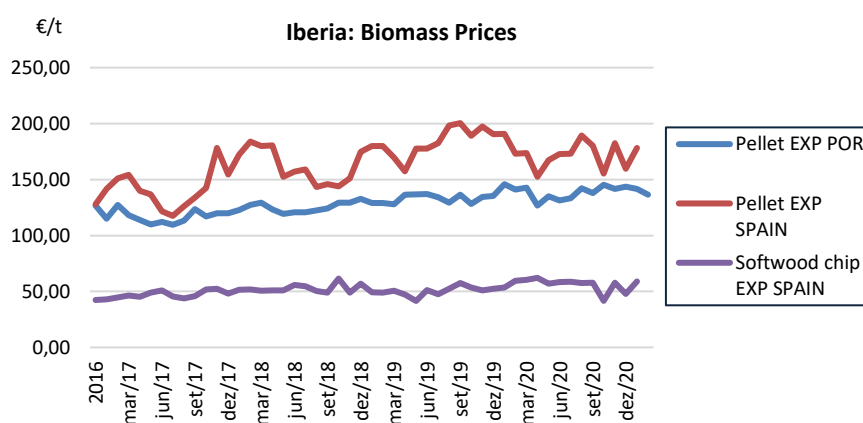
With an adequate supply chain orientation, it would be possible to produce energy from other abundant sources of biomass, such as agricultural crops, by developing the appropriate logistics and storage mechanisms, even if the main supply activity would be eminently seasonal.

Notwithstanding the above, the Issuer mitigates the aforementioned risk considering the entire supply of biomass being provided by Altri Madeira under long-term biomass supply agreements which result from the paper pulp production process at Altri group paper pulp facilities (for further details see Section 10.1 (“*Main activities of the Issuer*”)).

In addition, forestry biomass does not exhaust itself in the cultivation of eucalyptus. Nevertheless, the Issuer considers other type of biomass namely residues deriving from other economic activities, for example, agricultural or certain forms of waste, but also considers forestry biomass arising from new types of forestry, such as pinewood and acacia wood which can be used for this purpose, as well as other types of waste. As such, not only residues deriving from forestry operations are considered, but also wood waste from industrial processes.

9.8.4.3. Biomass prices

Historically, Portuguese biomass woodchip prices are around 15 percent cheaper than Spanish prices. The price of industrial biomass woodchips in Spain has stood at around €35 to €40 per ton (at 30 percent moisture) in recent years, with the price of the same material in Portugal standing at around €30 to €35 per ton (at 30 percent moisture).



Biomass price evolution. Source: Portuguese and Spanish market.

9.9. Electricity Remuneration Mechanisms

The main regulatory policies, fiscal incentives and public financing at the European level are as follows:

- (a) **Feed-in tariff (“FIT”)**: a remuneration mechanism designed to support and accelerate the installation of renewable energy facilities by providing producers with a guaranteed remuneration, above market price;

- (b) **Electricity utility quota obligation/Renewable Portfolio Standard (“RPS”)**: a policy requiring that a minimum percentage of the electricity supply or the installed capacity comes from renewable sources of energy;
- (c) **Net metering**: energy consumption is subtracted from energy produced and the total amount is net at the end of each billing cycle;
- (d) **Net billing**: energy consumption and production are recorded and invoiced separately for each billing cycle;
- (e) **Biofuel blend obligation/mandates**: a policy requiring a minimum percentage of biofuels within the composition of the fuels used;
- (f) **Renewable transport obligation/mandate**: a policy requiring that transportation use a minimum amount of energy from renewable sources;
- (g) **Renewable heat obligation/mandate**: a policy requiring that a certain amount of the heat energy consumed is generated from renewable energy sources;
- (h) **Fossil fuel bans**: a policy imposing restrictions on or prohibition to certain uses of fossil fuels;
- (i) **Tradable Renewable Energy Certificates**: Renewable Energy Certificates (“RECs”) are generated from each unit of renewable energy produced (normally megawatt-hour) and can be traded, bought or sold;
- (j) **Tendering auctions**: schemes designed to allocate financial support for renewable energy projects, normally based on the price for the energy produced;
- (k) **Feed-in premium**: electricity is sold on the electricity spot market and RES producers receive a premium on top of the market price of their electricity production, which can be fixed or variable (i.e. with variable levels depending on the evolution of market prices); and
- (l) **Contract for Differences**: a contract for differences is a long-term contract between an electricity generator and an offtaker enabling the generator to stabilise its revenues at a pre-agreed level (i.e., the strike price) for the duration of the contract.

9.9.1. Iberian Market

9.9.1.1. Feed-in Tariff

Portugal

The FiT schemes applied to most of the assets located in Portugal are based on Decree-Law no. 339-C/2001, of 29 December, which established the FiT schemes for most renewable technologies in Portugal (FiT scheme “A”). In 2005, the Portuguese Government published Decree-Law no. 33-A/2005, of 16 February, which laid down rules slightly reducing the FiT for new renewable assets in Portugal (FiT scheme “B”). The FiT is applicable to renewable assets registered until 7 November 2012. In 2012, because of Portugal’s changing economic circumstances and the drop in electricity demand, the government introduced a series of structural reforms in several sectors, including the electricity sector. One of the outcomes of this process was a new regulatory framework (Decree-Law no. 215-A/2012 and Decree-Law no.215-B/2012, of 8 October, which incorporated the renewables regime), which allowed anyone producing electricity from renewable sources to sell it on the open market.

A new regime for UPPs and UPACs was introduced by Decree-Law no. 153/2014 and replaced the remuneration regime previously applicable to micro and mini generation units, which continues to be applicable only to installations

registered until January 2015, when Decree-Law no. 153/2014 came into force. Decree-Law no. 153/2014 was subsequently revoked and renewable small-scale generation units are now governed by Decree-Law no. 15/2022. For further details on this matter, please refer to Section 12.3 (“Generation”).

Spain

In Spain, remuneration for renewable energy facilities is currently regulated by the following provisions:

- (a) Law no. 24/2013, of 26 December, on the Electricity Sector;
- (b) Royal Decree no. 413/2014, of 6 June, which regulates the production of electricity from renewable energy sources, co-generation and waste;
- (c) Ministerial Order no. 1045/2014, of 16 June, which approves the remuneration parameters for standard power generation plants based on renewables, co-generation and waste sources;
- (d) Ministerial Order no. 130/2017, of 17 February, which approves the remuneration parameters for standard power generation plants based on renewables, co-generation and waste sources;
- (e) Royal Decree no. 17/2019, of 22 November, which establishes the reasonable return for the next regulatory period (2020-2025) for generation facilities established before 2013 (7.4 percent) and after 2013 (7.1 percent); and
- (f) Ministerial Order no. 171/2020, of 24 February, which approves the remuneration parameters for the new regulatory period (2020-2022) for standard power generation plants based on renewables, co-generation and waste sources.

The regulation sets a remuneration scheme for standard facilities (*instalaciones tipo*) based on achieving a so-called “reasonable return” (currently 7.4 percent or 7.1 percent, before taxes, for existing facilities) over the projected lifetime of the facility, taking into account both the future revenues to be earned in accordance with the regulation and the revenues already received by the facility under the previous regime. For those facilities that fulfil the requirements of Royal Decree no. 413/2014, the remuneration scheme is based on a fixed annual payment (R_{inv}) based on the nominal capacity of the facility plus a variable payment (R_o) depending on the output of the facility.

Royal Decree no. 413/2014 establishes three thresholds or limits based on the equivalent hours of generation:

- (a) U_f : if the number of equivalent hours is lower than U_f , the specific remuneration would be zero;
- (b) N_h : if the number of equivalent hours is greater than N_h , the specific remuneration would be 100 percent of the value established for each year. If the number of hours is between U_f and N_h , the remuneration would be linearly calculated in accordance with the actual equivalent hours reached by the plant; and
- (c) Maximum Cap: MWh produced in excess of the maximum cap for operational equivalent hours will not receive any operational remuneration.

The regulatory lifetime of renewable energy, cogeneration or waste-to-energy plants is divided into “regulatory periods” of 6 years, each of which is itself subdivided into two 3-year semi-regulatory periods. The first semi-regulatory period started in 2014 and finished in 2016. The second semi-regulatory period started in 2017 and finished in 2019. The third regulatory period started on 1 January 2020 and will continue until 31 December 2022.

9.9.1.2. Auctions

Portugal

In 2019, 2020 and 2021/2022, the Portuguese Government launched solar tenders to foster investment in solar renewable assets and to help achieve the ambitious objective of Portugal becoming carbon neutral by 2050. One of the key objectives of the PNEC 2030 is to reinforce the focus on renewable energy and to efficiently manage the increase in the number of grid applications. Under the tenders, the generators were awarded a grid access point for the lifetime of the plant. In the auctions launched in 2019, 2020 and 2021, the bidding rules consider different options for remuneration of the projects:

- (a) **Fixed price or Contract for difference:** in the 2019 auction, the sponsor offered a discount on the reference tariff set by the Government over 15 years. This alternative was slightly changed in the 2020 and 2021 auctions, which included a monthly settlement mechanism based on the difference between the awarded price and the wholesale market price;
- (b) **Fixed payment to the system (merchant):** participants offer the system operator an annual compensation in order to participate in the wholesale market; and
- (c) **Merchant with energy storage (included in the 2020 auction, with a storage capacity of at least 20 percent of the grid connection capacity and with a duration of at least 1 hour):** considers a fixed payment per capacity determined as €per MW and an amount payable by the generator, based on the 90 percent injection capacity when the wholesale price goes above a level which varies quarterly and is set for a 15-year horizon. Participants offer a discount to the auction fixed payment in terms of €per MW.

Three auctions have taken place so far, in 2019, 2020 and 2022, with an aggregated awarded capacity of approximately 1.8 GW (1,150 MW of solar projects in 2019, 670 MW of solar and storage projects in 2020, and 183 MW in 2022 of floating solar projects). The outcome of these auctions has been considerably low electricity prices awarded as a result of a highly competitive tender. While in 2019 75 percent of the capacity awarded was via the fixed price option, with a minimum price of €14.7 per MWh offered by Akuo Renováveis Portugal, Lda., in 2020 only a slot of 10 MW, 1.5 percent of the capacity, was granted to Solarengoradar – Unipessoal, Lda. for €11.14 per MWh, a record low price in a renewable energy auction. In 2022, a new record was reached, corresponding to the lowest tariff in the world, in the amount of €4.13/MWh, which corresponds to a discount of 110 percent to the reference tariff fixed by the Government for the relevant lot and 137 percent lower than the lowest tariff reached in 2020. This lot corresponds to 70 MW in Alqueva dam and awarded to EDP Renewables, SGPS, S.A. With respect to the merchant option (fixed payment to system), in 2019 Iberdrola Portugal – Electricidade e Gás, S.A. was the company awarded the most capacity in this option, with 139 MW and an average compensation to the system operator of €22.29 per MWh, whereas in 2020 Audax Energia, S.A. was the company awarded most capacity, with 157 MW and an average payment to the system operator of €75.1 per MW, and in 2022 Finerge, S.A. was the company awarded most capacity, with three lots totalling 38 MW and an average payment to the system operator of €47.4 per MW. With the inclusion of the merchant with energy storage possibility in 2020, over 70 percent of the capacity was awarded using this bidding option. Hanwa Q Cells GmbH was the company awarded the most capacity under this option, with 315 MW and a 231 percent discount on average over the base price (equivalent to approximately €1.2 per MWh).

Spain

On 3 November 2020, Royal Decree no. 960/2020 established a new remuneration framework for auctions for renewable energy facilities, based on the long-term recognition of a price for energy. Participation in these auctions is also permitted for the extension or modification of pre-existing facilities. The product to be auctioned is installed power, electrical energy or a combination of both and the bid variable is the price per unit of electrical energy. Selective auctions can be held (technology, size, manageability, location, etc.) at the discretion of the Government.

Ministerial Order no. 1161/2020, published on 4 December 2020, followed the regulatory framework created by Royal Decree 960/2020 and established the operating methodology and a tentative timetable for future auctions in Spain. On 26 January 2021, the first renewable capacity auction was held, corresponding to the capacity considered for the year 2020. A total of 84 agents, with a total volume of 9,700 MW, participated in this auction.

9.9.1.3. Power Purchase Agreements

PPAs are contracts defining the commercial terms for the sale of electricity between two parties in the mid- to long-term. PPAs may assume one of two types:

1) Physical PPA (on-site and off-site)

In a physical on-site PPA, the generator and consumer are connected through a direct line and the electricity is injected from the generation facility to the consumer through this line. In a physical off-site (sleeved) PPA, there are three parties involved: the generator, the buyer and the retailer. In this configuration, the generator delivers the energy to the grid and the retailer then delivers it to the buyer, but the payment of the fixed price is directly settled between the generator and the consumer. The consumer then pays a service fee to the retailer. The object of this type of PPA is the sale of electricity and guarantees of origin and prices are usually fixed or have a fixed term.

2) Synthetic or financial PPA

In this case there is no physical delivery of the energy to the buyer. The generator injects the electricity into the grid, receiving the wholesale market price, and the buyer acquires the electricity from the market, also paying market price. The parties periodically settle the difference between the hourly market price and the agreed fixed price through the financial PPA.

Currently in the MIBEL Market, most of the negotiated PPAs are Synthetic PPAs:

- **Term:** the term of the PPA varies from 5 to 15 years, with potential extension periods and with the possibility of including various price schemes during the contract term. Shorter terms have recently been observed. Settlement periods for the PPA contract range from a monthly to annual basis;
- **Volume:** the contracted volume can range from 100 percent of the electricity production to a fixed percentage of the electricity production or consumption or a fixed volume (e.g. P90 or 90 percent of the P50);
- **Price:**
 - (i) **Fixed:** the buyer pays a fixed price for every MWh delivered during the contract term, usually measured at the delivery point;
 - (ii) **Floor price plus fee:** the buyer pays for every MWh delivered during the contract term at the market price, discounting a fee. If the market price falls below a certain level (floor price), the offtaker pays the floor price, thus guaranteeing a minimum payment; and

(iii) **Collar:** the PPA establishes a minimum price (floor) and a maximum price (cap). Between these two limits, the applicable price is the wholesale spot price. In the scenario of the spot price breaching either the floor or the cap, the applicable price is the floor or the cap. A collar PPA may or may not include a service fee to be paid to the offtaker.

- **Compensation mechanism:** to safeguard cases where the market price strongly falls during a specific period, PPAs can include a compensation mechanism under which the offtaker payments are returned during an extension period: this debt is progressively paid in subsequent years. The compensation mechanism and contract term may remain in force until the debt has been fully paid; and
- **Guarantees of origin:** it is usually essential for the offtaker to receive the guarantees of origin for the full volume of the contract, in order to profit from (or sell to third parties) the green energy covered by the contract. In some cases, the buyer may agree to share with the seller part of the profits derived from the guarantees of origin, above a certain threshold.

9.9.1.4. MIBEL electricity market

MIBEL is the electricity market for selling and acquiring energy in the Iberian Peninsula and comprises the future and spot electricity markets. In the futures market trades are closed at least two days before the energy dispatch and in the spot markets trades take place the day before dispatch in the day-ahead market and intraday adjustments are made in the intraday market. Companies authorised to buy and sell power in the spot MIBEL place bids in the wholesale market, while final settlement of orders is performed by OMIE, which is responsible for the operation and economic management of the market, on the basis of matching selling and buying offers under a marginal cost scheme. The result of matching selling offers and buying demands forms the hourly programme of power output and consumption for the 24 hours of the following day, the so-called day-ahead programme. The hourly programming of electricity output based on matching prices cannot guarantee the feasible operation of the system, as there might be technical restrictions in the transmission grid that should be considered, particularly considering that electricity supply must be equal to demand at any time and that there are technical limits in electrical lines and substations. Because of this, the Spanish TSO and the Portuguese TSO have to review the day-ahead programme settled by OMIE in order to assess its feasibility, taking into consideration transmission grid limitations, and, whenever necessary to adjust the day-ahead programme to ensure the proper and reliable operation of the electrical system. The adjustments are negotiated in additional markets, which are necessary to ensure the reliability of the system. This involves a complex process of real-time supervision and control of the network's status, including the planning and maintenance of the electricity system in the medium and long-term. TSOs are responsible for this task, thus ensuring a steady and secure supply of quality power.

Day-ahead market

The so-called wholesale market, or day-ahead market, is a marginal price market in which sale and purchase bids are matched for the 24 hours of the following day.

All generating assets available in the system, which are not engaged in physical bilateral agreements or are out of service due to breakdowns or maintenance, must offer power in this market. As of May 2021, the cap of €180 per MWh for energy prices at the day-ahead market was eliminated. Recently, by Decree-Law no. 33/2022, Portugal put into force an extraordinary mechanism aimed to limiting the prices of natural gas that natural gas-fired plants and cogeneration plants (and coal plants in Spain) shall consider when offering to sell electricity in the day-ahead market. The limit of the

price of natural gas is set in €40 / for the first 6 months of application of the mechanism, then increasing by €5 / MWh per month until reaching €70 / MWh in the last month (the mechanism will be in force only up to 31 May 2022). A compensation mechanism is foreseen for generators using natural gas to recover the surplus price of natural gas they pay and that they cannot reflect in the market price of electricity.

Suppliers, last resort suppliers, qualified consumers and non-resident suppliers registered as purchasers operate on the demand side. When trades are settled in this market, assessments are performed to verify that the maximum interconnection capacity with foreign electricity systems is not exceeded, taking into consideration any physical bilateral agreements that could have an influence in this regard.

After all sale and purchase bids have been placed and the trading interval closed, OMIE matches the bids for the programming period, i.e. it identifies the point on the supply-demand curve, starting from the lowest sales bid and highest purchase bid. The outcome of this matching will determine the quantity of power each agent has committed to deliver based on the sale and purchase bids accepted and matched at the marginal price for each programming period. This is obtained by identifying the sales bid performed by the last generating asset which had to be accepted to meet demand.

Intraday market

The purpose of the intraday market is to cover any imbalances between energy supply and demand following the publication of the feasible daily programme. Unlike the day-ahead market, participation is not mandatory. It is an adjustment market open to all market agents placing sale and purchase bids, without differentiating between producers and consumers. The intraday market has six sessions throughout the day and, as with the day-ahead market, the market operator is responsible for matching the bids placed for each programming period.

The MIBEL market has been integrated in a continuous European electricity market called the XBID, developed to create an integrated cross-border European intraday market and which entered into force on 12 June 2018, accepting orders from 13 June 2018. The purpose of XBID is to allow energy trading between different parts of Europe on an ongoing basis and increase the overall efficiency of intraday market transactions across Europe. The hybrid operating model currently adopted is based on the integration of the XBID European intraday market complemented by the execution of Iberian auction sessions in force. Agents will be able to carry out their operations, both internally within the MIBEL and with offers on the other side of the French border, through the functionalities provided by XBID. At the start of the hour immediately following the closing of the auction, negotiation shall commence in the continuous market of those periods prior to the horizon of the next intraday auction session and until the time immediately preceding the supply. As described, the adopted hybrid model will allow continuous trading within the 6 auctions system, although this may vary in the future.

Ancillary markets

Ancillary services are those needed to ensure that electricity is supplied under suitable conditions of security, quality and reliability, involving the continuous monitoring of the supply-demand balance, which can be compulsory or optional for the generation units. The ancillary services market includes any optional services the TSO considers necessary to ensure that the system can operate in a steady and reliable way in each generation market session. Until 2019, an upwards capacity reserve mechanism was in force through which the TSO paid some generation units to keep operating at their technical minimum, being in exchange forced to intervene in the resolution of any possible imbalances that may

occur. After the opening of XBID, this service, which was particularly expensive for the system, stopped being necessary and was removed.

When the day-ahead market session closes, OMIE sends the results to the TSOs. The TSOs then assess the technical feasibility of the matched generating assets added to the outcomes of any physical bilateral agreements to be able to guarantee the security and reliability of supply in the transmission grid, since the aforementioned matching process only takes into account prices. A procedure to resolve technical constraints is triggered if the resulting schedule exceeds the maximum interconnection capacity between electricity systems or does not fulfil supply security requirements. Technical constraints consist of any restrictions imposed as a result of the status of the transmission grid or the electricity system to guarantee a safe and reliable supply of quality power. These constraints are defined in the operating procedures of the Spanish and Portuguese electricity systems. This mechanism adjusts the allocations causing the breach of cross-border interconnection capacity and the allocation of output from generating assets affecting supply security. Once these constraints have been resolved, the system operators inform the market agents and the market operator issues a final feasible daily programme.

9.9.2. Guarantees of origin and other green incentives

A guarantee of origin is a renewable energy certificate that allows electricity consumers to track the source of their power consumption. EU Directive 2001/77/EC introduced guarantees of origin for the first time and described them as “an electronic document which has the sole function of providing proof to a final customer that a given share or quantity of energy was produced from renewable sources”. Therefore, guarantees of origin provide information to electricity consumers about the origin of their electricity and its associated impact on the environment in a transparent and reliable way.

A guarantee of origin is essentially a certificate that corresponds to 1MWh of electricity produced and includes detailed information on the origin of the power, the energy source (technology) and other elements such as the age of the power plant, location, subsidy, etc.

Depending on the Member State, the producer of renewable electricity operating in countries participating in the guarantees of origin system may be entitled to receive a guarantee of origin, corresponding to the quantity of renewable electricity produced, from an issuing body, usually the national registry that keeps track of all commercial transactions. In Portugal, REN has acted as the EOGO since June 2020.

On the one hand, electricity producers can voluntarily sell their guarantees of origin to a power supplier or to a business that wants to make a claim related to renewables. Once the customer uses the guarantee of origin for disclosure purposes, the electronic document is cancelled. On the other hand, the power supplier may only disclose renewable electricity in electricity bills and for advertisement purposes if they have cancelled the guarantees of origin for the delivered amount of energy issued in the register. This register system makes it possible to track ownership, verify claims and prevents electricity suppliers from double selling renewable energy.

Guarantees of origin are primarily used by electricity suppliers to prove that the electricity delivered by them is renewable and by businesses to reduce their Green House Gas Protocol Scope 2 emissions. Guarantees of origin are heterogeneous products differentiated by technology, age, location and subsidy, leading to several sub-markets with varying price levels and market liquidity.

Guarantees of origin are valid for 12 months after the production of the energy. Member States must ensure that all guarantees of origin that have not been cancelled shall expire, at the latest, 18 months after the production of the energy. The European market of guarantees of origin has enabled consumers and investors to satisfy their demand for buying environmentally friendly products, services and investments.

Through the purchase of power backed by renewable energy guarantees of origin, consumers can signal to the market that they prefer renewable energy or products made with renewable energy. For companies that want to become zero emitters, guarantees of origin are the main way of documenting the origin of their power supply.

As regards other green initiatives, the RE100 should be highlighted. This global initiative brings together the world's most influential businesses to drive the transition to 100 percent renewable electricity. At present, the initiative has more than 300 members operating in more than 175 markets and consuming around 315 TWh per year of renewable energy. The United Nations Global Compact is another very relevant initiative, calling on companies to align their strategies and operations with the Sustainable Development Goals and to promote the increased use of clean and sustainable energy.

9.10. Solar photovoltaic and Wind technologies in Europe

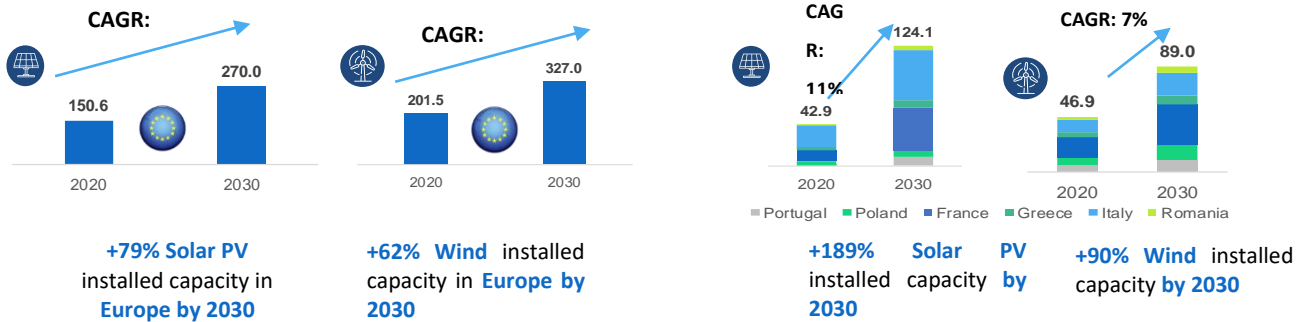
According to the NECP of European countries, wind and solar photovoltaic are the main renewable drivers to achieve energy transition in Europe (they currently represent circa 45 percent of renewable electricity generation and are expected to achieve circa 600 GW in 2030):

- Expected increase in solar photovoltaic installed capacity in Europe of circa 79 percent by 2030 (6 percent CAGR 2020-2030); and
- Expected increase in wind installed capacity in Europe of circa 62 percent by 2030 (5 percent CAGR 2020-2030).

Certain geographies where the Issuer is present, show higher growth rates than the expected average growth in Europe, both in the solar photovoltaic and wind arenas. Increasing installed capacity in both technologies is essential to comply with the EU's targets for 2030 and to reach carbon neutrality by 2050.

- Expected increase in solar photovoltaic installed capacity in selected geographies (namely Portugal, Poland, Greece, Italy and France) of circa 189 percent by 2030 (11 percent CAGR 2020-2030); and
- Expected increase in wind installed capacity in selected geographies of circa 90 percent by 2030 (7 percent CAGR 2020-2030).

Installed capacity (GW)

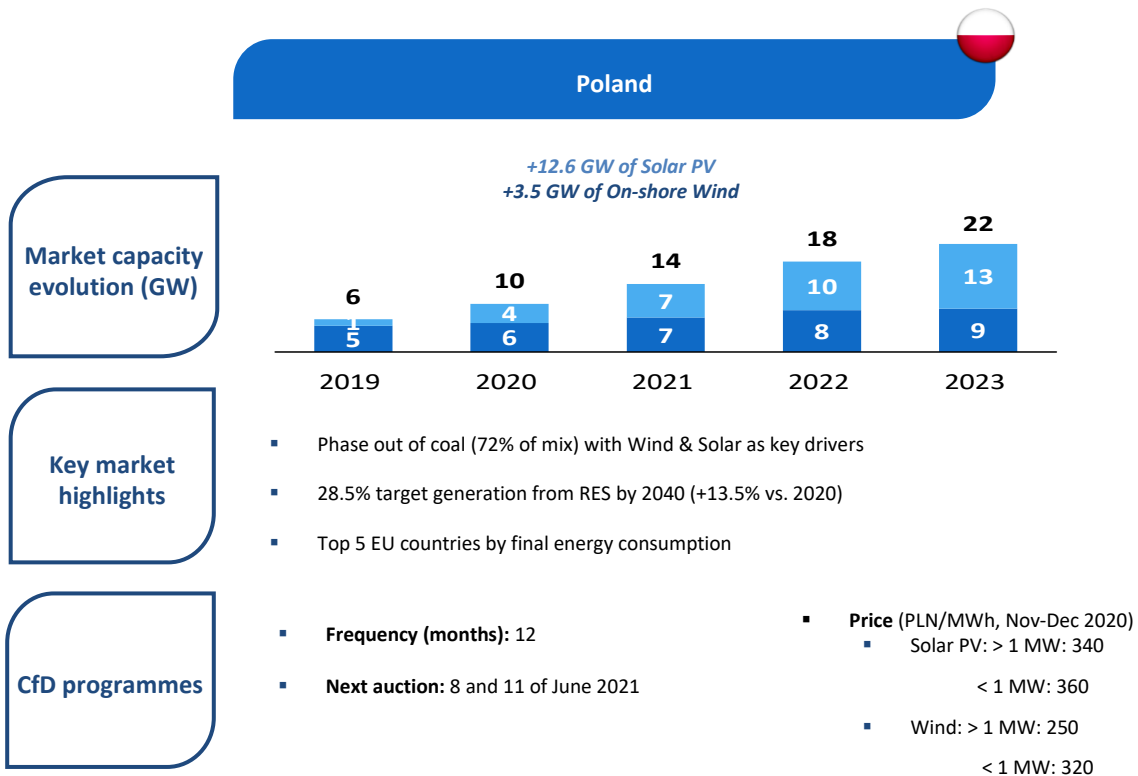


Source: National Energy Climate Plan of selected geographies (NECPs); IRENA database; IRENA Market Report - Renewable energy prospects for the European Union (2018).

(a) Key market highlights in Poland and Greece

Poland and Greece present solid growth perspectives in order to comply with the EU’s targets. For that purpose, both countries have CfD programmes in place with new auctions expected to occur in the following 12 months:

- +12.6 GW of Solar PV and +3.5 GW of On-shore Wind installed capacity expected in Poland (2019-2023);
- +2.9 GW of Solar PV and +2.0 GW of On-shore Wind installed capacity expected in Greece (2019-2023).



Market capacity evolution (GW)

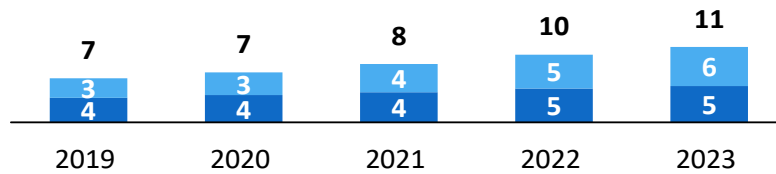
Key market highlights

CfD programmes

Greece



+2.9 GW of Solar PV
+2.0 GW of On-shore Wind



- 15 GW of Wind and Solar PV installed capacity by 2030 (with total RES capacity growth expected at around 61-64%)
- New National Energy and Climate Plan 2021-2030 expects RES investments of ~€43bn to reach the 2030 target

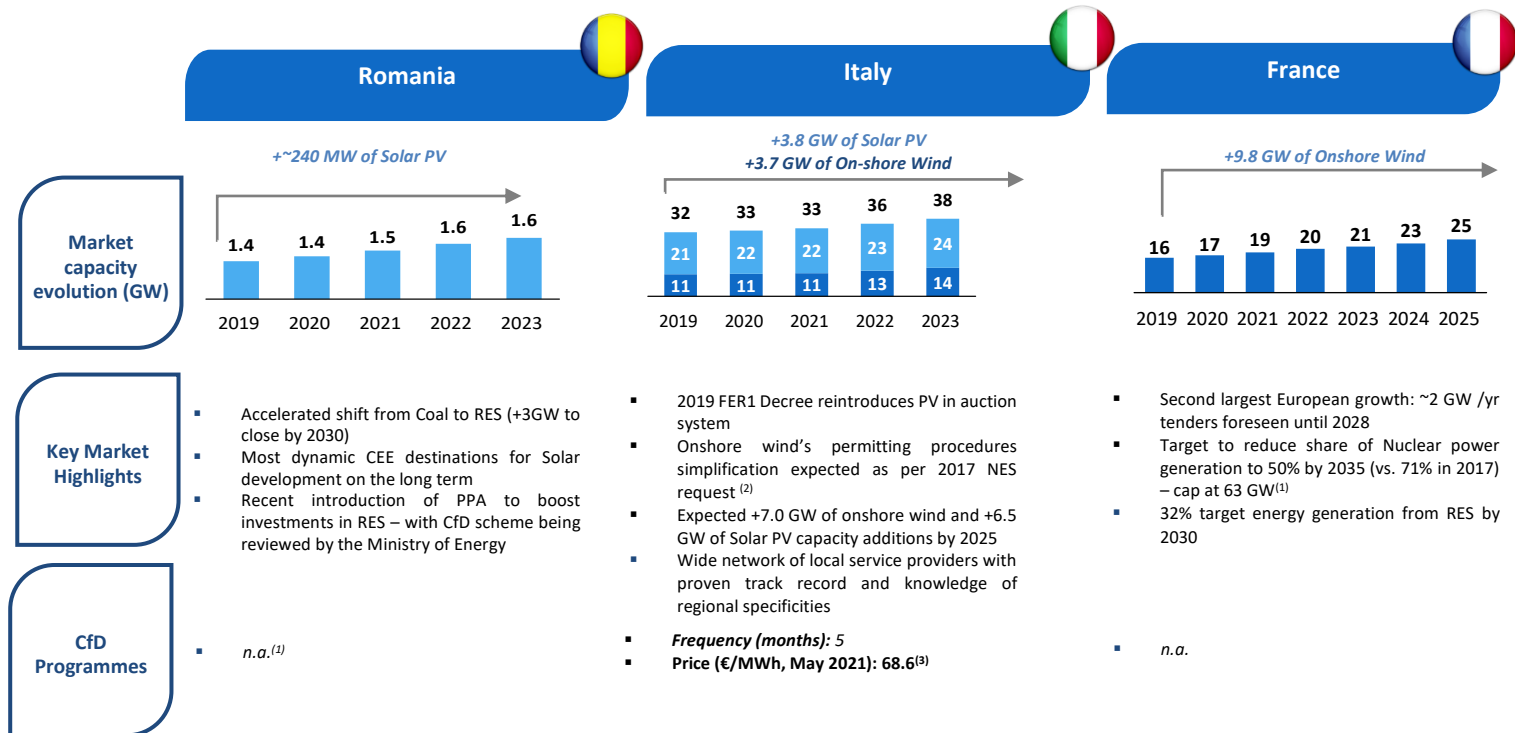
- Frequency (months): 5
- Next auction: n.a.
- Price (€/MWh, July 2020)
 - Solar PV: 49.8
 - Wind: 55.7

Sources: Bloomberg NEF (Capacity short term forecast, May 20th 2021), RAE, GreenSolver, Public information.

(b) Key market highlights in Romania, Italy, France and Spain

Romania, Italy and France present solid growth perspectives in order to comply with the EU's targets. For that purpose, these countries have CfD programmes in place or expected to be in place in the short-term:

- Romania has a PPA market to boost investments and a new CfD scheme is expected to be in place in the short-term, as it is currently being reviewed by the energy authorities:
 - +240 MW of Solar PV installed capacity expected in Romania (2019-2023).
- Italy has a CfD programme in place with a new auction expected next September (1.6 GW):
 - +3.8 GW of Solar PV and +3.7 GW of On-shore Wind installed capacity expected in Italy (2019-2023).
- France presents an auction programme of 2 GW per year foreseen until 2028, as the country is gradually phasing out nuclear power generation:
 - +9.8 GW of On-shore Wind installed capacity expected in France (2019-2025).



(1) Not applicable as only PPA scheme considered for Romania; (2) The National Energy Strategy, published by the Italian Government in 2017; (3) Average price of the CfDs bids of the winners

Sources: Bloomberg NEF (Capacity short term forecast, 20 May 2021), RAE, GreenSolver, Public information. Renewable Energy Market Outlook.

In what concerns Spain, Spanish electricity demand has recovered since 2014, after the period of decline during the economic downturn. Electricity demand is expected to grow steadily in the long term (c. +2.5%; CAGR 20-30). Increasing trend in electricity demand is mainly driven by the economic recovery and the electrification of the activity, and steps are being taken towards the electrification of the economy (e.g., electric vehicle, electric heating) and certain productive processes (e.g., heating processes with coal or gas to reduce GHG emissions).

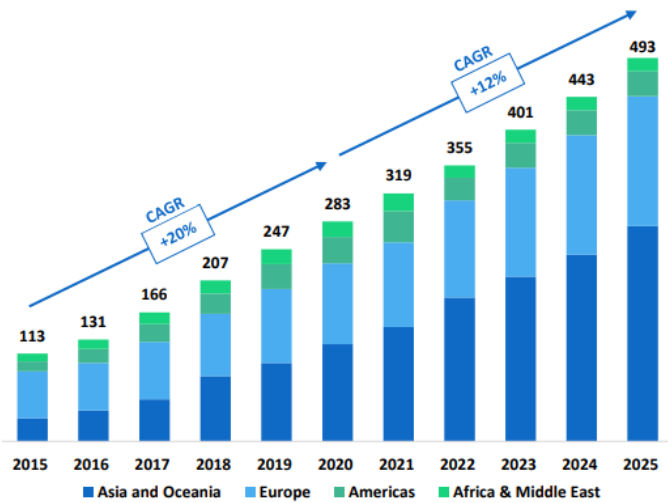
9.11. Distributed Generation

Distributed generation presents high growth prospects globally and in the Iberian Peninsula:

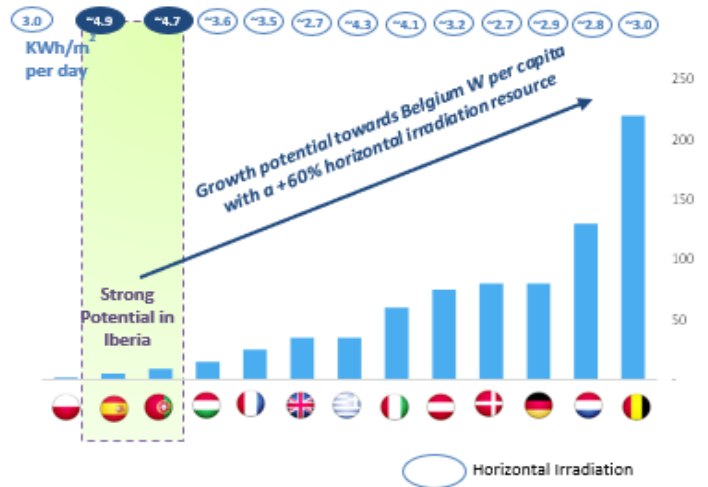
- +12 percent annual increase expected from 2020 to 2025 in installed capacity globally;

Self-consumption in Spain and Portugal presents low levels compared with other European countries, with growth potential when compared to Belgium, considering that Spain and Portugal have a higher (+60 percent) horizontal irradiation resource.

Projected Distributed Solar Capacity (GW)



Solar PV Capacity in Residential Sector (W/Capita 2018)



9.12. UK electricity overview

UK’s generation mix has significantly changed since 2009, with a significant shift towards renewable energy sources:

- The combined share of coal, gas and oil generation fell from 77.5 percent in 2009 to 45.5 percent in 2019, whilst renewables increased from 4.0 percent in 2009 to 36.5 percent in 2019; and
- In June 2019, the UK Government became the first worldwide to pass legislation targeting net-zero emissions by 2050, surpassing the previous target of an 80 percent reduction.

Within the renewables, waste and biomass represent a relatively small percentage of total installed capacity in the UK, at 15.4 percent in 2019:

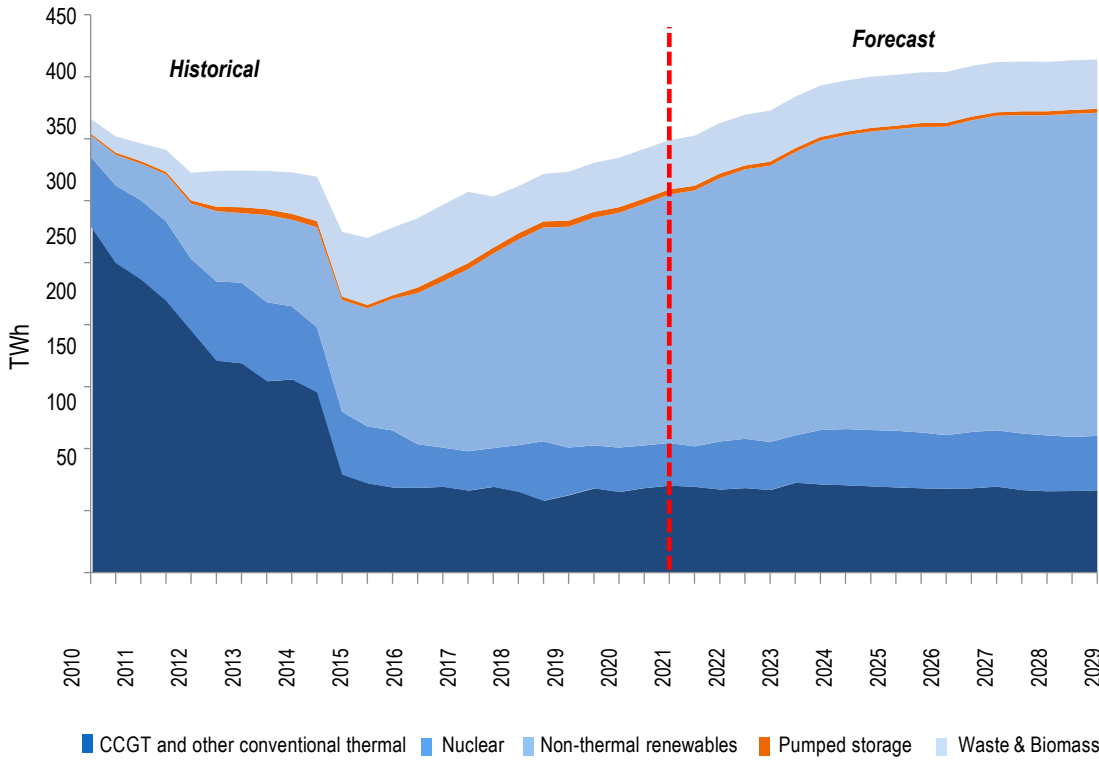
- However, waste and biomass contribute with a disproportionately high proportion of renewable generation, at 30.7 percent (36 TWh) in 2019, given their typical baseload dispatch profile.

Since 2009, there has been a decline in the United Kingdom’s electricity demand, down from circa 351 TWh in 2009 to circa 309 TWh in 2019. There are several reasons behind this decline, including:

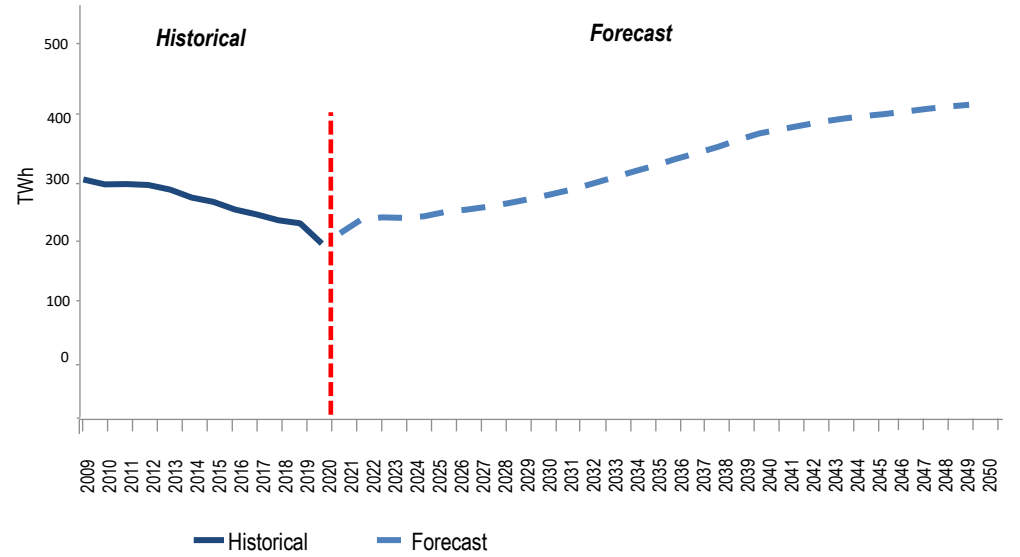
- Impact of energy efficiency measures (e.g. more efficient lightbulbs and domestic appliances);
- Continuing transition of the economy to less energy-intensive industries; and
- Lower levels of economic growth, especially since the recession in 2008-2009.

However, with the electrification of heating and transport (e.g. increased adoption of electric vehicles) as well as diminishing marginal energy efficiency gains, it is expected that electricity demand will revert to long-term growth, with an expected CAGR of 1.4 percent for the next 30 years. Please refer to Section 12.12.1 (“United Kingdom Regulatory Framework”) for more information on the regulatory framework applicable to biomass electricity generation in the United Kingdom.

UK Electricity Generation Overview



UK Electricity Demand Overview



Note: CCGT and other conventional thermal includes gas turbines, oil engines, coal, and battery storage.

Source: Market Consultants.

10. DESCRIPTION OF THE ISSUER'S BUSINESS

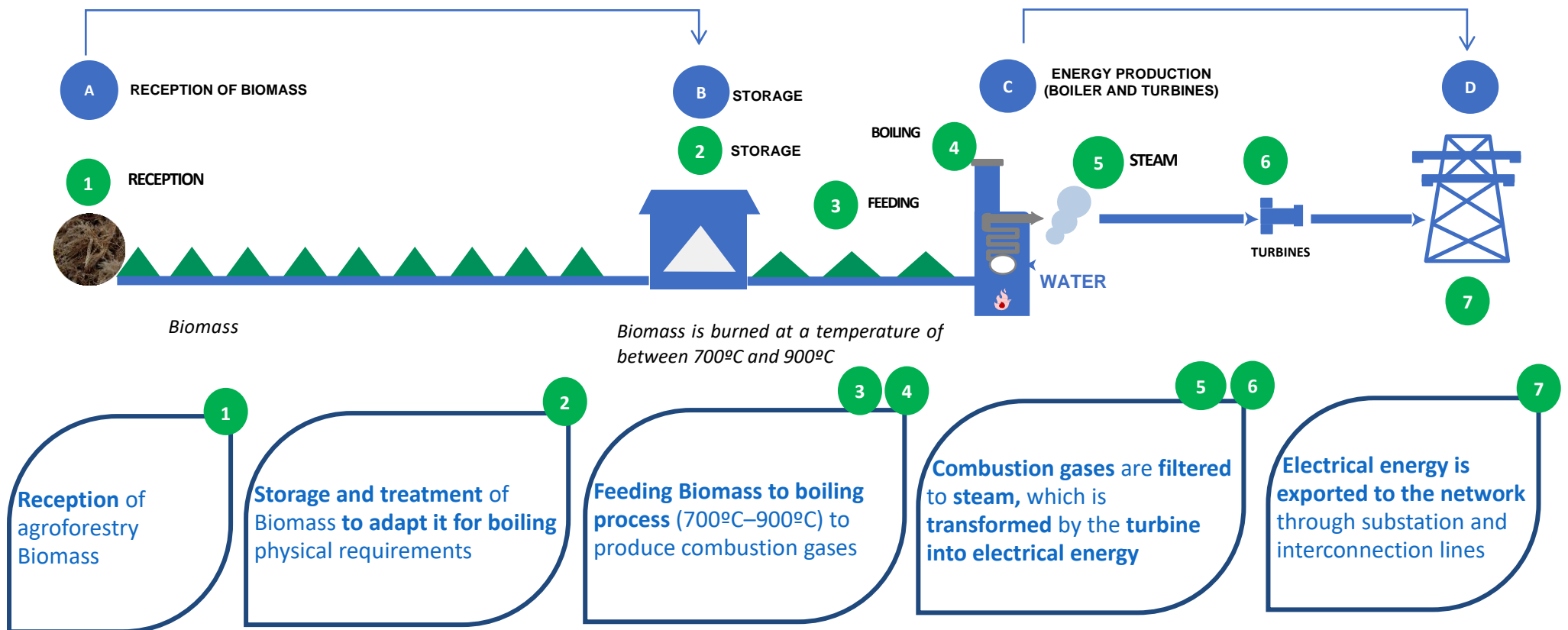
As a leader in the Portuguese market and a recognized player in the renewable energy international market, GreenVolt's strategy is 100 percent focused on renewable energy which is based on three pillars: residual biomass, wind and solar PV utility scale and distributed generation based on solar sources.

10.1. Main activities of the Issuer

Formerly part of the Altri Group, being integrated in its renewable energy division, historically GreenVolt's core business is the ownership, operation and development of Portuguese Biomass Power Plants in Portugal, which the Issuer and/or its subsidiaries have been doing for the last two decades, it being that, until 2018, the ownership and development of Portuguese Biomass Power Plants was carried out through a joint venture with EDP. The Issuer's current strategic positioning is based on differentiation and on the following three pillars: residual biomass, wind and solar PV utility scale and distributed generation based on solar sources. Nonetheless, GreenVolt's current core business is residual forestry biomass, complemented with the knowledge of biomass developed from waste and residues, thus avoiding approximately 161,428 thousand tons of tCO₂ emissions (location based) in 2021. As biomass refers to the set of products consisting of, at least partially, vegetable material resulting from agriculture or residual forestry activities, or certain forms of waste, the Issuer focus on residues derived from forestry operations and wood waste from industrial processes.

Biomass is solar energy stored in organic matter. As trees and plants grow, the process of photosynthesis uses energy from the sun to convert carbon dioxide into carbohydrates (sugars, starches and cellulose). Carbohydrates are the organic compounds that make up biomass. When plants die, the decay process releases the energy stored in these carbohydrates and discharges carbon dioxide back into the atmosphere. The use of biomass for energy causes no net increase in carbon dioxide emissions into the atmosphere as trees and plants grow at a rhythm that is able to remove carbon from the atmosphere through photosynthesis. Using biomass to produce energy is often a way to dispose of waste materials that would otherwise create environmental risks – such as forest fires. Diagram showing process from forestry waste biomass to electrical energy production:

Snapshot of the Biomass process



GreenVolt has limited supply risk given that (i) it is a fully integrated player and (ii) fuel is partly received from Altri's pulp facilities

As mentioned in Chapter 9 (“*Industry Overview and Trends*”), energy resources, particularly those of a renewable nature, constitute one of the main focuses of the current Portuguese energy policy with the purpose of minimising energy dependence and reducing the emission of polluting substances. In Portugal, a significant portion of biomass is already used, mainly in the industries of paper pulp production, panels, agglomerates and production of densified biomass for energy purposes. The mobilisation of new transformation technologies is vital for the dissemination of biomass use as an alternative to fossil fuels (gas and oil derivatives).

In addition to reducing the risk of fire in the central region of Portugal, which has a significant forest density, biomass electricity generation activity based on residual forest biomass has positive effects on the economy and helps rural development, by energetically valuing waste materials from the forests.

As such, on top of reducing the use of fossil fuels, subsequently reducing the emission of CO₂ into the atmosphere, the activity of Portuguese Biomass Power Plants has improved forest management in the central region.

According to statistics: (i) made available by REN – Rede Eléctrica Nacional – Data HUB, biomass contributed towards 6.6 percent of the total national electricity generation⁵² in 2020 and 7.0 percent in 2021; and (ii) made available by DGEG, biomass power plants represent an installed capacity of 707 MW in Portugal, of which 480 MW pertain to cogeneration plants (generating heat and power simultaneously) and 227 MW to biomass power plants without cogeneration, including the 100.5 MW of Portuguese Power Plants.⁵³

All electrical energy produced by the Issuer through residual forestry biomass is injected in the national electricity grid. As of 31 March 2022, the Issuer led the renewable energy sector of forestry base and injected 178 GWh renewable electric energy in the national electricity grid.

In addition to the activity carried out in Portugal through the Portuguese Biomass Power Plants, the Issuer has also started to operate TGP, a biomass power plant operating in the UK, following the acquisition, together with funds managed by Equitix, of Tilbury Holdings. For further details on this asset, please refer to Section 10.1 (“*Main activities of the Issuer*”), sub-section (a) (ii).

On the other hand, the Issuer is engaged in developing UPPs, photovoltaic solar power plants and wind power plants focusing a significant part of its activity in wind and solar PV utility scale and distributed generation based on solar sources. For further details on these assets, please refer to Section 10.1 (“*Main activities of the Issuer*”), sub-section (b) (i) for assets located in Portugal and sub-section 10(ii)(b) (ii) for assets located in Europe.

During the second quarter of 2022, GreenVolt acquired the solar photovoltaic plant LIG Green Source Energy Alpha (LIONS), located in Romania, with an installed capacity of 45 MWp, for 83 million Euros. This solar photovoltaic park has its remuneration ensured through two components: a market component and a regulated component of green certificates, which have a validity period until 2031, most of which have a sales contract established, in EUR, with the German electricity company EON.

A. Description of Assets

(a) Biomass power plants

⁵² <https://datahub.ren.pt/pt/eletricidade/balanco-mensal/?date=2021-12-31>.

⁵³ DGEG report entitled “*Estatísticas Rápidas – n.º 205*” issued in December 2021, available at https://www.dgeg.gov.pt/media/5fjpfuk1/dgeg-arr-2021-12_v2.pdf. Relevant information also available at <https://www.dgeg.gov.pt/pt/estatistica/energia/eletricidade/producao-anual-e-potencia-instalada/> and <https://datahub.ren.pt/pt/eletricidade/balanco-mensal/?date=2021-12-31>.

(i) Portugal – Portuguese Biomass Power Plants

Introduction

As already referred, the Portuguese Biomass Power Plants have been developed over the last two decades and their operation benefits from the relationship with the Altri Group entities which own the relevant pulp production factories and installations.

Additionally, the biomass used for electricity generation in the Portuguese Biomass Power Plants is provided by Altri Madeira under Biomass Supply Agreements for each of the Portuguese Biomass Power Plants, entered into between the Issuer and/or the subsidiaries, which set forth the biomass price, quality, capacity and delivery mechanism of the biomass for the Portuguese Biomass Power Plants. Circa 35 percent of the biomass supplies, namely bark biomass, has its origin in Altri's pulp facilities.

With the exception of the Mortágua Power Plant, each of the remaining Portuguese Biomass Power Plants, owned and operated by the Issuer and/or its subsidiaries, is located close to a Pulp Facility, owned and operated by a company comprised within the Altri Group, as follows (for 2021):

- **Constância Power Plant**, with an installed injection capacity of 13 MW (as per respective license), installed in Caima Indústria's pulp facility located in Constância, parish of Constância, in the municipality of Constância, district of Santarém, processing forest biomass; biomass consumption: 1.63 ton/MWh injection; consumption: 130,941 ton;
- **Figueira da Foz I Power Plant**, with an installed injection capacity of 30 MW (as per respective license), installed in Celbi's pulp facility located in Leirosa, parish of Marinha das Ondas, in the municipality of Figueira da Foz, district of Coimbra, processing forest biomass; biomass consumption: 1.56 ton/MWh injection; consumption: 352,864 ton;
- **Figueira da Foz II Power Plant**, with an installed injection capacity of 34.5 MW (as per respective license), installed in Celbi's pulp facility located in Leirosa, parish of Marinha das Ondas, in the municipality of Figueira da Foz, district of Coimbra, processing forest biomass; biomass consumption: 1.44 ton/MWh injection; consumption: 420,914 ton;
- **Mortágua Power Plant**, with an installed injection capacity of 10 MW (as per respective license), located in Lugar do Freixo, parish of Mortágua, in the municipality of Mortágua, district of Viseu, processing forest biomass; biomass consumption: 2.00 ton/MWh injection; consumption: 140,597 ton; and
- **Ródão Power Plant**, with an installed injection capacity of 13 MW (as per respective license), installed in Biotek's pulp facility located in Vila Velha de Ródão, parish of Vila Velha de Ródão, in the municipality of Vila Velha de Ródão, district of Castelo Branco, processing forest biomass; biomass consumption: 1.84 ton/MWh injection; consumption: 83,140 ton.

As the Constância Power Plant, the Figueira da Foz I Power Plant, the Figueira da Foz II Power Plant and the Ródão Power Plant are installed within a Pulp Facility, such power plants benefit from synergies established with the related Pulp Facilities namely for the provision of services, including operation and maintenance, internal management of biomass, waste management and general services, which are provided by the owner of the Pulp Facility to the Portuguese Biomass Power Plant Developer of the relevant Portuguese Biomass

Power Plant under the respective O&M Agreement, at market prices. In addition, the utilities used for the generation of electricity from biomass, including demineralized water and compressed air, are purchased by each Portuguese Biomass Power Plant Developer from the owner of the related Pulp Facility at market prices.

The Mortágua Power Plant is located in a forestry region and therefore benefits from short supply radius.

The Portuguese Biomass Power Plants amount to a combined installed injection capacity (as per respective licence) of 100.5 MW and, as mentioned, generated 713 GWh in 2021.

The Portuguese Biomass Power Plants benefit from guaranteed remuneration (feed-in tariff) under the applicable legal regimes set forth under the relevant licence for each of the Portuguese Biomass Power Plants, depending on the tariff set when the Portuguese Biomass Power Plants were licenced and subject to a term, in accordance with the table below:

PORTUGUESE BIOMASS POWER PLANT	APPLICABLE LEGAL FRAMEWORK	TARIFF AMOUNT (2021 Average)	TERM
Constância	Decree-Law no. 189/88, of 27 May	€118.3 per MWh	25 years as from grid connection (July 2034)
Figueira da Foz I	Decree-Law no. 189/88, of 27 May	€120.3 per MWh	25 years as from grid connection (April 2034)
Mortágua ⁵⁴	Decree-Law no. 189/88, of 27 May	€132.0 per MWh	25 years from entry into operation (August 2024)
Figueira da Foz II	Decree-Law no. 189/88, of 27 May	€116.3 per MWh	25 years as from grid connection (July 2044)
Ródão	Decree-Law no. 189/88, of 27 May	€122.5 per MWh	25 years as from grid connection (November 2031)

The Portuguese Biomass Power Plants inject the electricity generated in the public grid, which they sell to the Last Resort Supplier under power purchase agreements, following the legal standard model. The Last Resort Supplier acquires the electricity generated at the tariff price set for each Portuguese Biomass Power Plant.

Portuguese Biomass Power Plants owned and directly operated by the Issuer

The three Portuguese Biomass Power Plants directly owned and operated by the Issuer (Constância Power Plant, Figueira da Foz I Power Plant and Mortágua Power Plant) have a total injection capacity of 53 MW and, in 2021, injected 376.4 GWh (91.8 GWh were injected as at 31 March 2022), generating a total revenue for sales of energy and biomass of €45.9 million in 2021 (€48.8 million in 2020 and €11.4 million in the first quarter of 2022) and consuming a total of 624 thousand tons of residual forest biomass in 2021 (160 thousand tons were consumed as at 31 March 2022). At the beginning of 2020, the Issuer sold all its forest biomass stock to Altri Madeira (this biomass sale amounted to €2.8 million in 2020, nil in the remaining years), which became the Issuer’s sole biomass supplier, and the Issuer ceased to supply biomass, in 2021, to Sociedade Bioelétrica do Mondego, which also became supplied solely by Altri Madeira.

Operating expenses, costs with sales and supplies of external services amounted to €33.4 million in 2021 (and €8.8 million as at 31 March 2022), registering a €1.8 million increase compared to 2020. This was due, on the one hand, to the €3.2

⁵⁴ In addition, the Issuer is developing the project of a new Mortágua power plant with 10 MW of installed capacity, licensed under Decree-Law no. 64/2017.

million decrease in cost of sales, triggered by ceasing to supply biomass in 2021 and the lower specific consumption of the respective power plants (1.66 ton / MWh in 2021 vs. 1.74 ton / MWh in 2020). On the other hand, there was an increase in supplies of external services of €5.0 million, due to the costs incurred with transactions, namely TGP, partially offset by the change in accounting policy related with the planned annual stoppage (capitalised in 2021 vs. expensed in 2020). As such, the abovementioned Portuguese Biomass Power Plants yielded total revenue less cost of sales and external supplies and services of €12.5 million in 2021 (€17.2 million in 2020 and €2.6 million as at 31 March 2022). Indirectly, the Issuer contracted half a hundred workers to carry out the operation and maintenance activities of these plants.

Constância Power Plant

The Constância Power Plant's establishment licence (*licença de estabelecimento*) was obtained on 29 November 2007 and its operation licence (*licença de exploração*) was obtained on 14 August 2009. In accordance with the power plant grid connection certificate (*auto de ligação à rede*), grid connection was achieved in July 2009.

Guaranteed remuneration was awarded under Decree-Law no. 189/88, of 27 May and on average corresponds to €118.3 per MWh for 2021, calculated in accordance with the following formula:

$$\text{Valuation} = \{[5.44 * \text{minimum} (Pot_{dec}; PL/720) * PL/576 / Pot_{dec} + 0.036 * PL] * 1 + (0.00002 * 370 * PL) * Z\} / (1 - 0.015 / IPC_m - 1 / IPC_{ref} * (1 - \text{depreciation}))$$

For this power plant, the following parameters have been considered: (i) IPC ref: 92.948; (ii) capacity (kW): 12467; and (iii) Z factor: 8.2.

Guaranteed remuneration was granted for 25 years as from grid connection (i.e., until July 2034).

In 2021, the Constância Power Plant consumed 130.941 tons of biomass and injected 80,166 MWh into the grid, operating for 337 days with a total of 28 days of outage, with an availability of 92.3 percent (calculated using 365 days for 2021) and a load factor (also calculated using 365 days for 2021) of 70.4 percent. The power plants are deemed 100 percent available when in operation 365 days per year, while load factor is calculated as net production in MWh divided by net installed capacity, by 365 days and by 24 hours.

In 2021, the Constância Power Plant achieved a total revenue for sales of energy and biomass of €9.5 million. As at 31 March 2022, the total revenue amounted to €2.2 million.

Figueira da Foz I Power Plant

The Figueira da Foz I Power Plant's establishment licence (*licença de estabelecimento*) was obtained on 27 May 2009 and its operation licence (*licença de exploração*) was obtained on 3 August 2009. In accordance with the power plant grid connection certificate (*auto de ligação à rede*), grid connection was achieved in April 2009.

Guaranteed remuneration was awarded under Decree-Law no. 189/88, of 27 May and on average corresponds to €120.3 per MWh in 2021, calculated in accordance with the following formula:

$$\text{Valuation} = \{[5.44 * \text{minimum} (Pot_{dec}; PL/720) * PL/576 / Pot_{dec} + 0.036 * PL] * 1 + (0.00002 * 370 * PL) * Z\} / (1 - 0.015 / IPC_m - 1 / IPC_{ref} * (1 - \text{depreciation}))$$

For this power plant, the following parameters have been considered: (i) IPC ref: 92.835; (ii) capacity (kW): 28 776; and (iii) Z factor: 8.2.

Guaranteed remuneration was granted for 25 years as from grid connection (i.e., until April 2034).

In 2021, the Figueira da Foz I Power Plant consumed 352,864 tons of biomass and injected 225,979 MWh into the grid, operating for 343 days with a total of 22 days of outage, achieving an availability of 93.9 percent (calculated using 365 days for 2021) and a load factor (also calculated using 365 days for 2021) of 86 percent.

In 2021, the Figueira da Foz I Power Plant achieved a total revenue for sales of energy and biomass of €27.2 million. As at 31 March 2022, the total revenue amounted to €6.8 million.

Mortágua Power Plant

The Mortágua Power Plant's establishment licence (*licença de estabelecimento*) was obtained on 11 July 1997 (amended on 22 April 1999) and its operation licence (*licença de exploração*) was obtained on 21 October 2005. In accordance with the power plant grid connection certificate (*auto de ligação à rede*), grid connection was achieved in August 1999.

Guaranteed remuneration was awarded under Decree-Law no. 189/88, of 27 May and on average corresponds to €131.9 per MWh in 2021, calculated in accordance with the following formula:

$$\text{Valuation} = \{[5.44 * \text{minimum} (Pot_{dec}; PL/720) * PL/576 / Pot_{dec} + 0.036 * PL] * 1 + (0.00002 * 370 * PL) * Z\} / (1 - 0.015 / IPC_{m-1} / IPC_{ref} * (1 - \text{depreciation}))$$

For this power plant, the following parameters have been considered: (i) IPC ref: 85.027; (ii) capacity (kW): 7 400; and (iii) Z factor: 8.2.

Guaranteed remuneration was granted for 25 years from entry into operation (i.e., until August 2024).

In 2021, the Mortágua Power Plant consumed 140,597 tons of biomass and injected 70,220 MWh into the grid, operating for 322 days with a total of 43 days of outage, achieving an availability of 88.3 percent (calculated using 365 days for 2021) and a load factor (also calculated using 365 days for 2021) of 80.2 percent.

In 2021, the Mortágua Power Plant achieved a total revenue for sales of energy and biomass of €9.3 million. As at 31 March 2022, the total revenue amounted to €2.4 million.

The Mortágua Power Plant facility was concluded in 1999 by the EDP Group, which entered into several promissory lease agreements with a number of relevant landowners. These promissory lease agreements were not converted into definitive lease agreements by the Issuer because thus far it has not been possible to identify the current landowners of the plots in question. As such, although no claim has been made by any potential landowner during the operation of the Mortágua Power Plant, the Issuer is currently proceeding with an assessment of the plots and their respective titles in order to contract the land definitively or otherwise proceed with legal possession by usucaption (*usucapião*) of the plots in 2022, once the statutory period for this form of possession has elapsed.

Mortágua Power Plant concession under development

On 1 July 2020, the Issuer entered into an agreement with the Municipality of Mortágua for the design, construction, supply, financing and entry into operation of a new forest biomass plant in Mortágua, having been awarded the concession of the associated operation rights. This agreement was executed under a specific legal framework (Decree-Law no. 64/2017) which allows for the development of biomass power plants by municipalities and companies entitled to develop biomass power plants under an agreement entered into with the relevant municipality. The agreement is subject to the condition precedent that the 10 MW biomass power plant is licensed by the relevant authorities under the applicable legal regime, namely the award of reserved capacity to connect to the grid and the attribution of the power

plant's production licence (for which the Issuer is currently applying). The Issuer requested the issuance of the power plant production licence on 1 July 2020. On 31 August 2020, DGEG replied that for the granting of the production licence, a title of reserved capacity would have to be obtained and all necessary regulatory requirements met, including a sustainability study validated by the Portuguese Institute for Nature Conservation and Forests (*Instituto da Conservação da Natureza e das Florestas*) ("ICNF") assessing the quantity of available biomass for energy generation. This study, on the 10-year sustainability of the biomass feedstock, was developed in 2021 by an external entity, and the Issuer is currently awaiting the publication of the ICNF's study, but it expects the production licence to be granted during 2022.

Once the production licence is granted, it will take approximately 24 months for the new Mortágua Power Plant to be operational. Considering its specific legal framework (Decree-Law no. 64/2017), this Portuguese Biomass Power Plant's remuneration is not the remuneration regime applicable to the Portuguese Biomass Power Plants currently in operation. For further information on the remuneration regime, please refer to Section 12.6 ("*Specific legal framework for the development of Biomass Power Plants*").

Provided that all necessary documents are obtained, and requirements are met, the Issuer will be awarded the concession to operate the power plant for 30 years and receive the remuneration generated by it.

This agreement includes an assignment and change of control limitation, pursuant to which the total or partial assignment of the concessionaire (i.e., the Issuer) further to a restructuring, takeover, transformation, demerger, merger, acquisition, dissolution or insolvency of the company, leading to the transfer of the agreement to a third party entity (except within the same economic group as the concessionaire), as well as the disposal of the Issuer's Shares, is subject to the Municipality of Mortágua's prior consent.

In any case, as this power station will enter into operation after 2021, it shall comply with sustainability criteria and greenhouse gas emissions under the RED II (DIRECTIVE (EU) 2018/2001 of the European Parliament and of the Council) on the promotion of the use of energy from renewable sources.

The Issuer is currently studying different investment scenarios for extending the lifetime of Mortagua power plant.

Portuguese Biomass Power Plant owned and operated by Sociedade Bioelétrica do Mondego

Sociedade Bioelétrica do Mondego obtained the Figueira da Foz II Power Plant's production licence (*licença de produção*) on 30 June 2017 and operation licence (*licença de exploração*) on 7 June 2019. In accordance with the power plant grid connection certificate (*auto de ligação à rede*), grid connection was achieved in July 2019.

Guaranteed remuneration was awarded under Decree-Law no. 189/88, of 27 May and on average corresponds to €116.3 per MWh in 2021, calculated in accordance with the following formula:

$$\text{Valuation} = \{[5.44 * \text{minimum} (Pot_{dec}; PL/720) * PL/576 / Pot_{dec} + 0.036 * PL] * 1 + (0.00002 * 370 * PL) * Z\} / (1 - 0.015 / IPC_m - 1 / IPC_{ref} * (1 - \text{depreciation}))$$

For this power plant, the following parameters have been considered: (i) IPC ref: 104.291; (ii) capacity (kW): 34 500; (iii) Z factor: 9.6, and (iv) depreciation: 1.5 percent.

Guaranteed remuneration was granted for 25 years as from grid connection (i.e., until July 2044). According to Decree-Law no. 5/2011, the feed-in-tariff for this biomass plant depends on the compliance with an action plan for the sustainability of supply of biomass which is approved by ICNF. Sociedade Bioelétrica do Mondego submitted this plan on 17 October 2019, which was approved by ICNF on 5 December 2019.

The Figueira da Foz II Power Plant injected 291,4 GWh of electricity in 2021 (whereas 286.0 GWh of electricity were injected in 2020). The corresponding revenue for sales of energy and biomass was €33.9 million (while in 2020 it amounted to €32.9 million and as at 31 March 2022 to €7.6 million).

As such, the Sociedade Bioelétrica do Mondego yielded total revenue less operating expenses, cost of sales and external supplies and services of €15.6 million in 2021 (€14.1 million in 2020 and €2.6 million as at 31 March 2022). In 2021, the Figueira da Foz II Power Plant operated for 355 days with a total of 10 days of outage, achieving an availability of 97.4 percent (calculated using 365 days for 2021) and a load factor (also calculated using 365 days for 2021) of 96.4 percent.

The Issuer implemented innovative solutions to overcome utilisation-related attrition in the construction of the Figueira da Foz II Power Plant, having used maximum quality materials and implemented tailor-made adjustments to the boiler. This led to a reduction of the period necessary for this plant's annual shutdown, an increase of the average stoppage cycle and an increase in yearly production when compared with the remaining power plants, thus leading to higher availability and load factor.

Considering that Sociedade Bioelétrica do Mondego started its activity of energy generation and injection into the public grid at the end of 2019, the year of 2021 showed an increase in its income and expenses when compared to the previous two years.

Operating expenses, cost of sales and provision of external services reached a total of €18.3 million (€18.8 million in 2020 and €5.0 million as at 31 March 2022).

In 2021, the power plant consumed approximately 420,914 tons of biomass from the region (whereas in 2020 consumption reached 415,168 tons and 97,618 tons as at 31 March 2022), which amounted to €13.4 million (€12.7 million in 2020 and €3.7 million as at 31 March 2022).

Due to the fact that it is the most recently built and the Portuguese Biomass Power Plant enjoying the highest installed capacity (34.5MW) and the longest contractual term (2044), Figueira da Foz II Power Plant contributes significantly to the Group: 41 percent of GWh injected to the grid from Portuguese Biomass Power Plants and 40 percent of Group's energy sales in Portugal during 2021 (and 35 percent of the Group's energy sales in Portugal as at 31 March 2022).

Portuguese Biomass Power Plant owned and operated by Ródão Power

The Ródão Power Plant's production licence (*licença de produção*) was obtained on 9 April 2008 and its operation licence (*licença de exploração*) was obtained on 28 January 2009. In accordance with the power plant grid connection certificate (*auto de ligação à rede*), grid connection was achieved in December 2006.

Guaranteed remuneration was awarded under Decree-Law no. 189/88, of 27 May and on average corresponds to €112.5 per MWh in 2021, calculated in accordance with the following formula:

$$\text{Valuation} = \{[5.44 * \text{minimum} (Pot_{dec}; PL/720) * PL/576 / Pot_{dec} + 0.036 * PL] * 1 + (0.00002 * 370 * PL) * Z\} / (1 - 0.015 / IPC_m - 1 / IPC_{ref} * (1 - \text{depreciation}))$$

For this power plant, the following parameters have been considered: (i) IPC ref: 89.616; (ii) capacity (kW): 12 467; (iii) Z factor: 8.2.

Guaranteed remuneration was granted for 25 years as from grid connection (i.e., until November 2031).

Considering the impact caused by the major planned outage, in 2021 the Ródão Power Plant consumed about 83,140 tons of biomass from the region in 2021 (versus 119,009 tons in 2020 and 40,106 as at 31 March 2022), which amounted to €2.3 million (€3.5 million in 2020 and €1.1 million as at 31 March 2022).

The Ródão Power Plant injected 45.2 GWh of electricity into the grid (66.0 GWh in 2020 and 21.6 GWh as at 31 March 2022).

In 2021, the Ródão Power Plant operated for 192 days with a total of 173 days of outage, achieving an availability of 52.5 percent (calculated using 365 days for 2021) and a load factor (also calculated using 365 days for 2021) of 39.7 percent.

The Issuer is performing a planned overhaul of Ródão Power Plant's turbine in order to improve its efficiency.

In 2021, general sales registered a decrease in relation to the same period of the previous year, with a revenue from energy sales of €5.5 million (€7.9 million in 2020 and €2.7 million as at 31 March 2022).

Operating expenses, costs of sales and supplies of external services amounted to €4.1 million in 2021, a decrease of 36.3 percent compared to 2020. This was due to the major outage, which decreased the cost of sales, corresponding to the cost of biomass sales, and the external services. As such, Ródão Power Plant yielded total revenue less cost of sales and external supplies and services of €1.4 million in 2021 (€1.7 million in 2020).

The Ródão Power Plant indirectly employs, through Biotek, approximately ten workers who carry out operation and maintenance activities.

Material agreements

The Issuer entered into a back-office agreement with Celbi on 4 June 2021 for the provision of back-office services, for a period of 2 years, automatically renewable for equal periods of time provided that none of the Parties wishes to terminate the agreement.

Each of the Portuguese Biomass Power Plants has entered into the following agreements for the purposes of their operation:

	CONSTÂNCIA	FIGUEIRA DA FOZ I	MORTÁGUA	FIGUEIRA DA FOZ II	RÓDÃO
Biomass Supply Agreement	Entered into with Altri Madeira on 4 June 2021, in force until 31 July 2034	Entered into with Altri Madeira on 4 June 2021, in force until 30 April 2034	Entered into with Altri Madeira on 4 June 2021, in force until 30 August 2024	Entered into with Altri Madeira on 4 June 2021, in force until 31 July 2044	Entered into with Altri Madeira on 4 June 2021, in force until 30 November 2031
Framework Agreement	Entered into with Caima Indústria on 4 June 2021, with effects as at 1 July 2009 and a 25-year term	Entered into with Celbi on 4 June 2021, with effects as at 1 April 2009 and a 25-year term	Not applicable	Entered into with Celbi on 4 June 2021, with effects as at 1 August 2019 and a 25-year term	Entered into with Biotek on 4 June 2021 with effects as at 1 January 2007 and a 25-year term

	CONSTÂNCIA	FIGUEIRA DA FOZ I	MORTÁGUA	FIGUEIRA DA FOZ II	RÓDÃO
Lease Agreement	Entered into with Caima Indústria on 4 June 2021, with effects as at 1 July 2009 and with an initial term on 30 June 2034 Annual rent in the amount of €83,772	Entered into with Celbi on 4 June 2021, with effects as at 1 April 2009 and with initial an term on 30 March 2034 Annual rent in the amount of €177,732	Please refer to the Mortágua power plant description above	Entered into with Celbi on 4 June 2021, with effects as at 1 August 2019 and with an initial term on 31 July 2044 Annual rent in the amount of €178,500	Entered into with Biotek on 4 June 2021, with effects as at 1 January 2007 and with an initial term on 31 December 2032 Annual rent in the amount of €88,116
O&M Agreement	Entered into with Caima Indústria on 4 June 2021, in force until 31 July 2034 Annual global price in the amount of €1,003,944	Entered into with Celbi on 4 June 2021, in force until 30 April 2034 Annual global price in the amount of €1,505,916	Entered into with Biotek on 4 June 2021, in force until 31 July 2034 Annual global price in the amount of €516,000	Entered into with Celbi on 4 June 2021, in force until 31 July 2044 Annual global price in the amount of €1,503,720	Entered into with Biotek on 4 June 2021, in force until 31 July 2034 Annual global price in the amount of €1,048,236
Utilities Agreement	Entered into with Caima Indústria on 4 June 2021, in force until 30 April 2034	Entered into with Celbi on 4 June 2021, in force until 30 April 2034	Not applicable	Entered into with Celbi on 4 June 2021, in force until 31 July 2044	Entered into with Biotek on 4 June 2021, in force until 30 April 2034

All material agreements were entered into with the Issuer's related parties on 4 June 2021 and have not be amended since under standard market terms and conditions for the equivalent provision of services (and service agreements), not materially deviating from the terms and conditions of the agreements previously in place, before the execution of the current ones identified in the table above. For further details on related party transactions and amounts see Section 6.2 ("*Related party transactions*").

Biomass Supply Agreements

The Biomass Supply Agreements ensure the continuous supply of biomass to the Portuguese Biomass Power Plants for the term of the guaranteed tariff of each of the Portuguese Biomass Power Plants. Under such agreements, Altri Madeira is responsible for delivering the necessary quantity of biomass with the quality and on the delivery dates agreed by the parties, subject to the determination, to be made in September of each year by the Issuer and/or its subsidiaries, of the efficiency and minimum consumption requirements of each of the Portuguese Biomass Power Plants.

Altri Madeira may procure the biomass through alternative sources, namely biomass resulting from the paper pulp facilities production process, residual forest biomass collected from forest owned or managed by entities of the Altri Group, or biomass from other national sources or from the Galiza region, with the prices agreed by the parties varying depending on the source of the biomass supplied. Under the Biomass Supply Agreements, the biomass price is fixed at €27.60 per ton for all biomass sourced from the paper pulp facilities production process for the duration of the agreement (which is coincident with the duration of the guaranteed tariff for the Portuguese Biomass Power Plants); however, the annual price determined for other sources of biomass is subject to review on a yearly basis in accordance with a budget

to be agreed by the parties reflecting the actual costs incurred by Altri Madeira with the supply of biomass in the previous year.

The Biomass Supply Agreements foresee a price revision mechanism (applicable only to biomass supplied from sources other than the paper pulp facilities production process) in case of any variation greater than 2 percent in the costs of the biomass supplied, in which case the parties may proceed to revise the price applicable to the biomass in the following semester. The Biomass Supply Agreements do not provide for minimum supply percentages depending on the types or origins of biomass, but rather a price for each type of biomass and a commitment to supply sufficient quantities to guarantee the full operation of the Portuguese Biomass Power Plants, irrespective of the types of biomass concerned.

Lastly, the Biomass Supply Agreements foresee that the supplier must undertake to comply with the owner supplier conduct code, attached to the agreement, and to ensure that any subcontractor also acts in accordance with this code. The referred supplier conduct code includes environmental protection principles, namely the use of resources efficiently, ensuring adequate operational control in order to minimise environmental impacts, the adoption of practices that contribute to the reduction of greenhouse gas emissions and the principles of the circular economy in all its operations, the identification, monitoring and mitigation of environmental risks and impacts of activities carried out, services rendered and/or goods supplied, promoting the continuous improvement of activities carried out, services rendered and/or goods supplied, in accordance with Sustainability criteria, ensuring that workers have adequate training and are aware of the environmental risks associated with the work they will develop in order to implement prevention and control measures that avoid environmental impacts and the compliance with national legislation, international environmental protection standards, and environmental certifications appropriate to the activities carried out, as well as the environmental requirements of the Group.

Framework Agreements

Each of the Constância Power Plant, Figueira da Foz I Power Plant, Figueira da Foz II Power Plant and Ródão Power Plant has entered into a Framework Agreement (*Acordo Geral – União de Contratos*) executed between the owner of each Pulp Facility and the related Portuguese Biomass Power Plant Developer, setting the general terms and conditions applicable to each of the Lease Agreements, PT O&M Agreements and Utilities Agreements for the referred Portuguese Biomass Power Plants, without prejudice to any other specific conditions arising from the referred agreements.

The purpose of these Framework Agreements is to ensure that the referred agreements are jointly in force for a 25-year period, therefore covering the guaranteed remuneration period of the Portuguese Biomass Power Plants (except for the Lease Agreements which may be further extended as better detailed below). Therefore, in the event that one of the referred agreements terminates, the other agreements shall also be considered terminated, unless otherwise agreed by the parties.

In case of definitive breach by either party of the Framework Agreements or any of the agreements referred above, the non-defaulting party has the right to terminate the Framework Agreements and remaining agreements. Definitive breach will include the following situations: (i) breach of payment obligations, except if remedied within the remedy period, counted as from the non-defaulting party's notice, (ii) continuous and serious breach of the safety and discipline rules, (iii) use of the contracted assets and utilities for purposes other than those set forth in the agreements and contrary to the law and public order, (iv) partial or entire assignment of the contractual position without the other party's prior written consent, (v) definitive and wrongful breach of any of the agreements subject to the Framework Agreements, and (vi) force majeure event for a period exceeding six months.

Lease Agreements

The Lease Agreements ensure the use of the Portuguese Biomass Power Plants in the Pulp Facilities for the term of the guaranteed tariff of each of the Portuguese Biomass Power Plants. The Lease Agreements have a 25-year term which is automatically extended for an additional 5-year period, unless the owner of the Portuguese Biomass Power Plant expressly refuses such extension within a 6-month prior notice period. Except for this right attributed to the owner of the Portuguese Biomass Power Plant, neither party is entitled to terminate the Lease Agreements during their initial 25-year term. Please refer to the table above for the initial terms of each of the Lease Agreements.

The Lease Agreements set forth an annual rent which shall be paid in 12 (twelve) monthly instalments until the eighth day of the relevant month. The annual rent is updated in accordance with the rent update legal coefficients for leases published annually by the National Statistics Institute (*Instituto Nacional de Estatística*). Please refer to the table above for the annual rent paid by the lessees as owners of the Portuguese Biomass Power Plants.

The owner of the Portuguese Biomass Power Plant shall not assign, partially or entirely sublease or allow any other entity's use of the Portuguese Biomass Power Plant without the prior written consent of the owner of the Pulp Facility, except in case of assignment, sublease or right of use to other Altri Group entities, which shall adhere to the respective Lease Agreement.

If the owner of the Pulp Facility wishes to dispose of, sell, assign the use of or create any other right, charge or encumbrance over the facility in which the Portuguese Biomass Power Plant is installed or enter into any contract, even if promissory or through an option with similar effects, the same shall ensure that the Lease Agreements, as well as all agreements entered into between the owner of the Portuguese Biomass Power Plant and the owner of the Pulp Facility comprised under the scope of the Framework Agreements, remain in force. The owner of the Pulp Facility also undertakes, under the relevant Lease Agreement, to not exercise any legal or material action that may have a negative impact on the activity of the relevant Portuguese Biomass Power Plant.

In addition to the termination rights in case of definitive breach set forth under the Framework Agreements (as better described below), the lessee has a termination right in the following cases: (i) breach of tax and charges payments by the owner of the Pulp Facility, (ii) the owner of the Pulp Facility disposes of the Facility, leading to termination of the agreements entered into between the owner of the Portuguese Biomass Power Plant and the owner of the Pulp Facility comprised under the scope of the Framework Agreement, and (iii) the practice of any action that leads to the closing down of the Portuguese Biomass Power Plant for a period exceeding 3 (three) months or to loss of the Portuguese Biomass Power Plant's operation licence.

At the date of this Prospectus, the Lease Agreements are registered or pending registration in the Land Registry Office. Therefore, the Lease Agreements are opposable to third parties.

PT O&M Agreements

Under the PT O&M Agreements, the owner of the Pulp Facility provides the owner of the Portuguese Biomass Power Plant with operation, maintenance, biomass internal management, waste management and general services, complying with the level of service quality indicators set forth in the respective O&M Agreement and taking into consideration any obligations set forth under the Portuguese Biomass Power Plant's production and environmental licences, applicable legislation and any procedures agreed between the parties.

The owner of the Pulp Facility, as operator, assumes the following main responsibilities, among others: (i) to develop its activity in collaboration with the biomass supplier to ensure the continuous operation of the relevant Portuguese Biomass Power Plant, (ii) to receive the biomass supplied by the biomass supplier and assess its quality and quantity, as well as measuring and signing the biomass delivery certificate, (iii) to carry out sewage treatment and any legal or other obligation set forth under the relevant licences in this respect, as well as to conduct any necessary inspections and liaise with the relevant authorities in this respect, (iv) to carry out waste treatment, (v) monitor the operation of the Portuguese Biomass Power Plant, (vi) promptly communicate to the owner of the Portuguese Biomass Power Plant the existence of any defects or malfunctions in its operation, (vii) promptly repair or replace any equipment or parts in case of defects or malfunctions, (viii) ensure the Portuguese Biomass Power Plant's availability at the levels set forth in the PT O&M Agreements, (ix) appoint a technician to represent the Portuguese Biomass Power Plant before the DGEG, and (x) deliver monthly reports to the owner of the Portuguese Biomass Power Plant.

Although the annual outage is not included in the scope of the PT O&M Agreements, they also foresee the procedure for the annual outage of the respective Portuguese Biomass Power Plant, which shall be proposed and coordinated by the operator, and the amount of which shall be agreed between the parties under the operation budget and following an open book model. Other than the referred annual outage and major repairs above the €60,000 threshold, all other repair and maintenance activities are included within the scope of the PT O&M Agreements.

The operator shall present, until 15 November of each year, an operational budget proposal for the following year, which shall be approved by the owner of the respective Portuguese Biomass Power Plant. The operator shall observe the agreed operational budget at all times.

The annual global price corresponds to the sum of the amounts due for maintenance works, internal biomass management and waste management services, and general services. The parties acknowledge that the annual price corresponds to the market price for equivalent services. Please refer to the table above for the annual global price of the PT O&M Agreements for each of the Portuguese Biomass Power Plants. The annual global price is paid monthly, within 30 days of the operator's submission of the invoices corresponding to the services provided under the PT O&M Agreements. The annual global price shall be annually updated in accordance with the Consumer Price Index.

Compliance with or breach of the level of service quality indicators gives rise to the payment of a premium to the operator or the application of a penalty by the operator, respectively.

Lastly, the PT O&M Agreements foresee that the operator must undertake to comply with the owner supplier conduct code, attached to the agreement, and to ensure that any subcontractor also acts in accordance with this code. The referred supplier conduct code includes environmental protection principles, namely the use of resources efficiently, ensuring adequate operational control in order to minimise environmental impacts, the adoption of practices that contribute to the reduction of greenhouse gas emissions and the principles of the circular economy in all its operations, the identification, monitoring and mitigation of environmental risks and impacts of activities carried out, services rendered and/or goods supplied, promoting the continuous improvement of activities carried out, services rendered and/or goods supplied, in accordance with Sustainability criteria, ensuring that workers have adequate training and are aware of the environmental risks associated with the work they will develop in order to implement prevention and control measures that avoid environmental impacts and the Compliance with national legislation, international environmental protection standards, and environmental certifications appropriate to the activities carried out, as well as the environmental requirements of the Group.

Utilities Agreements

Under the Utilities Agreements, the owner of each Pulp Facility sells industrial and process water, demineralised water, compressed air and steam, and further manages and transports the biomass to the Portuguese Biomass Power Plant. The quantities of the referred utilities to be supplied shall be set forth in the annual budget agreed between the parties. The owner of the Pulp Facility shall monitor and control the consumption of the referred utilities.

The utilities provided shall be paid monthly in accordance with the formulae set forth in the Utilities Agreement. Any amendment equal to or exceeding 5 percent of the average price of the utilities acquired by the owner of the Pulp Facility triggers the review of the referred formulae. The parties acknowledge that the monthly price corresponds to the market price for equivalent services.

The Utilities Agreements foresee that any suspension in the supply of utilities shall be agreed between the parties, without prejudice to any suspension agreed due to outage, defect or malfunction, or in case of force majeure.

Lastly, the Utilities Agreements foresee that the utilities provider must undertake to comply with the owner supplier conduct code, attached to the agreement, and to ensure that any subcontractor also acts in accordance with this code. The referred supplier conduct code includes environmental protection principles, namely the use of resources efficiently, ensuring adequate operational control in order to minimize environmental impacts, the adoption of practices that contribute to the reduction of greenhouse gas emissions and the principles of the circular economy in all its operations, the identification, monitoring and mitigation of environmental risks and impacts of activities carried out, services rendered and/or goods supplied, promoting the continuous improvement of activities carried out, services rendered and/or goods supplied, in accordance with Sustainability criteria, ensuring that workers have adequate training and are aware of the environmental risks associated with the work they will develop in order to implement prevention and control measures that avoid environmental impacts and the Compliance with national legislation, international environmental protection standards, and environmental certifications appropriate to the activities carried out, as well as the environmental requirements of the Group.

Movement and waste recovery agreement (including ashes and slag collection (recolha de cinzas e escórias))

Although there are no agreements in place ensuring the movement and waste recovery for the ashes and slag collections, the Issuer and its subsidiaries may, from time to time, enter into such agreements on an opportunistic basis.

(ii) United Kingdom – TGP

Introduction

In the context of an organised competitive process for the acquisition of a biomass power plant located in the United Kingdom, the Issuer, together with funds managed by Equitix, acquired Tilbury Holdings, the owner through Tilbury Green Power of a fully operational renewable energy biomass power plant, which processes waste wood, with a net generating capacity of 43.6 MW (with injection capacity currently limited to 41.6 MW in line with the ROC accreditation limit set by the OFGEM). This biomass power plant presents a biomass consumption of 256,717 ton, exported energy of 313,479 MWh and a biomass consumption of 0.82 ton/MWh (for 2021, full year).

TGP is strategically located in the South East of England, which has the highest population density in the country and intense construction activity, circa 25 miles from London, directly by the River Thames in the port of Tilbury, Essex, England. TGP is one of the few large-scale power plants in the vicinity capable of disposing of grades B and C waste wood.

This location also allows TGP to benefit from the high concentration of waste wood within close proximity, providing the strong competitive advantage of economically processing waste wood with few viable alternatives for recovery.

The construction of this biomass power plant commenced in August 2015, having become operational in January 2019. It generates around 310-335 GWh per year, being categorised as a dedicated biomass plant accredited to receive 1.4 ROC per MWh. TGP has the benefit of a land lease until 2054 and has been designed based on conventional grate and boiler technology from reputable supplier Aalborg Energie Technik A/S. After a dust deflagration event in the fuel handling system in April 2019, which resulted in extended outage until October 2019, essential fire and deflagration protection upgrades and further enhancements to ventilation systems from bunker and fuel handling systems were installed and TGP is currently considered one of highest specification plants in the United Kingdom regarding fire and deflagration protection systems, pursuant to the reviews and assessments of Dangerous Substances and Explosive Atmospheres Regulations (DSEAR) and Control of Substances Hazardous to Health (COSHH).

The biomass power plant project enjoys a supportive long-term regulatory framework, as it has a high degree of cash flow visibility, with circa 58 percent of the revenues underpinned by a RPI-indexed ROC until 2037 (in a scenario with average base load merchant price of £45/MWh) and maximised through a baseload dispatch profile to guarantee stable, long-term revenues, combined with a largely fixed operational cost structure (i.e. operation and maintenance, fuel supply and ash offtake).

Furthermore, the United Kingdom is one of Europe’s largest biomass market in terms of installed capacity⁵⁵, with 7.3 GW (as at the end of 2021). and the United Kingdom Government has been supportive of the long-term role of waste wood biomass plants. As low-quality waste wood grades B and C are not suitable for recycling, its use by TGP makes it an essential infrastructure asset with an important long-term role in the processing and disposal of London’s construction and household waste wood.

Taking into account its location and implementation, TGP offers multiple long-term value enhancement opportunities, including continuation as a waste wood biomass plant or conversion to energy from waste.

Certain key contracts

TGP, as generator, has a 15-year power purchase agreement in place with ESB IGT, as offtaker, covering wholesale power together with ROCs and REGOs. This agreement expires in January 2034, subject to a five-year option to extend.

TGP benefits from a long-term fixed fee operations and maintenance agreement until 2039 (extendable with 24 months’ notice prior to the end of the contract) with WBOC Ltd., which is responsible for addressing and rectifying any defects or faults, both in normal operations and arising from design or construction and for costs of excess abatement chemicals consumption and liquid fuel (required for start-up) above the capped levels. This agreement comprehensively covers all operational and maintenance aspects of the plant, notably lifecycle repairs and maintenance, except the operation of the weighbridge which has been contractually passed to the fuel supplier in 2020.

The key contracts entered into by TGP are briefly described in the table below:

	PPA	FSA	TGP O&M Agreement	TGP Lease Agreement
TGP	Scope: Route-to-market access for 100% of the TGP’s generation, ROCs and REGOs	Scope: Provides 100% of TGP’s fuel requirements (between 230,000 and 300,000 tonnes per annum)	Scope: covers all activities onsite related to operation and maintenance of the plant, including lifecycle repairs. This	Scope: and lease guarantee for all TGP’s useful life

⁵⁵ Source: <https://www.irena.org/>.

<p>Counterparty: Electricity Supply Board (ESB)</p> <p>Term: January 2034 (13 years + 5 years option to extend)</p> <p>Annual remuneration, with applied discounts:</p> <ul style="list-style-type: none"> - EPEX Day Ahead Index (£25/MWh floor) - ROCS and REGOs 	<p>Counterparty: Esken Renewables</p> <p>Term: March 2037 (16 years + 4 years option to extend)</p> <p>Annual remuneration: The price of the fuel is indexed at RPI, comprising Base price (Fixed price per ton, proportionally adjusted depending on Net Calorific Value) + commitment charge and commitment shortfall charge</p>	<p>agreement provides an availability guarantee of 91% for the first 15 years and 89% for years 16 – 20.</p> <p>Counterparty: Western Biomass Operating Company (WBOC)</p> <p>Term: January 2039 (18 years)</p> <p>Annual remuneration: Annual Fixed rates indexed annually to RPI (real, 2014), starting at £3,863,100 and with step ups every 5 years. Also includes liquidated damages and bonuses associated with availability guarantees.</p>	<p>Counterparty: Port of Tilbury</p> <p>Term: 2054 (33 years with an option to break in 19 years - 2040)</p> <p>Annual remuneration: £2,1 million (real, 2020) indexed annually to RPI (expected to reduce by 50% during 2023)</p>
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(b) **Solar Photovoltaic and On-Shore Wind Power Plants**

Solar photovoltaic and wind, one of GreenVolt’s strategy pillars, are the main renewable drivers to achieve energy transition in Europe and the European electricity sector can accommodate large shares of solar photovoltaic and wind power generation⁵⁶.

As part of its strategy, the Issuer is expanding its activities geographically and to renewables other than biomass, notably to solar photovoltaic and wind projects in Portugal and in other European countries.

Based on its experience of managing biomass power plants in Portugal and being aware of the need for an energy transition towards decarbonisation, in 2020 the Issuer began to expand its activity to other fields of renewable energy, namely solar energy, and is currently analysing wind energy projects, as further detailed below.

(i) **Portugal**

Tábua solar power plant

In this context, Golditábua, a fully directly owned subsidiary of the Issuer acquired at the end of 2020, is developing its first solar photovoltaic project, with an installed capacity of 48.0 MWp, limited to injecting 40.0 MW in the public grid, located in the parish of São João da Boa Vista, municipality of Tábua, district of Coimbra.

On 19 July 2019, Golditábua obtained Tábua solar power plant’s production licence (licença de produção), which set forth several conditions which are standard in these licences, such as limiting the injection capacity into the public grid to 40.0 MW and entering into operation within two years as from the date of issuance of the production licence, with an extension until 19 May 2023 approved by DGEG. In accordance with the production licence, the solar power plant’s connection infrastructure to the public grid cost shall be borne by Golditábua and this infrastructure may not interfere with the existing public grid infrastructure.

The production licence was subject to two amendments, which were endorsed on 4 December 2020, with a change in the location of the solar power plant, the abovementioned one-year extension of its date of entry into operation (19 July 2022) and an authorisation to increase the power plant’s reserved capacity to 48.4 MW on 20 May 2021.

⁵⁶ Source: International Renewables Energy Agency – Renewable Energy Prospects for the European Union – February 2018.

Golditábua executed an engineering, procurement and construction contract with EDP Comercial – Comercialização de Energia, S.A. on 9 June 2021 and was issued a construction licence on 19 July 2021. The construction of the Tábua solar power plant is expected to end on the second half of 2022.

The amount of the investment foreseen to install the Tábua solar power plant, which is expected to generate 73.9 GWh per year on average, is circa €32 million (including the acquisition cost of Golditábua).

The Tábua solar power plant shall be subject to general remuneration. The Issuer has signed a power purchase agreement term-sheet with Celbi at an agreed fixed price of €38 per MW (not subject to indexation) during the first 10 years and applicable to the entire energy output, therefore mitigating market risk. The definite terms of the agreement are currently at final stage of negotiations, having the parties agreed on a financial power purchase agreement scheme.

The project is now in the implementation and construction phase. It is expected that the Tábua solar photovoltaic power plant will achieve commercial operation in October 2022.

SESAT solar power plant

SESAT is developing a solar photovoltaic power plant project in Nisa, having requested the attribution of 600 MW grid connection capacity from the General-Directorate for Energy and Geology on 18 June 2019. The project was selected by REN and definitively ranked 57th in accordance with the terms of reference for the award of reserved capacity through an agreement to be entered into with the grid operators for the reinforcement of the grid.

The Issuer is currently undertaking the EIA, which is as of today under APA's analysis, and awaiting REN's feedback on the budget for the purposes of implementation of grid infrastructure in order to develop such project. The project shall be in operation within 24 months of the issuance of the project's production licence.

The amount of the investment foreseen to install the SESAT solar power plant is not estimated yet.

Paraimo Green solar power plant

On 21 November 2019, Paraimo Green obtained a title of reserved capacity, issued by the EDP distribution network operator, for the injection of 37.6 MVA into the public grid in the substation of Paraimo Green.

The Issuer has received the Environmental Impact Declaration in May 2022 and is now currently undertaking the final procedures for requesting to DGEG the issuance of the production licence. The construction phase is expected to start in September 2022. The project shall be in operation within 12 months of the issuance of the project's production licence.

The amount of the investment foreseen to install the Paraimo Green solar power plant is of circa €35 million.

Small scale production units in Portugal

On 20 January 2020, the Issuer obtained prior registration from DGEG to install 14 SSPUs, with a maximum capacity of 990 kW each, of which 9 will be located in Figueira da Foz (to be connected to the substation of Gala) and 5 will be located in Vila Velha de Ródão (to be connected to the substation of Vila Velha de Ródão). These SSPUs are subject to general remuneration and are licenced under 15/2022 (notwithstanding SSPUs already licensed pursuant to Decree-Law no. 172/2006). The connection of the SSPUs to the distribution grid are to be connected to a 30 kV line for each site.

The SSPUs are to be installed in Celbi and Biotek Pulp Facilities under supply and service provision agreements currently under negotiation. The Issuer expects that they will enter into commercial operation between September and December 2022 and that the SSPUs will generate 22 GWh per year.

The investment foreseen to install the SSPUs amount to €10 million. Following their installation, the Issuer intends to enter into a direct power purchase agreement or contract for differences to supply the electricity generated by these SSPUs directly to Celbi and Biotek, which shall acquire the entire output of the electricity generated at a fixed price, therefore mitigating market risk.

Additionally, the Issuer entered into a strategic partnership with Infracore, becoming the holder of 50% of a set of photovoltaic solar projects under development by Infracore, totalling 243 MW of capacity, of which about 160 MW are in an advanced stage of development. Currently, 10 MW are already under construction, being expected to reach COD date in the second semester of 2022, and in addition it is expected to have more than 50 MW reaching RtB until the end of the year.

(ii) **Europe**

Introduction

As part of its investment growth strategy, the Issuer entered into an agreement with V-Ridium Europe, pursuant to which it became the sole owner of V-Ridium, an European leading player in the renewable energy sector with a large portfolio of wind and photovoltaic power generation assets under development, construction or operation, namely in Poland, France, Italy and Greece.

V-Ridium is an active developer in the central and eastern European markets, with a targeted development strategy per country based on the following key success factors:

- In Poland, it acts as a full-scope developer, enjoying established relationships with local authorities and large-scale landowners, access to grid connection and availability, and has revived abandoned On-shore Wind projects;
- In Greece, it has established partnerships with EcoMind and Air Energy, two premium Greek developers;
- In Italy, V-Ridium will focus on Co-development and greenfield development; and
- In France, given that it is structurally scarce in terms of renewable projects, the company will focus on own-development.
- In Bulgaria and Romania, the company is currently looking mainly for early-stage projects and further internal development, either through specific acquisitions or co-development agreements.
- In Serbia, the Issuer recently acquired an early stage pipeline to be internally developed with the support of well-established co-developers.
- In US and Mexico, a very recent endeavour, V-Ridium will be searching for opportunities to acquire early stage projects to be developed by internal team.
- In Spain, the Issuer has recently established a local team and it currently seeking for early-stage projects opportunities.

The management of V-Ridium has historically developed over 1.1 GW (excluding co-developments) of renewable projects, and sold the following renewable assets (selected transactions):

Year	Technology	Project	Capacity	Buyer	Description
2007	Wind	Relax	1.2 GW		<ul style="list-style-type: none"> • Portfolio and development platform sold to EDPR in the biggest RES deal • Managed by future GEO founders, EDPR became No. 1 RES player
2011	Wind	GEO	104 MW		<ul style="list-style-type: none"> • GEOR develops two Wind farms and offers EDPR a JV, both executed successfully
2015	Wind	GEO	90 MW		<ul style="list-style-type: none"> • Two Wind farms successfully sold to IKEA • Transaction named “2015 RES Deal of the Year in Poland”
2018	Wind	GEO	204 MW		<ul style="list-style-type: none"> • GEOR creates JV with Vestas investing in seven Wind farms with total capacity of 204 MW
2019	PV	GEO	21 MW		<ul style="list-style-type: none"> • 21 MW of constructed Solar PV portfolio sold with CfD support scheme from auction (June 2017)
2019	PV	GEO	40 MW		<ul style="list-style-type: none"> • GEOR won Solar PV auction in 2018 with over 40MW Solar PV projects • 20 MW was sold to European utility
2019	PV	GEO	59 MW		<ul style="list-style-type: none"> • GEOR creates JV with German fund KGAL called Augusta Energy under which it invests in 59 MW in a PV installation
2019	Wind	GEO	210 MW		<ul style="list-style-type: none"> • GEOR sales 210 MW of RTB Wind portfolio with CfD support scheme from auction (December 2019)
2020	Wind	GEO	51 MW		<ul style="list-style-type: none"> • 51 MW of RTB Wind portfolio sold with CfD support scheme from auction (December 2019)
2020	PV	GEO	22 MW		<ul style="list-style-type: none"> • GEOR exits with 22 MW Solar PV projects to Chinese funds with PV auction won in 2019
2020	PV & Wind	V-Ridium	-		<ul style="list-style-type: none"> • GEOR rebrands and establishes new operating and investment platform V-Ridium • Management team remained unchanged
Total			2.0 GW		

As of April 2022, V-Ridium had management structures in Poland, Greece, Italy, Romania, Bulgaria, France and Spain and counted with 103 employees, being expected that it will continue to grow over the course of the year. V-Ridium has successfully developed and constructed around 500 MW of onshore wind and solar projects, manages a significant renewable energy portfolio in operation of nearly 500 MW of existing wind and solar installations, previously developed as projects to distinguished individual and partner investors. V-Ridium has currently more than 110 MW of assets under construction (photovoltaic and wind) in Poland and also co-owns a portfolio of energy storage projects with a total capacity of 1.400 MW.

As further described in section 5.4 (“Subsidiaries”), V-Ridium’s subsidiaries, V-Ridium Solar 45 and V-Ridium Renewables (Romania) have recently signed a contract for the purchase of the LIONS Photovoltaic Solar Park which is located in southern Romania and has an installed capacity of 45MWp. This photovoltaic solar park, in operation since 2013, has registered a stable electricity generation profile, and its revenues comprise of a market component for sales of electricity and a regulated component of green certificates, valid until 2031. The contract for the sale of most of these green certificates, in EUR, is with the German electricity company EON.

Projects and capabilities

As a result of the acquisition by the Issuer of shares of V-Ridium, the Issuer acquired a company with a vast portfolio of solar and wind projects, including both greenfield projects and projects in later stages of development (even including projects that have already CfD's support).

Accordingly, with the acquisition of V-Ridium, the Issuer became vertically integrated in the value chain, since V-Ridium holds a full set of in-house capabilities in all activities of the value chain, namely:

- **Development:** wind and solar photovoltaic development and environmental teams comprised of c. 30 employees performing feasibility studies, land securing, administrative permits, public consultations, micro-siting, annual energy production, and optimal technology selection;
- **Construction management:** technical and construction team of 6 professionals in charge of structure, management engineering, purchase & construction contracts (e.g. TSA and SSA contracting), and project management; and
- **Operation and energy management:** O&M and Asset Management teams of 15 professionals responsible for providing (i) technical O&M services: local site management, regular inspections and "walk downs", day to day on-site operations, preventive and corrective maintenance; (ii) commercial services: contract administration and invoicing, insurance and claims management, GoOs, CfD, PPA management, financial and tax services, among others; (iii) energy management: energy sales contracting, optimisation of PPA structuring needs and auctions strategy; and (iv) consulting services: tailor-made solutions, including performance management, obsolescence assessment and cost-effective upgrades. Projects currently managed by V-Ridium include 132 solar farms with a total installed capacity of 174 MW and 13 on-shore wind farms (143 turbines) with a total installed capacity of 334 MW.

In addition to V-Ridium, in January 2022 the Issuer incorporated SEO, a joint venture with Green Mind Ventures focused on developing, constructing and operating small scale photovoltaic power plant in Spain. The Issuer holds an interest of 98.75 percent in the joint venture, with a development services agreement with Green Mind Ventures, focused on the development on projects with quick time to market in Spain, including but not limited to 0.5MW and 10MW.

Furthermore, in 2022 already, the Issuer has established two joint-ventures focused on the development and construction of utility-scale Solar PV assets in Portugal and Spain – with Infraventus and with Green Mind Ventures, respectively – and has acquired a 35 percent stake in MaxSolar, a German company that develops ground-mounted and rooftop photovoltaic solar projects in its home market and neighbouring Austria and has a pipeline of 3.2 GW, of which 0.8 GW are in an advanced stage of development. In addition to the development of solar and storage projects, MaxSolar is one of Germany's leading full-service providers of utility-scale and rooftop engineering procurement and construction (EPC) services.

(b) Small-scale generation units and self-consumption

In addition, the Issuer is currently focused on distributed generation, a fast-growing market being actively encouraged by governments in Iberia. The Issuer believes that energy efficiency and the distributed generation of electrical power are areas of potential growth in the short to medium-term in Europe, namely in Portugal

and Spain, as key global megatrends will enhance distributed generation development and self-consumption penetration in Iberia remains significantly below other European countries. Therefore, the Issuer is focused on building a less sizable but still strategic presence in this market, taking advantage of market's under-penetration and capturing significant growth opportunities available to enhance the increasingly strategic access to consumer in the new energy transition, while increasing the Issuer's commitment towards energy transition and carbon neutrality.

Entry into this highly fragmented market with an attractive regulatory framework is planned to be achieved through the acquisition of majority shareholdings in existing operating companies with stable business models and ambitious plans for growth, which need capital to implement their business plans.

In geographical terms, the Issuer is presently analysing opportunities for potential transactions in the Iberian market, seeing as this is its natural market. Before expanding progressively throughout other European geographies, the Issuer intends to develop a strong position in Iberia.

Through Perfecta Energía, the Issuer is already operating in both the domestic and the commercial and business segments of the renewable energy sector in Spain.

Through the acquisition of a stake in Profit Energy, the Issuer is also developing self-consumption projects, having installed 9.0 MWp in 2020 and 18.5 MWp in 2021.

More recently, the Issuer acquired 50 percent of Univergy Autoconsumo, a company dedicated to the development and installation of photovoltaic solar energy solutions in the commercial and industrial segment in Spain. Founded in 2019, Univergy Autoconsumo has achieved rapid growth, with a 2.5 percent market share in the SME and industrial customer segment.

10.2. Issuer's main markets

The Issuer's core business operations are currently based in Portugal, with the majority of its subsidiaries being incorporated under Portuguese law and most of its power plants, already in operation or under development, located in Portugal.

However, the Issuer has a broad geographical outlook, spanning various European countries. It intends to leverage its longstanding operational excellence in Portugal to expand internationally and increase its activities in Europe through profitable acquisitions of biomass power plants in operation (as was the case with Tilbury), as well as other business opportunities focused on solar photovoltaic and wind farms (as was the case with V-Ridium).

The need for energy transition and autonomy in the various geographies of the European continent has recently been reinforced by the dramatic events taking place in Ukraine, the target of an invasion by the Russian Federation. GreenVolt will expand its portfolio of projects in several European countries, with the aim of accelerating the start-up of projects.

10.3. Key competitive strengths

Considering the structural policy in the energy field, which promotes the reduction of external dependency and of the greenhouse effect resulting from the use of fossil fuels, and the current market environment, the Issuer is very well positioned in a growing sector. In addition to contributing to job creation and smart forest management, the use of forest biomass reduces the risk of forest fires and fosters an environment for the production of clean and renewable energy, thus reinforcing the Issuer's commitment to sustainability. Additionally, by owning a sizable development platform with

a wide pan European with a strong track record on project development taking RES projects from scratch to ready to build (RTB) or commercial operation date (COD), GreenVolt has a unique opportunity to increase its pipeline of RES contributing to the European effort that is underway regarding energy independence.

The Issuer believes that it has the following key competitive strengths:

- ***The Issuer is a unique biomass efficiency-reference player in Portugal with great potential to consolidate in Europe.*** As better detailed in Section 10.4 (“*Strategy and objectives of the Issuer*”), the Issuer while boosting its position as a leading biomass player in Portugal will proceed with its strategy of reducing its exposure to biomass by entering the solar photovoltaic and onshore wind market. The Issuer is currently analysing the possible acquisition of various underperforming biomass assets to enhance its European footprint.
- ***The assets in operation are subject to regulated remuneration regimes with limited risk exposure to volatility of market prices.*** Although exposed to regulatory risk (which is limited considering that the feed-in tariffs granted in Portugal have not been retroactively reviewed), the Issuer’s core activity is carried out under a protective remuneration regime, as all Portuguese Biomass Power Plants are operated based on regulated revenues under a feed-in tariff regime with a duration of 25 years. See Section 12.4 (“*Remuneration Regime*”) for further details on the applicable feed-in regime. The portfolio of biomass plants in operation has a feed-in tariff remaining life of 14 years, or 17 years if the 14th year feed-in-premium for the new Mortágua plant is considered. Although the Issuer’s activity takes into account the volatility of market prices when contracting new agreements for the sale of electricity, the Issuer and its subsidiaries operate the Portuguese Biomass Power Plants under a guaranteed remuneration regime and it is expected that the projects under development will contract the electricity generated through stable long-term power purchase agreements (PPA) or contracts for differences with low credit risk institutions.
- ***Operational track record with stable production and strong performance ratios. The Group has a strong ability to capture efficiencies given its industrial operator profile.*** The operation and maintenance of the Portuguese Biomass Power Plants is ensured by entities comprised within the Altri Group (or any subcontractors thereof) that follow the higher operational standards for this type of industry and there are no relevant incidents to report with respect to major unplanned overhauls, damages to third party property, environmental damages or personal injuries, except for two fires that occurred in Mortágua (in 2017, as a result of the major forest fires in the region, leading to a 70-day stoppage) and Ródão (in 2018, which led to a loss of biomass inventories).
- ***Through partnerships and new co-development agreements, the Issuer has a tangible pan-European solar photovoltaic and wind pipeline and aims to gradually establish a leading position in the renewables sector in Europe.*** The Issuer is reinforcing its pipeline through partnerships and new co-development agreements with established solar photovoltaic and onshore wind developers with the aim of becoming a leading standing as a reference player in these sectors and focusing on distributed generation (see Section 10 (b) (“*Forecasted or ongoing acquisitions and investments*”))), hence significantly increasing its scale in a profitable manner and diversifying its sectors of activity, business models (centralised vs distributed) and geographies. Additionally, the Issuer will employ an asset rotation strategy to maximise project return for de-risked assets while carefully selecting and optimising pipeline capacity to remain on balance, with an envisaged pipeline of 6.6 GW over ten geographies, namely Portugal, Poland, Romania, Italy, Hungary, Bulgaria, Serbia, Greece, Spain and Iceland.

- ***The Issuer should be able to benefit from robust, predictable and stable long-term cash flows and a regulated profile which provides (i) strong visibility and (ii) an attractive yield profile.*** The biomass power plants operated either directly by the Issuer or through its subsidiaries benefit from a stable regulatory regime (see Chapter 12 (“*Regulatory Framework of the Issuer’s activity*”) for further details on the applicable regulatory regime)), with no retroactive changes having ever occurred, even under stressed macro conditions in Portugal. The relevant regulatory risk is limited by the support provided by the Government and the EU to the renewables sector, recognising’s biomass’ role as a key energy source for the EU in 2030, required to enable the region to advance with its decarbonisation of energy uses, for which no other cost-effective solutions are yet available⁵⁷. To a certain extent, the same applies to TGP and V-Ridium’s future investments as, although subject to a different regulatory framework, they also benefit from a stable regulatory regime with similar features.
- ***Highly experienced management team with a proven track record.*** The Issuer holds a highly qualified and experienced management team and best-in-class technical expertise as a leading biomass player in Portugal (see Chapter 7 (“*Management and Supervisory Board of the Issuer*”) for further details on the expertise and curricula of the management team), enjoying a proven track-record in the acquisition and integration of brownfield biomass assets and capable of giving scale and exporting technical know-how and proprietary operating process to consolidate the Issuer as a reference player in Europe. The team’s extensive track record was strongly reinforced with the acquisition of V-Ridium, making GreenVolt a European reference in wind and solar photovoltaic project development.
- ***The Issuer’s financial profile offers a solid ground for further growth.*** The Issuer’s financial profile offers a solid ground for further growth. As at 31 March 2022, the Issuer holds a total financial indebtedness of €306 million and over 238 million in cash and cash equivalents, as further detailed under Section 14.1 (“*Capitalisation and Indebtedness*”). Furthermore, the Issuer held a total of €282.5 million in bank lines (€182.5 million committed and €100 million uncommitted), of which €221.1 million were not used (namely, €126.1 million committed lines still available and €95 million uncommitted lines still available).

10.4. Strategy and objectives of the Issuer

GreenVolt’s strategy stems from its solid regulated biomass operation foundation, to be enriched by solar photovoltaic and wind development and rotation, and distributed generation market opportunities.

The Issuer has designed an innovative business model and strategy that will support the reinforcement of its market presence. The Issuer’s plan to execute this strategy includes the following key components:

Leverage on its expertise in forestry and waste wood biomass to develop biomass in Portugal and in the UK and to acquire and optimise under-performing biomass assets in Europe.

The Issuer intends to focus on owning and operating biomass assets, for which it possesses in-depth know-how, extensive experience and proven systems and management processes, as well as the critical mass to benefit from operating efficiencies and scale.

The Issuer is strongly committed to promoting carbon neutrality and the circular economy.

⁵⁷ Source: IRENA – Renewable Energy Prospects for the European Union – February 2018.

All electrical energy produced by the Issuer through forestry biomass is injected into the national electricity grid. In 2021, the Issuer led the forestry renewable energy sector and injected 713 GWh of renewable electric energy into the Portuguese electricity grid, as well as 162 GWh injected in the United Kingdom, from waste wood biomass. This green energy, directly injected into the grid, helps to make the national grid less carbon intensive and more diversified. In this sense, the production of electric energy from renewable sources such as biomass contributes to the decarbonisation of the electro-producing system and is in line with the Roadmap for Carbon Neutrality 2050 (RNC 2050), approved by Council of Ministers Resolution no. 107/2019, of 1 July.

The Issuer's biomass operations are currently based in Portugal and in the United Kingdom, with most of the subsidiaries of the Group incorporated under Portuguese and/or English law and most of its Biomass Power Plants located in Portugal. The Issuer aims for a broader geographical outlook, spanning various European countries, and to leverage its longstanding operational excellence in Portugal, already applied in the UK market, to expand internationally (described in further detail in this Prospectus, notably in Section 10.7 ("*Investments of the Issuer*") below).

Furthermore, the Issuer has identified business opportunities according to the following criteria: (i) availability of biomass (forestry or waste wood), (ii) regulated tariffs, (iii) size (target minimum of 30 MW) and (iv) actionability (existence of counterparty interest in selling). GreenVolt has identified over 30 brownfield opportunities in Europe, including more than 20 MW in Portugal, and aims to consolidate at least two more 40 MW biomass power plants in the next five years.

Develop new assets in solar photovoltaic and onshore wind in Europe to achieve accretive profitable growth over the next few years.

The Issuer is developing, in Portugal, 109 MW of solar photovoltaic projects (72 MW of which are under construction), plus 240 MW through the joint venture with Infracore (10 MW of which are under construction) and in July 2021 it acquired V-Ridium, a Polish player of reference in the renewable energy sector with a pipeline of solar photovoltaic and onshore wind projects, mainly in Poland and (through joint ventures) in Greece, having already expanded to Bulgaria, Hungary, Iceland, Italy, Romania, Serbia, Spain and US, amounting to around 5.6 GW⁵⁸, of which more than 3.1 GW is currently under construction, RtB or in advanced phase. Furthermore, V-Ridium intends to develop additional solar photovoltaic and wind projects, having already identified 2.5 GW of early stage development projects to be executed until 2026.

In these technologies, the Issuer is targeting project accretive returns of circa 150 to 200 bps above GreenVolt's cost of capital.

Following the acquisition of V-Ridium, the Issuer gained access to a large pipeline of projects which is envisaged to operate under stable long-term contracts (power purchase agreements or contracts for differences with low credit risk institutions) and a platform to develop further opportunities for growth in strategic technologies and in selected European countries.

In 2022 already, the Issuer has established two joint-ventures focused on the development and construction of utility-scale solar PV assets in Portugal and Spain – with Infracore and with Green Mind Ventures, respectively – and has acquired a 35 percent stake in MaxSolar, a German company that develops ground-mounted and rooftop photovoltaic

⁵⁸ Installed capacity, probability weighted by a mortality rate depending on technology, geography and stage of development.

solar projects in its home market and neighbouring Austria and has a pipeline of 3.2 GW, of which 0.8 GW are in an advanced stage of development.

The Issuer is also analysing a possible investment in the co-development of solar and wind projects in Romania, totalling nearly 200MW, which are in an advanced phase of development.

With the current difficulties in the licensing and permitting process around Europe, the Issuer has also diversified the sourcing of new projects to small utility scale projects with a quicker time to market. For this purpose, the two joint ventures with Infracore and Green Mind Ventures allowed for the generation of additional pipeline in the short term, with the support from very knowledgeable individuals.

In the Issuer's view, despite of the conflict existing in Ukraine, Poland and Romania continue to be attractive countries for investment in renewable energies and at this stage the prospects for monetization of the assets that may be originated are not affected.

Focus on the development stage of assets while employing an asset rotation optionality strategy.

Mainly through V-Ridium, the Issuer will focus on the development stage of renewable assets, which the Issuer believes to be the highest return phase of the value chain, and will apply an asset rotation strategy farming down assets (sale of full equity) at RtB stage/COD or the sale of minority shareholdings after COD to equity investors. The Issuer intends to operate and manage renewable assets using its own and V-Ridium's experienced teams, and potentially partnering up with financial investors whenever this adds value to an investment. These potential financial partners should be well-known and recognised financial institutions, such as investment funds and private equity investors, among others, which offer credibility and guarantees as to their involvement. However, the Issuer intends to always remain a major shareholder and to manage the power plants invested in, even if a financial partner is in charge of managing the financial investment area. Teaming up with financial partners will allow the Issuer to reduce its cost of capital (per project), reducing its financial commitment and allowing it to gain access to wider funding resources and opportunities.

The Issuer aims to retain 20 percent to 30 percent of its pipeline on balance sheet (circa 2.0 GW by 2026) since it believes that there are favorable market conditions, and that it has significant knowledge of the strategic and financial players and potential acquirers, deep knowledge of the assets' characteristics, together with a management track record of selling down accumulated through years of experience will help achieve this target. Furthermore, keeping 2.0 GW on balance sheet allows the Issuer to obtain recurring revenues to support the funding of the growth of projects under development.

Pursue geographic diversification to explore greater growth opportunities and achieve higher returns.

Its focus on ten main markets, namely Portugal, Poland, Greece, Italy, Spain, Serbia, Bulgaria, Romania, Iceland and United States of America, will help ensure exposure to the markets in which the Issuer believes the renewable energy sector will continue to grow significantly and in which the development of projects are usually challenging yet highly rewarded.

In April 2022, the Issuer entered into an agreement for the supply of long-term renewable energy (PPA – Power Purchase Agreement) with a duration of 15 years with T-Mobile Polska and the green energy will be supplied to T-Mobile Polska from the first quarter of 2023 onwards through Augusta Energy, a joint venture between KGAL, a German asset manager, and V-Ridium. Under a first and preliminary valuation exercise carried out, the initial fair value of these instruments is negative. Considering that there will be no cash flows at inception of the agreement and that the fair value is based in non-observable assumptions in the market, the Issuer will define an accounting policy for the difference between the

estimated fair value and the transaction price, considering that the agreement was signed with the purpose of hedging the energy market price to be produced by three solar plants and two wind farms, and it is expected that the subsequent recognition will be made at fair value through other comprehensive income, in accordance with hedge accounting principles, with the referred difference to be amortized through profit and loss.

Promote, acquire and develop photovoltaic solar energy projects in the Spanish market.

The Issuer has teamed up with Green Mind Ventures (GMV) to create Sustainable Energy One (SEO), a joint venture which aims to promote, acquire, and develop photovoltaic solar energy projects in the Spanish market. SEO will invest 170 million euros in Spain over the next five years. This joint venture is focused on small and medium-sized solar photovoltaic projects, up to 10 MW. The goal is to develop and subsequently sell a total of 250 MW by 2028.

Develop Distributed Generation also as a core avenue for profitable growth.

The Issuer seeks to take advantage of the distributed generation market's under-penetration and capture significant growth opportunities with a view to achieving a leading position in Europe, with the Iberian market as its priority, through an active external growth strategy and organic developments. The Issuer also aims to increase its commitment towards energy transition, carbon neutrality and circular economy.

In August 2021, the Issuer acquired a 70 percent equity stake in Profit Energy, a well-established distributed generation player in Portugal, with a total of circa 18.5 MW installed during 2021 and €0.7 million EBITDA (described in further detail in this Prospectus, notably in section 10.7 ("*Investments of the Issuer*") below).

In October 2021, the Issuer acquired 42 percent of Perfecta Energía, which sells, installs and maintains solar photovoltaic panels for the domestic segment's self-consumption, with a total of circa 4.5 MW installed during 2021 (as further detailed in Section 10.7 (a)(b) ("*Acquisitions and investments completed during the period covered by the Annual Audited Consolidated Financial Statements*").

Furthermore, in April 2022 the Issuer acquired 50 percent of Univergy Autoconsumo dedicated to the development and installation of photovoltaic solar energy solutions in the commercial and industrial segment in Spain.

Employ a growth-oriented financial strategy.

The Issuer intends to focus on maximising the cash generation potential of the assets held in its portfolio to fund its significant pipeline. As such, no dividend payments to the Issuer's shareholders are expected during the horizon of its business plan (up to 2026).

Foster a low-risk approach.

The Issuer intends to maintain, over time, a portfolio of contracted assets with a low-risk profile due to creditworthy offtaker counterparties, long-term contracted revenues (CfD and PPA backed projects), well established and tested technologies in which the Issuer believes to have (especially with V-Ridium's acquisition) deep expertise and significant experience, located in countries where market conditions are currently considered stable and known.

10.5. The Issuer's main objectives

The Issuer intends to maintain a well-established financial position, targeting to achieve 3.5x to 4.0x of net leverage in 2026, through a combination of cash on hand and credit facilities. This prudent strategy should provide the required flexibility to push forward with the expected growth, consider potential future accretive business opportunities, and help mitigate any unexpected events that may reduce its cash flow generation.

As global targets, the Issuer aims to increase its MW under direct management from a combined installed injection capacity of the Portuguese Biomass Power Plants of 100.5 MW, in addition to the 41.6 MW installed injection capacity at TGP to circa 2.1 GW in 2026, based on which it expects to increase its EBITDA and net profit by six and twelve times *vis-à-vis* the 2021 figures, respectively.

A total amount of €3.8 to €4.2 billion would be needed to fund the existing development plan which, together with other fund needs such as taxes and debt service. These are planned to be financed via a mix of cash flow from operations (include asset rotation programme's proceeds), sale of minority stakes in certain projects, the Offer proceeds and new debt. In this respect, the Issuer has a funding, liquidity and treasury policy establishing well defined objectives to keep financing itself independently, whilst complying with clear requirements and criteria for raising finance, privileging medium to long-term financing and ensuring low cost financing and low WACC, as well as pursuing an active refinancing strategy capable of meeting short-term needs and maintaining and/or extending financing maturities in accordance with its generated cash flows. Please see Chapter 11 ("*Operating and Financial Review and Prospects*") for more details on the Issuer's liquidity and capital resources requirements, principles and policies.

The Issuer made investments amounting to €285 million in 2021: the Issuer invested €189 million in the acquisition of Tilbury Holdings, €60 million in V-Ridium's capital needs for investment and €36 million in other endeavours in Portugal, focused on distributed generation, solar photovoltaic and Profit Energy. Please note that these investment costs consider the impact of Tilbury Holding's acquisition, with full consolidation of the financing raised at the acquisition structure level and excluding the partner equity intake.

The Issuer made gross investments amounting to €54.0 million in the first quarter of 2022: the Issuer invested €30.4 million in the acquisition of MaxSolar (including a convertible loan of €10.0 million), €15.8 million in V-Ridium's capital needs for investment and circa €7.8 million in other endeavours in Portugal.

Further to the above, the Issuer expects to make gross investments amounting to €260 million in 2022, out of which (i) nearly €100 million refer to transactions already closed (Lions and Univergy Solar); (ii) c. €60 million refer to construction costs of the 98MW polish projects and of Tábua project and the Portuguese UPPs (c. €28 million); while the remaining €100 million will be linked to V-Ridium's capital needs for investment and SEO's capital needs for investment on current pipeline.

The graph below illustrates GreenVolt's sources and uses of funds:

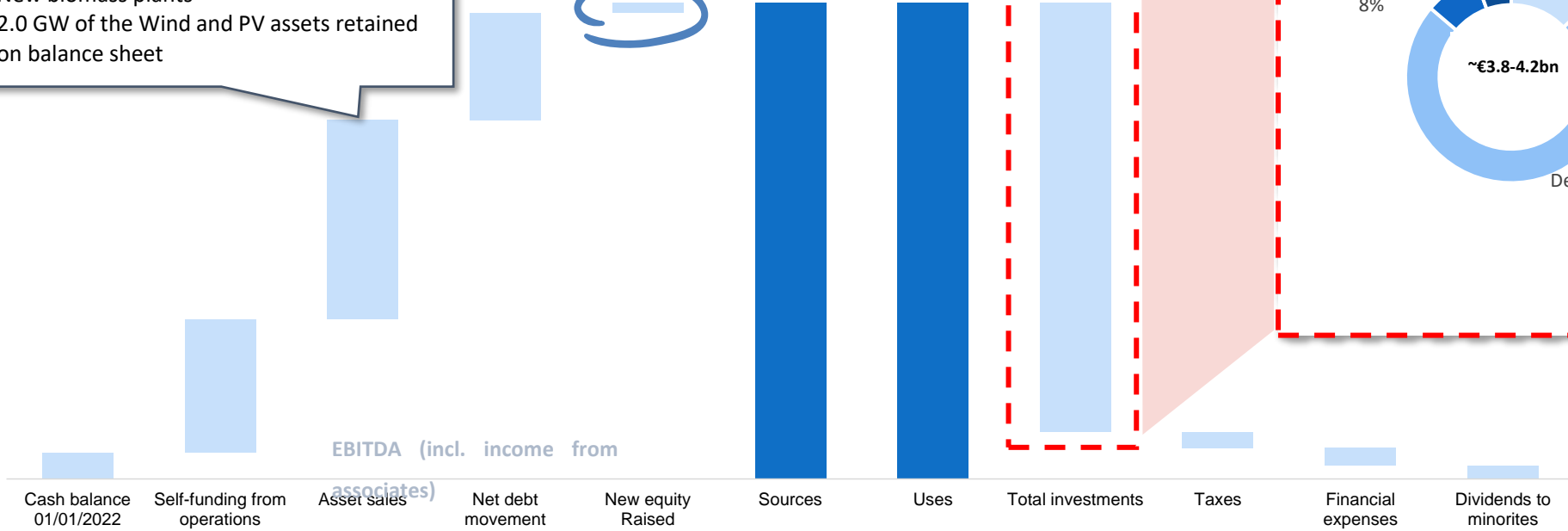
Sources and uses of funds (2022E-2026E, in €m)

Includes pipeline farm down at RTB/COD and sell-down of significant minority stakes in:

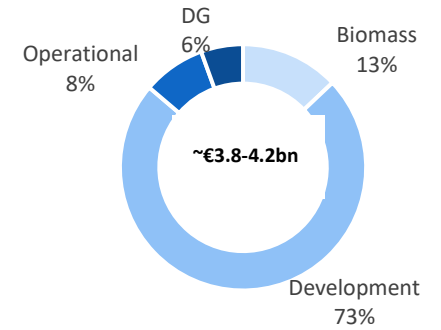
- i) New biomass plants
- ii) 2.0 GW of the Wind and PV assets retained on balance sheet

€100m

Rights Issue



Ambitious ~€3.8-4.2bn investment plan until 2026, focused on all GreenVolt verticals



As at the date of this Prospectus, the Issuer's pipeline by net installed capacity, probability weighted by a mortality rate depending on technology, geography and stage of development in what concerns V-Ridium's pipeline, expected to develop until 2026, is the following:

Country / Type of Power Plant	Pipeline per project status					Mix (%)	
	Under construction	RTB	Advanced phase	Early stage	Total Pipeline	Within country	per country / Tech
Portugal	72	-	280	600	952	100%	14%
Solar	72	-	280	600	952	100%	32%
Biomass	-	-	-	-	-	-	-
% Total	8%	-	29%	63%	100%		
UK	-	-	-	-	-	-	-
Biomass	-	-	-	-	-	-	-
Poland	112	56	2,067	1,010	3,246	100%	49%
Wind	50	36	241	685	1,012	31%	45%
Solar	63	20	414	326	822	25%	28%
Storage	-	-	1,412	-	1,412	44%	100%
% Total	3%	2%	64%	31%	100%		
Greece	-	-	279	398	677	100%	10%
Wind	-	-	38	119	157	23%	7%
Solar	-	-	241	279	520	77%	18%
% Total	-	-	41%	59%	100%		
Italy	-	-	437	141	578	100%	9%
Wind	-	-	-	111	111	19%	5%
Solar	-	-	437	31	468	81%	16%
% Total	-	-	76%	24%	100%		
Hungary	-	-	-	25	25	100%	0%
Solar	-	-	-	25	25	100%	1%
% Total	-	-	-	100%	100%		
Bulgaria	-	-	188	-	188	100%	3%
Wind	-	-	188	-	188	100%	8%
% Total	-	-	100%	-	100%		
Serbia	-	-	-	459	459	100%	7%
Wind	-	-	-	459	459	100%	20%
% Total	-	-	-	100%	100%		
Romania	-	-	6	219	225	100%	3%
Wind	-	-	-	127	127	56%	6%
Solar	-	-	6	92	98	44%	3%
% Total	-	-	3%	97%	100%		
Spain	-	-	54	142	196	100%	3%
Wind	-	-	-	142	142	72%	6%
Solar	-	-	54	-	54	28%	2%
% Total	-	-	28%	72%	100%		
Iceland	-	-	-	53	53	100%	1%
Wind	-	-	-	53	53	100%	2%
% Total	-	-	-	100%	100%		
Total	184	56	3,311	3,046	6,598	100%	100%
Wind	50	36	467	1,694	2,247	34%	100%
Solar	135	20	1,432	1,352	2,939	45%	100%
Storage	-	-	1,412	-	1,412	21%	100%
Biomass	-	-	-	-	-	-	-
% Total	3%	1%	50%	46%	100%		

As mentioned, the Issuer aims to retain 20 percent to 30 percent of the pipeline and sell the remaining at RtB stage/COD or sell minority stakes one year after COD.

In Portugal, the 600 MW Early stage projects are to be developed by SESAT (80 percent owned by the Issuer) and the 47 MW at Advanced stage are to be developed by Paraimo Green (70 percent owned by the Issuer).

The Issuer's medium-term ambition until 2026 is to build a well-diversified low risk portfolio of assets by technology (biomass, solar photovoltaic, wind and distributed generation) and geography, with a significant contribution of fully contracted and regulated revenue stream and contributing to a significant decrease of CO₂ emissions.

Through the generation of electricity using residual forest biomass, the Issuer is avoiding the CO₂ emissions that would be emitted if fossil fuels were used to generate the same electricity.

The use of biomass resulting from forest cleaning and waste from the wood processing industries is crucial in the production of renewable energy and the energy generated from forestry biomass, a source with positive impacts on the mitigation of climate change when compared to fossil fuels. Although the process of generating electricity from biomass may also emit carbon dioxide, such emissions are not accounted for in climate change targets, as CO₂ has been sequestered in the lifetime of the biomass. Fossil fuels are only used in the Portuguese Biomass Power Plants for the start-up of the boilers.

In order to reinforce commitment to minimising the environmental impacts of its activity, the Issuer's Portuguese Biomass Power Plants subject to environmental licensing (i.e., Figueira da Foz I Power Plant and Figueira da Foz II Power Plant) have implemented so-called "*best available techniques*", which are set forth by APA⁵⁹.

Figueira da Foz I Power Plant has implemented the following best available technologies:

- (a) Regarding the minimisation of gas emissions:
 - (i) Reduction of NO_x (nitrogen oxides) emissions; and
 - (ii) Combustion optimisation (computerised control system).
- (b) Regarding the reduction of SO₂, HCl and HF emissions:
 - (i) Choice of fuel (use of residual forest biomass as the main fuel, with negligible sulphur and fluoride contents and relatively low chloride contents).
- (c) Regarding the reduction of particulate matter and particulate associated heavy metal emissions:
 - (i) Electrostatic precipitators;
 - (ii) Reduction of mercury emission; and

⁵⁹ Melhores técnicas disponíveis (MTD) | Agência Portuguesa do Ambiente (apambiente.pt)

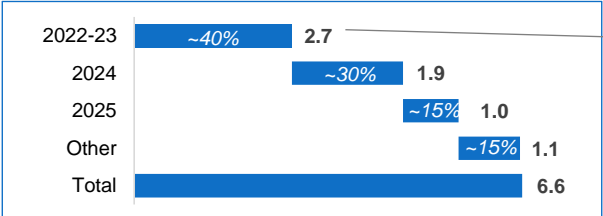
- (iii) Choice of fuel (use of residual forest biomass as the main fuel, with negligible mercury content).

Figueira da Foz II Power Plant has implemented the following best available technologies to minimise its gas emissions:

- (a) Selective non-catalytic NO_x (nitrogen oxides) reduction system with injection of ammonia solution into the furnace; and
- (b) Hydrated lime injection system in the gas duct, in order to reduce SO₂, HCl and HF emissions and bag filter to minimise emission of particulates.

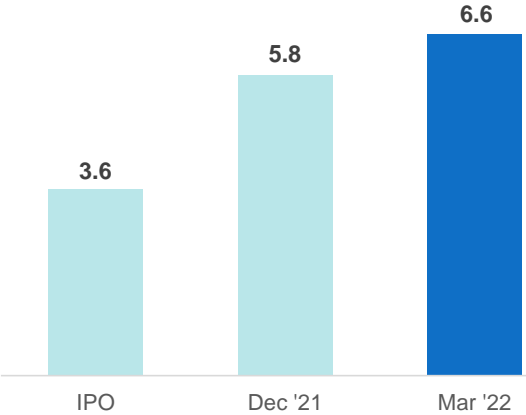
In light of the above, the Issuer is committed to fostering carbon neutrality and promoting renewable energy and the circular economy. While doing so, the Issuer also provides an adequate destination for residual forest biomass, contributing to the correct cleaning of forest areas, which in its turn significantly contributes to the prevention of forest fires. The waste generated by the Issuer (ash and slag) is entirely disposed of in recovery or recycling destinations, thus fully avoiding the disposal of this waste in landfills. In addition, part of the slags generated in the fluidised bed biomass boilers operated by the Issuer are declassified as waste and are re-used as raw material for the production of other products (such as cement and mortar)

GreenVolt development capabilities – Pipeline breakdown (GW)⁽¹⁾

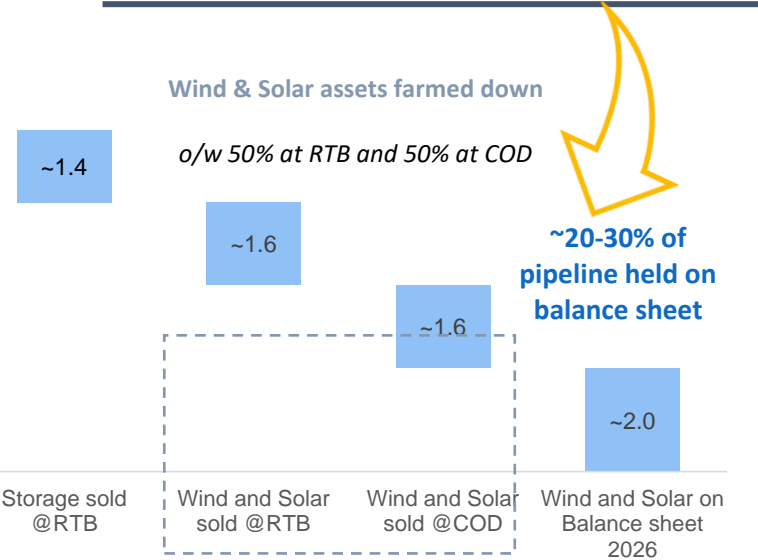


~o/w 184 MW already under

Pipeline stage-in (GW) at RTB or COD

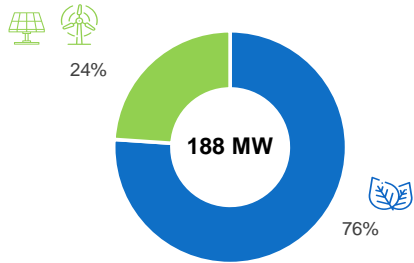


~70-80% of pipeline farmed down

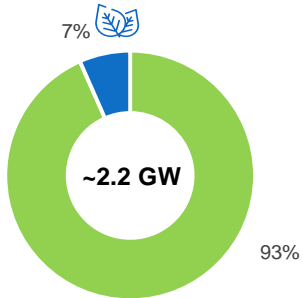


Operational capacity mix by technology

Today – Niche



2026E – Diversified



(1) Probability-weighted pipeline

GreenVolt’s pipeline is made up of assets classified as “Under Construction”, “RtB”, “Advanced stage”, and “Early stage”.

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

- Under Construction: refers to projects in respect of which (i) the route to market secured; (ii) the agreements with the project’s main suppliers (such as BOP contracts) have been entered into; (iii) construction activity has already started or is about to start in respect of certain project’s main features: substations, interconnection lines and generation facilities; and (iv) construction financing secured.
- RtB: projects in respect of which (i) all permits are valid and binding; (ii) agreements granting the use of the land have been executed; (iii) ready for participation in the existing support scheme; and (iv) ready to obtain bankable offtake contracts.
- Advanced phase: projects in respect of which one of the following milestones is secured (i) the use of land; and (ii) positive results from environmental assessment; or (iii) grid connection agreement.
- Early stage: projects under analysis (i) where the land area and owners were identified and partially secured; (ii) environmental restrictions identified; and (iii) confirmation by internal research of obtaining the access and connection point.

The full detail of the projects currently under operation and construction are the following:

Name	Country	Tech	Net Capacity (MW)	Ownership	Attributable Capacity (MW)	COD	Compensation Mechanism	Contract Length	Offtaker	Currency
Lions	Romania	PV	45.0	100%	45.0	n.a.	Green Certificates + Merchant	2031	EON	EUR

Name	Country	Tech	Net Capacity (MW)	Ownership	Attributable Capacity (MW)	COD	Compensation Mechanism	Contract Length	Offtaker	Currency
Karnowo 1	Poland	Solar PV	8.0	50%	4.0	2022	PPA fixed price, indexed to inflation	15 Years	T-Mobile Polska	PLN
Karnowo 2	Poland	Solar PV	8.0	50%	4.0	2022	PPA fixed price, indexed to inflation	15 Years	T-Mobile Polska	PLN
Karnowo 3	Poland	Solar PV	8.0	50%	4.0	2022	PPA fixed price, indexed to inflation	15 Years	T-Mobile Polska	PLN
Karnowo 4	Poland	Solar PV	8.0	50%	4.0	2022	PPA fixed price, indexed to inflation	15 Years	T-Mobile Polska	PLN
Oborniki 1	Poland	Solar PV	8.0	50%	4.0	2022	PPA fixed price, indexed to inflation	15 Years	T-Mobile Polska	PLN
Oborniki 2	Poland	Solar PV	8.0	50%	4.0	2022	PPA fixed price, indexed to inflation	15 Years	T-Mobile Polska	PLN

Podlasek/Sędzice	Poland	Wind	15.4	50%	7.7	2023	PPA fixed price, indexed to inflation	15 Years	T-Mobile Polska	PLN
Wólka Dobryńska	Poland	Wind	34.5	50%	17.3	2023	PPA fixed price, indexed to inflation	15 Years	T-Mobile Polska	PLN
Project 1	Poland	Solar PV	1.0	50%	0.5	2023	CfD or PPA	n.a.	n.a.	n.a.
Project 2	Poland	Solar PV	1.0	50%	0.5	2023	CfD or PPA	n.a.	n.a.	n.a.
Project 3	Poland	Solar PV	8.0	100%	8.0	2023	CfD or PPA	n.a.	n.a.	n.a.
Project 4	Poland	Solar PV	1.0	50%	0.5	2023	CfD or PPA	n.a.	n.a.	n.a.
Project 5	Poland	Solar PV	1.0	50%	0.5	2023	CfD or PPA	n.a.	n.a.	n.a.
Project 6	Poland	Solar PV	1.0	50%	0.5	2023	CfD or PPA	n.a.	n.a.	n.a.
Project 7	Poland	Solar PV	1.0	50%	0.5	2023	CfD or PPA	n.a.	n.a.	n.a.
Project 8	Poland	Solar PV	0.5	100%	0.5	2023	CfD or PPA	n.a.	n.a.	n.a.
Tábua	Portugal	Solar PV	48.0	100%	48.0	2022	CfD or PPA	n.a.	n.a.	EUR
UPPs	Portugal	Solar PV	14.0	100%	14.0	2022	CfD or PPA	n.a.	n.a.	EUR
Arrotas	Portugal	Solar PV	10.0	50%	5.0	2022	Merchant	n.a.	n.a.	EUR
TOTAL			184.4		127.5					

In addition, there are 56MW at RtB, 3.3 GW in advance stage and 3.0 GW in the early stage development phase.

Considering the volume of assets on the balance sheet projected in the base case, as well as the standard margins obtainable, both with these assets and with the sales of RtB projects, the Issuer estimates a growth in EBITDA and net profit of 6 and 12 times the 2021 figures, respectively, considering 100 percent of all subsidiaries which are controlled by the Issuer (current exceptions being Infracventus and Max Solar).

For a review of the forecasted or ongoing acquisitions and investments made under the previously described strategy, including company acquisitions, see Section 10.7 (b) (*“Forecasted or ongoing acquisitions and investments”*).

10.6. Environmental, Social and Governance

Environmental and Social Framework

In 2021, the Issuer has focused on launching the basis for a specific ESG strategy. The ESG strategy 2021-2025 has four fundamental axes as pillars: Planet, People, Responsibility and Ethics and Financial Sustainability (further information on the Issuer’s 2021 annual report, as published in the respective website).

Within this ESG strategy, the Issuer is strategically committed to increase the share of renewable energy production, contribute to carbon neutrality and facilitate everyone's participation in energy transition through affordable renewable energy. Other environmental material topics include the promotion of circular economy and preservation and protection of biodiversity and ecosystems.

On the social dimension, the Issuer promotes an equal opportunity, inclusive and diverse company, and seeks to attract talent, offering employees a positive, energetic and healthy working environment, while also ensuring the all-important work-life balance. Achieving these goals involves a strong investment commitment and the Issuer was one of the first Portuguese companies to issue green bonds, with the second issue in 2021, and a rating attributed by an international reference entity, Sustainalytics (further details below).

At the level of corporate governance, the Issuer implements a model that ensures the best management practices, with a focus on ethics, transparency, governance, risk management, anti-corruption and continuous

evaluation of the supply chain. The Issuer is a signatory of the United Nations Global Compact since January 2021 and is committed to the ten principles of this initiative listed below, as well as to fulfilling its fundamental responsibilities in terms of human rights, labour, environment and anti-corruption.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

In 2015, the United Nations Member States adopted the 2030 Agenda for Sustainable Development which includes the Sustainable Development Goals, an action plan centred on people, the planet, prosperity, peace and partnerships, with an urgent call for action by all countries – both developed and developing.

The Issuer is a leader in the forest-based renewable energy sector in Portugal, with expectations of growth in other renewable energy sources, holding a 51 percent market share of Portuguese energy injected from biomass and 44 percent market share of Portuguese energy installed capacity. The electric energy produced through biomass is integrated into the national electricity grid, with the exception of self-consumption.

ESG Risk Rating

Sustainalytics assigned the Issuer an ESG Risk Rating of 29.3 (considered medium risk), which was made public on 23 June 2021. The Issuer was assigned an ESG Risk Exposure of 55.3 (considered high). The Portuguese Biomass Power Plants (as at 31 March 2022) release negative environmental externalities including air pollutants, solid waste and wastewater. Related incidents may trigger environmental fines, clean-up costs, civil lawsuits, community opposition and even operational shutdowns.

TGP uses feedstock from wood waste (grade B and C, which is wood containing minor contaminants as well as wood with various non-hazardous contaminants) generated on construction and demolition sites. Sustainalytics (an approved verifier) considers the use of wood waste of grade B and C for power generation (as mentioned above) to be in line with market practice.

The company's carbon footprint is affected by the burning of biomass used to generate electricity. Increasingly stringent carbon regulations and energy efficiency requirements could lead to higher associated costs for the company and compliance issues. The Issuer's power generation operations may require significant quantities of water. As water resources are increasingly constrained, the Issuer may face limited freshwater availability, higher water prices or even regulatory restrictions on water use. The Issuer's overall exposure is high and is similar to subindustry average. Resource use, carbon-own operations and emissions, effluents and waste are notable material ESG issues. The Issuer was also assigned an ESG management score of 50.8 points out of 100, which is considered strong. This means that the Issuer's overall ESG-related disclosure follows best practice, signalling strong accountability to investors and the public. However, the ESG Risk Rating awarded is not permanent, meaning that the ESG Risk Rating assigned to the Issuer may vary and/or be withdrawn in the future.

Green Bond Framework and Green Bond Principles

In February 2019, Sociedade Bioelétrica do Mondego developed a green bond framework, which served as the basis for the issuance of its SBM 2019-2029 Green Bond. The proceeds of this issue were exclusively used to finance the construction of the 34.5 MW Portuguese Biomass Power Plant located in Figueira da Foz (for further details, please see the paragraph entitled *Investment in Sociedade Bioelétrica do Mondego in 2017-2019* in Section (a) of Chapter 10 (*Description of the Issuer's Business*)). This was the first green bond issuance admitted to trading in Portugal, on Euronext Access Lisbon, aligned with the Green Bond Principles published by the International Capital Market Association, having obtained a positive Second Party Opinion (SPO) from Sustainalytics, which may be consulted here: [Green Bond SPO Sociedade Bioelétrica do Mondego.pdf \(altri.pt\)](#). In the 2020 edition of the Euronext Lisbon Awards, the SBM Green Bond was the Winner of the category "Finance for the Future".

In November 2021, GreenVolt also developed a green bond framework. The eligibility criteria defined in GreenVolt's Green Bond Framework are: Renewable and Clean Energy, Energy Efficiency and Integrated Pollution and Prevention Control. The eligible categories – Renewable and Clean Energy, Energy Efficiency and Pollution Prevention and Control – are aligned with those recognised by the Green Bond Principles 2021.

The Issuer has established a Green Bond Committee (GBC) which is composed of members from the following departments: Engineering, Environmental & Sustainability, Legal and Finance. The GBC is in charge of selecting eligible assets after proposed projects and merger and acquisition (M&A) transactions have been reviewed by GreenVolt's Investment Working Group. The Issuer analyses and conducts pre-screening of projects considering environmental and social risks. Projects that do not comply with E&S risk assessment or have credibility risk will be rejected and not be taken into consideration.

The Green Bond Framework and the Second Party Opinion (SPO) of Sustainalytics related to the 100,000,000 2021/2028 notes issued by the Issuer on 10 November 2021 for a 7-year tenor with an annual fixed interest rate of 2.6%, are available on the Issuer's website at https://www.greenvolt.pt/fileManager/comunicados/pdf_pt_79.pdf and https://www.greenvolt.pt/fileManager/comunicados/pdf_pt_81.pdf, respectively.

Green Governance

The Issuer has a strong corporate governance framework and organisational model based on a structured set of principles and codes, with a view to pursuing a long-term sustainable strategy in strict compliance with applicable laws and regulations, as well as the main international standards and guidelines. It is supported by a well-established and organised system, which includes:

- (i) Risk, Recruitment & Remuneration and Audit, Risk and Related Parties Committees;
- (ii) Strategic and Operational Monitoring Committee;
- (iii) Ethics and Sustainability Committee;
- (iv) Strong Code of Ethics and active Risk Management; and
- (v) Reporting and disclosure according with market references.

As at the date of this Prospectus, the Issuer has a well-balanced and diverse Board of Directors, with 4 independent members and 4 female members (representing circa 36 percent).

An Ethics and Sustainability Committee assists the Board of Directors in integrating sustainability and ESG objectives and criteria in the Group's strategy and management processes, promoting the industry's best practices in all its activities to enhance long-term sustainable value creation (for further details, please see paragraph entitled *Ethics and Sustainability Committee* of Chapter 7 ("*Management and Supervisory Bodies of the Issuer*"). This Committee is also entrusted with the mission of safeguarding and monitoring the implementation of and ongoing compliance with the Issuer's Code of Ethics and Conduct, as well as ensuring high standards of ethical practices in business and professional conduct.

Certifications

GreenVolt has the following certifications:

- ISO 9001- Quality Management System⁶⁰;
- ISO 14001- Environmental Management System⁶¹;
- ISO 45001- Occupational Health and Safety Management System⁶²;

⁶⁰ International standard that specifies requirements for a quality management system. Organisations use this standard to demonstrate their ability to consistently provide products and services that meet customer and regulatory requirements.

⁶¹ Criteria for an environmental management system. It maps out a framework that companies and organisations can follow to set up an effective environmental management system.

⁶² International standard that specifies requirements for an occupational health and safety (OH&S) management system, providing guidance for its use, to enable an organisation to proactively improve its OH&S performance in preventing injury and ill-health.

In addition, the Issuer is conscious of the (positive and negative) impact of Biomass Power Plants and facilities on the communities where these have been set-up. In this respect, the majority of the Portuguese Biomass Power Plants (with the exception of the Mortágua Power Plant) are located within Paper Pulp Facilities operated by Altri Group companies which have well defined plans to support the local communities and regions where these facilities are in operation. Likewise, the Altri Group regularly monitors noise and emissions levels in order to assess the impact of its operations on surrounding communities.

10.7. Investments of the Issuer

The Issuer's strategy includes the continuous optimisation of its portfolio of assets and businesses, through strategic acquisitions and/or non-core disposals, as well as investments in existing strategic assets. Such acquisitions, disposals and investments may have an impact on the Issuer's future financial statements including, *inter alia*, revenues from energy sales and services, other income, other expenses, payroll expenses, results related to investments in joint ventures and associates, amortisation, depreciation and impairment, financial expenses and income, as well as the Issuer's net cash flows from operations and net cash flows from investing activities. The Issuer has made investments amounting to €285 million in 2021: the Issuer invested c. €189 million in the acquisition of Tilbury Holdings and c. €60 million in V-Ridium's capital needs for investments and c. €36 million in other endeavours in Portugal, notably focused on distributed generation, solar photovoltaic and upgrades in the Portuguese Biomass Power Plants. Please note that these investment costs consider the impact of Tilbury Holding's acquisition, with full consolidation of the financing raised at the acquisition structure level and excluding the partner equity intake. In the first quarter of 2022, the investments amounted to €54.0 million, including €30.4 million in the acquisition of MaxSolar (including a convertible loan of €10.0 million), €15.8 million in V-Ridium's capital needs for investment and circa €7.8 million in other endeavours in Portugal.

The Issuer expects to make investments amounting to €260 million in 2022: nearly €100 million refer to transactions already closed (Lions and Univergy Solar); c. €60 million refer to construction costs of the 98MW polish projects and of Tábua project and the Portuguese UPPs (c. €28 million); while the remaining €100 million will be linked to V-Ridium's capital needs for investment and SEO's capital needs for investment on current pipeline.

For further details on the funding of the Issuer's investments, please see Section 10.5 ("*The Issuer's main objectives*").

(a) Acquisitions and investments completed during the period covered by the Annual Audited Consolidated Financial Statements

In 2021, the financial results of the Issuer have been partly driven by acquisitions of assets and businesses, as well as investments in new assets, and the increase of the Group's structure in Portugal, which have impacted the Issuer's revenues, operating costs, amortisation, depreciation, interest expenses and revenues. The impact of an acquisition or investment in any given period depends on its date, with the impact of such acquisition or investment only being accounted for in full in the following complete financial year. As a result, such transactions make it difficult to compare performance

between periods, especially when the Issuer has carried out several acquisitions and investments throughout the period under review.

(i) **Acquisition of Golditábua in 2020**

During the year ended 31 December 2020, the Issuer acquired 100 percent of Golditábua's share capital. The Issuer intends to further develop Golditábua's photovoltaic project, thus increasing the Issuer's solar photovoltaic installed capacity of 48MWp and consolidating its strategic ambitions of being a key player in solar energy production. The Issuer purchased Golditábua's entire share capital for an approximate amount of €3.9 million, which was financed with the Issuer's own funds with €1 million to be paid in 2031. As regards the implementation and construction stage, although there is no firm commitment, additional capital expenditures in the region of €32 million are foreseen to cover EPC, land acquisitions, grid connection and other costs. These capital expenditures will be financed, in about 75 percent, by project finance and the remaining portion by own funds. In terms of the project finance, the company requested proposals from five banks and is currently in the negotiation phase.

(ii) **Investment in Sociedade Bioelétrica do Mondego in 2017-2019**

The Issuer is committed to integrating its sustainability agenda in its corporate finances. Thus, through sustainable financing, the Issuer intends to invest in projects aimed at improving its environmental performance. In the year ended 31 December 2019, the Issuer reached an important milestone with the construction of a new biomass production plant in Marinha das Ondas, Figueira da Foz. This is the Group's fifth Portuguese Biomass Power Plant and the construction of the Figueira da Foz II Power Plant represented a global investment of circa €83 million, distributed into €12.3 million, €40.6 million and €30.1 million⁶³, from 2017 to 2019, respectively.

In order to finance this investment, in February 2019 Sociedade Bioelétrica do Mondego developed a SBM Green Bond Framework, which served as the basis for the issuance of its SBM 2019-2029 Green Bond, by private subscription, in the amount of €50,000,000 and with a coupon rate of 1.90 percent. The proceeds from this issue were exclusively used to finance the 34.5 MW Figueira da Foz II Power Plant.

This bond issue was made in line with the Green Bond Principles published by the ICMA (International Capital Market Association), having obtained a positive Second Party Opinion (SPO) from Sustainalytics, which may be consulted here: Green Bond SPO Sociedade Bioelétrica do Mondego.pdf (altri.pt).

⁶³ These amounts were recorded in AFT (acquisitions in each of the years – accounting). They are not supposed to be read according to a cash flow logic.

This investment contributed to the diversification of the Group's energy sources and is part of the strategy defined for national energy policy, through the construction of a plant for the production of electricity from non-conventional sources (namely, energy recovery of forest biomass). This Portuguese Biomass Power Plant started operating in mid-2019, having produced a total of 116,030 MWh in the start-up year, 285,974 MWh in 2020 and 291,401 MWh in 2021.

(iii) Acquisition of Tilbury Green Power (United Kingdom)

In the context of an organised competitive process for the acquisition of a biomass power plant located in the United Kingdom, the Issuer, together with funds managed by Equitix, completed in June 2021 the acquisition of Tilbury Holdings, the owner (through Tilbury Green Power) of a fully operational renewable energy biomass power plant, which processes waste wood, with a net generating capacity of 43.6 MW (with injection capacity currently limited to 41.6 MW in-line with ROC accreditation limit set by OFGEM).

Upon completion of the acquisition of Tilbury Holdings, the Issuer holds an indirect stake of 51 percent in Tilbury Holdings and funds managed by Equitix hold the remaining 49 percent, in a transaction that amounted to an enterprise value of £246.5 million, supported by the Issuer and funds managed by Equitix in a 51 percent and 49 percent proportion, respectively.

During the 6 months considered for the Issuer's consolidated accounts for the year end in 31 December 2021, TGP contributed with a turnover of £38.6 million and EBITDA of £28.2 million. During this period, the plant operated for a total of 170 days, with 14 days of outage, reflecting an availability of 92.3 percent and a load factor of 88.1 percent.

As for the full year, the proforma turnover was £58.9 million and the proforma EBITDA was £36.0 million. This acquisition process was completed on 30 June 2021, TGP having become the first biomass power plant operated (although indirectly) by the Issuer in a foreign country and the power plant with greatest capacity taking into account the capacity of the Portuguese Biomass Power Plants currently managed by the Issuer in Portugal.

(iv) Contribution in Kind of V-Ridium

At the same date of the IPO, the Issuer agreed to acquire 100% of V-Ridium in exchange of 11,200,000 shares in the Issuer's share capital. The transaction was valued at €56 million, plus a €14 million earn-out – of which €7 million related to the lock-up period of V-Ridium Europe's current key managers -, to be paid three years after the acquisition.

During the 6 months considered for the Issuer's consolidated accounts for the year end in 31 December 2021, V-Ridium contributed with a turnover of €1.8 million and EBITDA of €2.9 million. Note that V-Ridium's results are highly dependent on the asset rotation strategy, which was not possible to implement during the respective semester.

(v) **Other relevant investments**

Further to the investments detailed above, the Issuer has also acquired or incorporated the following shareholdings:

- 1) 70 percent equity stake in Profit Energy, a well-established distributed generation player in Portugal, operating in the development of energy efficiency and power generation projects and investments in renewable energies, in August 2021, for the purchase price of €4.6 million (including contingent payment of €2.3 million);
- 2) 42.19 percent equity stake in Perfecta Energía, a Spanish company operating in the distributed energy sector, namely in the sale, installation and maintenance of solar photovoltaic panels for the domestic segment's self-consumption, in October 2021, for the purchase price of €13.7 million;
- 3) 98.75 percent equity stake in SEO, a joint venture between GreenVolt and Green Mind Ventures (GMV), which aims to promote, acquire and develop small and medium-sized photovoltaic solar energy projects of up to 10 MW in the Spanish market, incorporated in January 2022;
- 4) 80 percent of Oak Creek, a California-based company that has been developing, since 1982, renewable energy projects, through the Issuer's subsidiary V-Ridium, in January 2022, for the purchase price of USD 8.0 million (including fair value of the contingent payment of USD 6.7 million);
- 5) 35 percent equity stake in MaxSolar, a German company operating in the renewable energy sector, a company in which Nature Infrastructure Capital has also invested, with the Issuer's shareholding being reinforced by active participation rights in the management of this company and the right to increase its current shareholding, in March 2022, for the purchase price of €23.9 million, and additional €10.0 million of short-term convertible loans;
- 6) 50 percent of Univergy Autoconsumo, a Spanish company focused in the sale, installation and maintenance of solar photovoltaic panels for the commercial and industrial segment, in March 2022, for the purchase price of €13.5 million, which included a capital increase; and
- 7) 100 percent of LJG Green Source Energy Alpha, a Romanian company that operates the LIONS Photovoltaic Solar Park (a 45MWp solar park), in May 2022, with an enterprise value of €82.8 million.

In March 2022, the Issuer has also entered into a strategic partnership with the renewable energy promoter Infracventus, becoming the holder of 50 percent of a set of photovoltaic solar projects under development by Infracventus, totalling 243 MW of capacity, of which about 160 MW are in an advanced stage of development, representing a total initial investment of €2.3 million.

All these acquisitions and projects completed in 2021 and 2022 are expected to allow the Issuer to better pursue its strategic goal of international growth, solidifying its position in the renewable energy sector within the European market and thus contributing to the expansion of its business.

(b) **Forecasted or ongoing acquisitions and investments**

(i) **Biomass**

General

Bioenergy is the largest source of renewable energy in the EU and biomass is expected to remain a key energy source for the EU in 2030, as it is needed to enable the decarbonisation of energy uses for which no other cost-effective solutions are available. Biomass is the main source of renewable energy for industry, providing a feedstock for chemicals production and delivering process heat at high temperatures. For transport, biomass is the main source of renewable energy besides electrification. In the power sector, it enables flexibility in renewable electricity generation⁶⁴.

The biomass market is a robust industry in Portugal with an increasing number of relevant market participants building large-scale positions in biomass energy generation. The Issuer is a leading Portuguese renewable energy player and the largest biomass operator in Portugal, holding around 48 percent of the biomass market share in 2020⁶⁵. The Issuer, either directly or through other Portuguese Biomass Power Plant Developers, currently operates the Portuguese Biomass Power Plants, which are located in four regions of Portugal, notably in Mortágua, Vila Velha de Ródão, Constância and Figueira da Foz (where there are two power plants) (please see Section 5.4 (“*Subsidiaries*”) for more information on the Issuer’s subsidiaries and the Portuguese Biomass Power Plants). Backed by the experience gained over more than ten years operating these power plants, the Issuer has in-depth expertise in the design, management and operation of biomass power plants in Portugal, currently operating installations with a combined installed injection capacity of 100.5 MW (as per respective licences), generating around 710 – 730 GWh annually. Between 2019 and 2021, the Issuer’s Adjusted EBITDA grew from €22.2 million to €61.6 million and its adjusted EBITDA margin reached 43.5 percent (described in detail in Section 13.1.4 (“*Alternative Performance Measures*”)). The availability of Figueira da Foz II Power Plant, the largest Portuguese Biomass Power Plant of the Group, was above 97.4 percent in 2021, using 365 days.

⁶⁴ Source: International Renewables Energy Agency – Renewable Energy Prospects for the European Union – February 2018.

⁶⁵ Source: based on energy injected, General Directorate for Energy and Geology (Direção Geral de Energia e Geologia).

The operation of biomass power plants is the Issuer's core business and represents a critical basis for its future strategic growth. The Issuer does not intend to focus its growth in greenfield projects, but rather to leverage its business by acquiring other biomass power plants already in operation, in pursuit of its market consolidation objective. This acquisition strategy targets biomass power plants identified by the Issuer as operating below their potential capacity and which the Issuer believes may benefit from its experience and management. To maximise its investment strategy, the Issuer intends to acquire majority shareholdings in the power plants identified and subsequently increase their efficiency to bring greater value to all stakeholders involved, including the Issuer itself.

Portugal

As the Issuer is still awaiting the issuance by the DGEG of a production licence for a biomass power plant in Mortágua with a capacity of 10 MW, capex in relation to the investments to be made in this power plant is still to be ascertained.

Other potential investments

In addition to its potential international operations, the Issuer devotes special attention to developments in the Iberian Peninsula, which is its natural market, remaining open to considering possible acquisitions that create value for the company's shareholders and stakeholders and which promote market consolidation. In this regard, please see the description of the Issuer's investments and recent acquisitions, as mentioned below.

Backed by a sustainable long-term approach, in addition to possible acquisitions of biomass power plants in Portugal or abroad, the Issuer aims to explore the possibility of using other types of fuel in its Biomass Power Plants, notably those linked to the promotion of a circular economy, and using other types of biomass which complement forest biomass, such as waste and residues.

(ii) Solar and onshore wind development

General

In strategic terms, seeing as solar photovoltaic and wind capacity is expected to significantly increase in Europe especially in the geographies where the Issuer is focusing its growth efforts (Portugal, Poland, France, Greece, Italy and Romania), the Issuer defined the European market as its key target market in the solar and onshore wind sectors, subordinating its action to the criteria of shareholder profitability, and requiring security as regards estimated cash flows, always operating under PPAs entered into with low-risk counterparties.

Unlike the limited growth the Issuer expects to occur in respect greenfield projects of biomass, which defined the Issuer's acquisition strategy as described above, the Issuer believes that there are substantial solar photovoltaic and wind development opportunities, which is the most valuable stage of the solar photovoltaic and wind value chain. In this scenario, the Issuer envisages to carefully select and optimise a pan-European solar photovoltaic and wind platform pipeline capacity to remain on-balance sheet, following an equity rotation strategy with financial investors to maximise project return for de-risked assets.

Portugal

In addition to the previously mentioned investment in Golditábuá, the Issuer has a construction project for another photovoltaic solar plant in Águeda, Portugal, with an injection capacity of 37.6 MW, which has already obtained a reserved capacity title awarded to Paraimo Green. (in which the Issuer holds a 70 percent stake). The Issuer has received the Environmental Impact Declaration in May 2022 and is now currently undertaking the final procedures for requesting to DGEG the issuance of the production licence. The estimated investment to install the Paraimo Green solar power plant amounts to circa €35 million. The project shall be in operation within 24 months of the issuance of the project's production licence.

The Issuer submitted a request for the award of grid capacity for a 600 MW solar plant located in Nisa, south of Portugal. The project was selected by REN and is definitively ranked 57th in accordance with the terms of reference. Located in the Pego/Falagueira axis, this project could potentially be installed with no environmental or planning constraints across 800 hectares of land. The Issuer is currently undertaking the EIA and awaiting from REN's feedback in relation to the budget for the purposes of implementation of grid infrastructure in order to develop such project. The amount of the investment foreseen to install this solar power plant is not estimated yet.

Europe

As further described in Section 5.4. ("*Subsidiaries*"), the Issuer, via two subsidiaries of V-Ridium, has recently entered into a contract for the purchase of the LIONS Photovoltaic Solar Park.

Internationally, the Issuer has based its approach towards other European countries on a co-development strategy which is informed by a project-by-project analysis based on the financial guidelines previously described. Accordingly, investment in or the acquisition of projects in other European countries will be subject to the criteria of profitability and of stability and predictability of cash flows.

The Issuer is analysing a possible investment in co-developing solar and wind projects in Romania with a Romanian experienced wind and solar energy developer and operator, which are in advanced phase, and are being carried out by the latter. For that purpose, a joint-venture will be established, in which the Issuer will hold a 50 percent stake, with pending shareholder agreement terms.

(iii) **Distributed Generation in Portugal**

In 2021, the Issuer acquired (i) a 70 percent stake in the share capital of Profit Energy and (ii) a 42 percent stake in the share capital of Perfecta Energía, with an option to acquire the remaining share capital of Perfecta Energía in 2024.

Profit Energy generated a net profit of the period before income tax, financial expenses and amortisations and depreciations of €0.7 million in 2020, with targeted annual growth of circa 60 percent until 2026. The acquisition of Perfecta Energía reflects the expansion of the Issuer's business in the residential self-consumption sector, in line with the Issuer's growth strategy.

(c) **Share of net profit in joint ventures and co-investments**

In addition to the joint venture with KGAL existing as at 31 December 2021 through its subsidiary V-Ridium, in 2022, the Issuer has established two joint-ventures focused on the development and construction of utility-scale Solar PV assets in Portugal and Spain – with Infraventus and with Green Mind Ventures, respectively – and has acquired a 35% stake in MaxSolar, a German company that develops ground-mounted and rooftop photovoltaic solar projects in its home market and neighbouring Austria and has a pipeline of 3.2 GW, of which 0.8 GW are in an advanced stage of development. In addition to the development of solar and storage projects, MaxSolar is one of Germany's leading full-service providers of utility-scale and rooftop engineering procurement and construction (EPC) services. This investment allowed the Issuer to enter one of the most active markets in Europe in terms of investment in renewable energy, with targets of deployment of photovoltaic solar farms of 200 GW until 2030⁶⁶.

10.8. Environmental issues

The Issuer is currently subject to ongoing administrative misdemeanour proceedings brought by IGAMAOT (please refer to Section 3.3.3 (*"Risks inherent to certain pending and possible future environmental claims that may result in the application of fines and ancillary penalties"*)) for further details on these proceedings). The Issuer does not envisage any material impact on its businesses or activities if these proceedings are not decided in favour of the Issuer.

⁶⁶ Source: Federal Ministry for Economic Affairs and Climate Action.

Other than the matter outlined above, and as described in Section 10.6 (*Environmental, Social and Governance*), the Issuer is not aware, at the date of this Prospectus, of any material environmental matters or issues that may affect the Issuer's business activities.

10.9. Employees

Until the close of 2020, the Issuer did not have any contractual labour relationships and, therefore, did not have any employees. As at 31 December 2021, the Issuer had 34 employees. As at the date of this Prospectus, the Group has 44 employees. Most of these perform their functions from Lisbon, while the remaining few perform their functions in Figueira da Foz, Porto and Mortágua. Regarding job positions, the Issuer's staff is composed of: a M&A manager; IR & MA director; project finance manager; financial analyst; new energy projects director; technical manager; financial director; project technician; senior technician accounting and consolidation; advisor (two); junior technician; operational manager; secretary (two); and driver. During 2021 and 2022, GreenVolt was focused on reinforcing financial, legal, technical, sustainability and HR teams.

With respect to each person referred to as a member of the administrative, management or supervisory bodies of the Issuer, none holds a share ownership or any options over the Shares as at the date of this Prospectus, except for an amount equivalent to an equity participation right attributed to the Chief Executive Officer under its management agreement, according to which the Chief Executive Officer has the right to receive an amount equivalent to the investment of €2 million in GreenVolt shares at the closing price on the date of admission to trading of the IPO. This right can be exercised (i) from 19 March 2024, for 50 percent of the Shares, and (ii) from 19 March 2025, for the remaining percent without limitation, to be paid as variable remuneration (to accrue to the remaining contractually agreed variable remuneration).

The Issuer holds employee retention, training, and retribution policies, fully aligned with its objectives.

The Issuer also promotes a focus on diversity by building an inclusive culture to attract and retain a wider range of people on its workforce.

10.10. Material contracts

Except as disclosed in this Prospectus, in the two years immediately preceding its publication, neither the Issuer nor any member of the Group entered into any material contract other than contracts entered into in the ordinary course of their respective businesses.

In addition, except as disclosed in this Prospectus, neither the Issuer nor any member of the Group entered into any material contract other than contracts entered into in the ordinary course of their respective businesses containing any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this Prospectus.

10.11. Legal and arbitration proceedings

At any given time, either the Issuer or any of its subsidiaries may be a party to governmental, legal or arbitration proceedings or subject to non-litigated claims arising from its business activities. These governmental, legal or arbitration proceedings may involve customers, suppliers, employees and administrative, central, municipal, tax, environmental or any other authorities.

By reference to 31 March 2022, the Issuer is involved in two administrative misdemeanour proceedings as a defendant, which may result, should their outcome prove unfavourable to the Issuer, in a total aggregate liability of up to €288,000 as well as potentially applicable ancillary sanctions, such as the prohibition of receiving public subsidies, seizure of equipment, closure of the facility and suspension of permits and authorisations.

On 18 September 2020, the Issuer was notified by IGAMAOT of the start of two environmental misdemeanour proceedings due to the Issuer's failure to provide, until 31 January 2020, an inventory of sealed radioactive sources, which may constitute two serious offences if the Issuer is found guilty of these charges. If the Issuer is found guilty, these proceedings could result in a fine ranging from €24,000 to €144,000, as well as the application of the ancillary sanctions listed in the previous paragraph.

All sealed radioactive sources in place were and are included in an annual inspection carried out by an external certified company. Malfunctions in the sealed radioactive sources were not detected in these inspections and thus there was no environmental damage or health damage to workers. However, to avoid any future failure to provide an annual inventory of sealed radioactive sources to the Portuguese Environmental Agency (APA) until 31 January of each year, the Issuer has updated its SIAWISE platform (legislation applicability alert platform) with a MOP (timetable of mandatory communication obligations to the authorities).

On 9 June 2020, the Issuer underwent an inspection by IGAMAOT aimed at verifying compliance with the conditions and obligations set forth under the Sole Environmental Title (TUA) 20180123000293.

Based on the analysis of the documents provided during this inspection, on 31 March 2021 IGAMAOT accused the Issuer of not having in place a financial guarantee insuring its environmental liabilities. In IGAMAOT's understanding, the Issuer's environmental insurance policy is insufficient to cover its environmental responsibility, considering that it excludes the insurance company's responsibility in case of wilful default by the Issuer.

IGAMAOT's environmental misdemeanour proceedings against the Issuer may constitute a very serious offence if the Issuer is found guilty of these charges. Although the Issuer believes that these proceedings have no legal grounds to proceed, it plans to contract an addendum to the environmental insurance policy in order to include wilful default within its scope.

Notwithstanding the above, the Issuer is not aware of any material governmental, legal or arbitration proceedings involving the Issuer during the 12 months prior to the date of this Prospectus which may

have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer and/or the subsidiaries forming part of the Group as a whole.

11. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Each potential investor should read the information contained in this Chapter in conjunction with the Chapter 13 entitled “Selected Consolidated Financial Information”, the Annual Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements, including the notes thereto, appearing elsewhere in this Prospectus.

We have prepared Annual Audited Consolidated Financial Statements for the years ended 31 December 2021, 31 December 2020 and 31 December 2019 in accordance with the basis of preparation disclosed in note 4 and note 3 to the 2018-2020 Annual Audited Consolidated Financial Statements and the 2021 Annual Audited Consolidated Financial Statements, respectively, and consistent with IFRS-EU. The discussion contained herein is based on the Annual Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements prepared in accordance with IAS 34 – Interim Financial Reporting.

Overview

Until 30 June 2021, the Issuer’s activities were focused on the promotion, development, and management, directly or indirectly, of power plants and other facilities for the production and sale of energy, through sources of waste and biomass and the carrying out of studies and execution of projects within the same scope, as well as the provision of any other related activities and services. The Group currently operates plants in Mortágua, Constância, Figueira da Foz, Vila Velha de Ródão, Mondego (Figueira da Foz) and Tilbury.

During 2021, the Group launched a growth strategy based not only on biomass, but also focused on the development of wind and photovoltaic energy projects and distributed energy generation, through the acquisition of V-Ridium (development platform for solar and wind projects), Profit Energy and Track Profit II Invest (dedicated to the development of energy efficiency projects as well as the installation of B2B photovoltaic solar projects) and Perfecta Energía (sale, installation and maintenance of solar panels in B2C segment). During 2022, the Issuer continued its growth strategy by initiating a new venture in Portugal associated with energy communities’ solutions through Energia Unida, launched Perfecta Industrial to be focused on B2B photovoltaic solar projects in Spain, created a joint venture with Green Mind Ventures to develop, construct and operate small utility scale solar projects in Spain named SEO, acquired 50 percent of 6 companies with 24 small utility scale projects in Portugal to be codeveloped and constructed with Infraventus, acquired 50 percent of Univergy Autoconsumo, a company dedicated to the development and installation of photovoltaic solar energy solutions in the commercial and industrial segment in Spain and acquired 35 percent of MaxSolar, a German company that develops ground-mounted and rooftop photovoltaic solar projects in its home market and neighbouring Austria and has a pipeline of 3.2 GW, of which 0.8 GW are in an advanced stage of development. In addition to the development of solar and storage projects, MaxSolar is one of Germany’s leading full-service providers of utility-scale and rooftop engineering procurement and construction (EPC) services.

Financial condition

Information on Consolidated Statements of Financial Position

The consolidated statement of financial position as at 31 December 2021 and the consolidated income statement for the year then ended included in the Unaudited Interim Condensed Consolidated Financial Statements as comparative unaudited financial information, have been restated, as a result of:

- (i) The recognition of the purchase price allocation of Tilbury Green Power Holdings on a definitive basis. As referred in the 2021 Annual Audited Consolidated Financial Statements, as at 31 December 2021, the goodwill calculation was provisional and was concluded in the first quarter of 2022, leading to a decrease of goodwill in the amount of €9,825,916, and an increase of intangible assets (€12,542,454) and deferred tax liabilities (€3,081,539); and
- (ii) The recognition of deferred tax assets in Perfecta Energía, deriving from the ongoing purchase price allocation exercise in that subsidiary, leading to a decrease in goodwill of €241,749 and to an increase in deferred tax assets of €573,000 and non-controlling interests within equity amounting to €331,251 (all amounts as at 31 December 2021). As at 31 March 2022, the goodwill of Perfecta is still provisional.

As a result of the restatement, the Non-current assets as at 31 December 2021 have increased from €676,299,470 to €679,347,259 and the Non-current liabilities have increased from €580,565,975 to €583,647,514.

The following table shows information from the consolidated statements of financial position as at 31 December 2021 (including the impact of the restatement), as at 31 December 2020, as at 31 December 2019 and as at 31 March 2022:

(amounts expressed in Euros)	As at 31 March		As at 31 December		
	2022 (unaudited)	2021 (restated unaudited)	2021 (audited)	2020 (audited)	2019 (audited)
ASSETS					
NON-CURRENT ASSETS:					
Property, plant and equipment	380,185,446	370,016,023	370,016,023	160,466,245	166,809,912
Right-of-use assets	65,271,949	66,297,546	66,297,546	5,433,575	5,737,867
Goodwill	116,673,310	113,832,740	123,900,405	-	-
Intangible assets	102,389,084	100,304,810	87,762,356	6,795,875	1,418,432
Investments in joint ventures	16,173,230	3,035,546	3,035,546	-	-
Other debts from third parties	22,001,604	3,337,895	3,337,895	-	-
Other investments	144,433	142,747	142,747	-	-
Derivative financial instruments	7,418,107	1,333,293	1,333,293	-	-
Deferred tax assets	24,055,712	21,046,659	20,473,659	1,493,924	2,503,285
Total non-current assets	734,312,875	679,347,259	676,299,470	174,189,619	176,469,496
CURRENT ASSETS:					
Inventories	1,072,135	875,469	875,469	1,108	3,041,661
Trade receivables	7,602,667	13,106,188	13,106,188	19,580	-
Assets associated with contracts with customers	27,084,207	28,698,328	28,698,328	7,476,825	7,365,847
Other receivables	41,650,973	20,566,220	20,566,220	11,578	988,262
Income tax receivable	669,912	679,905	679,905	387	-
Other tax assets	4,815,649	3,691,332	3,691,332	115,287	7,271

Other current assets.....	3,440,992	2,283,256	2,283,256	506,427	203,819
Derivative financial instruments	817,616	-	-	-	-
Cash and cash equivalents.....	238,075,005	258,757,013	258,757,013	14,100,666	16,107,267
Total current assets	325,229,156	328,657,711	328,657,711	22,231,858	27,714,127
Total assets	1,059,542,031	1,008,004,970	1,004,957,181	196,421,477	204,183,623
EQUITY AND LIABILITIES					
EQUITY:					
Share capital.....	267,099,998	267,099,998	267,099,998	50,000	50,000
Issuance premium	772,612	772,612	772,612	-	-
Legal reserve	10,000	10,000	10,000	10,000	10,000
Supplementary capital.....	-	-	-	9,583,819	13,150,000
Other reserves and retained earnings..	35,311,816	33,948,751	33,951,246	39,718,335	19,772,948
Consolidated net profit for the period .	1,141,172	7,832,443	8,016,098	17,934,337	6,795,387
Total equity attributable to Equity holders of the parent	304,335,598	309,663,804	309,849,954	67,296,491	39,778,335
Non-controlling interests	40,597,398	40,668,385	40,515,985	14,584	13,453
Total equity.....	344,932,996	350,332,189	350,365,939	67,311,075	39,791,788
LIABILITIES:					
NON-CURRENT LIABILITIES					
Bank loans	159,658,336	160,576,657	160,576,657	-	-
Bonds	183,316,177	169,646,308	169,646,308	48,463,769	49,673,801
Other loans.....	39,546,508	39,521,862	39,521,862	-	-
Shareholder loans	40,547,090	40,826,529	40,826,529	-	-
Lease liabilities	66,503,819	67,071,085	67,071,085	5,836,636	6,088,752
Other payables	20,200,202	16,289,251	16,289,251	820,348	-
Other non-current liabilities.....	333,617	389,220	389,220	611,632	834,043
Deferred tax liabilities	36,069,614	36,001,724	32,920,185	3,258,306	2,844,621
Provisions	15,859,037	15,866,752	15,866,752	11,538,164	11,388,007
Derivative financial instruments.....	57,593,622	37,458,126	37,458,126	-	-
Total non-current liabilities.....	619,628,022	583,647,514	580,565,975	70,528,855	70,829,224
CURRENT LIABILITIES					
Bank loans	7,333,169	6,369,435	6,369,435	-	-
Bond loans.....	3,415,664	2,933,588	2,933,588	1,545,172	294,954
Other loans.....	21,466,094	20,490,460	20,490,460	40,007,311	50,000,000
Shareholders loans	699,854	-	-	-	24,596,424
Lease liabilities	899,107	876,529	876,529	284,370	273,537
Trade payables	18,399,330	17,858,390	17,858,390	8,537,852	11,931,566
Liabilities associated with contracts with customers	1,940,966	-	-	-	-
Other payables	30,081,279	15,808,897	15,808,897	3,939,205	1,954,692
Income tax payable	2,407,866	1,213,754	1,213,754	3,411,514	150,718
Other tax liabilities	1,822,771	1,869,726	1,869,726	565,732	4,012,039
Other current liabilities	6,357,126	6,301,050	6,301,050	290,391	348,681
Derivative financial instruments.....	157,787	303,438	303,438	-	-
Total current liabilities.....	94,981,013	74,025,267	74,025,267	58,581,547	93,562,611
Total liabilities	714,609,035	657,672,781	654,591,242	129,110,402	164,391,835
Total equity and liabilities.....	1,059,542,031	1,008,004,970	1,004,957,181	196,421,477	204,183,623

The variations described below, which are presented on rounded figures, refer to the restated figures as at 31 December 2021.

Certain numerical figures set out in this or in other sections of the Prospectus are presented in euros or in million/thousands of euros, as indicated, and have been subject to rounding adjustments. As a result, the totals of the data may vary slightly from the actual arithmetic totals of such information.

Assets

“Assets” comprise Non-current assets and Current assets. Non-current assets primarily consist of Property, plant and equipment, Goodwill and Intangible assets, while Current assets primarily consist of Assets associated with contracts with customers, Other receivables and Cash and cash equivalents.

Non-current assets

As at 31 March 2022, non-current assets amounted to €734.3 million, an increase of €55.0 million compared to the €679.3 million registered as at 31 December 2021 (restated). This increase was mainly due to the investment in Max Solar and Infracventus: (i) the €13.2 million increase in Investments in joint ventures and associates is mainly comprised of €7.7 million in Infracventus and €4.8 million in MaxSolar, and (ii) and the €18.7 million increase in the loans granted to third parties is mainly explained by the loan granted to Max Solar. In addition to these variations, (i) property, plant and equipment has also increased €10.2million, mainly from the fixed asset acquisitions performed by V-Ridium, and (ii) the derivative financial instruments increased €6.1 million, resulting from the positive fair value valuation of the IRS Mark to market in TGP.

As at 31 December 2021, non-current assets (restated) amounted to €679.3 million, an increase of €505.1 million compared to the €174.2 million registered as at 31 December 2020. This increase was primarily due to the acquisitions performed during the second half of 2021, which implied: (i) the recognition of a goodwill amounting to €113.8 million (restated figures); (ii) the increase in property, plant and equipment of €211.2 million (changes in the consolidation perimeter), mainly from the TGP and V-Ridium acquisitions (€204.7 million and €6.1 million, respectively reported at the acquisition date); (iii) the increase in intangible assets arising from the purchase price allocation exercise performed in TGP, which resulted in the identification of an intangible asset of €57.9 million (restated figures); (iv) the increase in right of use assets of €60.9 million mainly related with the land where the TGP plant is located; and (v) the increase in deferred tax assets amounting to €19.5 million mainly from TGP acquisition.

As at 31 December 2020, non-current assets amounted to €174.2 million, a decrease of €2.3 million compared to the €176.5 million registered as at 31 December 2019. This decrease was primarily due to the following two reasons: (i) a decrease of €6.3 million in property, plant and equipment; and (ii) a decrease in deferred tax assets in the amount of €1.0 million. The decrease was partially offset by an increase of €5.4 million increase in intangible assets. The decrease in property, plant and equipment was mainly related to amortisation in the amount of €11.7 million, €3.8 million in impairment reversals and €1.6 million in additions, of which €680 thousand related to the land used for the Golditábua photovoltaic project and approximately €893 thousand to the new turbine of Ródão

Power. The increase in intangible assets was mainly due to the €2.6 million impairment reversals and €2.9 million in additions relating to the acquisition of the operation license for the Golditábuva photovoltaic project.

Current assets

As at 31 March 2022, current assets amounted to €325.2 million, a decrease of €3.5 million compared to the €328.7 million registered as at 31 December 2021. The main variations in current assets refer to a €21.1 million increase in Other receivables (mostly explained by the €10.0 million convertible loan associated with the acquisition of Max Solar and the €9.3 million increase of loans granted to Augusta, the joint venture with KGAL in Poland), which was partially offset by the €20.7 million decrease in cash and cash equivalents.

As at 31 December 2021, current assets amounted to €328.7 million, an increase of €306.5 million as compared to the €22.2 million registered as at 31 December 2020. This increase was primarily due to: (i) an increase in Cash and cash equivalents of €244.7 million; (ii) an increase in Trade receivables of €13.1 million being mainly explained by a delay of one day in the receipt from the customer SU Eletricidade, S.A. (biomass segment), as well as the balances receivable relating to the distributed energy generation segment, which amount to €3.4 million; (iii) an increase in Assets associated with contracts with customers of €21.2 million, mainly reflecting the incorporation of TGP's balances, as well as the accrued income related to the application of the percentage of completion method in the subsidiaries of the distributed energy generation segment; and (iv) the increase in Other receivables of €20.6 million, being mostly due to loans granted to companies held by the joint venture Augusta Energy Sp. z o.o., which are granted for the development of the operational activity of those companies.

As at 31 December 2020, current assets amounted to €22.2 million, a decrease of €5.5 million as compared to the €27.7 million registered as at 31 December 2019. This decrease was primarily due to a decrease in cash and cash equivalents of €2.0 million and in inventories of €3.0 million. The decrease in inventories is explained by the sale in January 2020 of all forest biomass inventories to Altri Madeira, an entity of the Altri Group. Since that date, Altri Madeira has been the Group's only buyer and supplier of biomass, having become the sole responsible for the biomass inventory.

Equity and liabilities

"Equity" consists of equity attributable to equity holders of the parent and non-controlling interests. Non-current liabilities primarily consist of interest-bearing liabilities, deferred tax liabilities and provisions, whereas current liabilities primarily consist of other loans, lease liabilities and trade and other payables.

Equity

As at 31 March 2022, total equity amounted to €344.9 million, a decrease of €5.4 million compared to the €350.3 million registered as at 31 December 2021.

As at 31 December 2021, total equity amounted to €350.3 million, an increase of €283.0 million compared to the €67.3 million registered as at 31 December 2020. This increase was primarily due to the share capital increases and issuance of share premium that totalled €267.8 million that occurred during the year 2021 (as explained in the Note 21 of the 2021 Annual Consolidated Financial Statements).

As at 31 December 2020, total equity amounted to €67.3 million, an increase of €27.5 million compared to the €39.8 million registered as at 31 December 2019. This increase was primarily due to the total consolidated net profit for the year in the amount of €17.9 million and conversion of shareholder loans to supplementary capital in the amount of €9.6 million.

Liabilities

Non-current liabilities

As at 31 March 2022, non-current liabilities amounted to €619.6 million, an increase of €36.0 million compared to the €583.6 million registered as at 31 December 2021. This increase was mainly due to new bond loans contracted by the Group (bond loans increased €13.7 million) and the negative variation of the derivative fair value mark-to-market in TGP (derivative financial instruments increased €20.1 million).

As at 31 December 2021, non-current liabilities amounted to €583.6 million, an increase of €513.1 million compared to the €70.5 million registered as at 31 December 2020. This increase was primarily due to the €382.5 million increase in non-current financial debt⁶⁷ (driven by the new bank loans and other loans, totalling €200.1 million, which were nil at 31 December 2020, and the €61.3m increase in lease liabilities, driven by the TGP lease agreement), as well as the increase of Deferred tax liabilities amounting to €32.7 million and the Derivative financial instruments associated with TGP, which amount to €37.5 million at 31 December 2021 (nil at 31 December 2020). Other payables, in the amount of €16.3 million, mainly include the contingent payments associated with the acquisitions of V-Ridium and Profit Energy.

As at 31 December 2020, non-current liabilities amounted to €70.5 million, a decrease of €0.3 million compared to the €70.8 million registered as at 31 December 2019.

Current liabilities

As at 31 March 2022, current liabilities amounted to €95.0 million, an increase of €21.0 million compared to the €74.0 million registered as at 31 December 2021. This variation is mainly explained by the €14.3 million increase in Other payables, motivated by the earn-outs generated in the acquisitions performed during the first quarter of 2022, such as Infracore and Oak Creek.

⁶⁷ Non-current financial debt shall mean the sum of non-current bonds, bank loans, other loans and lease liabilities.

As at 31 December 2021, current liabilities amounted to €74.0 million, an increase of €15.4 million compared to the €58.6 million registered as at 31 December 2020. This increase was primarily due to the increase in Trade payables and Other current liabilities (in a total of €9.4 million and €6.0 million, respectively, driven by the increase in the operating activity of the Group), as well as the €11.9 million increase in Other payables which include success fees payable to investment suppliers from asset acquisitions, which are subject to the compliance of a set of milestones by third parties. These amounts were partially offset by a decrease of €11.1 million in current financial debt⁶⁸.

As at 31 December 2020, current liabilities amounted to €58.6 million, a decrease of €35.0 million compared to the €93.6 million registered as at 31 December 2019. This decrease was primarily due to a decrease in other loans of €10.0 million and in shareholders loans of €24.6 million.

Operating results

Information on consolidated income statement data

The following table shows information from consolidated income statement data for the years ended 31 December 2021, 31 December 2020 and 31 December 2019 and for the three-month periods ended 31 March 2022 and 2021:

(amounts expressed in Euros)	For the three-month period ended 31 March			Year ended 31 December		
	2022 (unaudited)	2021 (unaudited)	2021 (restated – unaudited)	2021 (audited)	2020 (audited)	2019 (audited)
Sales	48,613,077	21,144,689	130,709,839	130,709,839	89,877,619	64,283,355
Services rendered	7,457,423	-	9,935,282	9,935,282	-	-
Other income	539,089	55,745	861,419	861,419	222,437	851,448
Costs of sales	(16,011,016)	(9,760,709)	(43,237,838)	(43,237,838)	(39,028,957)	(24,880,975)
External supplies and services	(13,536,710)	(4,386,841)	(34,272,650)	(34,272,650)	(17,920,494)	(17,470,548)
Payroll expenses	(4,735,586)	(551,562)	(6,442,375)	(6,442,375)	-	-
Provisions and impairment reversals / (losses) in current assets	(48,530)	-	(146,885)	(146,885)	41	-
Results related to investments	(168,851)	-	(276,204)	(276,204)	-	-
Other expenses	(210,178)	(30,518)	(589,411)	(589,411)	(129,539)	(82,425)
Earnings before interest, taxes and CESE, depreciation, amortisation and Impairment reversals / (losses) in non-current assets	<u>21,898,718</u>	<u>6,470,804</u>	<u>56,541,177</u>	<u>56,541,177</u>	<u>33,021,107</u>	<u>22,700,855</u>
Amortisation and depreciation	(9,228,069)	(3,315,761)	(26,424,785)	(25,980,206)	(12,148,457)	(10,623,246)
Impairment reversals / (losses) in non-current assets	-	-	-	-	6,335,742	-
Earnings before interest, taxes and CESE	<u>12,670,649</u>	<u>3,155,043</u>	<u>30,116,392</u>	<u>30,560,971</u>	<u>27,208,392</u>	<u>12,077,609</u>

⁶⁸ Current financial debt shall mean the sum of current bonds, bank loans, other loans and lease liabilities.

Financial expenses.....	(5,552,171)	(357,014)	(9,056,049)	(9,056,049)	(1,791,223)	(1,872,466)
Financial income.....	1,107,730	-	708,981	708,981	67	480
Profit before income tax and CESE.....	8,226,208	2,798,029	21,769,324	22,213,903	25,417,236	10,205,623
Income tax.....	(1,868,766)	(888,876)	(8,304,675)	(8,389,145)	(6,412,734)	(2,616,493)
Energy sector extraordinary contribution (CESE)....	(951,000)	(1,016,000)	(1,015,013)	(1,015,013)	(1,078,934)	(797,390)
Consolidated net profit for the year.....	5,406,442	893,153	12,449,636	12,809,745	17,925,568	6,791,740
Attributable to:						
Equity holders of the parent	1,141,172	900,301	7,832,443	8,016,098	17,934,337	6,795,387
Non-controlling interests	4,265,270	(7,148)	4,617,193	4,793,647	(8,769)	(3,647)
	5,406,442	893,153	12,449,636	12,809,745	17,925,568	6,791,740

As a result of the 2021 restatement, there were changes in Amortisation and depreciation and corresponding tax impact.

The variation in the income statement data between the three-month period ended 31 March 2022 and the three-month period ended 31 March 2021 is explained by the acquisitions performed in the second semester of 2021, as part of the redesign process of the Issuer in that period.

Revenue

The Group's revenue is mainly derived from (i) in the biomass segment, sale of electricity to the national public grid, with fixed tariffs ("**Feed-in-tariff**"), in the case of Portuguese companies. In the case of companies located in the United Kingdom, revenues have a fixed component – Renewable Obligation Certificates ("**ROCs**") – and a variable component that depends on the evolution of the electricity price ("**Brown Power**"); (ii) in the utility-scale segment, the rendering of accounting, administrative and asset management services and sale of solar and wind energy projects, essentially in the RtB stage; and (iii) in the distributed generation segment, the installation and maintenance of distributed solar energy production units (B2B and B2C). Revenue from the biomass segment, excluding intersegmental services rendered, amounted to €130.7 million for the year ended 31 December 2021, compared to €86.9 million (excluding biomass sales) for the year ended 31 December 2020, an increase of €43.8 million. Revenue from the distributed generation segment, excluding intersegmental services rendered, amounted to €8.3 million in 31 December 2021 (nil at 31 December 2020).

In 2020, the Group's revenue was mainly derived from the sale of electricity to the public grid in Portugal. Revenue from electricity sales by the Group amounted to €86.9 million for the year ended 31 December 2020, compared to €64.3 million for the year ended 31 December 2019, an increase of €22.6 million, or 35.1 percent. As at 31 December 2020, the Group recognised sales related to the sale of biomass in a total amount of €3.0 million to Altri Madeira. This amount related to the sale of the complete inventories of forest biomass held by the Group as at January 2020. Since then, Altri Madeira

became the only buyer and supplier of biomass of the Group, having become the sole responsible for the biomass inventory.

Other income

The Group's other income is mainly linked to own works for the entity, amounting to €576,646 in 2021 (nil in 2020 and 2019), and Investment grants, related to the non-repayable investment grant awarded to finance the Mortágua Power Plant (2019: €222,411, 2020: €222,412 and 2021: €238,744). The Group has recognised claims compensations linked to property damage in 2019 (€505,331).

Cost of sales

The cost of sales increased by €4.2 million, from €39.0 million for the year ended 31 December 2020 to €43.2 million for the year ended 31 December 2021, an increase of 10.8 percent, due to (i) the impact of the cost of sales of €6.3 million from TGP operation in the second semester of 2021, (ii) the costs with equipment of €1.7 million from Perfecta Energía operation in the last two months of the period, partially mitigated by (iii) the fact that during 2021 there were no biomass sales (€3.0 million impact in 2020). In the previous year, the cost of sales increased by €14.1 million, from €24.9 million for the year ended 31 December 2019 to €39.0 million for the year ended 31 December 2020, an increase of 56.6 percent. This increase was largely in line with the growth in revenue resulting from the Group's electricity sales, the sale of all forest biomass inventories to Altri Madeira in January 2020 and the inclusion of handling costs, which were previously accounted for in external supplies and services.

External supplies and services

"External supplies and services" include specialised services, subcontracts, maintenance and repairs, energy and fluids and materials. The cost of external supplies and services increased by €16.4 million, from €17.9 million for the year ended 31 December 2020 to €34.3 million for the year ended 31 December 2021, an increase of 91.6 percent which is mainly due to the acquisitions of companies performed during the year of 2021, as well as a reflection of the growth of the Group's operational activity. In 2021, the External supplies and services include €5.0 million of non-recurring costs related with the transactions. In the previous year, the cost of external supplies and services increased by €0.4 million, from €17.5 million for the year ended 31 December 2019 to €17.9 million for the year ended 31 December 2020, an increase of 2.3 percent.

Payroll expenses

Payroll expenses increased by €6.4 million (nil in 2020), a result of the growth of the Group.

Depreciation and amortisation expenses

Depreciation and amortisation expenses are calculated using the straight-line method, in accordance with the estimated useful life period for each group of assets. Depreciation and amortisation increased by €14.3 million, or 118.2 percent, from €12.1 million for the year ended 31 December 2020 to €26.4

million for the year ended 31 December 2021, as a result of the aforementioned increase in property plant and equipment. In the previous year, depreciation and amortisation increased by €1.5 million, or 14.2 percent, from €10.6 million for the year ended 31 December 2019 to €12.1 million for the year ended 31 December 2020.

Impairment in non-current assets

Impairment reversals in non-current assets increased in the amount of €6.3 million for the year ended 31 December 2020. This was mainly due to the reversal of impairments in 2020 for property, plant and equipment and intangible assets accounted for in previous periods. Impairment losses in non-current assets amounted to €5.5 million for the year ended 31 December 2018. This was mainly due to the recognition of impairments in 2018 in property, plant and equipment with respect to the Constância and Mortágua plants. The assessment of impairment of non-current assets considered the methods and assumptions disclosed in note 13. and 15. of the 2018-2020 Annual Audited Consolidated Financial Statements.

Financial expenses

For the year ended 31 December 2021, there was an increase of €7.3 million in financial expenses, from €1.8 million for the year ended 31 December 2020 to €9.1 million for the year ended 31 December 2021. For the year ended 31 December 2020, there was a decrease of €0.1 million in financial expenses, from €1.9 million for the year ended 31 December 2019 to €1.8 million for the year ended 31 December 2020.

Income tax

Income tax amounted to €8.3 million for the year ended 31 December 2021, compared to €6.4 million for the year ended 31 December 2020, reflecting an increase of €1.9 million. Income tax amounted to €6.4 million for the year ended 31 December 2020, compared to €2.6 million for the year ended 31 December 2019, reflecting an increase of €3.8 million.

Energy sector extraordinary contribution (CESE)

The CESE regime, initially established under the State Budget Law for 2014, created a contribution with the purpose of financing mechanisms to promote the sustainability of the energy system, through the creation of a fund aimed at reducing tariff debt and financing social and environmental policies. The CESE regime was successively extended and became valid for 2020 and 2021 through Law no. 71/2018 of 31 December and Law no. 75-B/2020 of 31 December, respectively. CESE amounted to €1.0 million for the year ended 31 December 2021, €1.1 million for the year ended 31 December 2020 and €0.8 million for the year ended 31 December 2019. This variation is mainly explained by the impacts of the changes in the applicable legislation (please see Section 12.8 (“*Other legal regimes impacting generation activity*”)).

Profit for the year

As a result of the above, the Issuer's profit for the year ended 31 December 2021 amounted to €12.4 million, a decreased of €5.5 million compared to the profit of €17.9 million registered in the year ended 31 December 2020, which was impacted by the €6.3 million reversal of the impairment losses. Profit for the year ended 31 December 2020 amounted to €17.9 million, an increase of €11.1 million compared to the profit of €6.8 million registered in the year ended 31 December 2019.

Cash Flows

The following table sets forth the principal components of cash flows for the years ended 31 December 2021, 31 December 2020 and 31 December 2019 and for the three-month periods ended 31 March 2022 and 31 March 2021:

(amounts expressed in Euros)	For the three-month period ended 31 March		Year ended 31 December		
	2022 (unaudited)	2021 (unaudited)	2021 (audited)	2020 (audited)	2019 (audited)
<i>Net cash from operating activities (1).</i>	20,946,543	10,147,296	28,203,613	28,643,596	30,337,547
<i>Net cash used in investing activities (2).....</i>	(53,969,770)	(3,103,281)	(235,360,867)	(3,777,216)	(31,847,231)
<i>Net cash (used in)/ from financing activities (3).....</i>	12,669,850	49,361,387	450,719,568	(26,872,981)	10,909,494
Cash and cash equivalents at the beginning of year.....	258,757,013	14,100,666	14,100,666	16,107,267	6,707,457
Changes in the consolidation perimeter.....	-	-	1,020,787	-	-
Effect of exchange rate differences....	(328,631)	-	73,246	-	-
Net increase/(decrease) of cash equivalents: (1)+(2)+(3).....	(20,353,377)	56,405,402	243,562,314	(2,006,601)	9,399,810
Cash and cash equivalents at the end of year.....	238,075,005	70,506,068	258,757,013	14,100,666	16,107,267

The restatement of 2021 accounts does not impact the consolidated statement of cash flows.

The variation in the cash flow statement data between the three-month period ended 31 March 2022 and the three-month period ended 31 March 2021 is explained by the acquisitions performed in the second semester of 2021, as part of the redesign process of the Issuer in that period.

Net cash from operating activities

Net cash inflow from operating activities, namely receipts from customers, payments to suppliers, other receipts/(payments) relating to operating activities and income tax (paid)/received, decreased by €0.4 million in the year ended 31 December 2021, from an inflow of €28.6 million in the year ended 31 December 2020 to an inflow of €28.2 million in the year ended 31 December 2021. Net cash inflow from operating activities decreased by €1.7 million in the year ended 31 December 2020, from an inflow of €30.3 million in the year ended 31 December 2019 to an inflow of €28.6 million in the year ended 31 December 2020.

Net cash used in investing activities

Net cash used in investing activities increased by €231.6 million in the period ended 31 December 2021, from an outflow of €3.8 million in the period ended 31 December 2020 to an outflow of €235.4 million in the period ended 31 December 2021, which is mainly a result from the acquisitions performed during the year, including an outflow of €167.0 million related with TGP acquisition. Net cash used in investing activities decreased by €28.0 million in the period ended 31 December 2020, from an outflow of €31.8 million in the period ended 31 December 2019 to an outflow of €3.8 million in the period ended 31 December 2020.

Net cash from financing activities

Net cash from financing activities increased by €477.6 million in the period ended 31 December 2021, from an outflow of €26.9 million in the period ended 31 December 2020 to an inflow of €450.7 million in the period ended 31 December 2021. This was mainly explained by the fact that in 2021 the Group had a net inflow of €198.2 million of loans (compared with net outflow of €10.0 million in 2020) a capital increase of €50.0 million, an inflow from the IPO of €149.5 million and an inflow of €40.0 million of shareholder loans. This allowed GreenVolt to fund the investing activities and to keep a strong cash position to support future growth.

Liquidity and Capital Resources

The Issuer's liquidity requirements consist mainly of current assets and liabilities, capital expenditure and debt and tax servicing requirements. The primary sources of liquidity are cash from operations, cash and cash equivalents and undrawn credit facilities (namely, commercial paper programs).

The Group anticipates that the funds needed to fulfil the commitments for future financial investments and to fund investment in planned material fixed assets will come from cash flow from operating activities, borrowings, and proceeds from the Offer.

The main objective of the liquidity risk management policy is to ensure that the Group has, at all times, the necessary financial resources to meet its responsibilities and to pursue its strategies outlined fulfilling all its commitments to third parties, as they become due, by adequately managing the maturity of the Group's corresponding loans.

Thus, the Group pursues an active refinancing policy that procures: (i) to maintain a high level of free and readily available resources to address short-term needs; and (ii) to extend or maintain debt maturity as required by estimated cash-flows and the Group's leveraging capability taking into account its financial position.

As at 31 December 2021, the Group's Working Capital, calculated by the difference between current assets (€328.7 million) and current liabilities (€74.0 million), is positive by around €254.7 million.

Moreover, as at 31 March 2022, the Group's Working Capital, calculated by the difference between current assets (€325.2 million) and current liabilities (€95.0 million), is positive by around €230.2 million.

The ability to generate cash from operations depends on future operating performance, which is in turn dependent, to a certain extent, on general economic, financial, competitive, market, political, regulatory and other factors, many of which are beyond the Group's control, including the factors discussed in Chapter 3 (*"Risk Factors"*).

Please see Section 13.1.4 (*"Alternative Performance Measures"*) for a definition of net debt and a reconciliation of net debt to the consolidated statement of financial position and Section 10.7 (*"Investments of the Issuer"*) for details of the Issuer's past and planned capex.

12. REGULATORY FRAMEWORK OF THE ISSUER'S ACTIVITY

12.1. Overview

The ground rules and current organisation of the Portuguese National Electricity System closely follow European Union regulation and policies and are direct transpositions of these principles and diplomas. The EU Clean Energy Package, finalised and published in the Official Journal of the European Union in June 2019, includes several legislative acts on renewable energy, energy efficiency, governance and electricity market design which set the grounds for the legislation and policies being put in place in Portugal.

The PNEC 2030, the main energy and climate policy instrument for the decade 2021-2030, was approved on 21 May 2020 and published in the Portuguese official gazette on 10 July 2020. It sets national targets and objectives in areas such as GHG emissions reduction, renewable energy, energy efficiency, interconnections and import dependency and is aligned with the Roadmap to Carbon Neutrality 2050 (RCN 2050) published in July 2019. The latter foresees full decarbonisation of the electricity system (100 percent renewables production by 2050) and almost full decarbonisation of the transport sector, with electrification being the main driver. The PNEC 2030 sets quite an ambitious target in terms of renewable energy: a 47 percent renewables share in final energy consumption by 2030, 16 p.p. above Portugal's 2020 target. It also establishes an increase to 80 percent of the share of renewable electricity in 2030 (up from 60 percent in 2020), with solar playing a key role (up 9 GW in terms of installed capacity). The plan also underlines the importance of renewable energy decentralisation to meet decarbonisation objectives and contribute to a social and fair energy transition. It highlights the need to foster the acquisition and use of decentralised production systems, accelerating the participation of small-scale renewable production in market mechanisms and the empowerment of new players in the market, including energy communities.

In addition, the Climate Framework Law lays down the foundations of climate policy, establishing targets and requirements for the design of public policies across economic sectors, and opening the possibility of bringing carbon neutrality forward to 2045. The Climate Framework Law, together with the European Law on Climate, may require an upward review of the renewable energy generation deployment targets currently set in the PNEC 2030. In July 2021, the European Commission approved the Portuguese Recovery and Resilience Plan (RRP), which purports to implement a set of reforms and investments, until 2026, aimed at restoring sustained economic growth, thus supporting the goal of convergence with Europe.

Lastly, the European Commission has presented on 18 May 2022 the REPowerEU Plan responding to the hardships and global energy market disruption caused by Russia's invasion of Ukraine, purporting to end the EU's dependence on Russian fossil fuels, which are used as an economic and political weapon and cost European taxpayers nearly €100 billion per year, and tackling the climate crisis. The measures in the REPowerEU Plan can respond to this ambition, through energy savings, diversification

of energy supplies, and accelerated roll-out of renewable energy to replace fossil fuels in homes, industry and power generation.

The ground rules and current organisation of the Portuguese National Electricity System are established in Decree-Law no. 15/2022, which came into force on 15 January 2022.

Decree-Law no. 15/2022, which revokes Decree-Law no. 172/2006, of 23 August, sets forth the legal framework applicable to the activities of generation, storage, transmission, distribution and supply of electricity, consolidating different electricity sector frameworks which were previously scattered across several legal diplomas, such as overpowering, additional energy, repowering and self-consumption (*autoconsumo*), and renewable energy communities.

The generation and supply of electricity are liberalised activities, subject only to the relevant licenses and/or prior registrations, as applicable, whereas transmission and distribution activities remain subject to concession agreements awarded through public tenders.

12.2. Public Authorities

In Portugal, the energy sector is jointly regulated by the governmental bodies responsible for the energy sector (currently the Ministry of Environment and Climate Action (*Ministério do Ambiente e da Ação Climática*) and the State Department of Environment and Energy (*Secretaria de Estado de Ambiente e Energia*)), DGEG and the Energy Services Regulatory Authority (*Entidade Reguladora dos Serviços Energéticos*). Other relevant entities, such as the System Global Manager (*Gestor Global do Sistema*), the Portuguese Environment Agency (*Agência Portuguesa do Ambiente*) and the Portuguese Competition Authority (*Autoridade da Concorrência*), also play an important role in regulating the sector's activities.

Ministry of Environment and Climate Action

The Ministry of Environment and Climate Action is the governmental body responsible for formulating, conducting, implementing and evaluating policies related to the environment, landplanning, cities, housing, urban, suburban and road passenger transport, the climate, nature conservation and energy, with a view to promoting sustainable development and social and territorial cohesion.

Within this Ministry, the State Department of Environment and Energy is responsible for defining energy policies, managing several public administration bodies, such as the DGEG, amongst others, and the concessions awarded in the energy sector, such as the TSO – entrusted with transporting electricity on a national or regional level, using fixed infrastructure – and DSO – entrusted with distributing electricity, operating at low and medium voltage levels – concessions, and is also responsible for legislating and regulating the legal frameworks applicable to the energy sector, in particular, to define the applicability of guaranteed remuneration and tariffs (in consultation with the regulator), the amount of tax or special contributions to be levied, and the launch of public tenders.

The Ministry and the State Department of Environment and Energy are also responsible for suggesting and supporting the legislative procedures and preparation of legal frameworks with a direct impact on the energy sector to be approved by the Government.

DGEG

DGEG is the public administration body responsible for the licensing of activities in the energy sector. It is also responsible for contributing to the design, promotion and evaluation of policies relating to energy and geological resources, from the point of view of ensuring sustainable development and security of supply. More specifically, the DGEG:

- (a) Contributes to the definition, implementation and evaluation of energy policies and the identification and exploitation of geological resources;
- (b) Promotes and participates in the elaboration of the legislative and regulatory framework for the development of policies and measures on the prospecting, exploitation, protection and enhancement of geological resources and the respective business and contractual context;
- (c) Carries out monitoring actions in the fields of energy and geological resources, in accordance with the legislation applicable to these sectors;
- (d) Supports the Portuguese government in taking decisions in crisis or emergency situations, within the framework of the law, and provides the means for the permanent operation of the Emergency Energy Planning Commission; and
- (e) Proposes the Distribution Network Regulation and the Transmission Network Regulation of the Portuguese Electricity System.

Energy Services Regulatory Authority

ERSE is an independent administrative authority acting as regulator in Portugal with respect to the electricity, natural gas, LPG in all categories, petroleum-derived fuels and biofuels sectors, as well as the operations management of the electric mobility network.

ERSE is also responsible for fixing and approving tariffs and regulated prices for electricity. ERSE has the power, amongst others, to formulate and approve the following regulations:

- (a) Regulation on Access to Networks and Interconnections, approved by Regulation no. 560/2014, of 10 December, published in the Portuguese official gazette on 22 December, amended by Regulation no. 620/2017, of 23 November, published in the Portuguese official gazette on 18 December;
- (b) Regulation on Trade Relations (for both the energy and natural gas sectors), approved by Regulation no. 1129/2020, of 30 December, published in the Portuguese official gazette on 30 December;

- (c) Tariff Regulation, approved by Regulation no. 785/2021, of 10 August, published in the Portuguese official gazette on 23 August;
- (d) Regulation on Quality of Service, Regulation no. 406/2021, of 23 March, published in the Portuguese official gazette on 12 May, which is currently under public consultation; and
- (e) Regulation on Network Operations, approved by Regulation no. 557/2014, of 10 December, published in the Portuguese official gazette on 19 December, amended by Regulation no. 621/2017, of 23 November, published in the Portuguese official gazette on 18 December.

System Global Manager

The role of System Global Manager is assigned to REN, the company awarded the TSO concession and the entity responsible for the operation of the Portuguese National Electricity System. The TSO is, among other things, responsible for:

- (a) The overall technical management of the system to ensure that it is operating properly, safely and always with reserve margins;
- (b) The management of the interconnections network;
- (c) The technical operation of market planning; and
- (d) Compensation for energy balances.

Portuguese Environment Agency

APA is a public institute falling within the remit of the Portuguese Ministry of the Environment and Climate Action. Its mission is to propose, develop and monitor, in an integrated and participative manner, public policies for the environment and sustainable development, in close cooperation with other sectoral policies and public and private entities. It is responsible for the environmental licensing of generation projects and, under certain circumstances, for the enforcement of the environmental legal framework.

Portuguese Competition Authority

AdC is an independent agency responsible for enforcing the competition rules foreseen in the Portuguese Competition Act, approved by Law no. 19/2012, of 8 May. AdC follows the most up to date principles on creating European anti-trust regulatory institutions and has substantial independence from the government and other state bodies. It sees itself as a centre of excellence in competition matters in Portugal, fulfilling its role as a partner institution of the European Network of Competition Regulators. AdC has regulatory, supervisory and disciplinary powers to:

- (a) Propose laws to the competent institutions and approve regulations required to enforce a competitive environment;
- (b) Issue recommendations and general directives on restrictive practices;

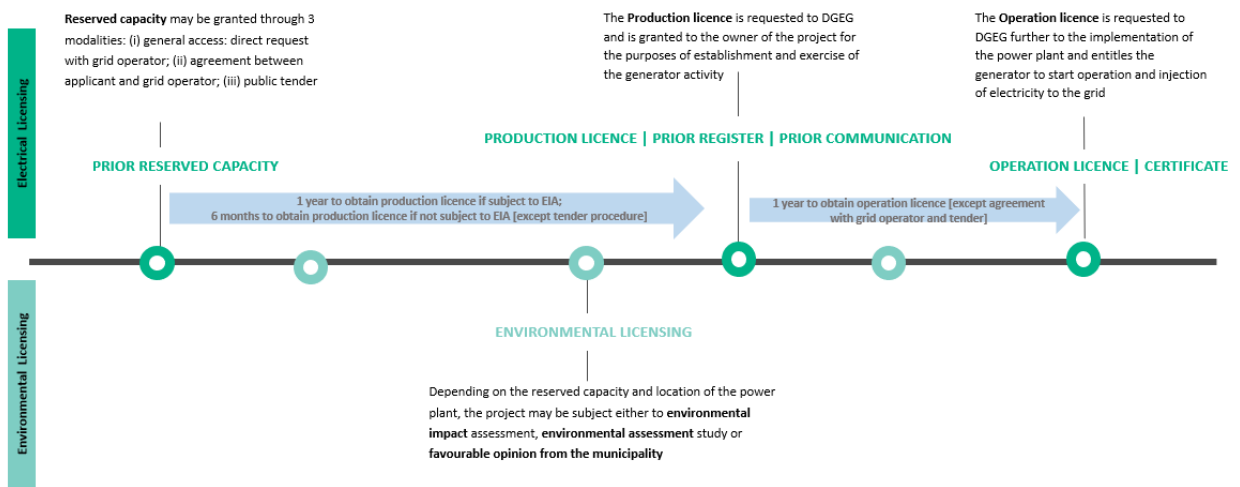
- (c) Propose and approve codes of conduct and best practices;
- (d) Gather information and decide on administrative procedures related to anti-trust practices, preparing and deciding on cases involving the application of sanctions or preventive measures; and
- (e) Decide on notifications of mergers and acquisitions.

12.3. Generation

12.3.1 Electrical Licensing

Pursuant to Decree-Law no. 15/2022, the electrical licensing procedure involves three main steps: (i) obtaining prior reserved capacity, enabling the promoter to be connected to the public grid through a title of reserved capacity, (ii) obtaining a prior control title, which may be issued as a production licence, a prior register or a prior communication, entitling the promoter to implement the power plant, and (iii) obtaining an operation licence or an operation certificate for the purposes of the power plant's entry into operation.

Please find below a timeline for the general licensing of power plants:



Notwithstanding the main steps referred above, we note that recently enacted Decree-Law no. 30-A/2022, which will remain in force for 2 (two) years further to its enactment (i.e., until 19 April 2024), simplifies certain steps of the licensing procedure (as specifically detailed in each relevant step of the licensing procedure described below), although it also imposes some additional obligations on promoters, including the proposal of community engagement programmes.

(a) **Process for the attribution of grid capacity**

The currently applicable legal framework expressly foresees that the launch of the procedure for obtaining a Production Licence depends on the prior granting of a TRC. This may be granted by:

- (i) **Title issued by the public grid operator through general access.** In this modality, within six months of the entry into force of Decree-Law no. 15/2022 DGEG will publish on its website the available injection capacity in the transmission grid and distribution grid, per substation and voltage level, by reference to 31 December of the preceding year, as communicated by the Grid Operators. Following the submission of a request identifying the substation, capacity and voltage level of the required connection via the website of DGEG – if the reserved capacity requested in the application is available, within five days and depending on the location of the connection point to the grid, DGEG shall submit such request to the grid operators – i.e., either REN as TSO or E-Redes - Distribuição de Eletricidade, S.A. as DSO. The grid operator may refuse the sponsor's request in the following scenarios: (i) non-payment of the service provision, as set out in the Commercial Relations Regulation (*Regulamento das Relações Comerciais*); (ii) non-payment of the contribution to the SEN (in the amount detailed below); and (iii) when there are no technical conditions allowing connection to the grid, or which may affect the security and reliability of the RESP. The request for reserved capacity in this modality requires the provision of an autonomous, irrevocable and on first demand guarantee bond (*caução*) in the amount of €10,000/MVA (up to the amount of €10,000,000) upon filing of the capacity application, which must remain valid until the entry into operation of the relevant power plant. The issue of a TRC is further subject to payment of a compensation, in the amount of €1,500/MVA, to the SEN;
- (ii) **Agreement between the applicant and the public grid operator for investment in the reinforcement of the grid,** following a procedure initiated with the Government's annual publication, every 15th of January, of the quotas to be allocated according to technology, grid operator, full injection or self-consumption. The DGEG is tasked with clarifying the criteria used to rank projects and determine the order in which they will be reviewed. Besides the bond of €15,000/MVA (up to the amount of €10,000,000) to be provided along with the capacity application, which shall be valid for 24 (twenty-four) months, the applicant shall pay an amount corresponding to 5 percent of the budget accompanying the agreement executed with the grid operator. The remaining amount is also secured, but this bond will be released upon full performance of the agreed payment schedule. Despite the new procedure approved for executing agreements with the grid operator, applications already given a final ranking under the former legal framework, at the time Decree-Law no. 15/2022 came into force, are protected and will

continue according to their terms under the new Decree-Law. The deadlines established in Decree-Law no. 15/2022 will only apply in the calendar year following the year in which the new framework becomes effective;

- (iii) **Title issued by the public grid operator, following a public tender procedure launched by order of the member of Government responsible for the energy sector**, which may be an electronic auction, for the purposes of attribution of reserved capacity. In this case, the tender procedure and rules may set forth (i) the remuneration of the projects, (ii) the milestones and deadlines for the project's entry into operation, (iii) the duration of the licence, (iv) the costs borne by the awarded entity, and (v) the amount of the bond to be provided by the awarded entity.

The application for a Production Licence must be submitted to the DGEG within a maximum period of 6 (six) months after the TRC has been issued, except when an EIA procedure is required, in which case the maximum period is extended to 1 (one) year.

DL 15/2022 gives the licensing entity a one-time only option to extend these deadlines by one year. Deadlines may also be extended in exceptional cases, by order of the member of Government in charge of energy.

However, as regards pending prior control procedures, the deadlines running will have the duration established in the legal framework in force when the specific licensing deadlines started to run.

Transferability of TRCs

According to DL 15/2022, the TRC is transferrable up until the issue of a production licence, through endorsement of the transfer in the relevant TRC by DGEG or by the Grid Operator. The transfer is subject to reinforcing the bond by half of its amount, save where the transfer is made to a SPV specifically incorporated to develop the project and whose sole shareholders are the TRC holders.

For the above mentioned purposes, a transfer of the TRC is deemed to take place in the event of a direct or indirect change of control over its holder, save where the share capital is given as security to lenders or in the event of direct changes in control as part of group restructuring operations that do not change the ultimate beneficial owner registered with the Central Registry of Ultimate Beneficial Owners (*Registo Central de Beneficiário Efetivo*).

(b) **Prior Control Title**

DL 15/2022 consolidates the licensing procedure for generation activities, by type and installed capacity of the relevant generation, and sets forth three types of prior control title procedures: (i) production and operation licences, (ii) prior register and operation certificate, and (iii) prior communication.

Notwithstanding the above, electricity generation for self-consumption with an installed capacity of 700 W or less and research projects with an installed capacity of 700 W or less are exempt from prior control, provided that the injection of surplus into the grid is not foreseen.

Any substantial amendment to the power plant, UPAC or storage facilities, which alters the main characteristics of the power plant (including, but not limited to, technology, fuel or electricity source), is subject to a subsequent prior control title, which shall be endorsed to the original prior control title. In this scenario, the existing TRC remains valid and in force.

Prior Communication

The following activities are subject to prior communication: (i) electricity generation for self-consumption with a capacity between 700 W and 30 kW or less; (ii) research and development of generation, storage and self-consumption with capacity between 700 W and 30 kW or less; (iii) repowering of wind photovoltaic power plants maintaining or reducing the capacity set forth in the original prior control title.

The prior communication procedure is made through DGEG's electronic platform, comprising the applicant's application and automatic issuance of the prior communication which allows the applicant to proceed to install the plant. In case of connection to the public grid, DGEG requests the grid conditions from the DSO within 30 (thirty) days of the issuance of the prior communication.

Prior Register

The following activities are subject to prior register: (i) electricity generation from renewable sources for total injection into the public grid, with a capacity of 1 MW or less; (ii) electricity generation for self-consumption with a capacity between 30 kW and 1 MW or less; (iii) autonomous storage of electricity with a capacity of 1 MW or less; and (iv) research and development of generation, storage and self-consumption with a capacity exceeding 30 kW.

The prior register procedure is made through DGEG's electronic platform, comprising the applicant's application and payment of prior register fees. It is exempt from consulting the competent authorities during the licensing procedure, exception made to the Grid Operator.

The Grid Operator shall confirm within 20 (twenty) days of validation of the application that the technical conditions for connection to the grid are met, on a first come, first served basis. Until final acceptance or refusal by the Grid Operator, the applicant is allowed to amend, one single time, the location of the power plant, without new assessment by the Grid Operator.

The prior register may be issued without, or subject to, conditions. It may only be refused by the DSO in case of (i) unavailability of capacity without restrictions, or (ii) the applicant wishing a capacity without restrictions.

If the power plant or storage unit is located less than 2 km from another power plant or storage unit which has already obtained the relevant prior register, the prior register request shall follow the prior control title procedure for the sum of the capacity of both power plants.

The deadline for obtaining the operation certificate of the power plants subject to prior register is 9 (nine) months as from the prior register certificate date or 18 (eighteen) months for hydro power plants, except in case of delay of grid availability, in which case the aforementioned deadlines are suspended. The referred deadlines may also be extended on the same terms applicable to the Production Licence extension.

Production Licence

The following activities are subject to the issuance of a Production Licence:

- (i) electricity generation from non-renewable sources;
- (ii) electricity generation from renewable sources for total injection into the public grid or for self-consumption, in both cases with a capacity exceeding 1 MW;
- (iii) autonomous storage of electricity with a capacity exceeding 1 MW;
- (iv) generation or autonomous storage subject to either EIA or AlncA procedures; and
- (v) other generation or storage activities not subject to prior register, prior communication or exempt from obtaining a prior control title.

The Production Licence is granted to the project owner for the purposes of authorising the establishment and operation of an electricity generation power plant and sets out the characteristics of the project (installed capacity, equipment, location of the injection into the public grid) and any specific requirements the owner may be subject to.

The licensing procedure for the granting of the Production Licence is set out in Decree-Law no. 15/2022. Variations to this procedure may result from specific rules approved under a tender procedure for the granting of reserved capacity for new plants.

Application for a Production Licence with DGEG starts with the applicant's submission of a request containing the elements set forth in Annex I of Decree-Law no. 15/2022, which include, among others, submission of the title of reserved capacity, proof of the right to use the land covered by the power plant, the power plant's execution project (*projeto de execução*), decommissioning and dismantling plan, environmental licensing or a favourable opinion regarding the location of the power plant issued by the relevant municipality, if the project is not subject to environmental licensing.

For the purposes of granting a new Production Licence, DGEG shall consider the relevant criteria set out in Article 27 of Decree-Law no. 15/2022, including (i) the ways in which the project contributes towards the security of energy supply, in accordance with the respective monitoring report; (ii) the ways in which the project contributes towards meeting energy and environmental policy goals and targets, namely those set out in the PNEC 2030 and the

Roadmap to Carbon Neutrality 2050; (iii) the capacity of the electricity generation quota held by the applicant in the Iberian Electricity Market (MIBEL) on 31 December of the year preceding the application, which shall not exceed 40 percent; (iv) the reliability and safety of the grid, the facilities and the equipment, in the terms set out in the Grid Operation Regulation (*Regulamento das Redes*); and (v) the specific characteristics of the applicant, namely its technical and financial capacity.

In the case of prior reserved capacity awarded under the modality of an agreement with the Grid Operator, the Production Licence request shall be submitted with the provision of a bond in the amount of €10,000/MVA (up to €10,000,000), with a minimum duration of 2 years, which shall be extended until the entry into force of the relevant power plant. The expiry of the bond entails the expiry of the TRC.

Regardless of the modality of reserved capacity, with the awarding of the Production Licence, the bond provided upon filing the TRC application is reduced by one third. The applicant may present a new bond for the remaining value upon prior acceptance by the DGEG.

The general deadline for a power plant's entry into operation is counted as from the date of issuance of the Production Licence and cannot exceed 1 (one) year. The deadline may, however, be extended in the following cases:

- (i) issuance of the TRC by agreement between the applicant and the public grid operator, in which case the operation licence may be issued within a maximum period of 90 (ninety) days after the date of entry into operation of the respective grid infrastructures; and
- (ii) operationalisation of the connection conditions by the public grid operator within a period longer than the general deadline for issuance of the operation licence, in which case the operation licence may be issued within a maximum period of 90 (ninety) days after the infrastructure is made available.

However, Decree-Law no. 15/2022 safeguards pending prior control procedures with running deadlines established in the legal framework in force at the time of the award of the relevant Production Licence.

Operation Licence

A power plant can only enter into operation once its owner has been granted an operation licence (*licença de exploração*), which may only be requested when the power plant is fully constructed, upon prior inspection and the issuance of an inspection report confirming the compliance of the installation of the power plant, the UPAC or the storage facility with the terms of the Production Licence.

Decree-Law no. 15/2022 also foresees the possibility of the owner carrying out tests, rehearsals and operation under a trial regime (*autorização para exploração em regime experimental*) prior to the power plant's entry into operation. However, this trial regime is subject to the maximum period established in the relevant authorisation, which cannot exceed 3 (three) months, except in exceptional circumstances, with connection to the grid being subject to DGEG's prior consent.

The operation licence sets out the conditions for the power plant's operation and is integrated in the original Production Licence. The issuance of this licence leads to DGEG's release of the bond.

Notwithstanding the above, Decree-Law no. 30-A/2022 foresees the possibility of power plants, storage facilities or UPACs entering into operation without the issuance of an operation licence or certificate, as applicable. In this scenario, their entry into operation will only depend on notification by the grid operator confirming that the conditions for connection and injection into the grid have been met and prior notification to the DGEG.

However, such exemption does not exempt the generator from complying with the deadlines for power plants' entry into operation, in accordance with the respective licensing process.

The operation licence or operation certificate must, in any case, be applied for within 3 (three) years of the notification made by the grid operator, although the DGEG may waive the prior inspection requirement.

Please note that this regime does not affect the possibility of the owner carrying out tests, rehearsals and operation under a trial regime. In such case, DGEG shall issue a decision confirming the possibility of operating under this regime within 10 (ten) days of the respective request, the lack of such decision being considered a tacit approval.

Transfer of licences

Pursuant to Decree-Law no. 15/2022, the transfer of the Production Licence is subject to the authorisation of the licensing entity, depends on compliance with the legal requirements for its attribution and implies the transmission of all elements part of or attached to the issued licence.

The transfer of the Production Licence up until the issue of the operation licence follows the same procedure as the transmission regime for TRCs described above.

Expiration and Termination

A Production Licence may expire in cases where its holder does not comply with certain obligations (such as delivery of the production licence bond or entry into operation of the project within the deadlines foreseen by law), a new Production Licence is issued for the same

power plant, the owner renounces the licence with 6-months' prior notice and/or the owner is dissolved, becomes insolvent or ceases its activity.

On the other hand, the Production Licence may be revoked by DGEG if the holder breaches its obligations during the operation of the power plant, such as its obligations in the exercise of the generation activity or those set forth under the technical inspection, loses its civil liability insurance policy, abandons the project, or introduces significant changes to the power plant without DGEG's prior consent.

12.4. Remuneration Regime

The applicable legislation foresees that electricity production and storage activities are remunerated at a market price or under bilateral agreements, without prejudice to the application of guaranteed remuneration regimes or other remuneration schemes already awarded under former legal regimes, until the relevant term, or otherwise as determined under a specific tender procedure.

In the case of tender procedures, the tender documents may define a special support regime applicable to renewable energy generation, namely through the award of a fixed or variable premium, which may be set forth with a reference cap and floor, which purports to recover the investment. The fixed or variable premium takes the value of zero whenever the daily spot market is negative.

Pursuant to Article 287 of Decree-Law no. 15/2022, the Last Resort Supplier is obliged to acquire power generated under the special regime that benefits from specific remuneration schemes, as well as power generated by producers with assigned injection capacity up to 1 MW, and shall pay a remuneration to be determined depending on the generation technology, the legal framework in force on the date of licensing of the relevant power plant, and the contractual conditions under which the licensing request was submitted.

12.5. Environmental Licensing

(a) General environmental licensing applicable to electricity licensing

The award of the Production Licence is subject to prior environmental licensing and procedures. For this purpose, it is important to define whether the specific project will be subject either to an environmental impact assessment (*avaliação de impacte ambiental*) or an assessment of environmental incidents (*avaliação de incidências ambientais*):

- (i) EIAs shall be carried out in accordance with Decree-Law no. 151-B/2013, of 31 October. Annex II of this Decree-Law provides a list of "energy industry" projects that are mandatorily subject to an EIA, including industrial facilities destined for the production of electrical energy, under which power plants with an installed capacity equal to or greater than 50 MW are subject to a mandatory EIA procedure. Furthermore, whenever power plants are located in sensitive areas (areas included in the National Network of Protected Areas, in the Natura 2000 Network or in zones with buildings classified or

under classification as cultural heritage) and have an installed capacity equal to or greater than 20 MW, they will also be subject to a mandatory EIA procedure. Power plants located in sensitive areas but with an installed capacity below 20 MW will be subject to a case-by-case analysis to determine whether a mandatory EIA procedure is necessary. In addition, a power plant may be subject to a mandatory EIA procedure whenever, due to its location, size or nature, it is considered (by ministerial decision) likely to cause a significant impact on the environment, based on the criteria set forth in Annex III of Decree-Law no. 151-B/2013, of 31 October. The sponsor shall deliver to APA, the authority responsible for the EIA, an EIS analysing and quantifying the proposed project's possible impacts and proposing measures to mitigate these. The EIA is concluded with the issuance of the Declaration of Impact Assessment (which may be favourable, conditionally favourable or unfavourable);

- (ii) AlncAs shall be carried out in accordance with Decree-Law no. 76/2019 and power plants not subject to a mandatory EIA but located in an area included in the Natura 2000 Network shall be subject to this assessment, which is conducted by the relevant CCDR. The applicant must submit to the CCDR an EInCA analysing the proposed project's local impacts and identifying the mitigation, recovery and monitoring measures to be applied to any affected areas. The CCDR's final decision in this regard may be favourable, conditionally favourable or unfavourable; and
- (iii) Other situations: if a project is not subject to the assessments detailed above, the relevant municipalities must issue a favourable opinion regarding its location. This decision is mandatory for the request of a Production Licence.

The main regulatory agencies responsible for enforcing the environmental legal framework are IGAMAOT and APA. Most of the misdemeanours related to environmental damages are governed by the Environmental Misdemeanour Framework Law and Decree-Law no. 140/99, of 14 April, which sets forth the Natura 2000 Network legal regime.

According to this law, environmental misdemeanours can be classified as minor, serious or very serious, depending on the gravity of the infraction. For very serious environmental misdemeanours, the applicable fine ranges from €10,000 to €200,000 for individuals and €24,000 to €5 million for companies. Whenever the presence, emission or release of one or more hazardous substances seriously affects the health and safety of persons or goods and the environment, the minimum and maximum limits of the above-mentioned fine may be increased to double the amount. For serious environmental misdemeanours, the applicable fine ranges from €2,000 to €40,000 for individuals and €12,000 to €216,000 for companies. In the case of minor environmental misdemeanours, the applicable fine ranges from €200 to €4,000 for individuals and €2,000 to €36,000 for companies.

Ancillary penalties can also be applied to very serious and serious environmental misdemeanours, including, among other things, the prohibition to apply for subsidies and public benefits, prohibition to participate in public tenders, suspension of licences and authorisations, closing down of industrial establishments or sites subject to authorisation or licence issued by a public authority, sealing of equipment, and the seizure of animals.

In this regard, Decree-Law no. 30-A/2022, enacted on 18 April 2022, foresees several temporary measures (which will be in force for a period of 2 (two) years) aimed at simplifying the procedures for producing energy from renewable sources. It establishes that renewable power plants, storage facilities, UPACs, interconnection lines, and projects for the production of hydrogen through water electrolysis which are not located in sensitive areas and are below the thresholds set out in Annex II of Decree-Law no. 151-B/2013, of 31 December, are only subject to prior assessment and decision subject to an EIA at the request of the DGEG, when it is justifiably considered that there is evidence that the project is likely to cause significant impact on the environment.

On the other hand, the referred diploma foresees that the issuance of opinions and authorisations in the execution project phase of the EIA or AlncA procedures precludes intervention in the licensing process of the referred competent entities.

Decree-Law no. 30-A/2022 also sets forth a 10 (ten)-day deadline for the issuance of mandatory opinions foreseen in the special sectoral legal regimes (without prejudice to the waiver foreseen above, in cases where the entities have already manifested their position in the EIA or environmental incidences evaluation). The expiration of the deadline is considered non-opposition to the request.

(b) **Specific environmental frameworks**

Decree-Law no. 151-B/2013, of 31 October, establishes the EIA legal regime pursuant to Directive 2011/92/EU of the European Parliament and of the Council, amended by Directive 2014/52/EU. This legal regime is applicable to industrial installations for the production of electricity, steam and hot water with a power equal to or higher than 50 MW. These are subject to an EIA procedure in order to assess the possible environmental effects of such facilities.

Decree-Law no. 127/2013, of 30 August, sets forth the legal regime for industrial emissions, establishing the ground rules for preventing or reducing air, water and soil emissions, as well as waste production, and transposing into national law Directive 2010/75/EU of the European Parliament and of the Council.

According to this regime, industrial emissions into water, air and soil are regulated by a single environmental licence (*licença ambiental*) containing all legal requirements and thresholds for these emissions.

This regime is applicable to energy sector industries, notably fossil fuel-burning power plants with a thermal installed capacity equal to or exceeding 50 MW, which must have been awarded a specific environmental licence by APA to operate. Additionally, considering that the capacity exceeds 50 MW, the facility is also considered a large combustion plant under the legal regime for industrial emissions.

The legal framework on air quality is set forth in Decree-Law no. 39/2018, of 11 July, which establishes the regime for the prevention and control of air pollutant emissions, and is applicable to:

- (i) combustion installations with a rated thermal input ranging between 1 MW and 50 MW (medium combustion installations (MICs));
- (ii) complexes of new MICs;
- (iii) industrial activities, in accordance with Annex I, Part 2;
- (iv) combustion installations that burn refinery fuel gas for the production of energy within oil and gas refineries; and
- (v) furnaces and burners of industrial activities with a rated thermal input ranging between 1 MW and 50 MW.

According to this legal regime, APA must issue an air emissions title for installations subject to the continuous monitoring of at least one pollutant. This title is integrated in the single environmental licence. Monitoring obligations may be periodic or continuous, depending on the maximum mass thresholds and whenever the licence or title for the operation of the industrial establishment expressly determines the need for this type of monitoring.

The Industrial Emissions Regime outlines the emission limit values for air emissions that must be complied with by combustion installations with a capacity greater than 50 MW, installations that use organic solvents and issue organic volatile compounds, and installations that produce titanium dioxide.

According to the 'polluter pays' principle, an operator that causes environmental damage through air pollution is under the obligation to pay compensation to the State and may also have to pay compensation to third parties under civil liability rules. Breach of this legal regime is considered an environmental misdemeanour, which may be considered minor or serious, depending on its gravity, and determines the payment of fines along with possible ancillary penalties.

Whenever a situation of serious danger to the environment or to human health is at stake, the General Inspector of IGAMAOT and the CCDR may adopt the necessary measures to prevent or eliminate the dangerous situation, such as suspension of activity, closing down of part or all of the installation in question, or seizure of part or all of the equipment.

Whenever the breach refers to emission limit values contained in an environmental licence issued under the Industrial Emissions Regime, it will be considered an environmental misdemeanour and fines will apply along with possible ancillary penalties.

The environmental liability legal regime (Decree-Law no. 147/2008, of 29 July) does not apply directly to environmental damages caused to the air.

Operators subject to the Industrial Emissions Regime must draft annual environmental reports (*relatório ambiental anual*) containing all relevant environmental information, which are to be submitted to APA.

Apart from the abovementioned annual environmental reports, operators must regularly send APA information on their air and wastewater emissions, the production of waste and noise audits.

12.6. Specific legal framework for the development of Biomass Power Plants

The Portuguese Council of Ministers Resolution no. 53/2020, of 10 July, enacted the National Energy and Climate Plan for 2021-2030 (PNEC 2030). The PNEC 2030 was published to comply with the obligations assumed by the Member States under Regulation (EU) 2018/1999 of the European Parliament and of the Council, of 11 December 2018, on the Governance of the Energy Union and Climate Action. One of the goals of PNEC 2030 is to foster a better use of biomass for energy purposes. It is noted that forest biomass is an important endogenous resource and that energy recovery is a solution that will help create more value in the forestry sector. It is also noted that Portugal's energy transition will, to a large extent, occur in the electricity sector: due to the potential for the development of a strongly decarbonised electricity generating sector based on renewable endogenous resources (water, wind, sun, biomass and geothermal energy).

The Portuguese Council of Ministers Resolution no. 107/2019, of 1 June, also enacted the Roadmap to Carbon Neutrality 2050, a highly relevant programmatic framework aimed at defining a strategy in line with the goals arising from the Paris Agreement.

The generation of electricity using biomass is subject to the Electricity Framework.

Decree-Law no. 189/88, of 27 May

Prior to the enactment of the current Electricity Framework, biomass power plants were subject to the previous framework established by Decree-Law no. 189/88. This framework set forth a formula for the calculation of remuneration based on a load factor (*fator de potência*).

Decree-Law no. 189/88 was successively amended by several diplomas, among which the Issuer highlights the following, which have established specific provisions for the remuneration of biomass power plants:

- (a) Decree-Law no. 168/99, of 18 May, revised the remuneration calculation formula and set forth the 144-month term (i.e. 12 years) guaranteed remuneration, counting as from entry into operation of the biomass power plant;
- (b) Decree-Law no. 339-C/2001, of 29 December, revised the remuneration calculation formula, introducing a coefficient depending on the technology and source of energy used by the power plant. Biomass power plants are not specifically foreseen under this framework and therefore the coefficient referred above corresponds to 1;
- (c) Decree-Law no. 33-A/2005, of 16 February, revised the remuneration calculation formula and established a coefficient of 8.2 for forest biomass power plants with an installed capacity of up to 150 MW. The diploma sets forth a 15-year term for biomass power plants' guaranteed remuneration, counting as from injection to the grid, which may be further extended by the member of Government responsible for the energy sector; and
- (d) Decree-Law no. 225/2007, of 31 May, revised the remuneration calculation formula and maintained the coefficient of 8.2 for forest biomass power plants. The diploma extends the term of biomass power plants' guaranteed remuneration to 25 years, counting as from injection to the grid.

In accordance with the aforesaid legal frameworks, following the term of the guaranteed remuneration period referred above, the Portuguese Biomass Power Plants shall transition to the general remuneration regime, as outlined in Section 12.4 ("*Remuneration Regime*").

Decree-Law no. 5/2011, of 10 January

Decree-Law no. 5/2011 resulted from the international public tenders launched in 2006 by DGEG (for the construction of 15 forest biomass thermoelectric power plants throughout Portugal, with capacities ranging from 2 to 11 MVA depending on location and with a maximum aggregate capacity of around 100 MVA, as well as for power plants which, at the date of its enactment, had already been granted authorisation for the use of residual forest biomass).

For those plants, Decree-Law no. 5/2011 approved the application of a higher coefficient of 9.6 in the formula for calculation of the applicable feed-in tariff under Decree-Law no. 189/88, to be applied to power plants entering into operation until 31 December 2013 or 31 December 2014 (the latter, if environmental licensing was required).

Considering the difficulties faced in implementing the projects, those deadlines have been successively extended:

- Decree-Law no. 179/2012, of 3 August, extended the deadline for entry into operation until 31 December 2016 or 31 December 2017 (the latter if environmental licensing is required);
- Decree-Law no. 166/2015, 21 August, extended the deadline for entry into operation until 31 December 2018 or 31 December 2019 (the latter if environmental licensing is required); and

- Decree-Law no. 48/2019, of 12 April, further extended the deadline for entry into operation to 31 December 2019 or 31 December 2020, applying a discount of 0.3 percent to the tariff for each period of six months from 31 December 2016 to the entry into force of the operation licence (or provisional operation licence or trial period operation) for plants which changed their connection point, or a discount of 5 percent to the tariff for each month of delay for power plants entering into operation after 31 December 2018 (or 31 December 2019 for power plants subject to EIA).

Decree-Law no. 5/2011 will no longer be applicable to any new biomass plants which initiated their licensing procedure after the enactment of this piece of legislation.

Pursuant to Decree-Law no. 5/2011, the following obligations concerning the operation period are specifically applicable to the Portuguese Biomass Power Plants:

- (i) Organisation and maintenance of a system database of the sources of supply and consumption of the power plant;
- (ii) Within 6 months of the entry into operation of the power plant, submission of a 10-year action plan (with a view to ensuring power plants' long-term sustainability of supply) to the National Forest Authority, currently the *Instituto de Conservação Nacional das Florestas*. This plan must be developed in close cooperation with forest producers' organisations and local authorities; and
- (iii) Scheduling of the power plants' maintenance periods in coordination with the transmission system operator.

Considering that the Portuguese Biomass Power Plants result from the DGEG's 2006 tender, having been assigned power capacity but not yet installed, Decree-Law no. 5/2011, pursuant to the amendments introduced by Decree-Law no. 166/2015, of 21 August, specifically safeguards the possibility of performing the following amendments:

- (i) Change of the respective reception points, according to Order no. 243/2013, of 2 August; and
- (ii) Partial or full integration and/or redistribution of their respective powers, which entails submission at a discounted tariff.

Decree-Law no. 64/2017, of 12 June

Decree-Law no. 64/2017 grants certain municipalities the option of installing and operating biomass power plants, establishing a special regime and benefits for these municipalities. This regime is limited to a maximum installed capacity of 60 MW on the continent and each of the power plants is limited to 10 MW. The biomass power plants must be located in municipalities appointed by Governmental order which are in critical fire areas and/or forest areas and/or close to industrial parks and areas with increased thermal energy use.

Decree-Law no. 64/2017 was subsequently amended by Decree-Law no. 120/2019, of 22 August, which set forth the possibility under this special legal framework of the municipalities assigning their right to install a biomass power plant through a contract. This Decree-Law also established a premium over the general market remuneration of power plants for the production of electricity based on biomass, forest protection and fire management, attributable for 15 years.

Decree-Law no. 64/2017 was pending approval by Governmental Order in order to determine the elements necessary to request the production and operation licences under this legal framework, as well as the bidding procedure to be launched by DGEG in the event of requests for installation and operation licences exceeding 60 MW in general or 10 MW per power plant. The Portuguese Parliament has approved several resolutions since 2018 emphasising the need to develop and promote the use of forest biomass: e.g. National Assembly Resolution (*Resolução da Assembleia da República*) no. 71/2018, of 19 January, recommended that the Government develop a programme to promote the use of agroforestry biomass for self-consumption, through the granting of incentives and tax benefits, and National Assembly Resolution (*Resolução da Assembleia da República*) no. 73/2018, of 19 January, recommended that the Government create a programme to reduce and control forest biomass, including the use of biomass for thermal energy production plants.

Governmental Order no. 76/2021 was recently enacted to clarify the above situations. The request for a Production Licence is dependent on obtaining prior reserved capacity to inject into the public grid, which shall be obtained by direct request to the grid operators. In addition, the Production Licence shall be delivered together with the contract entered into between the municipality and a public or private entity for the purposes of assigning the right of installation of the power plant under this legal framework, an opinion issued by APA and an opinion issued by the National Institute for Forest and Nature Conservation (*Instituto da Conservação da Natureza e das Florestas, I.P.*).

Governmental Order no. 76/2021 also determined the framework of the bidding procedure to be launched by DGEG in the event of requests for installation and operation licences exceeding 60 MW in general or 10 MW per power plant, as established by Decree-Law no. 64/2017. In this bidding procedure, promoters shall offer discounts to the market premium established by Governmental Order no. 410/2019, of 27 December, and DGEG shall select the promoters taking into account the greatest discounts offered and the highest percentage of generated energy intended for self-consumption.

Climate Framework Law

The Climate Framework Law imposes the following additional requirements: (i) certification of the origin of residual forestry biomass and regular inspection of the nature of the biomass used for electricity generation, and (ii) the prohibition of using quality wood, biomass from growing energy crops, and residual biomass coming from remote land for electricity generation from biomass. In addition, the use of residual forestry biomass shall also be coordinated with wildfire prevention and land use planning measures.

Other programmatic measures

Since 2018, the Portuguese Parliament has approved several resolutions emphasising the need to develop and promote the use of forest biomass: e.g. National Assembly Resolution (*Resolução da Assembleia da República*) no. 71/2018, of 19 January, recommended that the Government develop a programme to promote the use of agroforestry biomass for self-consumption, by providing incentives and tax benefits, and National Assembly Resolution no. 73/2018, of 19 January, recommended that the Government create a programme for the reduction and control of forest biomass, including the use of biomass for thermal energy production plants. However, these programmes are yet to be implemented.

National Assembly Resolution (*Resolução da Assembleia da República*) no. 42/2021, of 3 February, recommended that the Government reformulate the models of public support to be granted to forest biomass power plants, by restricting the issuance of operation licences for new power plants to power plants that duly comply with environmental and sustainability criteria. This resolution aims to promote surplus residual forest biomass (*biomassa florestal residual*) which does not impact on the deficit of organic material and degradation of the soil, specifically recommending that the Government not grant operation licences to biomass plants using energy crops (*culturas energéticas*).

12.7. Legal framework for the development for self-consumption

The concept of UPAC comprises one or more renewable source generation units that may or may not include storage facilities and are connected to one or several facilities for the use of any energy generated.

UPAC are first and foremost designed for self-consumption, but any excess electricity generated can be sold to the grid through organised markets or bilateral contracts. Self-consumers are further entitled to request the issue of certificates of origin for any excess electricity injected into the grid.

Self-consumers can operate storage facilities irrespective of whether they are connected to the UPAC or the consumer facilities, without being subject to any cost duplication, notably grid access costs. They can also operate direct lines if there is no access to the public grid, or establish and operate internal systems, including closed distribution systems.

Self-consumption generation units can be connected to self-consumer facilities owned or managed by third parties.

Both options require the UPAC to be located in the proximity of the use facility or facilities, connected either through the public grid, an internal system, or direct systems. Decree-Law no. 15/2022 clarifies the concept of proximity. This concept foresees that the relevant UPAC and use facilities shall be located within less than 2 (two) km or connected to the same switching station or substation. Use facilities must be located within no more than 4 (four) km for UPACs connected to medium voltage, 10 (ten) km for UPACs connected to high voltage, and 20 (twenty) km for UPACs connected to very

high voltage. The legal framework opens the door to a case-by-case assessment of proximity, which must be determined by DGEG in light of energy optimisation and the provision of basic public services.

Collective self-consumption is defined as power generation units connected to more than one use facility. Collective self-consumers must approve internal regulations setting forth requirements for the access and exit of collective self-consumption members, the majorities required for passing resolutions, and requirements regarding energy sharing, tariffs and surplus payment to manage collective self-consumption properly.

The UPAC's licensing procedure is the same as for any other electricity generation power plants, which means that a prior control certificate must be issued to the self-consumer (or the EGAC) according to the station's installed power, in addition to the following certificates:

- (a) Production Licence and operation licence for UPACs with installed power greater than 1 MW;
- (b) Prior registration and operation certificate for UPACs with installed power between 30 kW and 1 MW;
- (c) Prior notification for UPACs with installed power between 350 W and 30 kW.

UPACs with installed capacity of up to 350 W are not subject to prior control, regardless of any excess electricity injected into the grid.

DL 15/2022 further establishes that grid operators consultation is required (i) if the facility's power is greater than 50 percent for a BTN consumption profile and 50 percent of the power required for other consumption profiles, and (ii) 30 kVA when connected to low voltage, or 100 kVA when connected to the distribution or transmission grid (the RND or the RNT). Grid operator consultation can only be waived until such time as the injection capacity into the grid to be provided to UPACs runs out. Such injection capacity is a quota annually set by the Government.

DL 15/2022 introduces a new concept, namely citizen energy communities (*comunidades de cidadãos para a energia*) ("CCE") which, much like the CERs, are legal persons created through the free and voluntary adherence of their members (which can be natural or corporate persons, including companies or local government), whose goal is to generate environmental, economic or social benefits for their members or the areas where they operate instead of profit (which cannot be their main purpose).

These communities can own, establish, manage, buy or lease closed distribution systems and they can generate, distribute, consume, aggregate and store electricity, regardless of whether the primary source is renewable or non-renewable.

Self-consumers that are members of ACCs, CERs or CCEs are jointly liable for the performance of any duties and obligations incumbent upon them.

12.8. Other legal regimes impacting generation activity

- (a) **Assignment of Municipalities (*cedência*)**

One of the major novelties brought by DL 15/2022 is the concept of “assignment” to municipalities, which requires owners of power plants with a capacity exceeding 50 MVA to provide, on a one-time basis and for free, to the municipality where their power plant is located, a UPAC with an installed capacity equivalent to 0.3 percent of the power plant’s connection capacity for installation (i) in municipal buildings or collective use equipment or, (ii) as indicated by the municipality, to populations located near the centre. Alternatively, electric vehicle charging stations located in public space (with equivalent capacity).

Promoters with power plants or storage facilities with a connection capacity of up to 50 MVA and greater than 1 MVA, or if the abovementioned projects already have installed UPACs, must pay a lump sum compensation in cash in the amount of €1,500.00/MVA of the connection capacity allocated.

The assignments must be executed between the promoters and the municipalities by means of a protocol. If the municipalities refuse to sign the protocol, the assignment is replaced with the abovementioned compensation.

These rules do not apply to promoters whose prior control procedures predate the entry into force of this Decree-Law.

(b) Extraordinary Contribution on the Energy Sector (CESE)

The CESE regime, established under the State Budget Law for 2014 (Law no. 83-C/2013, of 31 December), created a contribution with the purpose of financing mechanisms to promote the sustainability of the energy system, through the creation of a fund aimed at reducing tariff debt and financing social and environmental policies. Agents operating in the energy sector, namely in the generation, transport or distribution of electricity, with certain exceptions, such as renewable and cogeneration power plants, are subject to the payment of this contribution, which is levied on the value of their net assets recognised in the accounts (with reference to 1 January). The revenue obtained is consigned to the Fund for the Systemic Sustainability of the Energy Sector (*Fundo para a Sustentabilidade Sistémica do Sector Energético*) created for this purpose, which aims to contribute to the energy sector’s sustainability goals by promoting policies related to energy efficiency and the reduction of tariff debt.

The CESE regime was successively extended, with several amendments, notably under the State Budget Law for 2019 (Law No. 71/2018, of 31 December) which ended the exemption for power generation plants that use renewable energy sources covered by guaranteed remuneration. The payment exemption was, however, maintained for facilities with licences or contractual rights granted following a public tender. In addition, the State Budget Law for 2020 (Law No. 2/2020, of 31 March) extended the exemption from payment of CESE to entities operating power plants that use renewable energy sources up to 20 MW of installed capacity and benefitting from a feed-in tariff, except in cases where the combined installed capacity of

the power plants with guaranteed remuneration, owned by the same taxpayer, exceeds 60 MW.

(c) **Clawback**

Clawback is a regulatory mechanism established by Decree-Law no. 74/2013, of 4 June, to ensure balanced competition in the Portuguese wholesale electricity market, with an impact on the allocation of CIEG among participants in the electricity system, for the purposes of capturing the alleged windfall profits reaped by Portuguese generators as a result of higher pool prices following the introduction of taxes on Spanish generators. This mechanism imposes the amounts to be invoiced to electric energy producers due to the competition balance mechanism, based on the results of a study carried out annually by ERSE, which should take into consideration the effects of capacity remuneration mechanisms and other policies related to security of supply in place in other Member States. Additionally, in terms of tariff repercussions, the prices of tariff terms (unit clawback) to be applied to the electricity injected into the grid (defined annually) may be differentiated by technology/regime of electricity generation.

On 9 August 2019, Decree-Law no. 104/2019 amended the clawback mechanism, further detailing and widening its scope. It specified that electricity producers who do not benefit from any guaranteed remuneration mechanism are subject to the clawback mechanism, except producers that compensate the electrical system in the context of tenders or whose installed power is less than 5MW.

On 2 January 2020, the Secretary of State for Energy issued information no. 8/2019/SEAEne, which demonstrated the authorities' willingness to exclude from the payment of clawback entities theoretically subject to its scope (i.e., merchant plants) but that do not benefit from the windfall profit created by market distortions. This is the case of merchant plants that contracted the physical delivery of electricity through a fixed PPA price.

(d) **Unlawful Accumulation of Public Incentives**

Pursuant to Order no. 69/2017, of 16 February 2017, renewable energy generators awarded guaranteed remuneration which had also received other public incentives to promote renewable energy generation would be required to reimburse the National Electricity System (by means of a set-off against the tariff due and payable every month to each generator) for such unlawful accumulation of benefits.

For this purpose, DGEG was tasked with identifying and quantifying the relevant amounts in respect of each renewable energy generator, in order to initiate the required reimbursements following the issuance of an order by the Portuguese Ministry for Energy. However, no such order has been published since the issuance of Order no. 69/2017 and, more than four years later, no other specific measures have been undertaken in this respect.

(e) **Guarantees of Origin**

Guarantees of origin were first foreseen under Decree-Law no. 141/2010, of 31 December, which established that renewable generators must request from the EEGO the issuance of guarantees of origin for the energy generated. The LNEG was initially appointed as EEGO, with this role having been later transferred to REN, which is currently responsible for issuing guarantees of origin, despite Decree-Law no. 15/2022 foreseeing the launch of a public tender to select the entity to perform this role.

The EEGO Procedures Manual was published in February 2020. This manual foresees the mechanisms for the issuance and transfer of guarantees of origin. All renewable energy generators must be registered in the EEGO platform and request the issuance of their respective guarantees of origin, supporting the costs of such registry.

While renewable energy generators receiving a feed-in tariff are barred from freely trading their respective guarantees of origin, in accordance with Article 9 of Decree-Law no. 141/2010, it is mandatory that they be issued and transferred to DGEG. In the case of entities receiving a feed-in tariff as referred to above, the payment of such remuneration may be suspended if the relevant generator has not complied with its obligations.

(f) **Extraordinary and temporary mechanism for the adjustment of electricity generation costs in the Iberian Electricity Market**

Further to the conflict in Ukraine and taking into consideration the particular characteristics of the MIBEL, as well as the reduced electricity interconnection between the Iberian Peninsula and mainland Europe, the Governments of Portugal and Spain cooperated in the design of a mechanism to disassociate the price of natural gas from the MIBEL, in order to mitigate the current price instability.

In this context, the Portuguese Council of Ministers approved Decree-Law no. 33/2022 which provides for an exceptional and temporary regime for the fixation of prices in MIBEL, for a period of one year, through the use of a reference price for natural gas consumed in the production of electricity traded on MIBEL, in order to reduce the respective prices.

This legal framework provides for the calculation and application of an adjustment to the electricity production costs on the respective wholesale market, so as to ensure fair compensation for producers of electricity from natural gas in relation to the difference between said reference price and the market price of natural gas.

The liquidation of the adjustment of electricity generation costs will only affect consumers without fixed price electricity supply contracts, as they are not protected against the current electricity prices.

12.9. Transmission

Electricity transmission is carried out through the national transmission network, under an exclusive concession granted by the Portuguese State for a 50-year period. The concession for electricity transmission was awarded to REN until 2057 under Decree-Law no. 29/2006, following the concession previously also granted to REN under Decree-Law no. 182/95, of 27 July.

12.10. Distribution

Electricity distribution is carried out through the national distribution network, consisting of a medium and high voltage network, and through low voltage distribution networks.

At present, the national medium and high voltage distribution network is operated under an exclusive concession granted by the Portuguese State for a 35-year period. This concession was awarded to E-Redes - Distribuição de Eletricidade, S.A., pursuant to Decree-Law no. 29/2006. The terms of the concession are set forth in Decree-Law no. 15/2022.

The low voltage distribution networks are operated on a direct exploitation basis or under concession agreements granted by the municipalities, preceded by a public tender. However, up to this date, the low voltage distribution concession public tender has not yet seen launched. Most of the low voltage distribution networks are handled by E-Redes - Distribuição de Eletricidade, S.A., alongside some local concessionaires with less than 100,000 clients.

12.11. Supply

The supply of electricity is open to competition, subject only to a registration regime. Suppliers may freely buy and sell electricity, provided that they are constituted as market agents before REN, as System Global Manager (through a contract of adherence to the ancillary services market, which requires the supplier to pay deviations on behalf of its clients). For this purpose, suppliers have the right to access the national transmission and distribution networks, upon payment of the access tariffs set by ERSE.

Electricity suppliers must comply with certain public service obligations to ensure the quality and continuity of supply, as well as consumer protection obligations with respect to prices, access tariffs and access to information in simple and understandable terms.

Electricity supply in Portugal currently follows the regime set forth in the Electricity Framework.

12.12. Regulatory Frameworks in respect of UK, Poland, Greece, France, Italy, Serbia, Mexico, Romania, Bulgaria, Germany and the United States of America (Federal and State level)

12.12.1 United Kingdom Regulatory Framework

This section sets out an overview of the key aspects of the United Kingdom's energy regulatory framework, insofar as it is relevant to the Tilbury biomass project.

Renewables Obligation (RO)

Summary of Renewables Obligation Scheme⁶⁹

The RO imposes a renewables obligation on electricity licenced suppliers to source a certain amount of their energy from renewable sources. This amount increases year on year. To demonstrate that they have met this obligation, suppliers must present ROCs to the UK's gas and electricity markets regulator, OFGEM. ROCs are issued by OFGEM to accredited renewable energy generators and can be freely traded on the market, either together with or separately from the electricity to which they relate.

Subject to limited "grace periods", on 31 March 2017⁷⁰ the RO closed to new accreditation applications in respect of all eligible technologies, having closed to certain technologies earlier than this date⁷¹. The RO is therefore now closed to all new projects; however, accredited projects will continue to receive support under the ROC mechanism up until 2037 or 20 years post accreditation, whichever comes earlier.

Subject to limited exceptions, UK government policy is that support for accredited generators under the RO is "grandfathered" at the original banding level. The policy of 'grandfathering' support is not expressly set out in the legislation.

Each accredited generator receives a certain number of ROCs per MWh. The number of ROCs/MWh is known as the "banding".

Commissioning and the OFGEM Register

To become accredited under the RO, generators were required to be "commissioned" and to have made an application for accreditation to OFGEM. Commissioning is a key test in terms of obtaining RO accreditation and is defined in the legislation as: *"in relation to a generating station, means the completion of such procedures and tests in relation to that station as constitute, at the time they are undertaken, the usual industry standards and practices for commissioning that type of generating station in order to demonstrate that that generating station is capable of commercial operation;"*⁷²

Generators must be accredited by OFGEM in order to receive ROCs for their eligible output of electricity. The publicly available Renewables & CHP Register (the "Register") lists all accredited generators.

Issuing ROCs

For OFGEM to calculate the number of ROCs to be issued to generators, generators must submit monthly data on their electricity output. Based on the data submitted, ROCs are issued by OFGEM to

⁶⁹ This section is based on the RO legislation for England and Wales.

⁷⁰ Renewables Obligation Closure Order 2014/2388.

⁷¹ For example, onshore wind (closed 12 March 2016) large-scale >5MW solar PV (closed 31 March 2015) and small-scale ≤5MW solar PV (closed 31 March 2016), subject to applicable "grace periods".

⁷² Article 2 Renewables Obligation Order 2015/1947.

the generator's account on the Register, according to the net renewable electricity generated by the station (see below in respect of biomass requirements). As noted above, ROCs are awarded to generators per MWh of renewable output, depending on the "banding" of the renewable technology being used to generate the electricity.

This data is submitted through the Register. Generators have two months after the month of generation to submit their output data. The deadlines for submission are outlined each year in the "Issue Schedule" document, available on OFGEM's website.⁷³ In 2021/2022, OFGEM intends to issue the ROCs one month after the deadline for data submission.

Supplier Demand for ROCs

The RO Order requires all suppliers above a certain size to present and "surrender" a specified number of ROCs per MWh, based on each supplier's effective supplies. The specified number of ROCs required increases from year to year, which means that the demand for ROCs, and therefore the demand for new renewable generation stations, also increases year on year. For 2022/2023, the obligation is 0.491 ROCs per MWh of energy produced.⁷⁴

Suppliers must therefore purchase ROCs from accredited generators or traders and surrender these ROCs to OFGEM to demonstrate their compliance with the RO Order. If a supplier does not have sufficient ROCs for the relevant period, it must make an index-linked penalty payment into a "buy-out fund". The "buy-out price" is adjusted annually in line with the UK's retail prices index and for 2022/2023 is set at £52.88 per ROC.⁷⁵ Whilst ROCs currently have no fixed, centrally administered price, the market value of ROCs is intrinsically linked to this buy-out price (and the recycling payments – see below).

OFGEM also charges interest on any late payments made by electricity suppliers. The buy-out fund and interest on late payments is then recycled (net of OFGEM's costs) to suppliers on a *pro rata* basis in line with their achievement of their renewable energy targets. Accordingly, the value of ROCs is determined not only by the buy-out price, but also the above recycled payments. The price will reflect the renewable energy achievements of suppliers, which will have a corresponding effect on the level of the recycled fund.

In order to maintain the demand for ROCs, the RO Order provides for a headroom mechanism, which ensures that the obligation level in respect of any annual obligation period is set at a level that ensures a shortage of ROCs in the market. The headroom calculation is determined by the volume of expected renewable generation for the year to come plus 10 percent. This mechanism limits, but does not

⁷³ <https://www.ofgem.gov.uk/publications/renewables-obligation-certificate-roc-issue-schedule-20222023>.

⁷⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1021505/calculating-level-renewables-obligation-2022-23.pdf

⁷⁵ <https://www.ofgem.gov.uk/publications/renewables-obligation-ro-buy-out-price-mutualisation-threshold-and-mutualisation-ceilings-2022-23>.

completely eliminate, the risk of over-supply (and therefore devaluation) of ROCs in any given annual obligation period.

Fixed Price Certificates (FPC)

On 1 April 2027, a FPC scheme will be introduced to replace ROCs and will run until the RO end date of 31 March 2037, in respect of all projects which are still RO-accredited at that time. The broad principles of how the FPC scheme will operate have been set out in the primary legislation⁷⁶ but implementing details will come through secondary legislation.

The 2013/14 government consultation⁷⁷ which covered the FPC scheme confirmed that the value of a fixed price certificate will be set at the long-term value of a ROC (the buyout price at the relevant time being plus 10 percent) and will remain inflation-linked. There will also be a legal obligation on a purchasing body to purchase FPCs at that fixed price.

The obligation to purchase ROCs will shift from electricity suppliers to a purchasing body. The purchasing body will be responsible for directly buying ROCs from RO-accredited generators, thereby replacing the current traded certificate market. The Secretary of State may designate OFGEM, the CFD counterparty or the Secretary of State itself to act as the purchasing body under the FPC Scheme.

OFGEM Audits

OFGEM retains the right to audit accredited generating stations from time to time, to ensure compliance with the scheme's rules. This is meant to protect against errors in ROC calculations, fraud and to ensure that the generators are still eligible for accreditation.

Since the RO closures, OFGEM has conducted wide-scale auditing of many grace period stations, and a significant number of these audits are still ongoing. OFGEM can audit these stations after accreditation.

In 2020/2021, OFGEM carried out 83 targeted and 391 statistical (random) audits of generators, of which 64 percent of targeted and 78 percent of statistical audits were rated either "weak" or "unsatisfactory"⁷⁸.

OFGEM can suspend ROC issues until problems identified by an audit have been resolved. OFGEM also has the power to withdraw accreditation in certain circumstances and to revoke or permanently withhold ROCs as appropriate.

Biomass under the RO

Generating stations using fuel such as biomass or waste to generate renewable electricity must meet additional requirements to be eligible to receive ROCs, as summarised below.

⁷⁶ Sections 32N–32Z2 of the Electricity Act 1989.

⁷⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/289078/Transition_and_Grace_Periods_Government_Response_-_12_Mar_2014.pdf.

⁷⁸ <https://www.ofgem.gov.uk/publications/renewables-obligation-ro-annual-report-2020-21>

Sustainability Criteria: In order to be issued ROCs, fuelled stations that are not exempt from reporting are required to collect and submit information on the sustainability criteria relating to the fuel used by such generating stations. These criteria are:

- Land criteria: which focuses on the land from which the biomass is sourced, and
- GHG criteria: which accounts for the life cycle GHG emissions of the biomass.

OFGEM publishes detailed guidance on this sustainability criteria: <https://www.ofgem.gov.uk/publications/renewables-obligation-sustainability-criteria>.

Biomass generators must also agree FMS procedures with OFGEM. ROCs can only be issued in relation to the proportion of electricity that is generated from renewable sources and therefore the number of ROCs issued to a biomass plant may be adjusted to take into account any fossil-derived contamination of the feedstock. FMS procedures determine the renewable output that is eligible for ROCs and help the operator accurately report on the sustainability criteria. Once accredited, electricity generation and fuel use data must be submitted to support ROC claims. Supplementary information may also be required to illustrate the implementation of FMS procedures. This is typically a monthly requirement.

OFGEM publishes detailed guidance on FMS: <https://www.ofgem.gov.uk/publications/renewables-obligation-fuel-measurement-and-sampling-guidance>.

Tilbury and Dedicated Biomass Grace Period

The TGP project was granted RO accreditation with an effective date of 26 October 2017 and is entitled to receive 1.4 ROCs/MWh until 31 March 2037. As at the date of this Prospectus, TGP sells all the ROCs generated by the TGP project via a power purchase agreement with ESB Independent Generation Trading Ltd as buyer.

The TGP project was originally accredited with a TIC of circa 45,000 kW and DNC of circa 41,000 kW. However, further to a RO audit (see below) OFGEM has recommended a change of the TIC and DNC to 44,500 kW and 41,585 kW, respectively.

As at the date of this Prospectus, the declared net capacity of the station indicated on OFGEM's public register⁷⁹ is 41,140.7 kW.

The TGP project was accredited after the RO closure date of 31 March 2017 because TGP was awarded a place within the "dedicated biomass cap" (summarised below), which entitled the project to an 18-month grace period⁸⁰ following the RO closure date (effectively an extension of the RO closure date until 30 September 2018). As the project was accredited after the RO closure date of 31 March 2017,

⁷⁹ <https://renewablesandchp.ofgem.gov.uk/Public/ReportManager.aspx?ReportVisibility=1&ReportCategory=0>

⁸⁰ Renewables Obligation Closure Order 2014/2388.

it will not receive 20 full years' worth of RO support, but is entitled to receive support until March 2037.

The dedicated biomass cap was a process launched by the UK Government in 2013, pursuant to which new build electricity-only dedicated biomass capacity in England and Wales could apply for a place within a limited 400 MW aggregated capacity across all eligible projects. Each of the projects awarded a place within the cap could expect to receive grandfathered support under the RO, i.e. ROC levels applicable at the time of full accreditation of the generating station would be maintained for the accredited capacity of the station for the entire duration of its RO support. Allocation of a space within the cap was not a pre-condition for support under the RO, but projects that did not gain a place within the cap would risk losing the benefits of the grandfathering policy. On 16 March 2015, TGP was granted a place within the cap with a capacity limit of 44 MW of declared net capacity (although please note that, as referred above, the accredited capacity was a lower amount).

The TGP project was subject to an OFGEM RO audit, with the respective report having been issued on 9 September 2019. The audit report provided a "Weak" assurance rating, which means that the audit identified moderate examples of non-compliance. Further to the issue of the audit report, TGP's representatives have been in communications with OFGEM in relation to such non-compliance issues, a number of which have been resolved.

Renewable Energy Guarantees of Origin

REGOs (the UK's equivalent of EU GoOs) were introduced pursuant to the Electricity (Guarantees of Origin of Electricity Produced from Renewable Energy Sources) Regulation 2003 and are used to confirm that electricity has been generated from a renewable energy source. Like ROCs, REGOs may be sold either together with the power to which they relate or separately.

Licensed electricity suppliers are obliged, under the conditions of their supply licence, to make certain fuel mix disclosures to their customers. REGOs must therefore be held by suppliers as evidence of any renewable electricity in the mix of fuels information provided to customers. Certain suppliers or offtakers of power may agree to a price for the transfer of REGOs from the generator, but their market value is uncertain considering that it is determined by market dynamics and does not benefit from any government price support, grandfathering policy or equivalent.

The Tilbury project was granted REGO accreditation with an effective date of 26 October 2017.

Grid

Tilbury is connected to the low voltage distribution network and, as such, is known as an "embedded" generator. Electricity distribution is a licensable activity under the Electricity Act 1989 and TGP is connected to the distribution network of Eastern Power Networks Plc, a licensed DNO.

The contractual terms of a distribution connection project's connection are set out in a connection agreement established with the DNO, which often incorporates the publicly available National Terms

of Connection.⁸¹ DNOs are also subject to numerous requirements under law and industry codes. Notably, under the Electricity Act 1989, DNOs have a duty to make (and maintain) a connection to their customers, subject to very limited exceptions.

Embedded benefits

As stated above, TGP is an embedded generator and under current market arrangements, as at the date of this Prospectus, embedded generators are able to access certain “embedded benefits”, i.e. additional revenue streams which are available to distribution connected generators but not available to transmission connected generators. Generally speaking, embedded benefits have arisen where electricity suppliers’ exposure to industry balancing services charges is based on their “net demand” – meaning their total demand less any distribution connected generation output. Embedded generators can therefore reduce a supplier’s exposure to such charges, e.g. TNUoS, GDUoS charges and avoided transmission and distribution losses.

These revenue streams are generally accessed via a power purchase agreement between the generator and the supplier/offtaker who is registered to the meter at the generation site, whereby the two parties agree on a payment or share of the avoided cost or benefit. As these benefits derive from various industry codes and sources which may change over the lifetime of a generation project, there is no guarantee of the amount or duration of such benefits, i.e. there is no concept of grandfathering or any price guarantee in respect of embedded benefits. Certain of the charging regimes (e.g. avoided transmission/distribution losses) may either represent a cost or a benefit to the supplier and, if it represents a cost, this may be charged to the generator (either on a 100 percent pass-through or other commercially agreed basis) via its power purchase agreement with the supplier.

There are also significant ongoing changes taking place to the network charges as a result of a number of network charging and access reforms⁸². These changes can impact embedded benefits for distributed generators.

Generation licence

It is a criminal offence⁸³ for a person to generate electricity for the purposes of providing a supply to any premises, or to enable the provision of such a supply, without a licence or exemption. Licences are obtained from and administered by OFGEM and generally include several obligations applicable to the licence holder in terms of compliance with market arrangements and adherence to industry codes.

However, pursuant to its powers under the Electricity Act 1989, the Secretary of State can create (by order) exemptions from the licensing requirement on either an individual basis or a ‘class’ basis (where

⁸¹ <https://www.energynetworks.org/industry-hub/statutory-information>.

⁸² https://www.ofgem.gov.uk/energy-policy-and-regulation/policy-and-regulatory-programmes/network-charging-and-access-reform?sort=publication_date. See also <https://www.ofgem.gov.uk/publications/tnuos-call-evidence-next-steps>

⁸³ Electricity Act 1989, ss 4(1)(a) and 5.

any person satisfying the conditions for the exemption may undertake the relevant activity provided that these conditions remain satisfied).

The Electricity (Class Exemptions from the Requirement for a Licence) Order 2001 (Class Exemptions Order) SI 2001/3270 sets out class exemptions for the generation, distribution and supply of electricity.

One such exemption is the “Class A: Small generators” exemption, which applies to persons who do not at any time provide more electrical power from any one generating station than 10 megawatts; or 50 megawatts in the case of a generating station with a declared net capacity of less than 100 megawatts.

TGP is therefore currently exempt from the requirement to hold a generation licence, as the Tilbury project (which is the only generating station owned or operated by TGP) has a capacity of less than 50MW.

REMIT

Following the United Kingdom’s departure from the EU, REMIT has been retained in UK law by application of the European Union (Withdrawal) Act 2018 and amended by a subsequent statutory instrument to ensure its operability.

REMIT prohibits market manipulation and insider trading and obliges wholesale energy market participants to publicly disclose inside information. REMIT also places an obligation on market participants to register with a national regulatory authority.

In the event of a breach of REMIT, OFGEM can publicly censure or place unlimited financial penalties on those who break the rules. OFGEM can also demand payment for profits, or losses suffered, from non-compliance with REMIT.

As a market participant, TGP is required to register with OFGEM. TGP’s registration (with effect from 31 December 2020) is set out in OFGEM’s public national register.⁸⁴

12.12.2 Poland Regulatory Framework

Poland is one of the largest countries in terms of energy production and consumption in Europe, with energy consumption exceeding its level of production.

Annual consumption of electricity in Poland for the year 2021 was 173.5 TWh. Power generation in Poland is expected to exceed 244 TWh in 2050, to keep up with expected consumption growth driven by industry, household and transportation demands. Poland also has one of the highest increases in energy prices in Europe due to an energy mix dominated by hard coal and lignite (which accounts for over 80 percent of generation). One of the reasons for the rise in energy costs in 2021 was the CO₂ emission permit price increase within the EU Emission Trading System. In 2021, the cost of a single

⁸⁴ <https://www.ofgem.gov.uk/publications/public-version-gb-registration-database-0>.

permit increased from less than 60 euros per ton of emitted CO₂ in June to nearly 90 euros in December. Also, higher prices for natural gas led to increased demand for burning coal, which also resulted in increased demand for these permits. According to the official statement of the President of the URE, high wholesale energy prices and the costs of purchasing CO₂ emissions rights were the main reasons for the increase in bills, which eventually led to URE's approval of higher tariffs for electricity and gas in 2022. Therefore, the Polish energy market needs investments in zero-emission sources with zero marginal costs.

Poland is under pressure to meet its 25 percent renewable energy target for 2030, especially considering that the target for 2020 was only met due to a revision of solid biomass statistical data. Given that there is a greater use of wood in domestic boilers, fireplaces and kitchens, the share of RES exceeded 16 percent in 2020.

National documents, including the Polish Energy Policies until the year 2040 (PEP 2040) and the National Energy and Climate Plan for 2021-2030 (*Krajowy plan na rzecz energii i klimatu na lata 2021-2030*), are based on the principles established in EU directives. The last modification to the PEP 2040, made in March 2020, shows the Polish Government's growing commitment to a more ambitious increase in the renewable energy sources generation share within the national energy mix. The Chancellery of Poland's Prime Minister, as the body responsible for implementing the provisions of PEP 2040, stated that the current economic and political situation in Europe, which limits the possibility of importing energy resources from Russia, has forced EU Member States to take steps towards the faster integration of renewable energy sources. In a bid to meet the objectives of PEP 2040, efforts will be made to ensure that about half of electricity production comes from renewable sources. In addition to the further development of wind and solar power, activities aimed at developing the use of renewable energy not dependent on weather conditions, i.e. using water, biomass, biogas or earth heat, may be intensified. It will be particularly desirable to use RES in energy clusters, energy cooperatives and as part of hybrid installations. Also, financial support will be increased for instruments promoting households' energy self-sufficiency.

Works related to the development of energy storage facilities, including household energy storage facilities, may be intensified, which will reduce the effects of potential disruptions in energy production or transmission.

Poland's renewable energy targets imply that the capacity of those sources should be growing at a pace of circa 1-1.5 GW annually. The development of renewable energy sources is a key strategic goal of the PEP 2040, with solar sources securing summer peak demand.

At the end of 2021, Poland's installed capacity in photovoltaics was almost 7.6 GW (including individual prosumers), a significant year on year increase (4 GW in 2020) which reflects Poland's leading position in the EU in terms of installed photovoltaic capacity. According to some forecasts, in 2022 Poland will maintain its current 4th place in the EU with 3.2 GW installed capacity (excluding individual self-consumers).

Solar projects are strategic for Poland as a replacement of thermal generation, particularly in the summer months when black-out risk exists. Current market share of about 14 percent in the Polish photovoltaic market for small-scale projects and 7 percent for large-scale projects, which is expected to grow significantly in the coming years, based on track record and project development capabilities.

Large-scale photovoltaic projects are seen as the only way to significantly increase Poland's renewable energy sources capacity over the next 2 years, seeing as in 2021 there were only about 0.3 GW onshore RtB wind projects, with new wind projects not expected to reach that stage before 2024, if the 10H rule (as described in the following paragraphs) is lifted.

The 10H rule entered into force in July 2016. This rule banned the construction of wind power plants within a distance less than 10 times the height of the wind turbines from residential properties. Based on the current technology, which uses windmills about 200 metres tall, the ban extends to a distance of 2 km from any residential construction. Given the broadly dispersed distribution of housing in Poland, this ban has excluded up to 99 percent of the country's surface for the potential siting of new wind projects. This has caused an abrupt halt in the development of economically feasible new projects taking advantage of the current state of technology, and windmills with much higher generating capacity compared to those available just a few years ago.

According to the data of the URE, at the end of 2020 there were 1,239 wind farms operating in the country, including 1,111 with a capacity below 10 MW (89.7 percent) and 128 with a capacity greater than or equal to 10 MW.

In May 2021, the Polish Government officially published draft legislation intended to ease regulations. The project for a new bill gives local officials control over deciding the location of new wind farms. The project introduces a fundamental change: turbines would still have to be located a minimum of 500 metres from existing buildings; however, their location would be set under local development plans. The 10H rule would also be removed in relation to nature protection. Work on this bill is advanced but it has not yet been put to a vote in Parliament. Information provided by the Ministry of Development and Technology indicates that the act should enter into force in 2022.

In the next 2 to 3 years, the gap in new renewable energy sources capacity will be mostly filled by large-scale photovoltaic projects. In the large-scale auctions to be held from 2021/2023, large photovoltaic projects will be in competition with each other and limited competition from wind projects may have a positive impact on prices in the coming years.

As regards large-scale wind projects, Poland's offshore wind energy sector potential should be highlighted. The country's estimated capacity of 12 GW and net energy production of 43.2 TWh for this sector puts it in fourth place among the countries focused on the implementation of the Baltic energy market interconnection plan, after Sweden, Denmark and Latvia.

According to projections of the Polish Wind Energy Association arising from the draft Maritime Spatial Plans of the Polish Sea Areas and the wind conditions in the South Baltic, the projectable amount of capacity installed at the Polish seashore is of 10–12 GW with energy production up to 50 TWh.

Until now, the Polish Power Grid Transmission System Operator has already issued connection conditions for offshore wind farms with a total capacity of 8.4 GW.

The first windfarms are planned to start producing electricity as early as 2026. There are 10 projects currently in progress. Some projects have already obtained environmental approval (4 out of 10), grid connection agreement with Polish Power Grid Transmission System Operators (8 out of 10) and have conducted geotechnical seabed exploration (4 out of 10). The biggest projects executed by the Polish Power Grid Transmission System Operator and Polenergia SA are likely to be ready to produce energy in 2026-2028.

The Polish Maritime Spatial Plans have identified three areas for wind farm locations, namely, the Słupsk Bank; the South Middle Bank on the frontier with Sweden's EEZ, and the Bank on the frontier between the Polish and Danish EEZ.

The most important legal act, in regulatory terms, is the Act on the Promotion of Electricity Generation in Offshore Wind Farms dated 17 December 2020, the first Polish law on offshore wind energy which came into force on 18 February 2021. The Act on the Promotion of Electricity Generation in Offshore Wind Farms regulates the method for obtaining public support by investors interested in building offshore wind farms in the Polish EEZ of the Baltic Sea. Another important part of the legal framework for offshore wind development is the Polish Maritime Spatial Plans for Polish Sea Areas adopted on 14 April 2021.

(a) **Support system**

The Polish support system for small and large-scale renewable energy sources installations (photovoltaic plants) is mainly based on energy auctions. According to the definition stipulated in the Renewable Energy Act, small-scale installations will be considered those with a capacity greater than 50 kW but not more than 1 MW, while large-scale installations are those with a capacity greater than 1 MW. Micro-installations are those that do not exceed 50 MW of capacity. It should be noted that micro-installations are excluded from the energy auction. Since 2016, this system has contributed to a rapid increase in investment in renewable energy installations in Poland.

Renewable energy auctions are organised by the URE once or twice a year, for both new and existing installations. Support is provided in the form of covering the so-called "negative balance". Energy producers who won the RES auction and sold their electricity within the statutory deadlines can benefit from the RES support system and apply for the covering of the so-called negative balance. Negative balance can be defined as the difference between the price indicated in the auction offer and the daily average value of energy sold on the day ahead

market index of the Polish Power Exchange (TGeBase index price). The price indicated in the auction offer is subject to indexation. A “positive balance” should be fully offset by the end of the relevant period of 3 complete calendar years. Otherwise, it must be returned to the Settlement Operator within 6 months of the end of a given period of 3 complete calendar years.

The auctions have been extended to 31 December 2027 and the end date of the auction support system has been extended to 30 June 2047. In the auction system, renewable projects are split into small-scale installations (< 1 MW) and large-scale installations (> 1MW). Onshore wind and solar projects are jointly assigned to one renewable energy sources technology basket. Only RtB stage projects can participate in the auction after verification of the relevant building permit, interconnection agreement and construction timeline. The bid includes the volume of electricity in MWh to be delivered within the period set out in the bids, of no longer than 15 years, and the price per 1 MWh the bidder is prepared to sell energy for.

The support is awarded to the bidders who submit the lowest price. The auction continues until the volume and value is fully exhausted. Competitive pressure has been assured by a rule which drops 20 percent of the bids, starting with the highest one.

There are two types of support for auction winners. For installations with an installed capacity lower than 1 MW, electricity generated in RES installation is purchased through a power purchase agreement executed by and between the energy producer and so-called “obliged seller”. The obliged seller purchases the electricity for the price indicated in the offer that won the auction.

The second type refers to installations with an installed capacity equal to or higher than 1 MW. In this case, electricity may be sold to any entity (the energy producer may sell the electricity on the power exchange or execute a power purchase agreement where the price is freely negotiated by the parties). They are also entitled to receive support (right to cover the so-called negative balance) from state-owned company Zarządca Rozliczeń SA (Settlement Manager SA).

As there has been little new development of wind projects due to the 10H rule, the wind volume available for auction has been decreasing. In the 2021 auction wind volume was below expectations, as the merchant price was above the CfD price, thus allowing more solar projects to win the auction. As a result of the second round of the 2021 auction, organised under the auspices of the President of the URE, 14 of the 375 winning bids were for non-photovoltaic installations. These 14 offers were submitted for wind power plants and hydroelectric plants.

As a general rule, in order to take part in the RES auction, energy producers must first take part in the pre-qualification process and obtain a certificate of admission to the auction. Application for such certificate is submitted to the URE.

The total amount of energy to be covered by the auction system is announced annually. However, according to the latest version of the RES Act, maximum volumes and values of

energy for individual years in the period 2022-2027 will be determined in a single regulation adopted by the Council of Ministers. The maximum price that can be bid during the RES auction (so-called “reference-price”) is determined by the Minister of Climate and for 2021 was set at 340 PLN/MWh for photovoltaic installations with installed capacity up to 1 MW, and 320 PLN/MWh for photovoltaic installations with installed capacity exceeding 1 MW. RES installations are obliged to start selling the electricity within the statutory deadline. For photovoltaic installations, this deadline is 24 months as of the auction closing day, but there are legislative plans to extend this deadline to 33 months. Sale of electricity requires obtaining a generation licence or registration in the registry of energy producers in small-scale installations by the President of the URE.

(b) **Generation licence**

As a general rule, a generation licence is required to generate and sell electricity. This is an administrative decision issued by the President of URE. Small-scale RES installations (with installed capacity from 50 kW to 1 MW) are exempt from this requirement.

A generation licence may only be issued once all conditions set in the Polish Energy Law are fulfilled (namely, RES installation has been constructed, use permit has been obtained (if required), and the energy producer has proved that it has the technical and financial capability to carry out the energy production properly, etc.).

The generation licence is granted for a set period of no longer than 50 years.

Promise of licence is an administrative decision whereby the President of URE “promises” that the generation licence will be issued if the required conditions are fulfilled by the investor.

Application for a promise of generation licence may be submitted at the early stage of development of a photovoltaic installation (even before the building permit is issued). This promise is valid for a specified period (as requested by the applicant).

Instead of obtaining a generation licence, small-scale RES installations are obliged to apply for entry in the register of energy producers in small-scale installations kept by the President of URE.

According to the RES Act, a “small-scale installation” refers to installations with a total installed electrical capacity of 50 kW up to 1 MW, connected to an electricity grid with a voltage rating lower than 110 kV.

The application for entry in the register shall be submitted by the producer before it begins to generate energy. This application should contain documents confirming legal title to the construction facilities used for energy production as well as legal title to the small-scale installation and an executed connection agreement.

Upon receiving a valid application from an energy producer, the President of URE must enter the energy producer in the register within 21 days. Failure to make an entry within 28 days entitles the energy producer to begin generation before the entry is officially made (in the case of installations that require a generation licence, production activity is only permitted after the generation licence has been granted). Generators may be called upon by URE to supplement any missing data necessary for their entry in said register, within 60 days of receiving the respective request. If the generator fails to deliver the requested information, the President of URE is obliged to issue a decision to remove the generator from the register. Energy producers with small-scale installations are required to submit a report on their activity in the field of energy production (containing information on the electricity produced and sold, as well as the fuels used to generate it) to the President of URE.

In Poland, in order to start selling electricity, two key agreements are typically executed. The first is the energy distribution agreement, which is executed with the DSO that is the party to the connection agreement once the photovoltaic installation is connected to the grid. The second is a PPA, which is typically executed with one of the energy trading companies (in Poland, there are 430 companies holding an URE licence for the trading of electricity). The PPA is generally executed for a definite period of time. The energy producer must provide balancing services which are usually performed by the offtaker and the provisions regarding this balancing constitute part of the PPA.

Current energy prices remain attractive for power generation companies. Photovoltaic projects are expected to dominate the auction system in 2022-2024 due to the lack of viable wind projects and continued government support. Considering that the bill amending the act on wind investments is unlikely to enter into force before the third quarter of 2022, the first RtB wind projects are only likely to start appearing after the second half of 2022.

According to the URE spokesperson, in 2020 more than 1,300 cases of refusal to issue conditions for connection to the power grid were reported to the regulator by energy companies. Over 98 percent of these were due to lack of technical conditions for connection to the grid. Only 25 (almost 2 percent) were justified by economic reasons. In 2021, energy companies reported 3,751 cases of refusal to issue conditions for connection to the power grid. Of these, 2,252 were due to lack of technical conditions for connection to the grid and only 52 were due to economic reasons. In 1,447 cases, the decision was dictated by the lack of technical and economic conditions.

There is considerable interest in connecting photovoltaic installations both to the transmission grid and to the distribution grid. The power of the connected photovoltaic installations is currently approximately 8 GW. Together with the connected volume of onshore wind farms, this gives 16 GW of operating RES capacity. DSO and TSO have issued connection conditions for planned new RES facilities for a total capacity of almost 22 GW (onshore wind farms: 7.6 GW,

and photovoltaic installations: 14.3 GW), as stated in Polish TSO reports. Together with operating RES sources and offshore wind farms for which connection agreements have already been concluded, the operators have issued a connection consent for RES sources with a capacity of 46 GW.

12.12.3 Greece Regulatory Framework

Overview of renewable energy sources licensing process

Under Greek law, the main steps of the licensing process for the development and operation of RES projects can be divided as follows:

Phase 1

Power production licence/producer certificate (see below for further analysis), which is normally issued within two to four months following the submission of the relevant application with RAE.

Phase 2

Upon granting of the production licence/producer certificate by RAE, the applicant may proceed with the following steps, which can be carried out simultaneously:

- Approval of environmental terms or exemption from the approval of environmental terms: This decision is issued by the regional state authorities or the Ministry of Energy and Environment, as per the project's environmental classification, for an initial term of 15 (fifteen) years. RES power plants of certain technologies and with smaller capacity are exempted, subject to certain conditions, from the requirement to obtain an AEPO in accordance with Article 8, paragraph 13 of Law no. 3468/2006, as amended by Article 126 of Law no. 4685/2020. Moreover, depending on the classification of the relevant project, the installation of RES projects may be prohibited (e.g. in protected areas) or only permitted under specific terms and restrictions (e.g. in the case of RES projects to be located within Natura zones). It should be noted that a new set of rules on the siting of RES projects is expected to be issued soon. AEPO is usually granted within 6 months of submission of a complete file.
- Grid connection offer: The grid connection offer is granted by the competent grid operator, either HEDNO or ADMIE, based on the project's capacity. HEDNO is the competent operator for connection offers to RES and CHP stations of the interconnected system and grids of up to 8 MW capacity, while ADMIE is the competent operator for stations with a capacity greater than 8 MW. The provisional grid connection offer is granted within 4 months of submission of the relevant application.
- Other permits: Installation of RES in a forested area requires a forest intervention approval which, if an AEPO is required, is embedded in the respective environmental licensing process.

Phase 3

Upon granting of the AEPO and the final grid connection offer, the RES project operator may proceed to submit a request for an installation licence and the conclusion of grid connection and power purchase agreements with DAPEEP, i.e., the RES operator for a feed-in-premium.

- **Installation licence:** The installation licence is granted in accordance with Article 8 of Law no. 3468/2006 and is issued either by the Minister of Environment & Energy or the Coordinator of the Decentralised Administration, depending on the environmental classification of the project. It is issued, in principle, within 45 working days of submission of the relevant application and is valid for 2 years, extendable for an equal period of time, provided that certain requirements are met.
- **Grid connection agreement:** Once the grid connection offer has become binding, the operator of the RES project may submit an application to the competent grid operator to execute a grid connection agreement. The grid connection agreement is concluded within 6 months of submission of the relevant application, but only enters into force following the issuance of the installation licence and payment of part of the connection costs amounting to Euro 250,000.
- **Power purchase agreements:** RES projects enter into a power purchase agreement with DAPEEP provided that they have successfully participated in a relevant capacity auction and have been awarded a reference tariff in order to receive state aid in the form of a feed-in-premium, pursuant to Law no. 4414/2016. According to an exemption set forth in Article 4, paragraph 12 of Law no. 4414/2016, as amended by Article 21 of Law no. 4643/2019, projects, or project clusters with a common connection point to the system, with a capacity greater than 250 MW may be exempted from the competitive procedures to receive operating support in the form of a feed-in-premium.
- **Building permits / Small-scale construction works approvals:** Building permits are granted by the local town planning authorities following an application made in accordance with the provisions of Law 4495/2017. Building permits are, in principle, valid for 4 years and are issued electronically upon submission of the required supporting documents, studies and data by an engineer responsible for the submission of the relevant application. The construction of smaller scale projects is usually subject to the issuance of an approval for the undertaking of small-scale construction works, which follows a simplified procedure.

Phase 4

Operation licence: After the construction of the RES station has been completed and prior to the application for the issuance of the operation licence, the holder of the installation permit must apply to the grid operator with whom the applicant has entered into the grid connection agreement to temporarily connect the station to the system or the grid for testing purposes. The operation licence for RES or CHP power plants is valid for at least twenty (20) years and can be renewed for up to an

equal period of time. Although this licence is to be issued within 20 days of submission of an application file which is deemed complete, in practice the issuance may take longer.

The shift from power production licences to Producer Certificates

In May 2020, Law no. 4685/2020 introduced several amendments with a view to simplifying the first stages of the RES licensing process and accelerating the examination of pending applications by the competent authorities. As far as Phase 1 of the licensing process is concerned, this law replaced the previously applicable power production licence with a producer certificate issued via an automated process administered through a new electronic register and applicable to projects that applied for a power production licence from September 2018 onwards. This certificate is a prerequisite for renewable energy sources producers to proceed with the next phases of the licensing process. We note that the process described below applies to projects that do not fall under the special projects category, as defined in Article 10, paragraph 5 of Law no. 4685/2020 (e.g. hybrid stations, geothermal stations, hydroelectric stations with a capacity exceeding 15 MW), and to projects exempt from the requirement to acquire a power production licence pursuant to Article 4, paragraph 1 of Law no. 3468/2006 (e.g. photovoltaic or biomass projects with a capacity less than 1 MW).

According to Article 24 of Law no. 4685/2020, pending applications for the granting of a power production licence submitted after the September 2018 cycle and until the March 2021 cycle (namely, until the last application cycle before the entry into force of Law no. 4685/2020) will be examined pursuant to Articles 10-21 of Law no. 4685/2020.

Pursuant to Article 20, paragraph 2 of Law no. 4685/2020, RAE is the competent authority to examine applications and grant the producer certificate until another authority is given this mandate by virtue of a ministerial decision. RAE completes the examination of the applications in each cycle for which no concerns are raised, warranting their comparative assessment, and invites the applicants by email to pay the special levy established in Article 17 of Law no. 4685/2020. For projects falling under Article 24 of Law no. 4685/2020, a portion of the levy is payable within 3 months of notification by the competent authority. According to Article 24, paragraph 4 of Law no. 4685/2020, this portion amounts to 10-50 percent of said levy depending on the application cycle.

The competent authority issues an announcement inviting applicants to confirm their application, update the technical details thereof and confirm that their projects do not fall under the special projects category of Article 10 of Law no. 4685/2020, in accordance with Article 24, paragraph 3 of Law no. 4685/2020.

By virtue of Article 137 of Law no. 4819/2021, Article 11A has been added to Law no. 4685/2020, under which the submission of a letter of guarantee, amounting to €35,000 per MW of maximum production capacity, is a prerequisite for the admissibility of the application for the issuance of a producer certificate or of a certificate for special projects. RES producers already in possession of a producer certificate / certificate for special projects / production licence had to file a complete

application for a final grid connection offer by 15 April 2022. Otherwise, in order to avoid the revocation of said certificate, they were required to submit a Letter of Guarantee in the amount of Euro 35,000/MW. The relevant application to the grid operator is considered to be complete when all required documents have been submitted, including various technical documents (e.g. maps, studies, ISO certificates, etc.) regarding the interconnection of the project and the project owner, as well as the environmental clearance of the project. The grid operator shall confirm the completeness of the applications for the issuance of a final grid connection terms offer by publishing a list of the complete applications on its website.

Licensing requirements and exemptions for projects below 1 MW

According to Article 4, paragraph 1 of Law no. 3468/2006, certain categories of renewable projects (e.g. photovoltaic or solar thermal power plants with a capacity less than or equal to 1 MW) are exempted from the requirement to obtain a power production licence (and thus a producer certificate). In the case of adjacent projects owned by the same legal entity, their capacity is accumulated for the purposes of calculation of this threshold, beyond which a power production licence/producer certificate is required. This exemption is preserved by Article 11 of new Law no. 4685/2020.

According to Article 8, paragraph 13 of Law no. 3468/2006, projects that fall under the exemptions provided for under Article 4 of Law no. 3468/2006 are also exempted from the obligation to acquire an installation licence and an operation licence.

According to the same provision, certain categories of renewable energy sources power plants (e.g. solar photovoltaic plants up to 1 MW installed) sited in land plots and agricultural land are exempted, subject to certain conditions, from the requirement to obtain an AEPO (Article 8, paragraph 13 of Law no. 3468/2006, as amended by Article 126 of Law no. 4685/2020). These projects are instead required to obtain a certificate of exemption from the AEPO, which is granted by the competent regional authority within 20 days of the relevant application. If the authority fails to provide this certificate within the indicated deadline, it is deemed granted. This exemption applies provided that the relevant projects are not on a Natura 2000 site or coastal zones located less than 100 metres from the shoreline.

Feed-in-premium – renewable energy sources auctions

Greece began to support renewable energy sources in 2006 via a Feed-in-Tariff (FiT). In 2016, Law no. 4414/2016 introduced a new support scheme for renewable energy sources (and CHP) in Greece, pursuant to which qualifying renewable energy sources projects may be granted 20-year operating aid agreements in the form of feed-in-premiums or CfDs between the market electricity price and a fixed reference. The level of support for (large-scale, with a capacity exceeding 400 KW) RES project is determined by technology specific or joint (for solar photovoltaic and wind parks) tenders and successful bidders enter into a contract with the RES operator. According to Article 3, paragraph 5 of

Law no. 4414/2016, small-scale RES and CHP projects with a capacity equal to or less than 400 KW and experimental projects are exempted from the feed-in-premiums scheme and are eligible for standard FiT contracts with the RES operator. RES projects with a capacity exceeding 250 MW and renewable energy sources project clusters with a common connection point to the grid with a total capacity exceeding 250 MW may be exempted from the tender process, in accordance with the requirements of Article 4, paragraph 12 of Law no. 4414/2016.

Further reform in the RES sector

As mentioned above, a first batch of rules introducing material reforms in the RES sector was introduced through the enactment of Law no. 4685/2020, which touched upon the production licence, replaced by the producer certificate, and the environmental clearance of RES projects. Moreover, another set of measures with respect to grid connection offers, installations as well as the operation licences required for RES projects was under consultation until 10 May 2022 and is expected to be enacted soon. This new set of rules aims to further expedite, simplify and modernise the licensing procedure for RES projects in Greece.

12.12.4 French Regulatory Framework

In France, the construction and operation of wind farms and photovoltaic plants are subject to several regulations under: (a) town planning law, (b) environmental law and (c) electric law, which is particularly relevant when identifying the most common basic administrative milestones to be completed before a plant's commissioning date.

(a) Town planning law

Whereas town planning law included some of the most important regulations governing the construction of wind farms for more than 15 years, this is no longer the case since Article R. 425-29-2 of the French Planning Code (which came into effect on 1 March 2017) provides that:

“If a projected onshore windfarm installation is subject to environmental authorisation by application of the French Environment Code, Book I, Section VIII, chapter 1, this authorisation dispenses with the need for a building permit.”

Nevertheless, the highest French Administrative Court (“*Conseil d’État*”) ruled, in a decision dated 14 June 2018, that such projects still remain subject to the town planning rules applicable to them (*Conseil d’État, 14 June 2018, Association Vent de Colère !, req. no. 409227*).

As for photovoltaic installations, the construction of a plant (ground-mounted, roof-mounted or BIPV) must mainly comply with local town planning regulation (“*plan d’occupation des sols*”, “*plan local d’urbanisme*”) or, if no local town planning regulation is enacted, by the national town planning regulations (“*Règlement National d’Urbanisme*”).

Depending on the size, the peak capacity and the location of the project, either a building permit or a declaration for work is required under the French Town Planning Code:

	Absence of formality	Declaration for Work	Building Permit
Projects	Power : <3 kWc and Height above the ground: <1.80 metres (R* 421-2 of the French Town Planning Code)	Power : <3 kWc and Height above the ground: >1.80 metres Or: 3 kWc ≤ Power ≤ 250 kWc (R* 421-9 of the French Town Planning Code)	Power: > 250 kWc (R* 421-1 of the French Town Planning Code)

The table above does not include projects located within the perimeter of a heritage site or historical monument or in a current or future classified site.

The administrative procedures must be carried out within the municipality where the project is located.

For prior declaration for work, the instruction period is one month (Article R. 423-23 of the French Planning Code). When specific administrative entities must be consulted, this instruction period is longer (Article R. 423-24 *et seq.* of the French Planning Code). Following this period, the decision is either favourable or unfavourable. Such decision may be express or implied.

For building permits, the instruction period is three months (Article R. 423-3 of the French Planning Code), unless a formality implies a different deadline (Article R. 423-24 *et seq.* of the French Planning Code). However, exceptions are often applicable (for instance, when an environmental assessment is required in the building permit file, when a land clearing authorisation is necessary for the project, or when the project is located in a current or future classified site).

Following the end of the instruction period, the absence of an express decision means either a tacit approval or tacit refusal, depending on the case and the formalities necessary, but usually an order will be signed by the competent authority.

(b) **Environmental law**

Wind farms

Regarding onshore wind farms, Decree No. 2011-984 of 23 August 2011 created a section 2980 within the nomenclature of classified installations (*Nomenclature des installations classées pour la protection de l'environnement*) entitled "Onshore installation for the production of electricity from mechanical wind energy and grouping one or more wind turbines" (Article R. 511-9 of the Environmental Code), allowing them to be governed by two separate regimes, depending on their size and power.

Onshore wind projects are subject to:

- a constraining authorisation regime, when (i) the wind turbine installations include at least one wind turbine generator with a height from the ground to the mast and nacelle of 50 metres or more, or (ii) when they include only wind turbine generators with a height (including mast and nacelle) between 12 and 50 metres and a power of 20 MW or more; or
- a simple declaration, if the wind turbine installations include aerogenerators with a height (including mast and nacelle) between 12 and 50 metres and a power less than 20 MW.

The regime of classified installations is not applicable to onshore wind turbines less than 12 metres high (including mast).

In order to consider all the potential impacts of each project, wind farms operated by one operator are characterised as a classified installation and not each individual wind turbine.

The implementation of the environmental authorisation procedure is carried out by the State service in charge of the inspection of classified installations (the DREAL), in accordance with Article R. 181-3 of the Environmental Code. This includes, *inter alia*, an environmental assessment (in accordance with Article L 122-1 *et seq.* of the Environmental Code) followed by a public enquiry prior to the issuance of an environmental authorisation by the Prefect. The wind farm operator must also provide the necessary financial guarantees (Article L. 515-46 and Article R. 516-2 of the Environmental Code).

Therefore:

- Financial guarantees must result from a written undertaking by a credit institution, a finance company, an insurance company, a mutual guarantee company, deposit in the hand of the Caisse des dépôts et consignations or a private guarantee fund under certain conditions;
- As soon as the installation enters into operation, the operator must send to the Prefect a document certifying that the financial guarantees have been set up. This document is drawn up according to a model defined by a joint order of the Minister for the Economy and the Minister for Classified Installations; and
- Financial guarantees must be renewed at least three months before they expire (Article R. 516-2 of the Environmental Code).

Finally, as soon as the wind farm's operation leads to the good conservation status of a protected species, it is necessary to apply for a derogation to Article L. 411-1 of the Environmental Code.

Photovoltaic installations

An environmental assessment and public enquiry are also necessary when these installations are deemed to have significant impacts on the environment or public health:

	Compulsory environmental assessment (which implies an opinion of the environmental authority and a public enquiry)	Case by case examination before deciding on an environmental assessment	No environmental assessment
Type of projects	Ground-mounted solar system with a peak capacity greater than 250 kw	Greenhouses used for agricultural purposes and shade houses (“ombrières”) with a peak capacity greater than or equal to 250 kW	Other projects

Other thresholds apply when determining whether a Natura 2000 impact assessment is additionally required. This impact study is submitted for the environmental authority’s opinion (Article R 423-55 of the French Planning Code).

Three examples of authorisations usually required, especially for ground-mounted solar plants, are:

- Considering the general characteristics of a photovoltaic plant, it may be necessary to declare work or to obtain a water law authorisation before starting its operation (see Section 2.1.5.0 of IOTA Nomenclature set up in Article R 214-1 of the Environmental Code); for photovoltaic plants requiring an authorisation, it would be applied for an environmental authorisation applicable since 1 March 2017 (see above);
- A land clearing authorisation may be necessary under the French Forest Code, which sometimes implies another public inquiry (see Article L. 341-1 *et seq.* of the French Forest Code);
- A protected species authorisation is necessary when the construction and operation of a photovoltaic plant is likely to have an adverse impact (destruction and disturbance of species and their habitats) on certain flora and fauna species subject to special protection (Article L. 411-1 *et seq.* of the Environmental Code).

Failure to comply with these regulations results in a criminal offence.

(c) **Electric law**

Under electric law, the operation of a photovoltaic plant and a wind farm (i) requires an operation authorisation granted by the Ministry in charge of Energy, (ii) contracts entered into between the producer and the grid operator (usually Enedis or RTE), and (iii) is subject to a specific electricity purchase tariff regime.

Authorisation to operate a facility producing electricity:

This authorisation is nominative and is granted by the Ministry in charge of Energy (Article L. 311-5 and Article R. 311-5 of the French Energy Code). It is no longer a key issue for wind farms and photovoltaic plants since energy production plants with peak capacity under a given threshold for any primary energy source are deemed authorised (Article L 311-6 of the French Energy Code) and the corresponding threshold for wind farms and photovoltaic plants is 50 MW (Article R 311-2 of the French Energy Code). Consequently, most wind farms and photovoltaic plants are deemed to be authorised.

(i) **Grid related issues and contracts:**

A connection intended to serve an installation for production from renewable energy sources must be included in the regional renewable energy network connection plan, which defines the facilities to be created or reinforced in order to make the overall connection capacity available for production from renewable energy sources (Article L. 321-7 of the French Energy Code). In this case, the connection includes the facilities specific to the installation as well as a proportion of the facilities created in the application of this plan (Article L. 342-1 of the French Energy Code).

In this context, the producer is liable to pay a contribution for the connection to the installation and for the share calculated as a proportion of the installed power capacity to the total available guaranteed power within the pooling perimeter (Article L. 342-12 of the French Energy Code).

As regards the agreements with the grid operator, the procedure to connect a wind farm or a photovoltaic plant to the public distribution grid starts with the producer's application for a PTF issued by the grid operator. The producer then returns the duly executed PTF together with the payment of the first instalment. Later, the producer and the grid operator enter into a grid connection agreement confirming the technical solution, the final costs and payment schedule, as well as the connection date. Once the plant is connected to the grid, the producer and the grid operator then conclude the grid operating agreement defining the conditions for the operation of the project in compliance with the grid operation conditions, the CARD that authorises access to the grid and, more specifically, the injection capacity and disconnection limitations.

(ii) **Description of support period and support scheme**

Call for tenders

This procedure is governed by the French Energy Code (Article L. 311-10 *et seq.*; Article R. 311-12 *et seq.*).

The Minister in charge of Energy is the administrative authority who decides on the need to launch calls for tenders (Article R. 311-12 of the French Energy Code). The Minister in charge of Energy may launch (by public notice published in the Official Journal of the European Union) two types of bidding procedures, at irregular intervals, to reach the renewable energy production targets (Article R311-12 of the French Energy Code), namely calls for tenders (most economically advantageous tender) or competitive dialogue (pre-selection of candidates followed by a dialogue to define the conditions under which candidates are invited to submit their final offer).

The selection criteria and timeframe of the procedures are set forth in the tender documents. The Minister in charge of Energy draws up specifications (Article R. 311-13 of the French Energy Code) which are then submitted to the *Commission de régulation de l'énergie* for its opinion (Article R. 311-14 of the French Energy Code). The *Commission de régulation de l'énergie* examines the call for tenders; however, some aspects may also be examined by third parties (Articles R. 311-14 to R. 311-25 of the French Energy Code). Following the tender procedure, the Minister in charge of Energy announces the successful candidates (Article R. 311-23 of the French Energy Code). It should be noted that these procedures are open to every resident in an EU Member State or in a country specified by a relevant international treaty.

Under the terms of Article L. 311-12 of the French Energy Code, the successful candidates benefit from a contract establishing additional remuneration for the electricity produced, in accordance with Articles L. 311-13-2 to L. 311-13-4 of the French Energy Code.

For large onshore wind power installations, a multi-year call for tender regime applies (under these thresholds, the open-window system applies).

The tender process applies to onshore wind farms with at least one of the following characteristics:

- At least 6 wind turbines;
- One of the wind turbines has a nominal power of more than 3 MW;
- Which can justify the rejection, addressed by Electricité de France, of a request for a remuneration supplement contract, under Article 3 of the Order of 6 May 2017 setting forth the conditions of the remuneration supplement for electricity produced by electricity production facilities using wind energy, with a maximum of 6 wind turbines;
- Which has, under the Order of 13 December 2016 setting forth the conditions of the remuneration supplement for electricity produced by electricity generating facilities using wind power, submitted a request for a remuneration supplement contract declared complete by *Electricité de France* or a remuneration supplement contract signed in advance and not yet in effect. Please note that this only applies to facilities for which a contract was signed prior to the repeal of the Order (Decree No. 2017-676 of 28

April 2017 on self-consumption of electricity, amending Articles D. 314-15 and D. 314-23 to D. 314-25 of the Energy Code).

Except for photovoltaic projects below a certain threshold (100 kWc), public support for photovoltaic plants is only granted and allocated through bidding procedures with their own specifications and subject to the rules established in the French Energy Code.

As regards the future, the multi-annual programming for energy sets out technology-specific targets (in terms of total installed capacity) to be achieved by 2023.

In that respect, several calls for tenders were launched in 2022 for large rooftop plants and ground-mounted plants:

- 52 new laureates to develop building-mounted photovoltaic installations were designated in February 2022;
- 38 new laureates for the development of photovoltaic installations on buildings were designated in April 2022;
- 71 new laureates to develop ground-mounted photovoltaic installations were designated in March 2022.

As regards open-window tariffs:

For onshore windfarms, the CfD (*complément de rémunération*) now applies (Article L. 314-18 *et seq.*; Article D. 314-23 to Article D. 314-52 of the French Energy Code).

This regime establishes that *Electricité de France* is required to enter into a contract offering additional remuneration (Article L. 314-18 of the French Energy Code) when a producer submits a request to that effect.

The conditions of the additional remuneration are established based on:

- Investments and operating costs for high-performance installations, representative of each sector, including inspection costs (Article L. 314-25 of the French Energy Code);
- The cost of integrating the installation into the electrical system;
- Revenue from the installation, more specifically the use of the electricity produced, the use by the producers of the guarantees of origin and the use of the capacity guarantees provided under Article L. 335-3 of the French Energy Code;
- The impact of these facilities on the achievement of the objectives mentioned in Articles L. 100-1 and L. 100-2 of the French Energy Code;
- Cases in which the producers are also consumers of all or part of the electricity produced by the installations mentioned in Article L. 314-18 of the French Energy Code.

The level of this additional remuneration may not result in the total remuneration of the fixed assets, resulting from the accumulation of all the revenues of the installation and the financial or fiscal aid, exceeding a reasonable return on the assets, taking into account the risks inherent

in these activities (Article L. 314-20 of the French Energy Code). It is, therefore, a “premium” for the operators excluded from the benefit of the purchase obligation, allowing them to make up the difference between the production cost and the sale price of the energy produced on the market.

Following Decree no. 2022-574 of 19 April 2022, photovoltaic solar installations on buildings, sheds or shades with an installed peak power less than or equal to 500 kW can benefit from the obligation to purchase electricity, if the producers request it (Article D. 314-15 of the French Energy Code).

It should be noted that eligibility for feed-in tariffs is limited to 20 years from the commissioning and that the tariff level depends on the type and total capacity of the plant, without distinction of the building use. Regulations also provide for digression coefficients that modify the rate annually or quarterly, depending on the coefficient. A production cap of up to 1600 hours is set up for the injection into the grid of the full capacity installed. If this cap is reached, additional injection of electricity into the grid will be paid at a lower tariff rate (5c€/kWh).

The commissioning of the plant must take place within eighteen months from completion of the grid connection application, unless commissioning is delayed because of the grid operator’s delays in completing the connection works, subject to the goodwill of the producer to complete his own work on time.

12.12.5 Italian Regulatory Framework

12.12.5.1. Authorisation and permits for photovoltaic and onshore wind plants

(a) The Sole Authorisation procedure

As a general rule, pursuant to legislative decree no. 387/2003, implementing EU Directive 2001/77/CE, photovoltaic plants with a power capacity greater than 50 kW and onshore wind plants with a power capacity greater than 60 kW are authorised under a sole authorisation (*autorizzazione unica*), granted by the competent Region (or, as the case may be, by the relevant Province as entrusted by the relevant region).

This sole authorisation is issued following the convening of a local authorities meeting (*conferenza dei servizi*) for all competent authorities to contextually examine the various public interests involved. This procedure is concluded with the issuance of the sole authorisation (provided that all required conditions are fulfilled) within a maximum period of 90 days.

The sole authorisation replaces and includes all the authorisations required to construct, alter, increase the capacity of, totally or partially renovate and/or re-commission plants powered by renewable sources, as well as all related works and infrastructures indispensable for the construction and operation of such plants, and shall include, where necessary, the environmental impact assessment procedure.

The environmental impact assessment procedure, which is carried out at the national or regional level depending on the size and quality of the projects, is regulated by the Italian Environmental Code. The procedure may imply (i) a preliminary check, which may result in a waiver of the full EIA or an order for the EIA to be carried out; followed, in the latter case, by (ii) a full EIA procedure.

It is worth noting that the National Guidelines entered into force on 4 October 2010. The National Guidelines are the general regulatory reference for (i) selection of the type of permit required for a specific plant (depending on size, location and technology used); (ii) the holding of the local authorities meeting; (iii) identification of the non-eligible areas for installation of the energy renewable plant; and (iv) decommissioning and environmental compensation.

With respect to point (iii) (*identification of the non-eligible areas for installation of the energy renewable plant*) above, please note that Legislative Decree no. 199/2021 (which implemented EU Directive 2018/2001 on the promotion of the use of energy from renewable energy sources (RED II)) provides that the MITE is in charge of defining the general criteria for the identification of eligible areas for the installation of renewables plants to be used at a regional level and, based on this, identification of the specific eligible regional areas. As far as the aforesaid regulation is still missing, newly approved Decree-Law no. 17/2022, converted into Law no. 34/2022 (hereinafter, "**Decree 2022**"), states that the following areas are to be considered eligible: (i) areas where plants are installed, with reference to non-material modification works, and for photovoltaic plants, the areas where photovoltaic plants have already been built, with reference to works which fulfil specific requirements set forth by legislation; (ii) areas subject to remediation works; (iii) non-functioning quarries and mines that have not been recovered or abandoned or are environmentally degraded; areas owned by national railway companies (belonging to Ferrovie dello Stato). In addition, only for photovoltaic plants, including those with modules on the ground, the following sites are considered eligible (free of landscape constraints) (a) an agricultural area, if it is enclosed within a perimeter located no more than 300 metres from areas of industrial, artisanal and commercial use, including sites of national interest, as well as quarries and mines; (b) within an industrial plant and establishment; (c) adjacent to highway networks located within a distance of not more than 150 metres.

Plants to be set up in these eligible areas benefit from a faster administrative procedure. For example, the construction of a photovoltaic plant will involve: a certified declaration of start of works ("**DILA**"), if its power capacity is up to 1 MW; a simplified authorisation procedure ("**PAS**"), if its power capacity is greater than 1 MW up to 10 MW; or a Sole Authorisation, if its power capacity is greater than 10 MW.

This legal framework has been further implemented and amended by regional legislation allowing for variations in the permission process within Italy.

Pursuant to Decree-Law no. 76/2020 converted under Law no. 120/2020 (hereinafter, “**Semplificazioni Decree**”), Decree-Law no. 77/2021 as amended and modified by Law no. 108 of 9 July 2021 (hereinafter, “**Semplificazioni Decree-bis**”), and Decree 2022, simplified procedures have been adopted, from both an environmental and authorisation perspective, for non-essential variations, repowering and revamping interventions on photovoltaic and onshore wind plants.

(b) **The PAU and PAUR procedures**

In addition to the above, specific authorisation procedures have been introduced by Article 27 and 27 *bis* of the Italian Environmental Code for projects subject to a national or regional EIA and developed after 21 July 2017, the date of entry into force of Legislative Decree no. 104/2017.

These authorisation procedures are known as “**PAU**” and “**PAUR**”, depending on the authority (the Ministry of Ecological Transition or the relevant Region) considered competent with respect to the EIA.

While the PAUR procedure is mandatory in the case of a regional EIA, the activation of the PAU procedure for plants subject to a national EIA is at the discretion of the proposer.

- **PAU**

According to this procedure, the final decision – to be adopted following the holding of the Conference of Authorities – will include the EIA decree and all applicable environmental authorisations; nevertheless, the sole authorisation is not formally comprised in the PAU and, therefore, the relevant Region and the Ministry of Ecological Transition shall coordinate the proceedings.

- **PAUR**

According to this procedure, the final decision – to be adopted following the holding of the Conference of Authorities – will include the EIA decree, the sole authorisation and all other authorisations, concessions, licences, opinions and consents required for the construction and operation of the project in question.

Mandatory terms are provided for the end of the PAU and PAUR procedures. Therefore, the violation of these terms should trigger the potential liability of the competent authorities for any delay incurred.

(c) **PAS**

Pursuant to National Guidelines and the provisions of Decree-Law no. 28/2011, as amended by the *Semplificazioni Decree*, *Semplificazioni Decree-bis* and Decree 2022, certain categories of plants can be authorised by means of a simplified authorisation procedure. The PAS consists of a declaration concerning the plant installation which is to be filed with the municipality at least

30 days before the start of the works. Within the subsequent 30 days, the municipality must verify the documentation submitted and, should it find that one or more of the conditions provided for have not been met, it will order the interested party to not carry out the works. If the municipality does not object within 30 days after the submission of the request, the PAS shall be considered effective and the works approved.

The PAS is generally used to authorise photovoltaic plants with a power capacity lower than 50 kW and onshore wind plants with a power capacity lower than 60 kW.

According to the new provisions introduced by Decree 2022, the PAS is also applicable to:

- photovoltaic plants with a power capacity of up to 20MW connected to the high and medium voltage electricity grid and located in areas of industrial, productive or commercial use, in closed and restored landfills or landfill lots, or in quarries not susceptible to further exploitation;
- floating photovoltaic plants with a power capacity of up to 10 MW in floating mode on the water surface of reservoirs and water basins, including reservoirs of discharged quarries or installed to cover irrigation canals;
- agrivoltaic plants with a power capacity of up to 10 MW that have adopted innovative integrated solutions with the assembly of modules elevated from the ground, also providing for the rotations of the modules themselves, which are no more than 3 km away from areas of industrial, artisan and commercial use;
- photovoltaic plants with a power capacity of up to 10 MW located in an eligible area.

(d) **DILA**

According to Article 6 bis of Decree-Law no. 28/2011, DILA is a declaration certified by a technician and filed with the municipality which allows the applicant to start works without waiting for the expiry of any term. DILA was introduced under the Semplificazioni Decree with the aim of providing a simplified procedure for non-material interventions and to allow certain types of plants. Pursuant to the new regulation provided for under Decree 2022, the DILA is also used for the construction of new photovoltaic plants with a capacity lower than 1 MW located in eligible areas; ground-mounted plants with a capacity of up to 1 MW located in eligible areas not subject to landscape constraints in Legislative Decree 42/2004 and located in areas outside of zone A, as per Ministerial Decree no. 1444/1968.

(e) **EIA and EIA screening provisions**

• **Specific provisions for photovoltaic plants**

According to the Italian Environmental Code, as modified by Semplificazioni Decree-bis, plants with a nominal peak capacity exceeding 1 MW up to 10 MW are subject to EIA Screening by the relevant Region; while photovoltaic plants with power exceeding 10

MW must be subject to the national EIA procedure carried out by the Ministry of Ecological Transition.

Moreover, pursuant to Decree 2022, the EIA Screening at the regional level is not applicable to photovoltaic plants with a capacity of up to 20 MW, if one of the following requirements is met:

- plant is located in areas of industrial, productive or commercial use, in closed and restored landfills or landfill lots, or in quarries not susceptible to further exploitation, and related works and necessary infrastructures, for which the authority responsible for issuing the authorisation has certified the completion of the recovery and environmental restoration activities provided for in the authorisation title in accordance with the regional regulations in force;
 - plant is located in eligible areas;
 - agrovoltaic plants located no more than 3 Km away from areas of industrial, artisan and commercial use. Please note that Article 4, paragraph 3 of Legislative Decree no. 28/2011 states that Regions and Provinces can introduce specific regulations according to which multiple projects located in the same area or adjacent areas must be subject to a cumulative EIA or EIA Screening.
- **Specific provisions for onshore wind plants**

According to the Italian Environmental Code, onshore wind plants with a nominal peak capacity exceeding 1 MW are subject to EIA Screening under the competence of the relevant Region; while onshore wind plants with power exceeding 30 MW must be subject to the national EIA procedure carried out by the Ministry of Ecological Transition, as referred to in Annex II to Part Two, paragraph 2), point 6 of the Italian Environmental Code.
 - **Common rules**

Pursuant to the Semplificazioni Decree-bis, EIA and EIA Screening procedural terms have been significantly reduced, especially for renewable energy projects subject to the national EIA, seeing as these are considered strategic projects to achieve the 2030 Target of the Italian Energy and Climate Plan. Where the terms to end the procedure exceed those indicated by law, specific fines are due by the public administration and their violation may trigger the potential liability of the competent authority for any delay incurred.

12.12.5.2. Access to the incentive system

The FER1 Decree aims to support the production of electricity by plants powered by renewable energy sources. Although it provides for registers and auctions until 2021, the FER1 Decree introduces a safeguard principle represented by the indicative overall annual maximum cost for incentives of €5.8

billion. As of today, in order to accelerate the Italian sustainable growth path, in line with the European objective of ensuring a 32 percent share of renewable energy sources in the EU's gross final energy consumption by 2030, Legislative Decree no. 199/2021 (which implements RED II) has offered important new insights for the renewables sector, envisaging new incentive mechanisms. In this regard, it should be noted that the regulation and identification of the relevant tariffs will be determined in subsequent decrees of the Ministry of Energy Transition. Until the issuance of such decrees, Legislative Decree no. 199/2021 has provided for an extension of the FER 1 procedures by making available the remaining unallocated power, resulting after the 8th FER 1 procedure, which took place on 31 January 2021. As at today, we are still awaiting a new extension of the FER 1 procedure or the publication of the decree foreseeing the new incentive regulation.

The sources contemplated by the FER 1 Decree are: onshore wind, hydroelectric, plants fuelled by landfill and gas residues from purification processes, and photovoltaic plants. We underline that, according to Article 65 of Decree-Law no. 1/2012, as amended by Semplificazioni Decree-bis and Decree 2022, ground-mounted photovoltaic plants in agricultural areas cannot obtain the incentive tariff. However, Semplificazioni Decree and Semplificazioni Decree-bis stated that access to the incentive tariff is possible for photovoltaic plants located in industrial areas, National Polluted Sites (so called "SIN"), closed and rehabilitated landfills and landfill lots, or quarries or quarry lots not suitable for further exploitation, for which the competent authority issuing the permit has certified the completion of the relevant recovery and environmental restoration activities.

Lastly, according to Decree 2022, agrovoltaic plants can access the incentive tariff if they meet the following conditions provided for in Article 65 of Decree-Law no. 1/2012:

- adoption of innovative integrative solutions with assembly of the modules elevated from the ground, also providing for the rotation of the modules themselves, however, in such a way as to not compromise the continuity of agricultural and pastoral cultivation activities, also allowing for the application of digital and precision agricultural tools;
- implementation of monitoring systems based on the guidelines adopted by the Council for Agricultural Research and Analysis of Agricultural Economics in collaboration with the GSE, within 30 days from the date of entry into force of this provision;
- fractioning or transfer of land is not allowed, under penalty of inaccessibility to incentives for ten years;
- floating photovoltaic plants to be built on wet surface or on small or large artificial reservoirs, where compatible with other uses, can also access incentives.

The ranking mechanism

Access to the available incentives, managed by the Gestore dei Servizi Energetici S.p.A., can only take place through rankings in the registers and participation in competitive bidding procedures, depending on the size of the plants. Plants – either new or repowered or refurbished – with a capacity of between

0 MW and 1 MW will access the incentive scheme via registers, while plants with a capacity exceeding 1 MW will access it through auctions.

Another significant element is the grouping of plants into distinct categories by energy source, each of which will compete in the same register or in the same auction procedure. These categories are (A) wind and photovoltaic plants, (A-2) only for registers, photovoltaic plants whose modules are installed in place of asbestos, and (B) hydroelectric and gas-fuelled plants. There is an additional third category for plants subject to reconstruction.

With some exceptions, it should be noted that plants can only benefit from the incentives if the relevant works only begin after their ranking with the registries/tenders. Priority criteria are provided for both registers and auctions, among which we underline the offer of a percentage reduction of the reference tariff, which for auctions cannot be less than 2 percent or more than 70 percent of the basic incentive tariff provided by the FER 1 Decree.

In cases where plants do not enter into operation within the deadlines provided by the FER 1 Decree, the tariff expires at the end of this period, without grace periods but also without penalties in the event of admission to subsequent procedures.

Incentive scheme and tariff

There are two different incentive mechanisms, depending on the power of the plant:

- the all-inclusive tariff, consisting of a single tariff, corresponding to the entitlement tariff, which also remunerates the electricity withdrawn by the GSE; and
- an incentive, calculated as the difference between the applicable tariff and the hourly zonal energy price, since the energy produced remains at the operator's disposal.

For plants of up to 250 kW, it is possible to choose between the two incentive mechanisms, with the possibility of switching from one to the other no more than twice during the entire incentive period. Installations with a capacity of more than 250 kW are only eligible for the second option (incentive).

One of the most relevant provisions of the FER 1 Decree is the so-called two-way incentive recognition and payment mechanism. In the event that the difference between the tariff and the zonal energy price is negative, this mechanism provides that the difference must be returned to the GSE, which will make the appropriate adjustments or request a payment to the producer.

The period of entitlement to the incentive mechanisms starts from the plant's date of entry into commercial operation. The periods will range from 20 years (for most sources) to 25/30 years for certain other sources or larger plants; for example, solar plants are granted a period of 20 years.

Ministerial Decree 04/07/2019 provides for three different tariff definitions:

- The reference tariff is determined, depending on the source and type of plant and power, by applying:

- The tariffs and any reductions provided for by Ministerial Decree 23/6/2016, for non-photovoltaic plants registered in a useful position in the Registers, which enter into operation within one year of the entry into force of Ministerial Decree 04/07/2019 and which have not benefited from the specific priority criteria provided for by the latter; and
- The tariffs set out in Schedule 1 to Ministerial Decree 04/07/2019 for all other plants;
- The offered tariff is calculated by applying to the reference tariff any reductions requested by the Responsible Party during registration in the registers or auctions, in order to benefit from the relevant priority criteria;
- The offering tariff is calculated by applying to the offered tariff any further reductions provided under Ministerial Decree of 04/07/2019, for plants that have obtained a useful position in the rankings of the registers and auctions and have been subsequently admitted to the incentive mechanisms.

12.12.6 Serbian Regulatory Framework

Introduction

In April 2021, the Serbian Parliament adopted the new Serbian Renewable Energy Act, as well as amendments to the Serbian Energy Act. The main goal of the new and amended legislation was to create the second generation of the renewable energy regulatory framework taking into account current developments in the EU (i.e. RED II Directive).

The new regulatory framework introduces, as a rule, the competitive award of incentives to renewable energy projects through auctions, market premium instead of feed-in tariff for larger renewable projects, a 15-year support period, and limited support for balancing costs.

The framework is still incomplete and lacks certain implementing bylaws, most importantly the bylaw covering the balancing responsibility. The working group established by the Serbian Ministry for Energy is working on developing the remaining parts of the energy regulatory framework.

Overview of the new regulatory framework for large renewables:

(a) Incentives for renewable energy generation

The focus of support for renewable energy projects under the new Serbian Renewable Energy Act shifts from the first-come, first-served feed-in tariff system to competitively awarded market premium (NB: feed-in tariff remains an option only for smaller projects of up to 500 kW and 3 MW for wind farms, and even in these cases it is awarded in the competitive procedure). Duration of the market premium arrangement is set at 15 years.

Pursuant to the Serbian Renewable Energy Act, the guaranteed supplier (i.e. EPS for the time being) assumes the balancing responsibility from the renewable energy producers who are in

the premium system as well as those who are out of the support system, until the creation of the liquid organised intraday energy market.

In addition to the market premium, the Serbian Renewable Energy Act prescribes the priority despatch of electricity from renewable energy power plants, to the extent that the operational security of the transmission system is not endangered. Privileged power producers are also entitled to free of charge access to the transmission system.

Finally, renewable energy producers that are not part of the market premium or feed-in tariff system are entitled to guarantees of origin issued by EMS, which is a full member of the AIB.

The Serbian Renewable Energy Act guarantees the stability of the regulatory framework by prescribing that any incentives granted to a renewable energy producer may be changed only in accordance with objective criteria set out in the incentive system existing at the moment of the award of the incentives.

(b) **Auctions**

The right to incentives for renewable energy producers (for power plants with installed capacity above 500 kW or above 3 MW in the case of wind farms) is determined in a competitive auction procedure where interested investors submit their offers and compete for the lowest amount of market premium.

AERS publishes the maximum market premiums, or the maximum purchase prices for each type and subtype of power plant for which quotas are prescribed, on its website by the end of December of the current year for the next year in which the auctions are planned. For the time being, AERS published the maximum purchase price for wind farms (with installed capacity above 3 MW) to be auctioned in 2022, in the amount of 5.568 cEUR/kWh.

The Serbian Ministry for Energy is in charge of carrying out the auctions. It is obliged to publish on its website its intention to launch an auction at least 45 days in advance of the public invitation.

The auction consists of a qualification stage and a bidding stage.

The qualification stage is the eliminatory stage of the auction, where applicants are subject to a pass/fail review based on a number of requirements including, *inter alia*, delivery of the bid bond or monetary deposit (in the amount of €30 per 1 kW of installed capacity of the power plant for auctions and €10 per 1 kW for the feed-in tariff).

In the bidding stage, qualified applicants submit their financial proposals with the aim of offering the lowest market premium or the lowest offtake price.

The Serbian Ministry for Energy renders its decision on the award of market premium to the selected applicants based on the ranking list prepared by the commission set up by the Ministry.

(c) **Status of preliminary privileged power producer**

Those applicants awarded market premium are designated as preliminary privileged power producers. Within 30 days, they must provide the performance bond or deposit to the Serbian Ministry for Energy, thus guaranteeing their status as privileged power producer. The performance bond / deposit amounts to €60 per 1 kW of installed power.

A preliminary privileged power producer is obliged to obtain a construction permit for the power plant as well as consent to the EIA within two years from the date on which it acquired the status of preliminary privileged power producer. Failure to obtain these documents leads to the revocation of the preliminary privileged power producer status. If these documents are obtained in time, the preliminary privileged power producer can request the extension of the status for an additional three-year period. If the preliminary privileged power producer had already obtained a construction permit, presumably before the award of the status, then its status lasts for a total of three years.

The status of preliminary privileged power producer may be extended or transferred in accordance with the Serbian Renewable Energy Act and Governmental decree.

(d) **Status of privileged power producer**

The status of privileged power producer is awarded by the Serbian Ministry for Energy to the preliminary privileged power producer upon fulfilment of certain pre-conditions, including, *inter alia*, obtaining the use permit for the power plant, permanent connection to the grid and conclusion of the market premium agreement.

A renewable power producer is obliged to decommission and remove the power plant at its end of life and to remediate the land on which the power plant was constructed. As a security for the fulfilment of this obligation, the privileged power producer is obliged to pay a monthly deposit fee for each kW of installed capacity that is part of the feed-in premium, in the following amounts: wind farms 0.066 EUR/kW, solar 0.02 EUR/kW, other technologies 0.033 EUR/kW.

The status of privileged power producer may be revoked by the Serbian Ministry for Energy in circumstances determined in the Serbian Renewable Energy Act.

The status of privileged power producer may be transferred through a procedure similar to that for transfer of the status of preliminary privileged power producer.

(e) **Market premium**

The Serbian Renewable Energy Act introduces the concept of market premiums as the main incentive for large renewable energy projects (i.e. with installed capacity above 500 kW and 3 MW for wind farms). Market premiums are paid on top of the price achieved for the sale of electricity produced by the renewable energy producer. However, the renewable energy producer does not have the guaranteed offtake, i.e. it either has to sell the electricity on the

organised market or pursuant to a power purchase agreement. The right to market premium lasts for 15 years and is acquired in a competitive procedure, i.e. auction. Market premium, which is payable monthly, may be acquired for the power plant's entire installed capacity or only part of it.

The basis for payment of the market premium is an agreement concluded with the contractual counterparty (i.e. the guaranteed supplier, which for the time being is EPS). The standard draft of this agreement is prescribed by a decree adopted by the Government of Serbia. The market premium agreement is structured as a contract-for-difference, i.e. if the market premium is negative, the renewable energy producer is obliged to pay to the contractual counterparty the negative amount of the market premium.

(f) **Balancing responsibility**

Pursuant to the Serbian Renewable Energy Act, the guaranteed supplier (i.e. EPS) assumes balancing responsibility for producers from renewable energy sources who are in the market premium system or are outside the incentive system, until the establishment of a liquid organised intra-day electricity market. Privileged power producers may opt out from this scheme and arrange their own balancing responsibility. Once the liquid market has been established, privileged power producers have a five-month deadline to arrange their balancing responsibility and, from that moment, the balancing risk and costs are fully borne by the privileged power producer. The Government of Serbia has not yet adopted the decree that is supposed to regulate the balancing responsibility in more detail.

(g) **Guarantees of origin**

The Serbian regulatory framework provides for the concept of guarantees of origin (*garancija porekla*) issued by EMS. In accordance with the Serbian Renewable Energy Act, EMS is authorised to issue guarantees of origin as an electronic document that exclusively serves to demonstrate to the end customer that a certain amount of electricity is produced from renewable energy sources.

Guarantees of origin may not be issued to renewable energy producers who have the status of preliminary privileged power producer or of privileged power producer, i.e. to those producers who will benefit from the market premiums or feed-in tariff.

EMS issues the guarantee of origin only once, for a unit net amount of 1 MWh of produced electricity. The guarantee of origin is valid for a period of one year following the last day of the production period for which it is issued. The guarantee of origin ceases to be valid upon its utilisation, withdrawal or expiry.

Guarantees of origin are transferable irrespective of the type of electricity to which they refer.

Serbia is a member of the European Energy Certificate System and EMS is a full member of the AIB.

Energy permit

The energy permit (*energetska dozvola*) is an administrative act issued by the Serbian Ministry for Energy and a precondition for obtaining the construction permit for a power plant with installed capacity of 1 MW and above.

The energy permit essentially serves to provide preliminary confirmation that the development of a specific energy facility meets the conditions ensuring the reliable and secure operation of the energy system, that there are no planning restrictions for the development of the energy facility on the intended site, and that there is a way of procuring the conditions for the power plant's connection to the existing energy system, among other requirements.

The energy permit is valid for a period of three (3) years from the date on which it becomes final and binding, extendable for another year. Although not specifically stated in the Serbian Energy Act and the relevant bylaws, it is understood that once the investor obtains the construction permit for the power plant it is no longer required to renew the energy permit.

Licence for production of electric energy

Power generation requires the issuance of a licence by AERS under the procedure prescribed by the Serbian Energy Act and the Rulebook on Licensing for Energy Activity and Certification (*Pravilnik o licenci za obavljanje energetske delatnosti i sertifikaciji*, Official Gazette of the Republic of Serbia, no. 87/2015, 44/2018).

AERS is obliged to decide on the application within 30 days of its submission. An appeal may be filed against the first instance decision within 15 days with the Serbian Ministry for Energy. The power generation licence is issued for a 30-year period with the possibility of subsequent renewal.

Along with the application, the applicant must submit the evidence prescribed by the Serbian Energy Act and the implementing bylaw.

Grid access

The procedure for connection of a power plant to the transmission system is prescribed under: (i) the Serbian Energy Act, (ii) the Supply Decree, (iii) the Serbian Grid Code, (iv) the Instruction for Connection to the Transmission System (*Uputstvo za priključenje objekta na prenosni sistem*), and (v) the Procedure for Connection to the Transmission System (*Procedura za priključenje na prenosni sistem*).

The first step in this process is the preparation of a grid connection study. This study is prepared by EMS at the cost of the developer of the power plant, pursuant to the grid connection study preparation agreement to be executed between EMS and the developer of the power plant.

Development of a grid connection requires preparation of the design documentation and the obtaining of the location conditions and construction permit for the grid connection. The process is regulated by an agreement (the template of which is prescribed by EMS) to be concluded between EMS and the developer of the power plant. The costs of these activities and procedures are borne by the developer of the power plant.

The main document in the formal process of connecting the power plant to the transmission system is the grid connection approval. This document is issued by EMS at the request of the developer of the power plant. This request may only be submitted upon issuance of the construction permit for the power plant. EMS is obliged to issue the grid connection approval within 60 days of receipt of a complete application. The content of the grid connection approval, i.e. the technical and other conditions for connection, are prescribed by the Serbian Energy Act, the Supply Decree and the Serbian Grid Code and are dependent on the type of facility being connected. The grid connection approval is valid for two (2) years, with the possibility of extension at the request of the Issuer submitted no later than thirty (30) days before the expiry of the original grid connection approval.

In accordance with the Serbian Energy Act, the formal investor developing the grid connection is EMS. However, at the request of the developer of the power plant, EMS is obliged to allow the developer of the power plant to construct the grid connection on behalf of EMS, pursuant to and in accordance with the Grid Connection Monitoring Agreement (the template of which is prescribed by EMS) to be entered into between EMS and the developer of the power plant.

Upon completion of the power plant and issuance of the use permit, but prior to putting the power plant online, representatives of EMS are expected to perform a final inspection and officially confirm that all equipment and installations are aligned with the technical and other conditions of the grid connection approval and that the use permit for the power plant has been issued.

Once the grid connection infrastructure is developed and the power plant is completed, the developer and EMS enter into a grid access agreement and a 'facility exploitation' agreement (*ugovor o eksploataciji objekta*). The contents of these agreements are not legally prescribed, but EMS has developed and published templates of these documents.

Key authorisations necessary for construction of a power plant

(a) Location Conditions

Location conditions is a public document detailing the possibilities and restrictions for construction on a specific cadastral parcel pursuant to the applicable planning document.

The power plant developer must prepare a conceptual solution for this purpose and the planning documents for that cadastral parcel must also be in force. Conceptual solution (*idejno rešenje*) is a presentation of the building plans containing all data necessary for issuing the location conditions.

MCTI is in charge of issuing location conditions for power plants with installed capacity of 10 MW or more (except for power plants located in Vojvodina, in which case the competent secretariat of the Vojvodina autonomous province handles the procedure). Location conditions are valid for 2 years as of their issuance or until expiry of the construction permit issued on the basis of those location conditions.

(b) **Approval of the conceptual design**

The revision commission set up by MCTI needs to approve the conceptual design for power plants with installed capacity of 10 MW or more. Conceptual design (*idejni projekat*) is a set of mutually harmonised designs determining, *inter alia*, the purpose, position, shape, capacity, layout, and technical-technological and functional characteristics of the building.

The revision commission prepares a report outlining the mandatory measures to be implemented during the drafting of the execution design. This report must be issued within 30 days. If the commission fails to issue the report within this deadline, it is deemed that the commission has no remarks on the conceptual design for the power plant.

(c) **Construction Permit**

The developer of the power plant is entitled to submit a request for the issuance of a construction permit enclosed with the following:

- construction permit design;
- proof of payment of the administrative fee for the request;
- proof of lease of the respective cadastral parcel(s);
- agreement between the developer and public companies for the procurement of utility infrastructure, if necessary under the location conditions;
- report of the revision commission;
- energy permit, when applicable;
- conditions for connection to distribution and/or transmission system, when applicable;
- proof of payment of the fee for the conversion of agricultural land on the cadastral parcel(s) into construction land, if applicable; and
- statement of the developer on the form of payment of the land development fee, if applicable.

MCTI is in charge of issuing construction permits for power plants with installed capacity of 10 MW or more (except for power plants located in Vojvodina, in which case the competent secretariat of the Vojvodina autonomous province handles the procedure).

The construction permit ceases to be valid if the construction works do not commence within two years as of the date on which the construction permit becomes final and binding.

As a matter of principle, a construction permit can be transferred along with the building under construction.

(d) **Report on commencement of works**

The developer is obliged to report the commencement of works under the construction permit eight days in advance, with the following documents enclosed:

- proof of payment of the administrative fee for the request;
- proof of payment of the land development fee, or its first instalment (if applicable);
- consent to the EIA issued by MEP (when applicable).

(e) **Technical acceptance of works**

Once all the works under the construction permit have been performed, the developer must procure the technical acceptance of these works. The technical acceptance is performed by an independent legal entity (that meets the relevant legal requirements) or commission engaged by the developer, whose members meet the relevant legal requirements. A report confirming the acceptance of the works is a prerequisite for obtaining the use permit.

If a trial operation of the power plant is required before obtaining the use permit, it is performed in the course of the technical acceptance of the works and may last up to one year.

The law does not set out any deadline for this acceptance given that it is performed by the independent legal entity or commission engaged by the developer.

(f) **Use Permit**

The procedure for obtaining a use permit is initiated by submitting a request with the following documents enclosed:

- proof of payment of administrative fees;
- execution design (if there were no deviations from the design documentation) or as-build design;
- affirmative report on the technical acceptance of the works with a proposal for issuing a use permit;
- certificate on the energy properties of a building (if applicable);
- geodetic studies for the relevant power plant and underground utilities.

MCTI is in charge of issuing use permits for power plants with installed capacity of 10 MW or more (except for power plants located in Vojvodina, in which case the competent secretariat of the Vojvodina autonomous province handles the procedure).

MCTI issues the use permit if all conditions are met within five business days. The use permit becomes final immediately after its issuance and, if unsatisfied with the outcome, the developer is entitled to initiate an administrative dispute before the Administrative Court within 30 days of receiving it.

Environmental Impact Assessment Study (EIA)

The development of renewable energy power plants is subject to a mandatory environmental impact assessment study, in cases where the power plant has installed power of 50MW or more, and may be required for power plants with installed power between 1MW and 50MW (over 2MW for hydro power plants and over 10MW for wind power plants). MEP is responsible for issuing consent to the EIA for power plants with installed capacity of 10MW or more (except for power plants located in Vojvodina, in which case the competent secretariat of the Vojvodina autonomous province handles the procedure).

MEP determines the scope and content of the environmental impact assessment study (this determination takes at least 38 days (+30, in case of an appeal). The investor, as well as interested stakeholders, can appeal against MEP's decision on the scope and content of the environmental impact assessment study.

The Act on the Environmental Impact Assessment (*Zakon o proceni uticaja na životnu sredinu*, Official Gazette or RS, no. 135/2004 and 36/2009) sets out the necessary elements of the EIA and prescribes that it can be carried out by a company or entrepreneur registered in the registry for the design, engineering and production of studies and analysis, which has a qualified multidisciplinary team.

Once the EIA is completed, the investor applies for a consent to an environment impact assessment study by submitting at least 3 copies of the EIA in hard copy and 1 copy electronically, along with MEP's decision on the scope and content of the EIA. The investor is obliged to submit the application for consent within a year of the MEP's final decision on the scope and content of the environmental impact assessment study. MEP can, however, decide on the request after this deadline on a case-by-case basis. The procedure for granting consent usually takes a minimum of 53 days from the date of filing of the respective request.

MEP provides public insight and organises public debate on EIA. MEP also sets up the technical commission which inspects the study (taking into consideration stakeholders' reports on the study), evaluates measures aimed at mitigating potential negative effects on the environment, and drafts the report on the EIA for submission to MEP. Based on the proposal of the technical commission, MEP can require that the investor make certain amendments to the study.

If MEP gives its consent to the EIA, it will determine the conditions and measures to mitigate any negative impacts on the environment. MEP also notifies stakeholders and the public of its decision. Stakeholders and/or the relevant investor may lodge a suit with the Administrative Court against MEP's decision within 30 days of its delivery.

The investor is obliged to commence implementation of the project within two years from obtaining the consent. If not, the environmental impact assessment study must be updated or an entirely new study carried out, depending on the decision of the competent body.

The law does not foresee any special grounds for premature termination of the EIA consent.

12.12.7 Mexican Regulatory Framework

Overview

Before the 2013 Mexican energy reform and the enactment and enforcement of the Electricity Industry Act, the Mexican power sector formed a restricted market controlled by the government-owned production company, the Federal Electricity Commission (*Comisión Federal de Electricidad*) (CFE).

Prior to this energy reform, electricity supply was under the exclusive power of the State and only the generation of electricity by private parties was allowed, through figures such as independent power producers, self-supply and small producers, provided that they were not part of the public supply, an aspect that limited the promotion and use of renewable energies. The market is no longer as restricted, and it is now possible to make private investment in generation and trading and to establish joint ventures or public private partnerships between the CFE and private companies.

The main instrument governing the renewable energy sector in Mexico is the LAERFTE and its Regulations, enacted in 2008. Under this law, Mexico implemented the National Energy Strategy 2013-2027, which sets forth the target of 35 percent of energy from renewable sources by 2024.

In March 2022, the Second District Court Specialised in Economic Competition granted a definitive stay of execution preventing the enactment in the Mexican Grid Code of the provisions contained in resolution number RES/550/2021 published by the CRE. This resolution contains the rules applicable to the Mexican Grid Code in connection with the efficiency, quality, reliability, continuity, security, and sustainability of the Mexican National Power Grid.

The Second District Court Specialised in Economic Competition considered that the discretionary power granted by the CRE to CENACE in the Mexican Grid Code, to decide on the connection and disconnection of plants to the Mexican National Power Grid, may put renewable energy producers at a disadvantage.

In September 2021, the Mexican president submitted the Electricity Reform to the Mexican House of Representatives. This proposal aimed to dismantle the energy legal framework and grant a dominant role to the CFE, both at the regulatory and market levels. During a discussion before the House of

Representatives in April 2022, the Electricity Reform did not reach the qualified majority necessary for its approval and was therefore dismissed.

Furthermore, the Mexican Senate filed unconstitutionality action 64/2021 in order to challenge the legality of several provisions of the “Decree that modifies and adds several provisions to the Electricity Industry Act” published in the DOF on 9 March 2021.

On 5 and 7 April 2022, a plenary session of the Mexican Supreme Court held hearings to discuss the unconstitutionality action filed in relation to the Electricity Industry Act. The qualified majority of 8 out of 11 votes required to declare the unconstitutionality of the Electricity Industry Law was not reached and, therefore, the Electricity Industry Law remains in force.

The following amendments to the Electricity Industry Act, aimed at strengthening the CFE, will also remain in force:

- A new order of priority for the dispatch of electric energy.
- The permits referred to in the Electricity Industry Act will be subject to the criteria issued by the Ministry of Energy as regards the planning of the SEN.
- The CRE must revoke self-supply permits, including their modifications, whenever such permits have been obtained through fraudulent acts.
- The obligation of the CFE (*CFE Suministrador de Servicios Básicos*) to acquire electric energy through electric auctions previously called by CENACE is eliminated.

Upon the ruling issued by the Mexican Supreme Court, the federal government stated that there are currently 234 self-supply schemes, of which 110 are considered illegal. It also stated that the independent energy supply schemes considered illegal have 77 thousand members-customers among whom electricity is bought and sold, to the detriment of the Mexican state.

The companies operating electricity self-supply schemes have been invited to approach the federal government through the energy authorities, in order to negotiate the revocation of their agreements and thus avoid lawsuits before international instances which would affect national interests.

The supply of electricity is divided into several activities that are regulated differently. Thus, the supply of electricity typically comprises the generation, transmission, distribution and commercialisation of energy, activities that are complemented, in the case of Mexico, by the activities of planning and control of the national electricity system, as well as the operation of the SEN, and the wholesale electricity market.

The main laws and regulations governing the electricity sector are the following:

- Electricity Industry Act and its Regulations.
- Geothermal Energy Law and its Regulations.

- Federal Electricity Commission Law.
- Regulatory Energy Sector Agencies Law.
- Guidelines establishing the criteria for granting Clean Energy Certificates.
- The Framework (Bases) governing the Wholesale Electricity Market.
- The Framework and Regulations governing the Connection and Interconnection of Electric Generation Facilities and Load Points.
- The framework issued by the CRE on activities related to the energy market, including supply and transmission.

The public transmission and distribution of electric energy is reserved to the government, which provides such services through CENACE. Under the Electricity Industry Act, activities related to the electric industry, such as generation and supply, must be carried out independently from each other, meaning there must be a legal separation between the legal entities carrying out these activities.

Finally, it is important to mention that the CRE has issued several administrative provisions to regulate specific matters in the electricity sector.

(a) **Public Authorities**

In Mexico, the energy sector is regulated by several governmental authorities responsible for the energy sector, currently the SENER, the CRE, and the CENACE.

Energy Ministry (SENER)

SENER is responsible for overseeing the national energy policies and ensuring the safe supply of energy services in compliance with the required quality, economic, environmental and legal standards. SENER also promotes research on new technologies and the efficient use of alternative energy sources, and carries out efforts towards the development of an additional electrical system, the sustainable use of energy, hydrocarbons exploration and exploitation bidding, and cooperation with North American countries.

Energy Regulatory Commission (CRE)

CRE is the specialised agency that regulates several activities in the electricity and oil and gas sectors in Mexico (such as transport, storage, distribution, and commercialisation), including, among others:

- Granting and revoking permits for the generation, supply and trading of power;
- Issuing import and export authorisations;
- Establishing and supervising the methodologies applicable to prices and tariffs;
- Supervising the wholesale electricity market;

- Issuing clean energy certificates;
- Establishing or authorising interconnection agreements and the form of agreements between CENACE and power industry participants; and
- Monitoring and inspecting power industry participants and their compliance with applicable laws.

National Energy Control Center (CENACE)

CENACE manages the planning of the national electricity system. It carries out the operation of the Wholesale Electricity Market under conditions that promote efficiency through the optimal allocation and dispatch of the power plants to satisfy the energy demand of the SEN.

It is responsible for formulating the expansion and modernisation programmes of the National Transmission Network and the General Distribution Networks, which if authorised by the SENER are incorporated into the PRODESEN.

(b) **Generation**

The power generation permit, which may be valid for up to 30 years, is granted by the CRE. This permit establishes the rights to receive the CELs, in addition to the data identifying the generator and the main provisions of the generation. It is required whenever the intention is to generate 0.5 MWh or more of power, otherwise it will be in the presence of an exempt generator, meaning the owner or holder of one or more power plants that do not require a permit to generate electricity under the Electricity Industry Act. Thus, the exempt generator is the owner or holder of one or more power plants that do not require or have a permit to operate or that do not require or have a permit to generate electricity under the Electricity Industry Act.

These exempt generators can carry out distributed generation, which is understood as the generation of electric energy by a stand-alone generator and carried out in a power plant that is interconnected to a distribution circuit containing a high concentration of load centres, under market rules.

In this sense, distributed generation represents an opportunity that may be taken advantage of by both federal and municipal entities since, besides being an activity that does not require a permit, it facilitates coverage in areas where there is no electricity supply through the use of renewable sources available at the site in question.

(c) **Transmission**

Mexico's national electricity system is operated by CENACE, which oversees the SEN as well as access to the transmission lines.

The public services related to the transmission and distribution of electric energy are considered strategic areas and are therefore controlled by the State and carried out through the CFE.

The system operator role is different from the transmission asset owner role. Transmission asset owners must still comply with the Electricity Industry Act and its Regulations and must also follow the instructions and administrative regulations issued by CENACE.

Specific roles related to transporters and CENACE are included in the Electricity Industry Act and its Regulations.

(d) **Distribution**

All matters related to the wholesale electricity market, as well as the national electricity system, including electricity balancing, are carried out by CENACE and regulated by CRE. General distribution networks are also operated by CENACE.

Distributors are responsible for the national transmission network and the general distribution networks and must comply with the instructions issued by CENACE for their correct operation.

(e) **Supply**

In Mexico, electric energy is typically supplied by the CFE, through one or more of its subsidiary companies. Supply activities may be carried out under different schemes, such as:

- Qualified supply, where the end user must participate in the wholesale electricity market.
- Basic supply, where the end user does not participate in the wholesale electricity market, which is usually what residential and business customers rely on.
- Supply activities (either through qualified or basic supply) can be carried out by any additional companies provided that they comply with the requirements set out by CENACE and CRE and obtain a supply permit from the CRE.

The Electricity Industry Act provides that generation, transmission, distribution, commercialisation, and supply services must be provided independently of each other, meaning that there must be a legal separation between the entities that carry out such activities.

There are no specific restrictions regarding who can own or operate storage assets.

(f) **Specific Regulatory Framework in Mexico**

Electricity Industry Act

The Electricity Industry Act reformulated the legislative framework for the electricity sector in line with a new model based on free competition in generation and commercialisation activities aimed at offering energy services in a more efficient manner.

One of its main purposes is to regulate the supply of electricity, which commonly includes the generation, transmission, distribution and commercialisation of energy, activities that in Mexico are complemented by the activities of planning and control of the national electricity system, as well as the operation of the wholesale electricity market and the preservation and restoration of the ecological balance.

CEs were included as an instrument to promote new investments in clean energy and to transform national clean electricity generation goals into individual obligations. To this end, the Electricity Industry Act sets forth that SENER will issue the obligations to acquire CEs, based on the proportion of electricity consumed.

Geothermal Energy Law

This law establishes the requirements and procedures governing the surveying, exploration and extraction of geothermal resources. The respective regulations govern the activities to generate electricity and other uses.

Federal Electricity Commission Law

The Federal Electricity Commission Law provides a series of guidelines regulating acquisitions, leases, services, as well as works, budget and debt of the CFE. According to the provisions set forth therein, the CFE is granted budgetary autonomy and a special regime for acquisitions, leases, works, budget and debt, which is regulated by public law; however, any disputes will be resolved in accordance with commercial and civil laws.

Regulatory Energy Sector Agencies Law

The Regulatory Energy Sector Agencies Law sets forth the basis for the organisation and functioning of the Coordinated Regulatory Bodies, namely the CNH and the CRE. With the aim of promoting an efficient and competitive energy sector, the Mexican State will perform its technical and economic regulation duties in electricity and hydrocarbons matters through these entities.

Energy Transition Law

According to the Energy Transition Law, the SENER should promote the generation of clean power with a view to achieving the levels set forth in the Climate Change Act for the Electric Power Industry, including: a minimum share of clean energies in power generation of 25 percent by 2018, 30 percent by 2021, and 35 percent by 2024.

SENER is also responsible for establishing obligations for the mandatory acquisition of clean energy certificates, which must be complied with on an annual basis by suppliers and qualified users participating in the wholesale power market as well as by the holders of interconnection agreements. A transitory provision, valid for four years, allows companies to defer 50 percent of their CE acquisition obligation for two years under specific conditions.

The Energy Transition Law also tasks CONUEE with promoting energy efficiency, providing scientific advice on clean energy matters, and drafting the Energy Strategy that sets medium and long-term goals (with a horizon of 15 and 30 years, respectively) as well as the PRONASE.

(g) **Incentives**

Several incentives have been established to promote the use of renewable energy, including a 100 percent deduction from income for tax purposes for machinery and equipment used for power generation from renewable sources (Article 34, paragraph XIII of the Mexican Income Tax Law). In addition, to promote investment in the co-generation of efficient electric power systems, there is the possibility of obtaining a deduction of 100 percent during the relevant year, depending on the review of the tax authorities.

CRE has also been granted authority to create fixed porter rates for transmission and distribution to ensure that the actual cost of electricity is accurately reflected in the rates.

Every year, SENER will require suppliers and qualified users participating in the wholesale energy market to acquire CELs based on the percentage of total energy consumption in the load centres represented by each supplier and qualified user participating in the market. Clean energy sources are defined as renewables, nuclear and combined heat and power (co-generation). The procedure for obtaining CELs is set out in the Guidelines establishing the criteria for their granting. Generators that use clean energy sources will receive one certificate per MWh produced from those sources (in the case of co-generation a different methodology will apply).

CELs will be issued by the CRE and can be traded within the market among market participants, enabling a supplier to fulfil its clean energy requirements by acquiring a certificate from a clean energy provider.

The Electricity Industry Act does not set a minimum price for CELs. Their price is calculated according to the:

- volume of clean energy generation and number of issued CELs;
- volume of required CELs, which will depend on the obligation percentage (that is, a percentage of clean energy that must be acquired when consuming electricity, the amount of which is determined by SENER) and the level of consumption of electric power of the load centres.

(h) **Environmental Aspects**

The Mexican environmental regulatory framework states that environmental activities are regulated by the three governmental levels. This means that projects related to the generation of energy must abide by both federal and local (state and/or municipal) rules, which depending

on the specific activity and the location where it is being carried out will determine the type of authorisation and permit that must be obtained.

Federal level authorisations

Environmental Impact Authorisation

As per the LGEEPA and its Rules, the construction of electrical plants requires an EIAUTHORISATION. More specifically, an EIA will be required for wind plants⁸⁵ and for cogeneration and self-supply power plants with a capacity greater than 3 MWh.

The EIAUTHORISATION⁸⁶ is obtained after the interested party submits before the SEMARNAT a MIA, which can be particular or regional.⁸⁷ In this document, the interested party must provide technical and legal evidence that the project will not cause an ecological imbalance or exceed the limits and conditions established in the applicable environmental provisions.

Once the EIAUTHORISATION has been filed before SEMARNAT, this authority will be empowered to request additional information and, if requested by individuals of the community adjacent to the project, it may carry out a public consultation of the project.

Public consultations carried out by SEMARNAT must be differentiated from the indigenous consultation (which will be explained below). In the case of public consultations, this is safeguarded by the Escazu Agreement and the Mexican Constitution, which entitle the local community to request that SEMARNAT disclose the EIAUTHORISATION and hold meetings with the local community to obtain further information on the project.

After an evaluation of the EIAUTHORISATION and, if applicable, review of the results of the public consultation, SEMARNAT will issue a resolution denying or authorising the impact assessment. In most cases, the EIAUTHORISATION issued by SEMARNAT will be subject to conditions which generally include the obligation to submit reports, limit the activities to the standards referred to in applicable NOMs, and obtain any necessary additional permits before federal and/or local authorities.

Consultation with Indigenous Groups

The Mexican Constitution together with ILO Convention No. 169 safeguard the rights of information and participation of indigenous groups. If indigenous communities reside in an

⁸⁵ Note that as per Article 5 (K) of the Rules of the LGEEPA, generation plants with a capacity less than or equal to half a MW, used for backup in residences, offices and housing units, do not require an EIA.

⁸⁶ The LGEEPA defines the EIA as “*the procedure through which the Ministry of Environment and Natural Resources establishes the conditions for the performance of works and activities that may cause ecological imbalance or exceed the limits and conditions established in the applicable provisions to protect the environment and preserve and restore ecosystems, in order to avoid or reduce to a minimum their negative effects on the environment*”.

⁸⁷ A regional Environmental Impact Assessment will be required in cases where the project is located in industrial parks, affects hydrological basins or a specific ecological region, or is foreseen as part of an ecological or urban development programme.

area adjacent to a project or their resources may be affected by it, the interested party must conduct a consultation with these communities alongside the Mexican government.

This consultation must be carried out prior to the start of the project and must comply with the requirements foreseen in ILO Convention No. 169, which states that the consultation must be culturally appropriate, informed and carried out in good faith with the aim of reaching an agreement that does not seek to deceive the indigenous group.

Authorisation for change of land use of forest land

If the project is to be constructed within forest areas and implies total or partial removal of forest vegetation for non-forest activities, the interested party must apply for a change of land use authorisation before the SEMARNAT⁸⁸.

This authorisation is granted prior to the submission to SEMARNAT of a technical justification study, which must be prepared by the interested party to demonstrate that the biodiversity of the ecosystems to be affected by the energy project will be maintained, and that soil erosion, carbon storage capacity, deterioration of water quality or decrease in water capture are mitigated in the areas affected by the removal of forest vegetation⁸⁹.

(i) Local level authorisations

The scope of these authorisations is limited to the location of the energy project. Each state and each municipality are empowered to request additional authorisations; thus, other authorisations besides federal level authorisations may be required depending on the state and municipality where the project is located and the permits and authorisations required for the respective activity.

In general, some states and municipalities foresee that energy projects must hold state-issued environmental impact assessments, construction and operation licences, land-use licences, vegetation clearing permits, air permits and non-hazardous waste authorisations.

12.12.8 Romania Regulatory Framework

(a) Introduction

General overview

Electricity production in Romania has traditionally been based on conventional sources; however, in the last decade, the electricity generation mix has changed, with production from renewable energy sources increasing considerably. In 2020, Romania reached the target of 24 per cent of total energy consumption from renewable energy sources. For 2030, the Romanian

⁸⁸ Article 68(l) of the General Law of Sustainable Forestry Development

⁸⁹ Article 93 of the General Law of Sustainable Forestry Development

Government has set a target of 30.7 per cent, achievable by adding approximately 7GW in renewable capacity.

On 28 October 2021, the European Union Council adopted Romania's Recovery and Resilience Plan ("RRP") which sets out the reforms and public investment projects that Romania intends to implement with the support of the recovery and resilience facility. According to the RRP, the first reform in the field of energy will be the electricity market reform, with the aim of decarbonising the energy sector and increasing its renewables electricity generation capacity. To this end, a new Energy Law must be adopted until 30 June 2023 which shall, among others: (i) introduce contracts for difference ("CfD") as the main support mechanism for investments in renewables power production, (ii) allow the direct negotiation of power purchase agreements by all energy producers, (iii) simplify the licensing and authorisation procedures for renewables investments, setting out shorter and mandatory administrative response times and implementing accountability procedures for unnecessary delays, and (iv) introduce a specific support framework for offshore renewables investments in currently under-exploited regions. As a result of the above actions, an additional capacity of at least 3,000MW of renewable energy (wind and solar) is expected to be put into operation and connected to the grid by 30 June 2026.

Due to its geographical position, Romania is one of the most attractive European countries in terms of the use of renewable resources for the production of energy. This fact, along with the objectives undertaken under the RRP, promise a new era for the Romanian renewable energy field in the coming years.

Competent public authorities and sector participants

The most relevant authorities and participants in the Romanian renewable energy sector are:

- Ministry of Energy – applies the national energy strategy, monitors the energy sector, and ensures compliance with the international treaties;
- National Energy Regulatory Authority – the regulatory authority for the electricity and natural gas sector. Among others, it adopts the secondary legislation, issues authorisations and licences in the energy sector, and applies sanctions for breach of the energy legislation;
- Transelectrica S.A. – the Romanian transmission and system operator responsible for power transmission, the power system, and market operation, as well as the security of the Romanian energy sector;
- OPCOM S.A. – the Romanian gas and electricity market operator;
- Distribution operators – Romania is split into eight distribution regions, with one concessionaire operator holding the exclusive rights to operate the distribution grid in

the respective area. The distribution operator is the entity that issues connection permits for a renewable energy project connected to its grid.

Legal framework applicable to the renewable energy sector

The most important normative acts applicable to the development of a renewable energy project are the following:

- Law no. 123/2012 on electricity and natural gas, with subsequent amendments;
- Law no. 220/2008 for the promotion of energy production from renewable energy sources, with subsequent amendments; and
- ANRE Order no. 12/2015 approving the Regulation for the granting of licences and authorisations in the energy sector.

There are several other pieces of legislation applicable to the energy sector; however, this additional legislation is not considered relevant for the purposes of this document.

Important information on Romania's energy strategy and objectives can be found in (i) the National Energy Strategy for 2020-2030, with the perspective of 2050, (ii) the 2021-2030 Integrated National Energy and Climate Plan, and (iii) the RRP.

(b) Renewable energy support scheme in Romania

The Romanian Renewable Energy Law introduced a renewable energy support scheme based on green certificates. The Green Certificate ("GC") support scheme is applicable to power plants authorised by ANRE and which commissioned their production capacities by the end of 2016, for the following terms:

- 15 years for new power plants;
- 10 years for refurbished hydropower plants with installed capacity of up to 10 MW;
- 7 years for wind farms used for the production of electricity on the territory of other states, if used in isolated systems or if commissioned in Romania prior to the application of the support scheme provided by the Romanian Renewable Energy Law; and
- 3 years for hydropower plants that have not been refurbished, with an installed capacity of up to 10 MW.

According to the Romanian Renewable Energy Law, a green certificate is the title attesting the production of energy from renewable energy sources ("RES") for a certain quantity of electricity. According to the law, GCs can be traded, separately from the electricity quantity they represent, on an organised market. The GC is not a financial instrument.

The Romanian TSO issues GCs to producers on a monthly basis for electricity produced from RES that has been delivered to suppliers and final consumers. The number of GCs issued depends on the type of renewable energy used for the production of electricity.

According to the law, producers of electricity from RES receive a number of certificates for each MWh delivered into the grid, and electricity suppliers have the obligation to acquire a number of GCs according to the annual mandatory quota established by ANRE. In December of each year, ANRE sets the estimated yearly mandatory quota for the following year, which is calculated taking into consideration the estimated final energy consumption for the upcoming year so that the medium annual impact on final consumers does not exceed 13 Euro/MWh in 2021 and 14.5 Euro/MWh starting in 2022. Since 2018, ANRE calculates by 1 March the mandatory acquisition quota for the previous year, based on the final consumption of electricity in the previous year so that the medium impact on final consumers does not exceed 13 Euro/MWh in 2021 and 14.5 Euro /MWh starting in 2022.

The mandatory quota for GC acquisition in 2021 was set by ANRE at 0.449792 GC/MWh and the estimated acquisition quota for 2022 has been set at 0.5014313 GC/MWh.

Between 1 July 2013 and 31 March 2017, a number of GCs were suspended from trading for producers authorised by ANRE until 31 December 2013: namely, 1 GC for new hydroelectric power plants with installed capacities of up to 10 MW, 1 GC for wind power plants and 2 GCs for solar power plants and further until 31 December 2020 for solar energy. Trading of the suspended GCs was resumed on 1 January 2021 and shall be recovered in equal tranches until 31 December 2030.

GCs can only be traded on the centralised markets operated by OPCOM S.A. in a transparent and non-discriminatory way. The markets operated by OPCOM S.A. for trading of GCs are the following: (i) the centralised market for electricity from renewable energy sources supported by GCs, (ii) the centralised anonymous spot market of GCs, and (iii) the centralised anonymous term market for GCs. According to the latest amendments to the Romanian Renewable Energy Law, the minimum trading value of a GC has been set at 29.4 Euro/GC and the maximum value at 35 Euro/GC (calculated in Lei, at the average exchange rate established by the National Bank of Romania for the last month of the previous year).

In 2020, the Romanian Government adopted a memorandum establishing the principles for the implementation of a support mechanism in the form of contracts for difference for the production of electricity with reduced carbon emissions. Potential beneficiaries of the support mechanism are: (i) nuclear technology for the construction of new units, (ii) technology for the use of renewable resources, and (iii) technologies for carbon capture and utilisation for electricity production capacities based on fossil fuels, when these become commercially viable – CfD shall be granted in accordance with European state aid guidelines.

The project of the normative act for the implementation of the CfD support mechanism is set to be finalised in the first half of 2022 and shall be subject to public consultation, according to the applicable legal provisions.

(c) **Development of a renewable energy project**

The commissioning of a power plant that produces energy from RES is preceded by several steps, as described below.

1. *Securing rights over the land*

In Romania, real estate may be under private or public ownership. Public property comprises assets of public use or public utility held by the Romanian state or its administrative divisions. Public property is inalienable, non-attachable, and not subject to statute of limitation. Private entities may obtain concession or lease rights over land in public ownership subject to tender procedures, as provided by the law.

Privately owned real estate may be held by any natural or legal persons. In the latter case, by private entities (companies, associations, etc.) or public entities (e.g., the Romanian state, various authorities). Public entities may grant concession rights over privately owned real estate, subject to tender procedures. Private owners (natural persons or legal entities) may use and dispose of their real estate as they deem fit, subject to general limitations related to public interest. Private owners may grant several types of rights of use over their land, i.e., superficies, usufruct, rights of use, and easement rights.

Under Romanian law, ownership rights over an immovable asset (as well as other real estate rights, e.g., superficies, rights of use, easement rights) must be registered with the Land Book. Registration with the Land Book does not currently represent an actual ownership right; it is performed for opposability towards third parties. The Land Book registration will only have constitutive effects after finalisation of the cadastral works for each administrative unit. Until then, registration is performed only for opposability purposes.

In order to develop a renewable energy project, the interested person should secure ownership or rights of use (which may be superficies or concession rights) over the envisaged land. A lease agreement does not establish a real right, only a personal right, hence it would not be sufficient for a developer to perform permanent construction works.

Under the Romanian Energy Law, the construction and upgrade of energy capacities are of public interest, if the respective energy capacities are not intended for personal use of the holder of the authorisation or licence. Thus, holders of authorisations and/or licences granted in accordance with the energy legislation benefit from certain use and

easement rights over the plots of lands adjacent to the relevant energy capacities. In addition, the Romanian Energy Law provides for certain restrictions with respect to these areas. The rights established under the Romanian Energy Law are the following: (i) right of use for the execution of the necessary works for the construction or upgrade of the electricity installation, (ii) right of use for ensuring the normal operation of the electricity installation or for inspections, repair works or interventions, (iii) subterranean, terrestrial and air passage easement for the installation of and access to electrical networks or other equipment related to the electricity installation, (iv) right to obtain the restriction or termination of activities that may endanger persons or assets, and (v) right of access to public utilities.

The right of use and easement over public and private properties owned by the Romanian state and its administrative units can be exercised free of charge, during the lifetime of the respective energy capacity. Any damages caused by the beneficiaries' works must be borne by the beneficiaries themselves.

The rights of use and easement over the property of private owners must be exercised in accordance with the provisions of an agreement to be entered into by the respective beneficiary and the owners. Such agreement should comply with the standard approved by the Romanian Government.

Certain restrictions may apply to land intended for the construction of a renewable energy project, depending on its location (intra- or extra-muros) and land use category (e.g., agricultural land). As a rule, constructions may be performed on intra-muros land and only exceptionally on extra-muros land (e.g., constructions which by their nature may generate pollution). Removal from the land use category of agricultural land is made according to a specific procedure provided by the law.

2. *Obtaining of the building permit*

The main permit that must be obtained for the development of a renewable energy project is the building permit, which is issued based on the following documents: urban planning certificate, technical documentation, and several other permits. On average, a building permit is issued by the relevant administrative authorities within 6 months.

3. *Obtaining of the environmental permits*

Two types of environmental permits are relevant for the development of a renewable energy project, namely, the environmental approval and the environmental authorisation.

The environmental approval is the administrative act which sets the environmental protection conditions for carrying out a certain project and is issued based on the environmental impact assessment. The need to obtain the environmental approval

depends on the project's impact on the environment. The environmental authorities assess this impact pursuant to the environmental impact assessment procedure.

The request for the issuance of the environmental approval must be submitted after obtaining the urban planning certificate, but must be obtained before the building permit. It may take several months to obtain the approval, depending on the cooperation of the authorities involved (the National Agency for Environmental Protection or regional and county agencies, depending on the features of the project).

The environmental authorisation sets the conditions under which the electricity generation activity may be performed from an environmental standpoint. The authorisation is obtained based on several technical and legal documents set out in the applicable legislation and is issued by the Agency for Environmental Protection of the county where the electricity generation activity is performed within 90 days of submission of the complete documentation.

4. *Obtaining of the energy related permits*

4.1. Technical connection approval ("**ATR**")

The ATR represents the grid operator's offer to the developer's connection request and includes the technical and financial conditions for connection to the grid. It is issued based on the connection solution (which sets the options which are technically possible and feasible from an economic perspective for connection to the grid) identified through the solution study and chosen by the developer. The ATR is issued by either Transelectrica or by the distribution grid operators, depending on the grid to which the production capacity is envisaged to be connected, within 30 days of submission of the complete documentation.

4.2. Setting-up authorisation

The setting-up authorisation is issued by ANRE and is required for the development and commissioning of electricity generation capacities which exceed 1 MW. The issuance of this authorisation is based on the applicant's request accompanied by various documents. The minimum validity period is of one year; however, ANRE will determine the validity period depending on the duration of the construction works and any other works necessary for commissioning the generation capacity. ANRE issues the authorisation within 30 days of submission of the complete documentation.

4.3. Connection documents

In order to regulate the conditions under which the connection works set out in the ATR will be performed, as well as the related costs, the developer enters into a connection agreement with the relevant grid operator. Several types of works may be deemed

relevant for connection to the grid, namely (i) grid reinforcement works (to the grid upstream from the connection point), (ii) connection installation works (to the installation between the connection point and the delimitation point) and (iii) user installation works (to the installation downstream from the delimitation point).

The fulfilment of the requirements for connection to the grid is certified by a connection certificate issued by the TSO.

4.4. Electricity generation licence

The developer must obtain from ANRE the licence for the commercial operation of the electricity generation capacity after the plant's commissioning but before commencing its exploitation. The licence is issued by ANRE within 60 days of submission of the complete documentation.

12.12.9 Bulgarian Regulatory Framework

(a) Renewable Energy Policy and Targets

In Bulgaria, the renewable power generation mix has been strongly influenced by regulatory incentives provided in various forms – Feed-in Tariffs, Feed-in Premiums, guaranteed access, priority dispatching, and fiscal incentives. Back in 2006, when the first Feed-in Tariffs were made available, they only applied to solar and wind power generation. A few years later, when other technologies became eligible for state support, small-scale hydro power plants (of up to 10 MW of installed capacity) and different types of biomass were included. As a result, Bulgaria achieved its target of 16 percent of renewable energy in final consumption by 2020 long before the deadline.

Going forward, the Integrated Bulgarian National Energy and Climate Plan (adopted in 2020) set the target for renewable energy in final consumption at 27.09 percent by 2030. However, it should be noted that Bulgaria has not adopted the renewable energy target under the 2018 Renewable Energy Directive in its national legislation.

Nevertheless, this target is likely to be increased in view of the forthcoming “Fit for 55” package under the European Green Deal, and the proposal for amending the 2018 Renewable Energy Directive. The proposed revision requires Member States to collectively ensure that the share of energy from renewable sources in the EU's gross final consumption of energy is at least 40 percent by 2030.

In parallel to the EU targets, the Bulgarian National Recovery Plan (approved by the European Commission in 2022) foresees substantial investments and transformations with respect to renewable energy, storage and grid capacity. The plan paves the way for increased state support (through auctions) for the commissioning of 1.4 GW of renewable energy and storage

capacity (batteries) in the coming years (starting in Q4 of 2022). Implementing provisions are yet to be adopted.

(b) **Incentives and Revenue for Renewable Energy**

Currently, the key sources of revenue for renewable energy power plants in Bulgaria include:

- regulated Feed-in Tariffs and power off-take obligations under the Bulgarian Energy from Renewable Sources Act (for renewable energy and cogeneration plants with less than 500 kW installed capacity) subject to a cap on the electricity volume sold (a cap on the number of operating hours per year); the applicable cap is specific to each individual renewable energy plant and depends on the date of interconnection, type of technology, applicable Feed-in Tariff, expected volume of power generation, investment costs, etc.
- Feed-in Premiums under the Bulgarian Energy from Renewable Sources Act (for renewable energy power plants with a capacity of more than 500 kW that started operating under Feed-in Tariffs prior to 30 June 2015);
- market-based revenue (i.e. sale of generated electricity on IBEX or direct contracting with electricity traders/consumers).

Storage projects (batteries) do not currently benefit from any special revenue incentives (i.e. no Feed-in Tariffs, no Feed-in Premium contracts, etc) and rely solely on market-based revenue. However, it is expected that these will benefit from state support under the Bulgarian National Recovery Plan (see above).

In terms of market-based revenue, it should be noted that corporate PPAs are a possible route to market for renewable energy projects. The Bulgarian legal framework is considered suitable for corporate PPAs. In this regard, investors and project developers should be mindful of the general requirement and relevant exemptions under the Bulgarian Energy from Renewable Sources Act from mandatory participation in IBEX for local power generators (all types of technology).

Accordingly, the sale of electricity by power generators with a total installed capacity of 500 kW or more must be executed through IBEX. However, renewable energy power plants commissioned after 1 January 2019 are exempt from mandatory participation on IBEX. A few other exemptions are also available, for example for power generators supplying their own electricity consuming units or electricity consumers directly connected to a power plant.

Another targeted incentive in favour of corporate PPAs is the latest exemption from the 5 percent fee on revenue from power generation for renewable energy power plants commissioned after 1 January 2021. The 5 percent fee on revenue is normally charged on all

types of power generation. The exemption for renewable power plants was introduced in early 2021 with retrospective effect from 1 January 2021.

As a result of the above, renewable energy projects associated with corporate PPAs have experienced a tremendous increase in number and scale. The intra-day and day-ahead prices on IBEX also operate as a major driver for new renewable energy capacity since the average wholesale price levels have remained consistently high in the past year or so.

Finally, there are other secondary incentives/advantages that supplement the primary ones (Feed-in Tariffs/Feed-in Premiums). Pursuant to the Bulgarian Energy from Renewable Sources Act, these other incentives/advantages include:

- guaranteed access to the grid for renewable energy and cogeneration;
- guaranteed transmission and distribution for renewable energy and cogeneration; and
- priority despatch for renewable energy and cogeneration.

The above incentives/advantages are prescribed by law and made available to all renewable energy power plants subject to grid safety operation requirements and standards.

(c) **Interconnection to the Grid**

According to the Bulgarian Energy Act and secondary regulations, renewable energy project developers planning to construct an energy facility for generation of electricity from renewable energy sources or to expand an existing power plant or to increase the installed capacity of an existing power plant, shall submit to the operator of the respective grid an application for interconnection.

Where the installed capacity is up to five (5) MW, the application is submitted to the distribution grid operator in the relevant region, whereas if the installed capacity exceeds five (5) MW, submission is made to the national transmission grid operator – the Electricity System Operator EAD.

This application must contain detailed information on the energy facilities and infrastructure, including location, term for commissioning, installed generating capacity, operating modes, estimated electricity generation (monthly schedule) by stages of commissioning, technical data of main facilities, and construction site as a whole, etc.

The following documents must be delivered together with the application for interconnection, thereby evidencing property rights (*in rem rights*) over the relevant land plot/construction site: drawings, copies of the design visa, and the document for paid interconnection guarantee. To the extent that all necessary data and documents are delivered, and that the relevant energy facilities and infrastructure are located in an area pre-approved by EWRC for interconnection to the grid, the application for interconnection will be deemed accepted.

EWRC is the competent authority as regards the connectivity study and approved interconnection areas under the Bulgarian Energy from Renewable Sources Act. EWRC determines, on an annual basis, the estimated total interconnection capacity for a one-year period that can be integrated into the electricity transmission and distribution grids with respect to projects for generation of electricity from renewable energy sources. The total interconnection capacity is approved by regions of interconnection and voltage level.

In case an application for interconnection submitted by a project developer does not comply with the pre-approved capacity, as determined by EWRC, the respective grid operator shall dismiss such application for interconnection.

Project developers whose applications have been approved enter into a preliminary interconnection agreement with the relevant grid operator:

- the preliminary interconnection agreement is a standard form agreement, not subject to negotiation, which must be completed with the project-specific technical requirements. It sets out the terms and conditions required to be complied with by an applicant (plant developer/operator) in order for the renewable power plant to continue its interconnection process and ultimately be connected to the grid.
- the preliminary interconnection agreement serves as a basis for the technical design and development of interconnection and other energy infrastructure and it is supplemented by subsequent construction-related documentation (design and working projects) to be put in place in cooperation with the relevant grid operator.

Upon procurement of the project construction documentation, a final interconnection agreement is executed. It specifies the point of interconnection, the location and type of facilities and infrastructure on the site of the future power plant and the related easement areas, the boundary of ownership of electrical equipment, stages and deadlines for construction, the type and technical parameters of the interconnection facilities and the price for connection of the plant to the grid.

(d) **Environmental Authorisations**

Pursuant to the Bulgarian Protection of the Environment Act, the broad range of energy projects are divided into investment projects that require a mandatory environmental assessment and investment projects which may or may not require an environmental assessment (screening).

The competent authority which governs the environmental authorisation procedures decides whether an assessment is necessary, issues authorisation decisions and exercises administrative control over the implementation.

The MEW or the RIEW is the authority competent to:

- decide whether an environmental assessment is necessary (screening); or
- approve the implementation of a plan, programme or investment project; and
- exercise administrative control over the implementation of the conditions provided in the respective authorisation decision.

There are three types of environmental authorisation procedures:

Ecological Assessment (“EA”)

As a precondition to the construction phase, any plans and programmes likely to have a significant impact on the environment are subject to an EA (this could be a suitable detailed zoning plan (“DZP”), which is a major precondition in the construction process. See below). Such plans and programmes determine the future development of investment projects which are subject to mandatory EIA or subject to an assessment of the necessity for an EIA (see below).

In general, the EA is mandatory for General Zoning Plan; however, the necessity of an EA is assessed by the competent authority on a case-by-case basis and is based on the criteria set out by the applicable law for DZPs and their amendments.

The EA procedure is carried out simultaneously with the preparation of the respective zoning plan (General Zoning Plan or DZP); however, a final decision on the EA is an ultimate prerequisite for the approval of the DZP.

Environmental Impact Assessment (“EIA”)

Investment projects (renewable energy power plant projects) likely to have a significant impact on the environment are subject to an EIA.

An EIA is mandatory for certain investment projects, such as projects for the development of thermal power plants with rated thermal input equal to or greater than 50 MW.

The need for an EIA is assessed by the competent authority on a case-by-case basis informed by the thresholds and criteria set out by the applicable law for investment projects. For instance, investment projects related to renewable power generation do require an assessment of the need for an EIA (screening).

If an EIA is required as a result of the screening process, the developer of an investment project (renewable energy power plant) will itself commission the EIA procedure. A positive EIA decision is a prerequisite for the approval of the designs relating to the investment project (i.e. construction phase).

Compatibility Assessment (“CA”)

Investment projects subject to mandatory EA and/or EIA, or to an assessment of the need for an EA/EIA, are also subject to an assessment of their compatibility with the protection

measures applicable to certain species and habitats included in the EU-wide Natura 2000 network. This is irrespective of whether the investment project is to be developed inside or outside any existing Natura 2000 protected areas. The CA is normally performed through the respective EA/ EIA procedure and the competent authorities are the MEW or the director of the RIEW.

The CA report is annexed to the relevant EA/EIA report and its conclusions are taken into account by the competent environmental authority when deciding on:

- the need for an EA/EIA (screening); and/or
- the approval or rejection of a plan/investment project based on an EA/EIA.

The validity of an EA, EIA and CA is five (5) years from the entry into force of a positive EIA decision. This is invalidated if the activities related to the implementation of the investment proposal have not been initiated within five (5) years from the date of issuance.

(e) **Land and Planning Regulations**

With respect to land rights for project development, for a project to be developed on any land plot, a project investor/developer must either:

- be the owner of the land plot where the renewable energy project is to be commissioned; or
- be granted the right to construct a renewable energy project by the actual landowner.

The investor must compensate the owner to acquire a title over the land plot or the right of construction. Usually, the right of construction is granted for an unlimited period; however, it may be granted for a shorter period, which is commonly aligned with the standard asset life of the specific energy facilities and infrastructure to be used in the power plant operation.

As for interconnection infrastructure, easement rights are set forth by law and arise automatically upon the entry into force of a DZP determining infrastructure location and dimensions and after payment of the due compensation to the owner of the property or properties through which the cabling/pipelines will pass (serving property). In most cases, easement rights will encompass a wider area beyond the property on which a renewable energy project is to be constructed.

The designation of a land plot for power generation is defined by virtue of the DZP for that land plot. A renewable energy project can be developed only over a land plot that has been designated for electricity power generation. In cases where a plot has another designation (i.e. agriculture), it must be modified prior to developing a renewable energy project. The procedure for approval of a DZP for modifying the designation of a plot is controlled by local planning authorities. The final act of approval for a project's DZP is also issued by them.

With respect to required permits, the following permits shall be procured at the development stage of a renewable energy project and for the purposes of putting it into operation:

- design visa;
- approved investment design;
- construction permit; and
- operation permit.

Design Visa

A design visa (or visa) must be issued before commencing the construction design of a renewable project, the approval of the investment design and the issuance of a construction permit. The design visa is issued upon request of a project owner/developer within 30 days, and it represents an excerpt from the DZP covering the land plot for the project development in question.

Investment Designs

The investment design is subject to approval by the authority that has issued the design visa. The same authority shall issue a construction permit within one year of the approval of the investment designs; if not, the investment designs must be re-approved (this re-approval is not issued automatically, but upon request of the owner/investor). The investment design is developed based on the design visa and it serves as grounds for the issuance of a construction permit. The investment design can be approved by the chief architect of the respective municipality, the district governor or the Minister of Regional Development and Public Works. The competent authority depends on the scope and scale of the renewable energy project.

As mentioned above, a design visa is an excerpt from a DZP. Therefore, no amendments to a design visa can be made prior to amending a DZP. However, it is possible to deviate from an approved investment design without formally amending it provided that the deviations are not substantial. It should be noted that if construction is completed and substantial deviations have been identified, a renewable energy project will not be granted an operation permit (see below).

Construction Permit

The most important permit in the construction process is the construction permit. Once it has been issued and has entered into force construction may begin. There are several acts elaborated and signed during the construction stage of a renewable energy project, the most significant of which are:

- Act for the opening of a construction site;
- Act 14 ascertaining that the core and shell construction has been completed;

- Act 15 by virtue of which the construction company delivers a renewable energy project to the investor/developer;
- Acts for 72-hour tests certifying that the test interconnection of a power plant to the grid has operated properly;
- Act 16 certifying that the construction of a power plant has been concluded as provided for in the approved investment designs and construction permit.

The acts listed above are signed at different stages of the development of the construction, always following an inspection of the land plot and construction by the investor, the contractor and representatives of the respective administration.

Operation Permit

From a construction law point of view, a renewable energy project can only be operated after the issuance of a use/operation permit by the regional division of the National Construction Supervision Directorate, on the grounds of Act 16 (see above). The legal term for the issuance of a use permit is within 30 days of signing Act 16; however, in most cases it is issued within one week. The use/operation permit is not subject to expiry.

(f) **Licensing Requirements**

By virtue of the Bulgarian Energy Act, a special power generation licence is required. This licence is granted by EWRC and is mandatory in cases where the total installed capacity of a power generation facility is equal to or greater than 5 MW of installed capacity. Renewable energy power plants with installed capacity of less than 5 MW are not required to obtain a power generation licence.

A power generation licence may be granted prior to or after the construction of a power generation facility. The first option is available in cases where EWRC considers that the applicant has the financial resources necessary for the construction of the energy assets/infrastructure. EWRC will also specify a term for completion of the assets and commencement of power generation activity.

In cases where a power generation licence is granted prior to construction, a separate permit will be subsequently granted by EWRC (following the completion of construction).

EWRC's decision to grant/refuse to grant a power generation licence is subject to judicial review.

Eligibility for a Power Generation Licence

Only a legal entity duly registered as a company under:

- the Bulgarian Commercial Law; or
- the law of a member-state of the European Union; or

- the law of a state-party to the EEA Treaty,

is eligible to apply for and be granted a power generation licence.

In addition, applicants should possess the necessary technical, financial and human resources (as well as organisational structure) for conducting power generation.

A licence applicant should also possess property rights (or other *in rem rights*) over land/ energy units, where already constructed, and shall provide evidence that said energy units comply with the legal requirements for safe working conditions and environmental protection (EIA).

The assessment as to whether a licence applicant meets such requirements depends on the discretion of EWRC (especially as regards the fulfilment of the technical, financial, and human resources requirements). The power generation licence procedure is a useful regulatory tool for the screening of licence applications and early supervision over licence applicants, which is vested in the independent Bulgarian energy regulator – EWRC.

Validity Term for Power Generation Licence

A power generation licence is granted for a term of up to 35 years depending on the conditions of the energy assets and the financial status of an applicant and may be extended/renewed based on certain conditions.

12.12.10 German Regulatory Framework

The expansion of renewable energies is a top priority of the German Federal Government. In times of increasing ecological concerns, decreasingly available fossil fuel resources and growing recognition of the need to become less dependent on other countries' gas and oil supplies, German legislation has evolved over the past decades to promote a more accelerated energy transition. According to a legislative proposal presented in April 2022, 80 percent of Germany's gross electricity consumption shall be covered by renewable energies by 2030. To achieve this, photovoltaic installations with an aggregate installed capacity of 215 GW are planned to be in place by 2030 (by the end of 2021, the installed capacity of photovoltaic installations in Germany was around 60 GW).

The following overview covers key regulatory aspects relevant with respect to (i) photovoltaic installations, (ii) battery energy storage systems and (iii) e-mobility charging infrastructure.

(i) Photovoltaic installations

(a) Grid connection

Operators of photovoltaic installations have a statutory law claim against grid operators to connect their plants to the grid without undue delay (section 8, paragraphs 1 - 3 of the German Renewable Energies Act (*Erneuerbare Energien Gesetz – "EEG"*)). In addition, plant operators may request grid operators to carry out grid optimisation, reinforcement or expansion measures to ensure that the power from renewable energy

sources can be fed into the grid (section 8, paragraph 4, and section 12, paragraph 1 of the EEG). Plant operators may have the grid connection lines and, if applicable, sub-stations built by the grid operators or competent third parties (section 10, paragraph 1 of the EEG).

Plant operators must bear the costs of the grid connection line (including a sub-station, if applicable) (section 16, paragraph 1 of the EEG). On the other hand, grid operators must bear the costs of any grid expansions which may be necessary to allow the feed-in by the renewable energy plant (section 17 of the EEG). Deviations from this cost allocation principle may result from the determination of specific grid connection points.

Plant operators must register themselves and their plants with the market data register (*Marktstammdatenregister*) within the meaning of section 111e of the German Energy Industry Act (*Energiewirtschaftsgesetz – EnWG*) held by the German Federal Network Agency (*Bundesnetzagentur – BNetzA*).

(b) **Building permit**

Apart from securing the relevant land, obtaining the permit for the construction of a renewable energy plant is one of the main challenges faced during the project development phase.

Ground-mounted photovoltaic installations, and certain rooftop photovoltaic installations, generally require a building permit under the building codes of the German Federal States (*Bauordnungen*).

The competent authority must grant the requested building permit if the project does not conflict with any regulations under public law, particularly planning law (*Bauplanungsrecht*).

The principles of planning law are established in the German Building Act (*Baugesetzbuch - BauGB*). More detailed local planning law is established by the municipalities through zoning plans (*Flächennutzungspläne*) and development plans (*Bebauungspläne*). However, municipalities are not completely free in their authority to draw up zoning and development plans as they must comply with the spatial planning (*Raumordnung*) requirements. There are thus two main levels of planning law which must be considered when planning ground-mounted photovoltaic installations: the municipal level and the spatial planning requirements established at the respective Federal State level.

Municipal level: political decision

A project developer must convince the municipality to issue a development plan or amend an existing development plan for the relevant site in order to allow the installation of photovoltaic installations.

In areas for which the municipality has issued a development plan, a project is permissible if it complies with the requirements established therein. Project developers often identify land in outer areas (e.g. landfills, agricultural land) as desirable sites for ground-mounted photovoltaic installations where the chances of obtaining a building permit are extremely low without the municipality issuing a development plan.

As part of the process of drawing up a development plan, a public consultation is carried out during which citizens can view the plans and submit their comments. There are no legal requirements as to the period within which a development plan must be issued. Depending on the level of political support and the documents to be prepared (e.g. environmental reports), this can take around one year or longer. A political rather than legal risk is that the relevant municipality will not support the siting of photovoltaic installations on the project site. Project developers should therefore liaise with the relevant municipality at an early stage in order to secure their support in drawing up an appropriate development plan.

Municipalities' interest in photovoltaic installations in their municipal area may be increased through voluntary payments of up to 0.2 ct/kWh of the generated electricity, which plant operators may offer the relevant municipalities under section 6 of the EEG. Although this financial participation was previously only possible for onshore wind farms, in 2021 the regime was extended to include ground-mounted photovoltaic installations. Operators of renewable energy plants which benefit from financial support under the EEG are entitled to receive compensation for any payments made to the municipality from the grid operator. However, operators of renewable energy plants which are financed via corporate power purchase agreements ("PPAs") must cover any payments made to the municipalities under section 6 of the EEG via their PPA revenues.

Federal State level: legal requirements

In addition to the political decision relating to the municipality's issuance of a development plan, the photovoltaic installation must comply with the applicable spatial development plans. These plans are essentially structured as follows: (i) at the Federal State level, a plan covering the entire state area usually exists, often called State development plan (*Landesentwicklungsplan*); (ii) at the regional level, planning is usually further detailed in plans covering specific parts of the respective Federal State, often called regional plans (*Regionalpläne*).

Spatial planning contains “objectives” and “principles” which must be taken into account when preparing the development plan. While conflicting spatial planning principles can be overcome by the municipality in the course of enacting a development plan, conflicting spatial planning objectives can only be overcome by means of cumbersome objective deviation procedures or through new planning at the Federal State level. For example, in North Rhine-Westphalia, one of the largest German Federal States, the relevant State development plan sets forth the objective of excluding photovoltaic installations on sites that are not brownfields, fill sites, or sites along federal highways or railroads. In other Federal States, however, for example in Saxony-Anhalt, there is a principle to generally avoid the construction of photovoltaic installations on agricultural land. If spatial planning is in conflict with the issuance of a development plan for photovoltaic installations, it must be examined whether conflicting requirements can be overcome by the municipality. The project developer should liaise with the competent state's planning authority at an early stage.

Potential third-party objections and withdrawals

Once a building permit has been issued, it can be challenged by third parties (e.g. neighbours) within a certain period of time (one month or, as the case may be, up to one year after becoming aware of the permit's issuance). However, such objection does not suspend the permit and construction may continue (unless the plaintiff also seeks interim relief).

Generally, once a permit has become binding, it may only be withdrawn by the authority under administrative law provisions in a limited number of circumstances, notably, where the plant operator is not in compliance with the ancillary provisions arising from the building permit.

(c) **EEG promotion**

Photovoltaic installations (or parts thereof) with a capacity of up to 20 MW may, subject to successful participation in an auction organised by the BNetzA and project implementation within the statutory legal deadlines, benefit from financial support under the EEG. Such financial support, referred to as a “market premium”, is payable by the grid operator in addition to the fees the plant operator receives under the so-called direct marketing agreement (*Direktvermarktungsvertrag*), usually entered into with a specialised offtaker for the sale 100 percent of the power generated by its plant.

An increasingly significant alternative option for financing photovoltaic installations in Germany is the entering into PPAs.

Promotion period

The financial support provided under the EEG is in principle granted for a 20-year period from commissioning of the photovoltaic installation (section 25, paragraph 1 of the EEG). A deviation from this principle, the promotion period for solar plants installed on top of or in buildings or noise protection walls ends at the end of the 252th month (i.e. almost 21 years) following the publication of the award in the respective auction procedure.

Calculation of market premium

The EEG promotion consists of a market premium payable by the grid operator to the plant operator for each kWh produced, which may under certain circumstances be reduced to zero. The market premium tops up the payments payable by the offtaker under the direct marketing agreement.

The market premium (“MP”) for photovoltaic installations is calculated pursuant to the following formula (contained in annex 1 of the EEG):

$$\mathbf{MP = AV - MV_{Solar}}$$

The elements AV and MV_{Solar} are defined as follows:

- AV is the so-called “applicable value” in ct/kWh, which is, in principle, determined via auctions as described in section 7.3 below
- MV_{Solar} is the average monthly spot market exchange price for solar as published by the German power transmission system operators (“TSOs”).

In practice the remuneration payable under the direct marketing agreement usually corresponds to the MV_{Solar} deducted by a fee which covers the offtaker’s costs and margin, so that ultimately the photovoltaic installation operator receives the applicable value (“AV”) minus the offtaker’s fee.

In the event that the value of the hourly contracts for the German price zone on the spot market is, during the day-ahead auction, negative for at least four consecutive hours, the AV of solar plants with an installed capacity of at least 500 kW is reduced to zero for the entire period during which the hourly contracts are, without interruption, negative (so-called 4-hour rule) (section 51, paragraph 1 of the EEG). Accordingly, the plant operator does not receive a market premium from the grid operator for electricity generated during these periods. On the other hand, the EEG promotion period for plants affected by such reduction of the AV will be extended by the number of hours during which the AV is, during the original 20-year period, reduced to zero, as published by the TSOs and rounded up to the next full calendar day (section 51a, paragraph 1 of the EEG).

Auctions

Within the solar space, the EEG 2021 introduced separate auctions for the following segments, with different cost structures for (i) green field plants (*Freiflächenanlagen*) and plants on top of or in constructions that are not buildings (“first segment”); and (ii) plants on top of or in buildings or noise protection walls (“second segment”). In each auction, the BNetzA awards the admissible bids with the lowest bid amounts until the respective total auction capacity is reached or exceeded (section 32, paragraph 1 of the EEG). The AV for each awarded project is the respective bid value (pay-as-bid). Successful bidders must commission their photovoltaic installation within certain deadlines set out in the EEG to avoid losing the EEG promotion and security payments.

(ii) **Battery energy storage systems**

(a) **Grid connection**

Operators of battery energy storage systems have statutory legal claim against grid operators to connect their plants to the grid (sections 17 *et seq.* of the EnWG). In accordance with the general principle, grid connection costs must be borne by the connectee.

(b) **Building permit**

For battery energy storage systems, the building permit requirement depends on their qualification as a building structure (especially regarding a direct or indirect fixed connection to the ground). For larger ground-mounted storage systems (e.g. free-field storage containers), the explanations on building permits for photovoltaic installations apply accordingly.

(c) **Prequalification for the provision and activation of balancing services**

Operators of battery energy storage systems who want to participate in the various types of balancing services contracted by the German TSOs must participate in a prequalification procedure in which they provide proof that they fulfil the requirements for rendering one or more types of balancing services necessary to guarantee security of supply.

(iii) **E-mobility charging infrastructure**

The creation of a nationwide e-charging grid is one of the priorities on Germany’s political agenda. The Federal Ministry of Transport and Digital Infrastructure is responsible for providing and promoting e-mobility charging infrastructure in accordance with the German Fast Charging Act (*Schnellladegesetz*).

(a) **Grid connection**

Operators of e-charging points qualify as end-consumers under the EnWG (section 3, no. 25) and have a corresponding statutory legal claim against grid operators to connect their plants to the grid (sections 17 *et seq.* of the EnWG). In accordance with the general principle, grid connection costs must be borne by the connectee.

(b) **Building permit**

E-vehicle charging stations (and wall boxes) do not usually require planning permission, but larger charging stations with several charging points and corresponding structural installations do.

(c) **Obligation to grant access to publicly available e-charging points**

According to section 4, paragraph 1 of the German Charging Station Ordinance (*Ladesäulenverordnung*), operators of publicly accessible e-mobility charging points are obliged to grant users non-discriminatory access, which includes providing the possibility of *ad hoc* charging.

12.12.11 Spain Regulatory Framework

a. **Spanish National Integrated Energy and Climate Plan 2021 - 2030**

In the framework of the "Long-Term Strategy for a Modern, Competitive and Climate Neutral Spanish Economy in 2050", the Resolution of March 25, 2021, jointly issued by the General Directorate of Energy Policy and Mines and the Spanish Climate Change Office, publishes the Agreement of the Council of Ministers of March 16, 2021, adopting the final version of the National Integrated Energy and Climate Plan 2021-2030 (PNIEC). The PNIEC is published in the Official State Gazette of March 31, 2021 and on the website of the Ministry for Ecological Transition and the Demographic Challenge (www.miteco.es).

The objectives set out in the PNIEC are aligned with those set by the European Council of December 10-11, 2020, which agreed to reduce EU emissions by at least 55% by 2030, compared to 1990 levels, with the aim of achieving climate neutrality in the EU by 2050, in line with the Paris targets.

The PNIEC 2021-2030 identifies objectives and adopts measures in the five dimensions of the Energy Union: (i) decarbonization, including renewable energies; (ii) energy efficiency; (iii) energy security; (iv) the internal energy market; and (iv) research, innovation and competitiveness.

According to the Spanish government, the measures envisaged in the PNIEC will make it possible to achieve the following results by 2030:

- A. 23% reduction in greenhouse gas (GHG) emissions compared to 1990.
- B. An increase of up to 42% of renewables over final energy use.
- C. Improvement of energy efficiency by 39.5%.
- D. Increase up to 74% of renewable energy in electricity generation.

Among other measures, there are plans to promote the installation of renewable energy production capacity, the specific distribution among different renewable technologies will depend on the evolution of the relative costs of each of them; the total cessation of coal-fired plants by 2030 at the latest; the promotion of storage technologies, as well as the electric car and the use of biofuels. Along these lines, the Official State Gazette of March 31 also published Royal Decree 205/2021, of March 30, which amends Royal Decree 1085/2015, of December 4, on the promotion of biofuels, and regulates the targets for the sale or consumption of biofuels for the years 2021 and 2022.

Finally, the measure 1.4 “Development of self-consumption with renewables and distributed generation” of the PNIEC sets out the lines of action regarding self-consumption with renewable energy sources, which allow generation to be brought closer to consumption and, therefore, reduce losses. Furthermore, this measure establishes the development of a National Self-consumption Strategy as one of its action mechanisms.

b. General overview of the Renewable Electricity Market in Spain

The organisation of the Spanish electricity market reflects the existence of a vertical chain of activities that can essentially be characterised in three fundamental aspects/areas:

- (i) Energy production (generation): generators are divided into two types: (i) those that receive a feed-in tariff / remuneration from the electricity system (mainly old renewable power plants with a capacity of less than 50 MW) and (ii) those that receive their remuneration solely from the market, either based on the sale of electricity on the organised market or through PPAs. The latter category includes mainly fossil-based generation plants, renewable energy-based generation plants with more than 50MW of capacity and many new renewable installations of any size.
- (ii) Transport and distribution: transmission operators are responsible for building, operating and maintaining the network that carries the electricity from the generation plants to the distribution areas, while distribution operators build, operate and maintain the distribution centres and move the energy from the distribution centres to the final consumer.
- (iii) Supply: the supply companies purchase energy from producers and sell it to end consumers, using the transmission and distribution network.

The transmission and distribution of electricity are considered natural monopolies due to the type of investment and operation required. In Spain, Red Eléctrica Española (“REE”) acts as the sole transmission company, carrying out the activity on an exclusive basis. The production and supply of electricity activities are open to competition.

The electricity production activity under the market regime is associated with a wholesale market, in which producers guarantee availability and purchasing agents can acquire it to satisfy the supply portfolio to end customers or for their own consumption.

Energy producers have three (3) possible ways to commercialize energy in Spain:

- Electricity pool: The wholesale electricity market is formed when generators, traders, direct consumers or other market agents participate in the electricity pool. The generators make an offer and the traders,

in order to supply energy to end customers, demand it; the market operator matches these two positions.

- PPAs: A PPA is a power purchase agreement entered into by and between a seller of electricity (usually a producer) and a buyer, usually for a term longer than the liquidity term in the futures markets (5 or more years). PPAs are characterized by defining all the terms and conditions of the sale and purchase of electricity, including the price and delivery terms of the electricity, when the transaction begins and when it ends, and the terms of payment. The main advantage of a PPA for the electricity seller is that it ensures a future revenue stream, which facilitates access to bank financing (bankability) depending on the buyer's credit quality.
- Auctions to remunerate new renewable generation capacity aimed at achieving the renewable energy generation targets set by the Spanish Government. On 26 January 2021, the first renewable capacity auction was held, corresponding to the capacity considered for the year 2020. Bid terms and conditions for a new auction are envisaged to be issued within June-July 2022.

c. Regulatory framework of generation activity

The main regulation governing the Spanish electricity sector is the Spanish Electricity Act, which establishes the general provisions applicable to the entire electricity sector in Spain.

- (a) *Regulated activities* include transmission (220kV and above), distribution and the economic and technical management of the electricity system.
- (b) *Non-regulated activities* include generation, load management services and supply activities. Non-regulated activities are carried out on a free market basis, open to all economic operators, and prices can be freely set (except for "reference" retail supply to certain customers).

In order to be able to supply electricity to the electricity grid, the power plants must obtain the relevant authorizations, licenses and permits regarding the following specific domains: access and connection, energy, environment, urban planning and municipality.

Access and connection

At first, power plants must obtain access and connection permit through a dedicated connection point on (i) the low/medium voltage distribution network; or (ii) the high voltage transmission network.

The process for the obtainment of the access and connection permit is mainly regulated by: (i) Royal Decree 1183/2020; (ii) Circular 1/2021; (iii) Royal Decree 1955/2000, and (iv) the Spanish Electricity Act.

The main features of the access and connection permit process can be summarised as follows:

As a rule, transmission and distribution facilities must (with some exceptions) be available for use by other actors in the electricity system.

This rule is known as "third party access", which means that transmission and distribution operators cannot refuse third party access to their facilities whether there is sufficient capacity available for use.

Before applying for grid access and connection, the developer of an electricity project must deposit a bank guarantee or a security for an amount equivalent (currently) to 40 euros/kW of the planned installed capacity for the benefit of the electricity authorities. This guarantee will be refunded after the commissioning of the project. Special situations where this guarantee can be enforced are stated in RD 1183/2020.

The access and connection right will be granted on the basis on the available capacity at the transmission or distribution place (either line or substation) where the connection point requested is located.

Finally, an interconnection contract with the DSO/TSO ("**Technical Access Contract**" or "**TAC**") that governs the plant's connection to the grid throughout its lifetime must be signed. TACs are regulated standard contracts.

Energy authorizations

According to the electricity sector regulations, in order to operate, a clean power project must obtain all the required sectorial authorizations. The project may either obtain such authorizations at a National level (before the competent Ministry) or at a Regional one (before the competent Energy Authority in the Regional Government), depending on its power. Should the project have equal to or more than 50MWn it will be processed at a National level. Otherwise, it will follow the process before the Regional authority.

The construction of a clean power project is subject to obtaining the Prior Administrative Authorisation, which must be obtained prior to its construction, and the Construction Authorization and Approval of the Execution Project. It is often the case that each the Construction Authorization and the Approval of the Execution Project are requested at the same time that the Prior Administrative Authorisation is requested, being both also granted together.

After construction, the commissioning of a power plant requires the obtainment of a Commissioning Act (*Autorización de Explotación*) so that the facility and its interconnection infrastructure can enter into service and be legally operated.

Afterwards, the power plant shall incorporate to the Administrative Registry for Energy Producers (*Registro Administrativo de Productores de Energía*) which enables the power plant to sell the electricity generated and manage the GoOs. The latter in accordance with provision set forth in Circular 1/2018 and Circular 2/2021.

Environmental authorizations

In addition, prior to the construction and commissioning the power plant must obtain the environmental authorization either from the Ministry of Environment (National) or the Regional Environmental Authority.

The environmental authorization (so-called "**DIA**") will be obtained after the corresponding environmental impact assessment of the power plant and the compliance with any condition stated in such assessment. It is usual to find conditions such as to process archeological studies and prospections, or to obtain other relevant authorizations to affect public domain (cattle trucks, rivers...).

Depending on their technical characteristics (including, inter alia, power capacity, size and location), renewable energy generation projects and evacuation infrastructures may be exempted from the need for a full environmental impact statement (or be subject to a simplified procedure).

It should be highlighted that RDL 23/2020 sets a list of milestones that comprise the aforementioned energy and environmental authorizations that must be obtained before a given deadline. If the power plant does not comply with any of these milestones, the access and connection permits will be lost, and the access and connection guarantee will be enforced.

Urban planning licenses and permits.

Additionally to the foregoing, to develop and operate a power plant it is required to have the land titles for the use of the plots of land where the plant will be located. These titles may be land purchase agreements, land lease agreements, land lease or purchase option agreements or even surface rights or options. It is highly recommended to register these titles in the Land Registry to make them enforceable before third parties even acting in good faith.

Should the plant not obtain a right of use over a required land, ownership should ask for the public utility statement of the project (*declaración de utilidad pública*) which enables the holding company to ask for the expropriation of the lands included in the statement of goods and rights (*relación de bienes y derechos*) that shall enclose the public utility statement.

Likewise, if the project is developed over lands qualified as non-developable lands, certain regional regulations may require obtaining a prior authorization for its occupancy, the payment of an urban planning fee and the placement of a dismantling guarantee.

Municipal permits.

Prior to the construction of a power plant, a works license must be obtained from the municipality where the planned power plant will be located.

The obtainment of the aforementioned access and connection point, the Prior Administrative Authorisation, the Construction Authorization and Approval of the Execution Project, the rights of use of the lands (duly registered in the Land Registry) or the public utility statement, the urban planning authorization for the use of non-developable lands (if required) and the works license will lead to consider that the plant has reached the ready to build status.

Finally, to operate the plant an activity license must be obtained also from the municipality where the plant is located.

Remuneration regime

The remuneration scheme for renewable energy has the following sources of revenue:

Wholesale electricity market or Iberian pool. Electricity generators (such as solar photovoltaic installations and wind farms) are entitled to receive the "market price" in exchange for the energy sold on this market. The single market for electricity production in the Iberian Peninsula (comprising Spain and Portugal) is managed by the Iberian Market Operator, OMIE.

To be able to participate in the pool generators shall become market agents by complying with all requirements set forth in RD 2019/1997 and by placing a guarantee before the OMIE.

On a daily basis, OMIE determines the "matching price" for the "daily market" (and for every 24 hours of the day).

Specific remuneration regime. The Royal Decree 413/2014 establishes the "specific remuneration regime", which grants certain renewable energy facilities the right to obtain a guaranteed rate of return. This remuneration is made up by three concepts: the consideration for the energy sold, and additional considerations for the operation of the project and the investment made. The Specific remuneration regime is granted through auction procedures. Projects that aim to obtain such a remuneration will be allocated under an installation type code (IT-Code) setting the remuneration parameters that apply to it. To be able to obtain the Specific Remuneration Regime, power projects shall access the Specific Remuneration Regime Registry.

Economic Regime for Renewable Energies. Royal Decree 23/2020, Royal Decree 960/2020, of 3 November, allows the Government to regulate an economic regime for renewable energies alternative to the foregoing. RD 960/2020 establishes a new "economic regime for renewable energies ("**ERRE**")". The main features of the ERRE are set in as follows:

The product awarded is electricity to be generated expressed in MW.

1. *Public auctions*. The allocation of ERRE allowances will be carried out through public auctions that the Ministry of Ecological Transition has committed to call over the next five years, based on the principles of free competition, transparency, profitability and non-discrimination.
2. *The scope of application (facilities entitled to remuneration under the ERRE)*. The new regulated remuneration will be made available to new renewable installations, i.e. new installations awarded under the ERRE and commissioned after the date of the corresponding public tender, including any capacity increase in existing energy projects or repowered installations.
3. *Electronic Registry of the economic framework for renewable energies*. Royal Decree 960/2020 creates an Electronic Registry, the purpose of which is to monitor compliance with the legal requirements for the collection of the ERRE by the facilities.
4. *Guarantees to be deposited*. Project promoters shall provide guarantees to the Ministry of Ecological Transition in order to obtain registration in the Electronic Registry. The amount of the guarantees to be provided must be established in the regulations implementing Royal Decree 960/2020. The withdrawal of the construction of the facilities or the non-compliance with the ERRE concession conditions will entail the execution of the guarantees granted.

For new projects that do not access ERRE through new public tenders, the source of revenue from electricity sales comes from their participation as sellers in the Pool and from sales through PPAs, a long-term power purchase agreement or contract between a renewable developer and a consumer. Physical bilateral PPAs (on

freely agreed terms) are another option. Facilities that benefit from ERREs awarded in public auctions cannot enter into physical bilateral PPAs.

Additionally to above, generators of energy through renewable sources can obtain certificates of the green origin of the electricity produces and commercialize such certificates through transmission, exportation or redemption basis in accordance with Circular 1/2018.

Capacity auctions

As of the approval of RD 1183/2020, certain nodes of both the distribution and transport grid may be saved for auctions among several developers.

According to such regulation, the auction bids will be called by Ministerial Order stating the participation and awarding criteria.

The maximum access capacity to be awarded will be expressed in MW, and so must be the offers to be submitted by the interested developers.

There will be also special requirements related to the maximum term for the awardee to discharge electricity into the grid.

The awarding criteria will comprise the expected term for commissioning the plant, the technology and R+D+I. Additionally, special local socio-economic and environmental awarding criteria will be required. These criteria were not previewed in the original RD 1183/2020 but introduced by Royal Decree-Law 12/2021, certain months later.

To participate in the auction the party must place the access and connection guarantee and an additional guarantee to ensure the maintenance of the offer during the auction can be required. Once the auction is resolved and the capacity is awarded, another guarantee will be required to ensure compliance with the local socio-economic and environmental requirements.

d. Regulatory framework in self-consumption

EU Regulation

2018 Renewable Energy Directive

2018 Renewable Energy Directive - Directive (EU) 2018/2001 on the promotion of the use of renewable energy - is a key element in this transition period, as well as an important part of the package of measures needed to reduce greenhouse gas emissions and comply with the 2015 Paris Agreement on Climate Change.

It adds new areas in this regard, establishing rules on financial support for electricity from renewable sources, self-consumption of such electricity, and the use of renewable energy in the heating and cooling and transport sectors, regional cooperation between Member States and between Member States and third countries, guarantees of origin, administrative procedures, and information and training.

It establishes a definition of "self-consumers of renewable energies" and "self-consumers of renewable energies acting jointly", with a distinction being made between self-consumption in single-family dwellings and in blocks

of flats. It also proposes the adoption of a regulatory framework that enables renewable energy self-consumers to generate, consume, store and sell electricity without facing disproportionate burdens.

National Spanish regulation:

Law 24/2013, of 26 December, on the Electricity Sector.

The purpose of the Spanish Electricity Act is to guarantee an orderly development of the activity, compatible with the need to guarantee the technical and economic sustainability of the electricity system as a whole. In this sense, the articles of the law establish the obligation of self-consumption installations to contribute to the financing of the costs and services of the system in the same amount as other consumers. Transitorily, exceptions are established for cases in which self-consumption entails a reduction in costs for the system and for existing cogeneration installations.

The regulation of supply is regulated in Title II. In this title, the law highlights the regulation of self-consumption of electricity, distinguishing between different types (types of supply with self-consumption without surplus and types of supply with self-consumption with surplus) and establishing that the installations connected to the system must contribute to covering the costs and services of the electricity system on the same terms as the energy consumed by the rest of the system's users.

Royal Decree 244/2019, of 5 April, which regulates the administrative, technical and economic conditions for the self-consumption of electricity.

The Spanish Electricity Act in the original wording of article 9, defined self-consumption as the consumption of electricity from generation facilities connected within a consumer's network or through a direct electricity line associated with a consumer and distinguished several types of self-consumption.

At first RD 900/2015 (Royal Decree 900/2015 of October 9, on the administrative, technical and economic conditions of the modalities of electricity supply with self-consumption and production with self-consumption.) provided an extensive regulation on self-consumption.

Subsequently, RDL 15/2018, of 5 October, on urgent measures for energy transition and consumer protection, made a profound revision to the regulation of self-consumption in Spain so that consumers, producers and society as a whole can benefit from the advantages that this activity can bring, in terms of lower grid requirements, greater energy independence and lower greenhouse gas emissions.

Royal Decree 244/2019 implements all provisions of Royal Decree Law 15/2018 and derogate (with certain exceptions) RD 900/2015.

The self-consumption regime regulated by Royal Decree 244/2019 applies to installations covered by any of the modalities of self-consumption of electricity defined in article 9 of the Spanish Electricity Act connected to the transmission or distribution grids. Installations disconnected from the grid by means of switching devices or equivalent will also be considered installations connected to the grid. The self-consumption regime shall not apply to isolated installations (vide art. 3d Royal Decree 244/2019) or to generation groups used exclusively in the event of an interruption in the supply of electricity from the grid.

Among the new features introduced by the Royal Decree 244/2019 in the Spanish Electricity Act are the following:

- (i) A new definition of self-consumption has been introduced, stating that this will be understood as the consumption by one or several consumers of electricity from generation facilities close to the consumption facilities and associated with them.
- (ii) A new definition on the types of self-consumption, reducing them to only two: "self-consumption without surpluses", which at no time can discharge energy to the grid (though they are connected to it), and "self-consumption with surpluses", in which it is possible to discharge energy to the distribution and transmission grids.
- (iii) Self-consumption generation facilities without surpluses, are exempted from the obtainment of access and connection permits. Self-consumption facilities without surpluses for consumption are required to obtain access and connection permit.
- (iv) The regulation enables the development of compensation mechanisms between the deficit and the surpluses of consumers who are self-consumers with surpluses for installations of up to 100 kW.
- (v) With regard to the register, it is decided to have a self-consumption registry, but in a very simplified form. This state-wide registry will have statistical purposes in order to evaluate whether the desired implementation is being achieved, to analyse the impacts on the system and to be able to calculate the effects of renewable generation in integrated energy and climate plans. This registry will be fed by the information received from the autonomous communities and the cities of Ceuta and Melilla.

Modalities and characteristics of self-consumption in Spain

Photovoltaic self-consumption consists of the production of electrical energy by means of a photovoltaic solar installation for the "producer's" own consumption, with the consequent energy savings.

- (i) From a legal point of view, self-consumption is defined in Royal Decree 244/2019 as the consumption by one or several consumers of electrical energy from "production facilities close to the consumption facilities and associated with them". In order for installations to be considered as such, they must meet one of the following conditions: they are connected to the internal network of the associated consumers or are linked to them through direct lines.
- (ii) They are connected to any of the low-voltage networks deriving from the same transformer substation.
- (iii) Are connected at a distance of less than 500 metres from the associated consumers. For this purpose, the distance between the metering equipment in its orthogonal projection on the ground plan shall be taken.
- (iv) Both generation and consumption are located in the same cadastral reference according to the first 14 digits of the same cadastral reference.

Neighbouring and associated installations that meet condition i, are called "neighbouring internal network installations" and those that meet conditions ii, iii or iv are called "neighbouring installations through the network".

According to the way in which the production installations are connected, two types of installations can be distinguished: (i) nearby installations connected to the internal network of consumption or through direct lines (internal network IP); and (ii) nearby installations connected upstream of the meter through the distribution network (IP through the network).

Modalities of self-consumption

- (i) **Self-consumption without surpluses**, aimed at installations intended exclusively for the self-consumption of the energy generated, without transferring energy to the grid, which is why they must be equipped with an anti-surplus mechanism. In these cases, the owner of the supply point will be the consumer, who will also be the owner (in the legal-administrative sense) of the generation facilities connected to its grid. The peculiarity when the self-consumption is collective is that the ownership of the generation facility and the anti-dumping mechanism will be shared jointly and severally by all the consumers associated with that generation facility.
- (ii) Self-consumption with surpluses implies that the nearby and associated installations, in addition to supplying energy for self-consumption, can inject the surplus energy into the distribution and transmission grids. In this type of self-consumption, there will be two subjects: the consumer/s and the producer. In turn, a distinction can be made between:
 - (iii) With surpluses subject to compensation, in which the consumer and the producer voluntarily opt to take advantage of a surplus compensation mechanism. This option will only be possible in cases where all of the following conditions are met:
 - (a) The primary energy source is of renewable origin.
 - (b) The total capacity of the associated production facilities does not exceed 100 kW.
 - (c) If it is necessary to enter into a supply contract for auxiliary production services, the consumer must have entered into a single supply contract for the associated consumption and for auxiliary production consumption with a marketing company.
 - (d) The consumer and associated producer have signed a self-consumption surplus compensation contract.
 - (e) The production facility has not been granted an additional or specific remuneration system.

The energy that is not consumed instantaneously or stored by the associated consumers is injected into the grid; if the consumers require more energy than that provided by the self-consumption installation, they will purchase energy from the grid in accordance with the terms of the supply contract. At the end

of the billing period, the cost of the energy purchased from the grid and the value of the energy injected will be compensated, without being negative.

- (iv) With surpluses not covered by compensation, this includes all those cases of self-consumption with surpluses that do not meet any of the requirements to belong to the modality with surpluses covered by compensation or that voluntarily choose not to apply to this modality.

Obligations regarding access and connection to the grid and registration according to self-consumption modality

In order to be able to install a renewable energy installation, a series of requirements must be met. Firstly, it is essential to share a transformation centre, that is to say, that the building in which it is decided to install the machinery has the technical capacity to distribute the energy to the same group of owners. This is undoubtedly the key point, as, without it, it will be impossible to carry out a project of this nature.

On the other hand, it should be taken into account the maximum distance. The separation between the energy distribution centre and the user must be less than 500 metres. In other words, the solar panels must be located within a radius of 500 metres. It does not matter if they are different buildings (as long as they are within the distribution perimeter). The cadastral reference is another key issue. When an energy construction is to be undertaken, it is important that the solar panels and the consumers have the same cadastral reference. This requirement is related to the distribution perimeter, so that both references must share at least the first 14 digits.

Finally, all users sharing the installation must use the same self-consumption modality. Therefore, the consumers of a collective energy installation will have to choose between a connection to the public grid or an indoor connection. The former is done through a two-way meter that automatically controls the production and distribution of energy. Indoor, which is less common, is not connected to a public grid.

The main obligations include the following:

- Obtaining access and connection permits for exempt self-consumption installations only in installations without surpluses and installations with power equal to or less than 15 kW.
- Obtaining access guarantees, exempt only for self-consumption installations without surpluses and installations with power equal to or less than 100 kW.
- Obtaining administrative authorisations, exempt only for low voltage installations with power equal to or less than 100 kW.
- Notification of consumers who have an access contract with the distribution company or the obligation to sign an access contract, if applicable.
- Subscribing to a supply contract
- Registration in the Self-consumption Register
- Registration in the Administrative Register of Electricity Production Installations.
- The possibility of entering into a market representation contract is contemplated for self-consumption installations with surpluses without compensation.

- The payment of access tolls to producers for the surplus energy dumped in respect of self-consumption facilities with surpluses without compensation

Development and commissioning of self-consumption facilities

Self-consumption facilities are also subject to the obtainment of the relevant energy authorizations according to the regulations mentioned in the foregoing section. Considering their location, self-consumption facilities will be processed before the regional authorities of the Regions where they are located. The Regional Governments in Spain may pass their own regulations on self-consumption according to their competences that can exempt certain ones from the obtainment of such authorizations (depending on their power capacity).

Advantages of self-consumption

The advantages of self-consumption, appreciated by the public authorities, are the reduction of the environmental impact, reducing CO2 emissions by 45% in photovoltaic systems for single-family homes or up to 85% if a battery is integrated, according to EUPD Research. This is accompanied by the different subsidies and incentives offered by the Autonomous Communities, together with economic savings for the consumer and energy savings with a small investment, as long as the installation is designed to adjust to demand.

The energy system also acquires greater efficiency thanks to distributed generation, which allows energy savings of no less than 10% by avoiding transport losses, as energy is produced closer to the points of consumption, reducing the consumption of fossil fuels and Spain's high energy dependence on foreign countries.

Public grants and aid for self-consumption in Spain

Royal Decree 477/2021, of 29 June, which approves the direct granting to the autonomous communities and the cities of Ceuta and Melilla of aid for the implementation of various incentive programmes linked to self-consumption and storage, with renewable energy sources, as well as the implementation of renewable thermal systems in the residential sector, within the framework of the Recovery, Transformation and Resilience Plan.

In order to promote the deployment of renewable energies, both thermal and electrical, in the different consumer sectors, encourage greater control of consumption through the development of behind-the-meter storage systems and the promotion of industry and the associated business sector, RD 477/2021 is being promoted, which aims to establish the regulatory bases for the direct granting of aid to the autonomous communities of Spain, as well as the approval of the six incentive programmes for self-consumption, storage and thermal uses of renewable energies.

The aid programmes approved by RD 477/2021 will be in force until 31 December 2023 and are endowed with an initial joint amount of 660 million euros distributed among the different Autonomous Communities and Cities and the different lines of aid, which will be financed with funds from the Recovery and Resilience Mechanism.

Therefore, in order to promote the deployment of renewable energies, both thermal and electrical, in the different consumer sectors, encourage greater control of consumption through the development of behind-the-meter storage systems and the promotion of industry and the associated business sector, this royal decree is promoted, which aims to regulate the direct granting, on an extraordinary basis, and for reasons of public, social

and economic interest, of aid to the autonomous communities and cities of Ceuta and Melilla, as well as the approval of the six incentive programmes for self-consumption, storage and thermal uses of renewable energies indicated below:

- i. Incentive programme 1: Implementation of self-consumption installations, with renewable energy sources, in the services sector, with or without storage.
- ii. Incentive programme 2: Implementation of self-consumption installations, with renewable energy sources, in other productive sectors of the economy, with or without storage.
- iii. Incentive programme 3: Incorporation of storage in self-consumption installations, with renewable energy sources, already existing in the services sector and other productive sectors.
- iv. Incentive programme 4: Implementation of self-consumption installations, with renewable energy sources, in the residential sector, public administrations and the third sector, with or without storage.
- v. Incentive programme 5: Incorporation of storage in self-consumption installations, with renewable energy sources, already existing in the residential sector, public administrations and the third sector.

Order TED/1247/2021, of 15 November, which amends, for the implementation of variable distribution coefficients in collective self-consumption, Annex I of Royal Decree 244/2019, of 5 April, which regulates the administrative, technical and economic conditions of self-consumption of electricity.

The Order has modified the aforementioned Annex I of Royal Decree 244/2019 to allow the implementation of variable distribution coefficients in collective self-consumption (previously these coefficients had to have fixed values for all the hours of a billing period). Therefore, at present, although the coefficients are fixed ex ante, they are hourly and can be modified at intervals of no less than four months. This change is considered to be positive as it gives greater flexibility to the scheme.

Royal Decree 377/2022, of 17 May, extending the typology of beneficiaries of Royal Decree 477/2021, of 29 June, approving the direct granting to the autonomous communities and the cities of Ceuta and Melilla of aid for the implementation of various incentive programmes linked to self-consumption and storage, with renewable energy sources, as well as the implementation of renewable thermal systems in the residential sector, in the framework of the Recovery, Transformation and Resilience Plan, and Royal Decree 1124/2021, of 21 December, approving the direct granting to the autonomous communities and the cities of Ceuta and Melilla of aid for the execution of incentive programmes for the implementation of renewable thermal energy installations in different sectors of the economy, in the framework of the Recovery, Transformation and Resilience Plan.

The RD 377/2022 extends the typology of beneficiaries of RD 477/2021:

- (i) The self-employed are included as beneficiaries of the sub-programmes to promote self-consumption and may deploy self-consumption installations in a place of work other than their home. In addition, the possibility is established for a specific quota to be reserved for them in budget increases.

- (ii) The energy services companies or third-party investment model is promoted so that a company can carry out installations for individuals or other companies, thus facilitating the installation of self-consumption when the consumer does not have the capacity to make the investment.
- (iii) The storage capacity allowed to be installed is made more flexible, going from 2 kWh/kW to 5 kWh/kW, in line with the growing generalisation of storage solutions.

12.12.12 United States Regulatory Framework

This section provides an overview of certain aspects of selected federal and state laws and regulations as may be applicable to wind and biomass facilities located in California, Massachusetts, Minnesota, Pennsylvania, Virginia, West Virginia and Wyoming.

a. Renewable Electricity Generation Obligations

i. Federal

As of the date of this Prospectus, there is no RPS or similar renewable electricity policy enacted at the federal level in the United States. However, RPS policies are in place in most States and the District of Columbia. Programmes vary greatly among the States, including with respect to timing, amounts and qualifying resources.

ii. California

California has enacted a RPS that requires electric utilities to obtain 40 percent of their retail sales from renewable sources by 2025, 45 percent by 2028, 60 percent by 2030 and 100 percent starting in 2045. Compliance is measured with RECs, which are issued through the Western Renewable Energy Generation Information System.

Both wind and biomass qualify as eligible renewable energy sources under California's RPS.

iii. Massachusetts

Massachusetts has enacted both a Renewable Energy Portfolio Standard and a Clean Energy Standard ("CES"). The REPS require retail electricity suppliers to obtain a percentage of their electricity from qualifying renewable energy facilities. The Class I requirement, which requires generation from facilities built after 1997, was 15 percent in 2020 and increases by 1 percent annually thereafter with no set expiration date.

The CES sets a percentage of electricity sales that must be obtained from clean energy sources. The initial standard in 2018 was 16 percent and increases by 2 percent every year thereafter through to 2050. RPS compliance counts towards compliance with CES. Therefore, the net effect of both the REPS and CES is that a provider must comply with the higher of the two requirements.

RPS and CES obligations are met by acquiring RECs, which can be traded.

For the purposes of REPS and CES compliance, wind energy, as well as “low emission advanced biomass power conversion technologies using fuels such as wood, by-products or waste from agricultural crops”, are counted as renewable sources.

iv. Minnesota

Minnesota has enacted a Renewable Energy Standard (“**Minnesota RES**”) that requires electric utilities to generate or procure a percentage of their sales to retail customers. This percentage increases every five years. The current requirement, set in 2020, is 20 percent. By 2025 providers must achieve the final tier of 25 percent. Utilities may purchase RECs to meet the RES.

Wind and biomass qualify as renewable sources for RES compliance purposes; however, the definition of biomass does not include fuel generated by wood by-products or vegetation.

v. Pennsylvania

Pennsylvania has enacted an Alternative Energy Portfolio Standard (“**AEPS**”) that requires retail electricity suppliers to provide 18 percent of their electricity using renewable sources by 2020. Within this 18 percent requirement, the State classifies sources as Tier I or Tier II. Each provider must utilize 8 percent of their power from Tier I and 10 percent of their power from Tier II sources. Compliance with the AEPS is measured using alternative energy credits.

Under the AEPS, wind power qualifies as a Tier I source. Biomass qualifies as a Tier I source if produced within Pennsylvania, or a Tier II source if produced outside of Pennsylvania, and is defined to include “by-products of the pulping process and wood manufacturing process, including bark, wood chips, sawdust and lignin in spent pulping liquors.”

vi. Virginia

Virginia has enacted a RPS that requires investor-owned utilities to meet a 100 percent renewables requirement by 2050 for Phase I utilities and by 2045 for Phase II utilities. The RPS requirements increase annually and for 2022 are 7 percent for Phase I and 17 percent for Phase II. Compliance with the RPS is met with RECs, which must be procured by sources within the PJM Interconnection.

Under the RPS, wind qualifies as a renewable source. However, beginning in 2025, 75 percent of all RECs used by a Phase II utility must be generated within Virginia. Biomass also qualifies as a renewable source, but its REC eligibility is limited. A utility may only use RECs generated from biomass facilities if they are within Virginia and “supply 10 percent or more of their annual net electrical generation to the electric grid or more than 15 percent of their annual total useful energy to any entity other than the manufacturing facility to which the generating source is interconnected.” Further, the RECs generated by such biomass facilities are capped at the

amount produced in 2019. Starting in 2025, biomass-fired facilities will not be eligible for RECs under Virginia's RPS programme.

vii. West Virginia

As of the date of this Prospectus, West Virginia does not have a RPS.

viii. Wyoming

As of the date of this Prospectus, Wyoming does not have a RPS.

b. Overview of FERC Regulation

Under the Federal Power Act ("FPA"), the Federal Energy Regulatory Commission ("FERC") regulates the wholesale sale and transmission of electricity in interstate commerce by public utilities, which can include the owner of a wind or biomass generation facility. Based on the interconnected nature of the United States' utility grid, "interstate commerce" has been interpreted to encompass most wholesale power sales and transmission in continental United States, other than in the ERCOT region (which encompasses most of the State of Texas). FERC regulates (1) the rates, terms and conditions of wholesale electricity sales and transmission service in interstate commerce by public utilities, (2) sales and other dispositions of public utility assets, as well as mergers and acquisitions that involve public utilities, (3) the issuance of securities and the assumption of liabilities by public utilities, (4) the holding by officers and directors of public utilities of officer and director positions in other public utilities, certain financial institutions, and electrical equipment suppliers, (5) the operation of wholesale electricity markets in continental United States, other than the ERCOT region, (6) access to transmission facilities, and (7) the reliable operation of the transmission grid.

i. Regulation of Wholesale Sales

Before engaging in any wholesale electricity sales, a seller must obtain authorisation from FERC or qualify for an exemption from FERC's regulation.

- Market-Based Rates: Independent power producers typically obtain market-based rate authority for their wholesale sales of electricity. In order to obtain authority from FERC to make sales at market-based rates, a seller must demonstrate that it lacks market power in the relevant geographic market, i.e., it cannot exert generation market power or transmission market power, cannot erect barriers to entry to the market, and cannot engage in affiliate abuse. Sales at market-based rates are made pursuant to the seller's market-based rate schedule, which is a short statement of its authorisation to sell electricity. No cost-of-service study is required for market-based rate authority.
- Qualifying Facilities: Cogeneration and certain small power production facilities are eligible to be qualifying facilities ("QFs") under the Public Utility Regulatory Policies Act of

1978, as amended (“**PURPA**”). Certain sales of electric power from a QF are exempt from FERC’s rate regulation, including sales made by a QF that is 20 MW or smaller, sales made pursuant to a contract executed on or before 17 March 2006, and sales made pursuant to a State’s implementation of PURPA. A wind facility or a biomass facility can qualify as a small power production QF if, in most cases, its generating capability does not exceed 80 MW. A facility may obtain QF status by submitting to FERC, prior to engaging in any sales, a notice of self-certification of QF status. A QF must re-certify with FERC upon a material change in information previously provided in a self-certification.

ii. ***Ongoing Reporting Requirements***

Once FERC authorises a seller to make wholesale sales at market-based rates, the seller will have certain ongoing obligations including the following:

- Notice of Change in Status: A seller with market-based rates must notify FERC of any material change in status based on which FERC granted the market-based rate authorisation to the seller. Examples of reportable changes include acquiring ownership or operational control of generating or transmission assets or a franchised service territory, or becoming affiliated with an entity that owns transmission or generation.
- Triennial Market Power Review: FERC requires sellers with market-based rates that have larger asset holdings (e.g., more than 500 MW of generation in a region) to submit an updated market power analysis every three years allowing FERC to verify that continuation of the market-based rate authority is warranted.
- Electric Quarterly Reports: It will be required to submit quarterly reports to FERC disclosing jurisdictional contracts and transactions.
- Interlocking Director Filings: Under the FPA, a person may not hold a director or officer position with one public utility and simultaneously hold another “interlocking” director or officer position with (1) any other public utility; (2) certain suppliers of electrical equipment; or (3) certain financial institutions, without first receiving FERC authorisation. Because the seller is a “public utility”, it will be subject to FERC’s rules on interlocking positions. Prior approval is required for individuals to hold certain interlocking positions, and individuals that hold interlocking positions also need to file annual reports.
- Annual Large Retail Purchasers Report: A report of the public utility’s 20 largest retail purchasers. If there are no retail sales, no report must be filed.

iii. **Mergers, Acquisitions and Sales of Jurisdictional Assets**

Section 203 of the FPA requires a public utility to obtain the FERC’s prior approval for any of the following:

- The sale, lease or other disposition, or merger or consolidation (directly or indirectly) of its jurisdictional facilities (i.e., market-based rate schedule or tariff, electricity sales contracts, and associated books and records), in whole or in part (if the value exceeds \$10 million);
- The acquisition of the securities (broadly defined to include stock, notes and other evidence of indebtedness) of another public utility with a value in excess of \$10 million; or
- The purchase, lease or other acquisition of an existing generation facility that has a value in excess of \$10 million and that is used in whole or in part for wholesale sales in interstate commerce by a public utility.

Prior approval under Section 203 is also required for certain public utility holding companies to purchase, acquire or take any security with a value in excess of \$10 million, or to merge or consolidate with a transmitting utility, an electric utility company, or another holding company.

The circumstances governing when Section 203 approval is needed are fact specific.

iv. Market Manipulation

The FPA prohibits manipulation of the energy markets. Section 222 of the FPA generally prohibits false statements, omissions of material facts and fraudulent or deceitful actions in connection with transactions that are subject to FERC's jurisdiction (wholesale sales and the transmission of electric energy in interstate commerce by regulated utilities and other jurisdictional entities). The knowing and wilful submission of false information to FERC may be penalised as fraud.

v. Enforcement

For violations of the FPA or its regulations, rules, or orders, FERC may impose civil penalties of up to \$1.3 million per day, per violation. In addition to civil penalties, FERC may seek enforcement in the federal courts, refer matters to the United States Department of Justice for criminal prosecution, order disgorgement of profits, and revoke authorisation to sell energy at market-based rates. FERC has noted that it will exercise its enforcement authority in the same manner with respect to all market participants, including both public utilities and non-public utilities.

vi. Public Utility Holding Company Act of 2005 ("PUHCA")

The PUHCA requires public utility holding companies and their subsidiaries and affiliates to abide by certain accounting and record-keeping requirements, and grants FERC access to the relevant books and records of holding companies with respect to jurisdictional rates. PUHCA and FERC's implementing regulations grant certain exemptions and waivers from these requirements, including if a project qualifies as a QF and/or is an exempt wholesale generator.

QF and/or exempt wholesale generator status may be a means by which a company can maintain its exemption from PUHCA 2005. An EWG is defined as an owner or operator of electric generation facilities used exclusively for the wholesale generation and sale of electric power.

13. SELECTED CONSOLIDATED FINANCIAL INFORMATION

Each potential investor should read the information contained in this Chapter in conjunction with the Chapter 11 entitled “Operating and Financial Review and Prospects”, the Annual Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements appearing elsewhere in this Prospectus.

The following tables contain the Issuer’s selected historical consolidated financial information. The Issuer’s selected historical consolidated financial information as at and for the years ended 31 December 2021, 2020 and 2019 has been extracted or derived from the Annual Audited Consolidated Financial Statements. The Issuer’s selected historical consolidated financial information as at and for the three months ended 31 March 2022 is extracted or derived from the Unaudited Condensed Consolidated Interim Financial Statements.

The Annual Audited Consolidated Financial Statements have been presented in euro and are prepared in accordance with IFRS-EU, as disclosed in Note 3 – Basis of presentation to the 2021 Annual Audited Consolidated Financial Statements.

The consolidated statement of financial position as at 31 December 2021 and the consolidated income statement for the year then ended, included in the Unaudited Condensed Interim Consolidated Financial Statements as comparative unaudited financial information, have been restated, as explained in the Introduction and Warnings section (“*Basis of preparation of the Annual Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements*”).

The audit opinion on the 2018-2020 Annual Audited Consolidated Financial Statements contains the following emphases of matter and restriction on use and distribution: “*We draw attention to note 4, which describes the basis of preparation and special purpose of the Consolidated Financial Statements. The Consolidated Financial Statements are prepared in connection with the announced potential listing of Greenvolt – Energias Renováveis, S.A. and for the purposes of providing historical consolidated financial information for inclusion in the prospectus for the admission to the Euronext Lisbon regulated market. As such, these Consolidated Financial Statements may not be suitable for another purpose. This report was prepared at request of the Board of Directors of Greenvolt – Energias Renováveis, S.A. in relation to the referred initial public offering and for inclusion in the related prospectus. Therefore, it must not be used for any other purpose or any other market, or published in any other document or prospectus without our written consent. Our opinion is not modified in respect of these matters.*” The Issuer has been authorised in writing by the Statutory External Independent Auditor to incorporate by reference the Annual Audited Consolidated Financial Statements in this Prospectus.

The audit opinion on the 2021 Annual Audited Consolidated Financial Statements does not contain any emphases of matter.

13.1. Selected consolidated financial data

13.1.1 Consolidated income statement data

The following table has been derived from the audited consolidated income statements of the Issuer, which are contained in the Annual Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements.

(amounts expressed in Euros)	For the three-month period ended 31 March			Year ended 31 December		
	2022 (unaudited)	2021 (unaudited)	2021 (restated – unaudited)	2021 (audited)	2020 (audited)	2019 (audited)
Sales	48,613,077	21,144,689	130,709,839	130,709,839	89,877,619	64,283,355
Services rendered	7,457,423	-	9,935,282	9,935,282	-	-
Other income	539,089	55,745	861,419	861,419	222,437	851,448
Costs of sales.....	(16,011,016)	(9,760,709)	(43,237,838)	(43,237,838)	(39,028,957)	(24,880,975)
External supplies and services.....	(13,536,710)	(4,386,841)	(34,272,650)	(34,272,650)	(17,920,494)	(17,470,548)
Payroll expenses....	(4,735,586)	(551,562)	(6,442,375)	(6,442,375)	-	-
Provisions and impairment reversals /(losses) in current assets....	(48,530)	-	(146,885)	(146,885)	41	-
Results related to investments	(168,851)	-	(276,204)	(276,204)	-	-
Other expenses	(210,178)	(30,518)	(589,411)	(589,411)	(129,539)	(82,425)
Earnings before interest, taxes and CESE, depreciation, amortisation and Impairment reversals / (losses) in non-current assets	<u>21,898,718</u>	<u>6,470,804</u>	<u>56,541,177</u>	<u>56,541,177</u>	<u>33,021,107</u>	<u>22,700,855</u>
Amortisation and depreciation	(9,228,069)	(3,315,761)	(26,424,785)	(25,980,206)	(12,148,457)	(10,623,246)
Impairment reversals /(losses) in non-current assets	-	-	-	-	6,335,742	-
Earnings before interest, taxes and CESE	<u>12,670,649</u>	<u>3,155,043</u>	<u>30,116,392</u>	<u>30,560,971</u>	<u>27,208,392</u>	<u>12,077,609</u>
Financial expenses	(5,552,171)	(357,014)	(9,056,049)	(9,056,049)	(1,791,223)	(1,872,466)
Financial income ...	1,107,730)	-	708,981	708,981	67	480
Profit before income tax and CESE	<u>8,226,208</u>	<u>2,798,029</u>	<u>21,769,324</u>	<u>22,213,903</u>	<u>25,417,236</u>	<u>10,205,623</u>
Income tax	(1,868,766)	(888,876)	(8,304,675)	(8,389,145)	(6,412,734)	(2,616,493)
Energy sector extraordinary contribution (CESE)	(951,000)	(1,016,000)	(1,015,013)	(1,015,013)	(1,078,934)	(797,390)
Consolidated net profit for the year..	<u>5,406,442</u>	<u>893,153</u>	<u>12,449,636</u>	<u>12,809,745</u>	<u>17,925,568</u>	<u>6,791,740</u>
Attributable to:						
Equity holders of the parent	1,141,172	900,301	7,832,443	8,016,098	17,934,337	6,795,387
Non-controlling interests	<u>4,265,270</u>	<u>(7,148)</u>	<u>4,617,193</u>	<u>4,793,647</u>	<u>(8,769)</u>	<u>(3,647)</u>
	<u>5,406,442</u>	<u>893,153</u>	<u>12,449,636</u>	<u>12,809,745</u>	<u>17,925,568</u>	<u>6,791,740</u>

13.1.2 Consolidated statement of financial position

The following table has been derived from the audited consolidated statements of financial position of the Issuer, which are contained in the Annual Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements.

(amounts expressed in Euros)	As at 31 March		As at 31 December		
	2022 (unaudited)	2021 (restated – unaudited)	2021 (audited)	2020 (audited)	2019 (audited)
ASSETS					
NON-CURRENT ASSETS:					
Property, plant and equipment	380,185,446	370,016,023	370,016,023	160,466,245	166,809,912
Right-of-use assets	65,271,949	66,297,546	66,297,546	5,433,575	5,737,867
Goodwill	116,673,310	113,832,740	123,900,405	-	-
Intangible assets	102,389,084	100,304,810	87,762,356	6,795,875	1,418,432
Investments in joint ventures	16,173,230	3,035,546	3,035,546	-	-
Other debts from third parties	22,001,604	3,337,895	3,337,895	-	-
Other investments	144,433	142,747	142,747	-	-
Derivative financial instruments	7,418,107	1,333,293	1,333,293	-	-
Deferred tax assets	24,055,712	21,046,659	20,473,659	1,493,924	2,503,285
Total non-current assets	734,312,875	679,347,259	676,299,470	174,189,619	176,469,496
CURRENT ASSETS:					
Inventories	1,072,135	875,469	875,469	1,108	3,041,661
Trade receivables	7,602,667	13,106,188	13,106,188	19,580	-
Assets associated with contracts with customers	27,084,207	28,698,328	28,698,328	7,476,825	7,365,847
Other receivables	41,650,973	20,566,220	20,566,220	11,578	988,262
Income tax receivable	669,912	679,905	679,905	387	-
Other tax assets	4,815,649	3,691,332	3,691,332	115,287	7,271
Other current assets	3,440,992	2,283,256	2,283,256	506,427	203,819
Derivative financial instruments	817,616	-	-	-	-
Cash and cash equivalents	238,075,005	258,757,013	258,757,013	14,100,666	16,107,267
Total current assets	325,229,156	328,657,711	328,657,711	22,231,858	27,714,127
Total assets	1,059,542,031	1,008,004,970	1,004,957,181	196,421,477	204,183,623
EQUITY AND LIABILITIES					
EQUITY:					
Share capital	267,099,998	267,099,998	267,099,998	50,000	50,000
Issuance premium	772,612	772,612	772,612	-	-
Legal reserve	10,000	10,000	10,000	10,000	10,000
Supplementary capital	-	-	-	9,583,819	13,150,000
Other reserves and retained earnings	35,311,816	33,948,751	33,951,246	39,718,335	19,772,948
Consolidated net profit for the year	1,141,172	7,832,443	8,016,098	17,934,337	6,795,387
Total equity attributable to Equity holders of the parent ..	304,335,598	309,663,804	309,849,954	67,296,491	39,778,335
Non-controlling interests	40,597,398	40,668,385	40,515,985	14,584	13,453
Total equity	344,932,996	350,332,189	350,365,939	67,311,075	39,791,788
LIABILITIES:					
NON-CURRENT LIABILITIES					
Bank loans	159,658,336	160,576,657	160,576,657	-	-
Bonds	183,316,177	169,646,308	169,646,308	48,463,769	49,673,801
Other loans	39,546,508	39,521,862	39,521,862	-	-
Shareholder loans	40,547,090	40,826,529	40,826,529	-	-
Lease liabilities	66,503,819	67,071,085	67,071,085	5,836,636	6,088,752
Other payables	20,200,202	16,289,251	16,289,251	820,348	-

Other non-current liabilities ..	333,617	389,220	389,220	611,632	834,043
Deferred tax liabilities	36,069,614	36,001,724	32,920,185	3,258,306	2,844,621
Provisions	15,859,037	15,866,752	15,866,752	11,538,164	11,388,007
Derivative financial instruments	57,593,622	37,458,126	37,458,126	-	-
Total non-current liabilities..	619,628,022	583,647,514	580,565,975	70,528,855	70,829,224
CURRENT LIABILITIES					
Bank loans	7,333,169	6,369,435	6,369,435	-	-
Bond loans	3,415,664	2,933,588	2,933,588	1,545,172	294,954
Other loans	21,466,094	20,490,460	20,490,460	40,007,311	50,000,000
Shareholders loans	699,854	-	-	-	24,596,424
Lease liabilities	899,107	876,529	876,529	284,370	273,537
Liabilities associated with contracts with customers	1,940,966	-	-	-	-
Trade payables	18,399,330	17,858,390	17,858,390	8,537,852	11,931,566
Other payables	30,081,279	15,808,897	15,808,897	3,939,205	1,954,692
Income tax payable	2,407,866	1,213,754	1,213,754	3,411,514	150,718
Other tax liabilities	1,822,771	1,869,726	1,869,726	565,732	4,012,039
Other current liabilities	6,357,126	6,301,050	6,301,050	290,391	348,681
Derivative financial instruments	157,787	303,438	303,438	-	-
Total current liabilities	94,981,013	74,025,267	74,025,267	58,581,547	93,562,611
Total liabilities	714,609,035	657,672,781	654,591,242	129,110,402	164,391,835
Total equity and liabilities...	1,059,542,031	1,008,004,970	1,004,957,181	196,421,477	204,183,623

13.1.3 Consolidated statement of cash flows data

The following table has been derived from the audited consolidated cash flow statements of the Issuer, which are contained in the Annual Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements.

(amounts expressed in Euros)	Three-month period ended 31 March		Year ended 31 December		
	2022 (unaudited)	2021 (unaudited)	2021 (audited)	2020 (audited)	2019 (audited)
Operating activities:					
Receipts from customers	69,939,748	27,035,739	144,052,942	110,433,281	80,445,458
Payments to suppliers	(42,653,701)	(14,834,383)	(98,340,564)	(67,434,325)	(47,361,213)
Payments to personnel	(3,321,142)	(419,990)	(3,706,488)	-	-
Other receipts/(payments) relating to operating activities	(3,004,792)	(1,634,070)	(6,488,661)	(12,626,081)	889,978
Income tax (paid)/received	(13,570)	-	(7,313,616)	(1,729,279)	(3,636,676)
Net cash from operating activities (1)	20,946,543	10,147,296	28,203,613	28,643,596	30,337,547
Investing activities:					
Receipts arising from:					
Interest and similar income	3,962	-	14,028	55	479
Property, plant and equipment	632,916	-	-	-	-
Payments relating to:					
Investments in subsidiaries net of acquired cash and equivalents acquired	(658,199)	(1,757,502)	(176,376,463)	(821,779)	(18,000)
Investments in joint ventures	(23,668,942)	-	(571,650)	-	-
Loans granted	(19,125,868)	-	(19,367,235)	-	-
Property, plant and equipment	(6,925,669)	(1,345,779)	(14,951,141)	(2,955,492)	(31,829,710)
Intangible assets	(4,227,970)	-	(24,108,406)	-	-
Net cash used in investing activities (2)	(53,969,770)	(3,103,281)	(235,360,867)	(3,777,216)	(31,847,231)
Financing activities:					

(amounts expressed in Euros)	Three-month period ended 31 March		Year ended 31 December		
	2022 (unaudited)	2021 (unaudited)	2021 (audited)	2020 (audited)	2019 (audited)
Receipts arising from:					
Loans obtained	41,400,000	40,000,000	556,293,555	400,000,000	180,000,000
Share capital increase	-	50,000,000	199,499,998	9,900	-
Shareholder loans.....	-	-	39,974,360	-	5,000,000
Capital contributions by non- controlling interests	61,632	-	41,177,606	-	-
Other financing transactions.....	-	-	2,985,197	-	-
Payments relating to:					
Interest and similar expenses.....	(1,070,647)	(506,582)	(8,855,991)	(1,441,761)	(1,438,513)
Charges with issuance of new shares	-	-	(7,594,753)	-	-
Loans obtained	(26,795,564)	(40,000,000)	(358,119,092)	(410,000,000)	(80,000,000)
Lease liabilities.....	(925,571)	(132,031)	(2,059,341)	(528,120)	(421,858)
Shareholder loans.....	-	-	(1,421,363)	(14,913,000)	(92,230,135)
Other financing transactions	-	-	(11,160,608)	-	-
<i>Net cash (used in)/from financing activities (3)</i>	<i>12,669,850</i>	<i>49,361,387</i>	<i>450,719,568</i>	<i>(26,872,981)</i>	<i>10,909,494</i>
Cash and cash equivalents at the beginning of the year.....	258,757,013	14,100,666	14,100,666	16,107,267	6,707,457
Changes in the consolidation perimeter	-	-	1 020 787	-	-
Effect of currency exchange rate.....	(328,631)	-	73 246	-	-
Net increase/(decrease) of cash equivalents: (1)+(2)+(3)	(20,353,377)	56,405,402	243 562 314	(2,006,601)	9,399,810
Cash and cash equivalents at the end of the year	238,075,005	70,506,068	258 757 013	14,100,666	16,107,267

13.1.4 Alternative Performance Measures

As mentioned above (please refer to Introduction and Warnings section), the following financial information includes measures which are not accounting measures as defined by IFRS-EU. These measures are not part of the financial statements or financial accounting records and have not been audited or otherwise reviewed by external auditors, consultants or experts. These measures should not be used instead of, or considered as alternatives to, historical financial results prepared in accordance with the basis of preparation disclosed in Note 3 of the 2021 Audited Annual Financial Statements and in accordance with IFRS-EU.

The APMs are indicators frequently used by management to monitor and analyse GreenVolt's overall performance, business and operations and they do not reflect the measurements required by, or presented in accordance with, IFRS-EU. Therefore, the measures presented below present some differences to the audited financial information presented by the Issuer and may evolve over time in order to adapt the definitions to the evolution of the Issuer's operations.

The reconciliations presented below compare the current definitions of APMs versus the definitions used in the previous prospectus of the Issuer dated 1 July 2021 and 25 November 2021, which were updated to reflect the current business of the Issuer, as well as identify any differences that might

exist to similar concepts disclosed in most recent year-end or interim financial statements of the Issuer.

These measures may not be comparable to similarly titled measures disclosed by other companies:

(amounts expressed in million Euros)	Three-month period ended 31 March		Year ended 31 December			
	2022 (unaudited)	2021 (unaudited)	2021 restated (unaudited)	2021 (unaudited)	2020 (unaudited)	2019 (unaudited)
EBITDA ⁽¹⁾⁽⁷⁾	21.9	6.5	56.5	56.5	33.0	22.7
EBITDA margin ⁽²⁾⁽⁷⁾	38.7%	30.5%	40.0%	40.0%	37.9%	35.1%
Adjusted EBITDA ⁽³⁾⁽⁷⁾	22.0	6.5	61.6	61.6	33.0	22.2
Adjusted EBITDA margin ⁽²⁾⁽⁷⁾	38.9%	30.5%	43.5%	43.5%	37.9%	34.3%
EBIT ⁽⁴⁾⁽⁷⁾	12.7	3.2	30.1	30.6	27.2	12.1
Adjusted EBIT ⁽⁵⁾⁽⁷⁾	12.8	3.2	35.2	35.6	20.9	12.1
Operating Cost ⁽⁶⁾⁽⁷⁾	(34.6)	(14.7)	(79.9)	(79.9)	(54.1)	(42.4)
Net debt + Shareholders loans ⁽⁸⁾⁽⁹⁾	285.3	25.3	249.6	249.6	82.0	114.8
Capital Expenditure (Capex) ⁽¹⁰⁾⁽¹¹⁾	20.1	2.3	52.6	52.6	4.5	30.0

(1) EBITDA is defined as earnings before interest, taxes and CESE (Energy sector extraordinary contribution), depreciation, amortisation and impairment reversals/ (losses) in non-current assets. EBITDA is used by investors, analysts and management to evaluate profitability. EBITDA is a non-IFRS-EU financial measure and should not be viewed as a substitute for any IFRS-EU financial measure. The Issuer has presented this non-IFRS-EU measure in this Prospectus because the Issuer considers it to be an important supplemental measure for investors in comparing performance between companies and is consistently presented to the market.

(2) EBITDA margin and Adjusted EBITDA margin are calculated as EBITDA and Adjusted EBITDA, respectively, as a percentage of Total Income. These are non-IFRS-EU financial measures and should not be viewed as a substitute for any IFRS-EU financial measure. The Issuer has presented these non-IFRS-EU measures in this Prospectus because we consider them to be important supplemental measures for investors in comparing performance between companies.

Additionally, these measures were changed when compared to the IPO prospectus, as EBITDA Margin and Adjusted EBITDA Margin were calculated as a percentage of revenue, excluding biomass sales and are now calculated as a percentage of Total income, as explained and defined in (12) below.

(3) Adjusted EBITDA is defined as EBITDA excluding (i) non-recurring transaction costs, which are essentially related to business combinations / acquisitions performed by the Group, (ii) other income from claim compensation from property damage. Adjusted EBITDA is a non-IFRS-EU financial measure and should not be viewed as a substitute for any IFRS-EU financial measure. The issuer has presented this non-IFRS-EU measure in this Prospectus because we consider it to be an important supplemental measure for investors in comparing performance between companies. During the year ended 31 December 2021, the Issuer performed several

acquisitions of companies, with a significant impact in terms of costs incurred that negatively affected the profitability and were considered as one-off – this explains the exclusion of transaction costs for the analysis of EBITDA (in prior years there were no transaction costs and therefore, this was not applicable). In addition, the Issuer removed from the definition of Adjusted EBITDA the exclusion of other income from investment grants, since this item is commonly included in the quarterly earnings announcement communicated to the market, as well is a recurring item, as shown in the reconciliation below.

(amounts expressed in Euros)	Three-month period ended 31 March		Year ended 31 December		
	2022	2021	2021	2020	2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current definition of Adjusted EBITDA.....	22,043,688	6,470,804	61,586,370	33,021,107	22,195,524
Transaction costs.....	(144,970)	-	(5,045,193)	-	-
Investment grants.....	(55,603)	(55,603)	(238,744)	(222,412)	(222,411)
Adjusted EBITDA (prior definition)	21,843,115	6,415,201	56,302,433	32,798,695	21,973,113
Difference	-	-	-	-	-

Note: the 2021 restatement did not impact the above APMs.

- (4) EBIT corresponds to Earnings before interest, taxes and CESE and is defined as consolidated net profit for the year before financial expenses and financial income, income tax and CESE. EBIT is a non-IFRS-EU financial measure and should not be viewed as a substitute for any IFRS-EU financial measure. The issuer has presented this non-IFRS-EU measure in this Prospectus because we consider it to be an important supplemental measure for investors in comparing performance between companies. The issuer has replaced operating profit with EBIT, as it understands that EBIT is a more commonly used term among investors. Nevertheless, EBIT and operating profit correspond to the same measure. The reconciliation of previously disclosed information is performed in the table below:

(amounts expressed in Euros)	Three-month period ended 31 March		Year ended 31 December			
	2022	2021	2021 restated	2021	2020	2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
EBIT	12,670,649	3,155,043	30,116,392	30,560,971	27,208,392	12,077,609
Operating profit	12,670,649	3,155,043	30,116,392	30,560,971	27,208,392	12,077,609
Difference.....	-	-	-	-	-	-

- (5) Adjusted EBIT is defined as EBIT excluding non-recurring transaction costs and impairment reversals in non-current assets, which may impact the understanding of the company's performance from a normalised view, reason why this APM has been included. Adjusted EBIT is a non-IFRS-EU financial measure and should not be viewed as a substitute for any IFRS-EU financial measure. The issuer has presented this non-IFRS-EU measure in this Prospectus because we consider it to be an important supplemental measure for investors in comparing performance between companies.

- (6) Operating Cost is defined as (i) costs of sales excluding the cost of biomass sold, (ii) external supplies and services excluding transaction costs, (iii) payroll expenses, (iv) results related to investments, (v) provisions and impairment reversals / (losses) in current assets, and (vi) other expenses. Operating Costs is a non-IFRS-EU financial measure and should not be viewed as a substitute for any IFRS-EU financial measure. The Issuer has presented this non-IFRS-EU measure in this Prospectus because we consider it to be an important supplemental measure for investors in comparing performance between companies. In relation to previous periods, this APM has been updated to reflect the new cost structure of the group (e.g. the definition now includes payroll expenses, results related to investments and provisions and impairment reversals /(losses) in current assets). In addition, the Issuer opted to separate the other income from the Net Operating Costs previously presented and instead, present other income within Total Income, as it provides a clearer view of the current several streams of income, not representative in previous years. For the purposes of this Prospectus, the Issuer opted to exclude transaction costs and the costs of biomass sales from operating costs, as it considers that such costs should be excluded in order to present the recurrent costs incurred with the Issuer's operations. The Issuer therefore understands that the purpose of this APM is different from the requirements adopted in IFRS-EU and reflected in the 2021 annual accounts.

In addition, the costs on biomass sales affect only the year ended 31 December 2020. The reconciliation between Net Operating Costs and Operating Costs is presented below:

	Three-month period ended 31 March		Year ended 31 December		
	2022 (unaudited)	2021 (unaudited)	2021 (unaudited)	2020 (unaudited)	2019 (unaudited)
(amounts expressed in Euros)					
Operating costs ^(a)	(34,565,901)	(14,729,630)	(79,920,170)	(54,055,759)	(42,433,948)
Other income	(539,089)	(55,745)	(861,419)	(222,437)	(851,448)
Investment grants	55,603	55,603	238,744	222,412	222,411
Claim compensation - property damage	-	-	-	-	505,331
Transaction costs ^(a)	144,970	-	5,045,193	-	-
Payroll expenses.....	(4,735,586)	(551,562)	(6,442,375)	-	-
Results related to investments.....	(168,851)	-	(276,204)	-	-
Provisions and impairment reversals /(losses) in current assets.	(48,530)	-	(146,885)	41	-
Net operating costs (prior definition).....	(29,274,418)	(14,177,926)	(77,477,224)	(54,055,775)	(42,310,242)
Difference.....	-	-	-	-	-

Note: the 2021 restatement did not impact the above APMs.

- (a) For the purposes of this Prospectus, the Issuer opted to exclude transaction costs and the costs of biomass sales from operating costs, as it considers that such costs should be excluded in order to present the recurrent costs incurred with the Issuer's operations. In addition, the costs from biomass sales affected only the year ended 31 December 2020. The Issuer therefore understands that the purpose of this APM is different from the requirements adopted in IFRS-EU and reflected in the 2021 annual accounts.

(7) The reconciliation of Operating Costs, Total Income, EBIT, EBITDA and Adjusted EBITDA is as follows:

(amounts expressed in Euros – as presented on the consolidated income statement)	Three-month period ended 31 March			Year ended 31 December		
	2022 (unaudited)	2021 (unaudited)	2021 restated (unaudited)	2021 (unaudited)	2020 (unaudited)	2019 (unaudited)
Costs of sales	(16,011,016)	(9,760,709)	(43,237,838)	(43,237,838)	(39,028,957)	(24,880,975)
Cost of biomass sold (a)	-	-	-	-	3,023,190	-
External supplies and services	(13,536,710)	(4,386,841)	(34,272,650)	(34,272,650)	(17,920,494)	(17,470,548)
Transaction costs ^(a)	144,970	-	5,045,193	5,045,193	-	-
Other expenses	(210,178)	(30,518)	(589,411)	(589,411)	(129,539)	(82,425)
Payroll expenses	(4,735,586)	(551,562)	(6,442,375)	(6,442,375)	-	-
Results related to investments	(168,851)	-	(276,204)	(276,204)	-	-
Provisions and impairment reversals /(losses) in current assets	(48,530)	-	(146,885)	(146,885)	41	-
Operating Costs^(a)	(34,565,901)	(14,729,630)	(79,920,170)	(79,920,170)	(54,055,759)	(42,433,948)
Adjusted EBIT (unaudited) (1)	12,815,619	3,155,043	35,161,585	35,606,164	20,872,650	12,077,609
Impairment reversals /(losses) in non-current assets (2)	-	-	-	-	6,335,742	-
Transaction costs (6)	144,970	-	5,045,193	5,045,193	-	-
EBIT (unaudited) (3)= (1) + (2) + (6)	12,670,649	3,155,043	30,116,392	30,560,971	27,208,392	12,077,609
Amortisation and depreciation (4)	(9,228,069)	(3,315,761)	(26,424,785)	(25,980,206)	(12,148,457)	(10,623,246)
Earnings before interest, taxes and CESE, depreciation, amortisation and Impairment reversals / (losses) in non- current assets (5) = (3)-(4)	21,898,718	6,470,804	56,541,177	56,541,177	33,021,107	22,700,855
EBITDA (unaudited) (5)	21,898,718	6,470,804	56,541,177	56,541,177	33,021,107	22,700,855
Transaction costs (6)	144,970	-	5,045,193	5,045,193	-	-
Claim compensation – property damage	-	-	-	-	-	(505,331)
Adjusted EBITDA (unaudited) (5)+(6)	22,043,688	6,470,804	61,586,370	61,586,370	33,021,107	22,195,524
Revenue	56,070,500	21,144,689	140,645,121	140,645,121	89,877,619	642,83,355
Sales	48,613,077	21,144,689	130,709,839	130,709,839	89,877,619	64,283,355
Services rendered	7,457,423	-	9,935,282	9,935,282	-	-
Other income	539,089	55,745	861,419	861,419	222,437	851,448
Biomass sales (b)	-	-	-	-	(3,023,190)	-
Claim compensation – property damage (b)	-	-	-	-	-	(505,331)
Total income^{(12) (b)}	56,609,589	21,200,434	141,506,540	141,506,540	87,076,866	64,629,472
EBITDA margin (unaudited) (%)	38.7%	30.5%	40.0%	40.0%	37.9%	35.1%
Adjusted EBITDA margin (unaudited) (%)	38.9%	30.5%	43.5%	43.5%	37.9%	34.3%

(a) For the purposes of this Prospectus, the Issuer opted to exclude transaction costs and the costs of biomass sales from operating costs, as it considers that such costs should be excluded in order to present the recurrent costs incurred with the Issuer's operations. In addition, the costs from biomass sales affect only the year ended 31 December 2020. The Issuer therefore understands that the purpose of this APM is different from the requirements adopted in IFRS-EU and reflected in the 2021 annual accounts.

(b) The Issuer opted not to exclude Biomass sales from total income in the 2021 annual report as well as in the 2021 quarterly earnings reports as the Biomass sales only affected the year ended December 31,

2020. Additionally, the component related to claim compensation – property damage is not applicable for the years ended of 31 December 2021 and 31 December 2020. The Issuer therefore understands that the purpose of this APM is different from the requirements adopted in IFRS-EU and reflected in the annual accounts.

- (8) Net debt + Shareholder loans is defined as the sum of bonds, bank loans, other loans and lease liabilities (“**Gross Debt**”), less cash and cash equivalents, plus Shareholders loans. Net debt + Shareholders loans, and Gross Debt are a non-IFRS-EU financial measures and should not be viewed as a substitute for any IFRS-EU financial measure. The Issuer presented this non-IFRS-EU measure in this Prospectus because it considers it to be an important supplemental measure for investors in comparing performance between companies.
- (9) Net debt + Shareholders loans is calculated as follows:

	As at 31 March		As at 31 December	
	2022 (unaudited)	2021 (unaudited)	2020 (unaudited)	2019 (unaudited)
(amounts expressed in Euros - as presented in the consolidated statement of financial position)				
NON-CURRENT LIABILITIES (1) = (2) + (3) + (4) + (5) + (6)	489,571,930	477,642,441	54,300,405	55,762,553
Bank loans (2)	159,658,336	160,576,657	-	-
Bond loans (3).....	183,316,177	169,646,308	48,463,769	49,673,801
Other loans (4).....	39,546,508	39,521,862	-	-
Shareholder loans (5).....	40,547,090	40,826,529	-	-
Lease liabilities (6)	66,503,819	67,071,085	5,836,636	6,088,752
CURRENT LIABILITIES (7)= (8) + (9) + (10) + (11) + (12)	33,813,888	30,670,012	41,836,853	75,164,915
Bank loans (8)	7,333,169	6,369,435	-	-
Bond loans (9).....	3,415,664	2,933,588	1,545,172	294,954
Other loans (10).....	21,466,094	20,490,460	40,007,311	50,000,000
Shareholders loans (11)	699,854	-	-	24,596,424
Lease liabilities (12)	899,107	876,529	284,370	273,537
Gross Debt + Shareholders loans (unaudited) (13) = (1)+ (7)	523,385,818	508,312,453	96,137,258	130,927,468
Cash and cash equivalents (14).	238,075,005	258,757,013	14,100,666	16,107,267
Net debt + Shareholders loans (unaudited) (15) = (13) – (14) ..	285,310,813	249,555,440	82,036,592	114,820,201

Note: the 2021 restatement did not impact the above APMs.

- (10) Capital Expenditure (Capex) is defined as acquisition costs incurred during the year classified as property, plant and equipment and intangible assets. For the sake of clarity, this includes investments in (i) intangible assets, (ii) biomass power plants, and (iii) investment in solar and wind plants under development, recorded as intangible assets and property plant and equipment incurred in the year or period. The amounts considered exclude the changes in the consolidation perimeter, therefore only including the additions according to note 11 and 13 of the 2021 Audited Annual Financial Statements. This APM has been updated to include the acquisition of intangible assets – as mentioned in the 2021 Audited Annual Financial Statements, the Issuer may perform acquisition of subsidiaries that, due to the nature of the transactions being in the initial stage of development, correspond to acquisitions of assets, within “Intangible assets in progress”. Capital Expenditure (Capex) is a non-IFRS-EU financial

measure and should not be viewed as a substitute for any IFRS-EU financial measure. The Issuer presented this non-IFRS-EU measure in this Prospectus because we consider it to be an important supplemental measure for investors in comparing performance between companies.

(11) Capital expenditure (Capex) is as follows:

	Three-month period ended 31 March	As at 31 December		
	2022 (unaudited)	2021 (unaudited)	2020 (unaudited)	2019 (unaudited)
(amounts expressed in Euros)				
Additions				
Property, plant and equipment.....	15,702,056	16,095,487	1,588,052	30,021,635
Intangible assets	4,413,254	36,498,544	2,921,894	-
Capital expenditure (unaudited).....	<u>20,115,310</u>	<u>52,594,031</u>	<u>4,509,946</u>	<u>30,021,635</u>

Note: the 2021 restatement did not impact the above APMs.

If the APM did not consider the intangible assets acquired, Capital Expenditure would amount to €16,095,487, €1,588,052 and €30,021,635 as at 31 December 2021, 2020 and 2019, respectively.

(12) Total Income is defined as the total of sales, services rendered and other income, as disclosed in the consolidated income statement, excluding biomass sales and claim compensation – property damage. Total Income has been included as alternative performance measure as it is commonly used by the Issuer to calculate the EBITDA and EBIT margins. Considering the acquisitions performed during 2021, with new streams of business and revenue, the Issuer considers that this measure should be updated to reflect the new and different streams of income, such as those coming from the distributed generation, whose revenue stream is mainly from services rendered, which was not applicable in years prior to 2021. In addition, there has been a reclassification of other income between Net Operating Costs and Total Income, motivated by the fact that the issuer, in its quarterly earnings announcement, includes “Other income” within Total Income. We believe this reclassification provides investors with more information and, therefore, ensures alignment in the performance measures used and shared with the market.

It is worth noting that the Issuer opted not to exclude biomass sales from total income in the 2021 annual report as well as in the 2021 quarterly earnings reports as the biomass sales only affected the year 2020. Additionally, the component related with claim compensation – property damage is not applicable for the years 2020 and 2021.

(13) Adjusted Net Profit is defined as consolidated net profit for the year excluding impairment reversals /(losses) in non-current assets. The Issuer presented this non-IFRS-EU measure in this Prospectus because it considers it to be an important supplemental measure for investors in comparing performance between companies, as it excludes reversals in non-current assets, which have a non-recurring and non-cash impact.

13.2. Significant changes in the financial position of the Issuer

There have been no significant changes in the financial position of the Group since 31 March 2022, i.e. the end of the last financial period for which interim financial information have been published (Unaudited Interim Condensed Consolidated Financial Statements).

14. ISSUER'S CAPITALISATION AND INDEBTEDNESS

14.1. Capitalisation and indebtedness

The following tables present the Group's capitalisation and indebtedness as at 31 March 2022 and 31 December 2021, on an actual basis.

These tables should be read in conjunction with Chapter 13 ("*Selected Consolidated Financial Information*"), the Annual Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements appearing elsewhere in this Prospectus, together with the notes to the tables below.

Statement of Capitalisation (values in Euros)	31 March 2022 (unaudited)	31 December 2021 (restated - unaudited)	31 December 2021 (unaudited)
Current financial debt			
Guaranteed	-	-	-
Secured	6,163,281	5,327,844	5,327,844
Unguaranteed / unsecured	26,751,500	24,465,639	24,465,639
TOTAL CURRENT FINANCIAL DEBT	32,914,781	29,793,483	29,793,483
Non-current financial debt			
Guaranteed	-	-	-
Secured ⁹⁰	130,402,516	131,301,212	131,301,212
Unguaranteed / unsecured	292,665,595	279,270,144	279,270,144
TOTAL NON-CURRENT FINANCIAL DEBT	423,068,111	410,571,356	410,571,356
TOTAL INDEBTEDNESS	455,982,892	440,364,839	440,364,839
Equity			
Share Capital	267,099,998	267,099,998	267,099,998
Legal reserve	10,000	10,000	10,000
Share Premium	772,612	772,612	772,612
Supplementary capital	-	-	-
Other reserves and retained earnings	35,311,816	33,948,751	33,951,246
TOTAL CAPITALISATION	303,194,426	301,831,361	301,833,856
TOTAL INDEBTEDNESS AND CAPITALISATION	759,177,318	742,196,199	742,198,695

⁹⁰ The secured debt considered is the TGP acquisition finance, which is backed by first priority security over the issued share capital of the Borrower from Topco, first priority asset security from the Borrower, and first priority asset security from Target and Target Opco.

None of the total current debt or total non-current debt is indirect or contingent indebtedness.

The table below presents the Group's net financial indebtedness as at 31 March 2022 and 31 December 2021:

Statement of indebtedness (values in Euros)	31 March 2022 (Unaudited)	31 December 2021 (Unaudited)
A. Cash	-	-
B. Cash equivalents ⁹¹	238,075,005	258,757,013
C. Other current financial assets	-	-
D. Liquidity (A)+(B)+(C)	238,075,005	258,757,013
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	21,466,094	20,490,460
F. Current portion of non-current financial debt	12,347,794	10,179,552
G. Current financial debt (E)+(F)	33,813,888	30,670,012
H. Current net financial debt (G)-(D)	(204,261,117)	(228,087,001)
I. Non-current financial debt (excluding current portion and debt instruments)	489,571,930	477,642,441
J. Debt instruments	-	-
K. Non-current trade and other payables	20,200,202	16,289,251
L. Non-current financial debt (I)+(J)+(K)⁹²	509,772,132	493,931,692
M. Total financial indebtedness (H)+(L)	305,511,015	265,844,691

The difference between the line item total indebtedness in the table Statement of capitalisation, and the line item Current financial indebtedness plus the line item Non-current financial indebtedness in the table Statement of indebtedness of €87,603,128 and €84,236,865, as at 31 March 2022 and 31 December 2021, respectively, corresponds to the Lease liabilities and Non-current Other payables not included in the Statement of capitalisation table. As at 31 March 2022, the non-current and current portion of lease liabilities is €66,503,819 and €899,107, respectively, and as at 31 December 2021, it is €67,071,085 and €876,529, respectively. The amounts of lease liabilities do not bear interest and are related with the application of IFRS 16 Leases.

As at 31 March 2022, the Issuer held a total financial indebtedness of €305.5 million and over €238 million in cash and cash equivalents.

⁹¹ Corresponds to bank deposits. This includes a debt service reserve account (*Lakeside BidCo Limited*) amounting to 4,189,544.03 GBP as of 31 March 2022.

⁹² The non-current financial debt includes shareholder loans amounting to €40.5 million and €40.8 million as at 31 March 2022 and 31 December 2021, respectively, which are considered as interest bearing-debt (nil as at 31 March 2021 and 31 December 2020). The current portion of shareholder loans as at 31 March 2022 amounts to €0.7 million.

As at 31 March 2022, the Issuer held €282.5 million of available credit lines (€182.5 million committed and €100 million uncommitted), of which €221.1 million are not used (namely, €126.1 million committed lines still available, and €95 million uncommitted lines still available).

Other than mentioned above, there has been no material change in the Issuer's capitalisation and indebtedness position since 31 March 2022.

14.2. Working capital statement

As at 31 March 2022, the Group's Working Capital, defined by the difference between current assets (€325.2 million) and current liabilities (€95.0 million), is positive by around €230.2 million.

As at 31 December 2021, the Group's Working Capital, defined by the difference between current assets (€328.7 million) and current liabilities (€74.0 million), is positive by around €254.7 million.

Given that the generation of cash flow is dependent on numerous factors that at the time are not likely to be anticipated by the Group, the Issuer is continuously seeking to remedy any insufficiencies through the following mechanisms: (i) negotiating further long-term financing debt (namely, bonds) in order to strengthen and to extend the Issuer's debt maturity profile; and (ii) using the net proceeds of the issue of the New Shares.

In the opinion of the Issuer, the Group's Working Capital is sufficient for the Group's present requirements, that is, for at least 12 months following the date of this Prospectus.

15. DIVIDEND POLICY AND PROFIT FORECAST

15.1. Dividend policy

Prior to the date of this Prospectus, and with reference to the fiscal years ended on 31 December 2021, 2020 and 2019, the Issuer has not paid any dividends.

As it is an accelerated growth company, the Issuer does not expect to distribute dividends in the horizon of the business plan (up until 2026), neither foreseeing under its Articles of Association an obligation to distribute dividends nor a minimum threshold for such. The Issuer's past dividend distribution track record and its current dividend policy do not mean however that the Issuer excludes the possibility of distributing dividends or that the Issuer will never distribute dividends. The payment of dividends (if any) by the Issuer and its respective amount and timing will depend on a number of factors, including the Issuer's capital structure, availability of distributable reserves, future sales and profits, financial condition, general economic and business conditions and any other factors the Board of Directors may deem relevant.

There can be no assurance that a dividend will be declared in any given year. If a dividend is declared, there can be no assurance as to such dividend amount. Moreover, any dividend paid in any given year will not be indicative of any dividends to be paid in any subsequent year. If any dividend is distributed, all Shares will be entitled to the same gross dividend.

In what concerns the Portuguese legal provisions in respect of the payment of dividends, please see Section 18.4.5 ("*Dividends*").

15.2. Profit forecast

Introduction

On June 2022, the Issuer disclosed an investors presentation where it provided information on the EBITDA and Net Profit targeted by the Issuer for the year ending 31 December 2026. On the basis set out below, the Issuer forecasted a growth in its EBITDA and Net Profit for the year ending 31 December 2026 of 6 times (~43% 2021A-26E CAGR) and 12 times (~64% 2021A-26E CAGR), respectively ("*Profit Forecast*"), in relation to the restated 2021 values (56.541.177 and €7.832.443, respectively), considering 100 percent of all projects at an EBITDA level (excluding subsidiaries which are not controlled by GreenVolt such as MaxSolar) and considering the Issuer stake in all projects at a Net Profit level. The estimated EBITDA split by vertical for 2026 is the following: 55% Wind & Solar PV, 30% Biomass and 15% DG.

The Issuer defines "Net Profit" for this purpose as consolidated net profit for the year attributable to the Issuer. Net profit is a measure of profitability used by investors, analysts and management to evaluate profitability.

The Profit Forecast reflects the forward-looking expectations of the Issuer based upon assumptions and estimates about future events and actions, including the assessment of opportunities and risks

identified by the Board of Directors, taking into account, among others, factors within and not within the influence or control of the Issuer. The Assumptions (as defined below) used by the Issuer in the calculation of the Profit Forecast are subject to change as a result of many uncertainties due to, among others, operational, economic, financial, accounting, competitive, regulatory and tax environments, or as a result of other factors of which the Issuer is or may be unaware of at the date of this Prospectus. Should one or more of these Assumptions (as defined below) prove to be inappropriate or incorrect, the Issuer's targets referred to above may have to be reviewed and may materially deviate from the Profit Forecast.

The occurrence of certain risks described in Chapter 3 ("*Risk factors*") of this Prospectus may also have an impact on the Issuer's business, financial condition, prospects, results of operations, cash flows, profit and business model, results or outlook, and thus jeopardize its forecasts. Additionally, achieving the aforementioned proposed targets is highly dependent upon the successful implementation of the Issuer's strategy, which stems from its regulated residual biomass operation foundation, enriched by solar photovoltaic and wind development, construction, operation together with a well-defined asset rotation programme, and distributed generation market opportunities, as described in more detail in Section 10.4 (*Strategy and objectives of the Issuer*).

The Profit Forecast corresponds only to targets set by the Issuer, which may or may not be achieved as explained above. Therefore, the Issuer makes no undertaking and gives no assurance as to the Profit Forecast being achieved. Accordingly, prospective investors should treat information regarding the Profit Forecast with caution, should not place undue reliance on the Profit Forecast and no investment in New Shares may be made relying on the fact that the Issuer will achieve the Profit Forecast.

The Profit Forecast should thus be read in this context and construed accordingly.

Basis of Preparation

The Profit Forecast and the Assumptions (as defined below) were prepared in accordance with the Delegated Regulation 2019/980 and the ESMA Questions and Answers on the Prospectus Regulation.

The basis of accounting used for the Profit Forecast is comparable with the Issuer's historical financial information and consistent with its accounting policies, which are in accordance with IFRS-EU as adopted by the EU, and are those which were applied in preparing the Issuer's financial statements for the year ending 31 December 2021.

Recent changes in market and political environment enable an increased strategic ambition of the Issuer and a consent revision of its business plan. Change in market conditions include factors such as geopolitical instability and restricted access to natural gas, which led to energy price hikes and an acceleration in the renewables sector, Governments acknowledgement that permitting bureaucracy is the main bottleneck for growth in renewables, inflationary environment and volatility of raw material prices for construction led to an increased appetite to acquire projects at COD and higher

power prices incentivize long term PPAs and flourishing of distributed generation which may eventually represent 25 percent of European consumption in 2030.

In this scenario, GreenVolt fine-tuned its strategy, that will continue to be focused on the 3 most promising areas of renewables, making use of its competitive advantage: (i) in the residual biomass segment, optimizing the Biomass Power Plants operated by the GreenVolt Group will continue to be central to the Issuer's strategy, while further acquisitions will be underweighted (but not excluded); (ii) in the wind & solar utility-scale, development continues to be the segment which brings the biggest value added, but there are now opportunities to rebalance the envisaged sales at RtB/COD in order to increase the weight at COD; and (iii) distributed generation is expected to evidence a boost growth, increasing GreenVolt's stake in a vast market that is key for energy transition.

Accordingly, acceleration of the business plan is expected to enhance growth and profitability to a level higher than expected (particularly when compared with the 2025 targets set when the Shares were admitted to trading in July 2021, with reference to an EBITDA of €33.0 million and an Adjusted Net Profit of €11.6 million during 2020), while at the same time the Issuer intends to keep a solid balance sheet under a conservative financial policy.

Assumptions

The Issuer has prepared the Profit Forecast on the basis referred to above and the assumptions set out below ("**Assumptions**"). The Profit Forecast is inherently uncertain and there can be no guarantee or assurance that any of the factors listed or referred to below will not occur and/or, if they do, what would be their effect on the Issuer's business, financial condition, prospects, results of operations, cash flows, profit and business model, results or outlook.

In preparing the Profit Forecast, the Issuer has used financial results data available until 2021 and made the following assumptions for the period from 2021 through to 2026 ("**Assumption Period**"):

Factors not within the influence or control of the Issuer

- Absence of changes in market conditions (including, without limitation, in relation to the client or customer demand or the competitive environment) which are or may become material for the Profit Forecast;
- No relevant changes in the political and/or economic environment, in Portugal or in the European countries of relevance to the Issuer's strategy, which may be material in the context of the Profit Forecast;
- Maintenance of the currency exchange rates assumed in the Profit Forecast, which are aligned with the current level of the market;
- Maintenance of the inflation, interest or tax rates applicable in the markets where the Group develops or plans to develop its activities;

- No change in general sentiment towards the Issuer, the Group and/or their operations, which may have a material impact on the Issuer and the Group;
- No changes in the accounting standards or policies used for the Profit Forecast and which are material in the context of the Profit Forecast;
- No changes in the taxes or tariffs applicable to the energy sector in countries where the Group operates or plans to operate and that may be material in the context of the Profit Forecast;
- Absence of significant biomass price variations;
- Continuous access to quality biomass supply on the agreed delivery dates;
- Normal operation of the associated Pulp Facilities, which supply some of the utilities required for the operation of the Portuguese Biomass Power Plants, namely water and compressed air;
- Maintenance of the existing relationship with Altri Group entities in Portugal, timely performance of the contractual relationships associated with the activity of the Issuer and absence of any issues in respect of the Group's contracts which are material in the context of the Profit Forecast;
- The increasing competitiveness in the markets where the Group operates or plans to operate has no detrimental impact on the Issuer or its subsidiaries' ability to develop new projects;
- Absence of adverse effects in the licensing phase of new projects, notably in what concerns planning and environmental restrictions that may wholly or partially prevent the implementation thereof, particularly in the cases of the projects under development and to be developed until 31 December 2026 by V-Ridium, by Infraventus Companies and by Sustainable Energy One, the two solar projects to be developed by SESAT and Paraimo Green and the Mortágua power plant;
- Absence of adverse effects in the construction phase of new projects, notably in what concerns procurement and / or engineering bottlenecks that may wholly or partially prevent the implementation thereof, particularly in the cases of projects under construction or to be constructed until 31 December 2026 by V-Ridium, by Infraventus Companies and by Sustainable Energy One, the two solar projects to be constructed in Portugal and the Mortágua power plant;
- No adverse impact of weather conditions on the development of the Group's activities, notably wind and solar businesses;
- Maintenance of (i) the Issuer's key management and its current and future subsidiaries; and (ii) the partnerships with strong local and well-known developers which are key to the implementation of an asset rotation strategy of projects at the RtB or Commercial Operations Date phase at an optimised value due to lack of development and construction risk;

- Absence of challenges in the sale of significant minority stakes in projects under operation to tier 1 partners;
- Absence of adverse effects in regulation that undermine the self-consumption and energy communities markets where the Issuer operates and/or intends to operate distributed generation platforms/businesses;
- Absence of adverse effects in the installation and procurement of rooftop and ground-mounted Solar PV components that may wholly or partially prevent the roll out of this business unit;
- Ability of the Issuer to raise financing to develop new projects, particularly on a project finance basis, and no reduction in the Group's available financing for the development of its activities and new projects; and
- Inexistence of any other event that has a material adverse effect on the Issuer or the Group's results of operations, financial condition or financial performance.

Factors within the influence or control of the Issuer

- Development of the Issuer's business strategy in the terms expected through the acquisition of biomass power plants already in operation, which the Issuer identifies as being operated below their potential capacity, and the enhancement of the efficiency of those power plants, transposing legacy knowledge from the Portuguese Biomass Power Plants to international ones;
- Absence of any material technical failures or other material defects in the Portuguese Biomass Power Plants' and TGP's equipment, or accidents that result in relevant suspension of the activities in the Portuguese Biomass Power Plants and TGP or in other power plants operated from time to time by the Issuer or any subsidiary;
- Continuing the expansion of the Issuer's activities to energy sectors additional to residual biomass, namely the development, construction and operation of wind and solar photovoltaic projects;
- Ability to, in accordance with the strategy and objectives of the Issuer, develop and construct onshore wind and solar photovoltaic plants across Europe and in other target countries, notably through V-Ridium, Sustainable Energy One and Infraventus Companies;
- Ability to operate and maintain 20-30 percent of the Issuer's total pipeline of onshore wind and solar PV projects;
- Implementation of an asset rotation strategy, namely through V-Ridium, through the sale of significant minority stakes in several renewable energy projects, particularly wind and solar photovoltaic operational portfolio;

- Ability to further develop the Issuer's distributed generation platform organically and through acquisitions, in Portugal and in other European countries;
- Absence of damages to third party property, environmental damages or personal injuries; and
- Compliance with all the applicable environmental and other relevant laws and regulations and absence of any breach that could cause financial or reputational adverse impacts.

16. CONDITIONS OF THE OFFER

16.1. Conditions, statistics, planned schedule and types of subscription of the Offer

16.1.1. Addressees of the Offer

The Offer is exclusively addressed to (i) Shareholders who, by virtue of holding shares representative of the Issuer's share capital, hold Subscription Rights and (ii) investors who acquire Subscription Rights, to whom the Offer may lawfully be made (for more information, see Chapter 20 ("*Selling and Transfer Restrictions*"). Subscription Rights must be exercised in accordance with the applicable laws, including securities laws, and GreenVolt reserves the right to reject applications to exercise Subscription Rights where it is not satisfied (in its sole discretion) that this is the case.

If the New Shares are not fully subscribed, they may also be subscribed by Qualified Investors or failing that by the Managers pursuant to the Underwriting Agreement as described in Section 16.4 ("*Underwriting*").

16.1.2. Allocation and negotiation of Subscription Rights

The New Shares are offered directly for subscription to all Shareholders upon exercise of their Subscription Rights. As of the date of this Prospectus, the Issuer does not hold any treasury shares.

The number of New Shares that each Shareholder or each holder of Subscription Rights may subscribe for is the result of applying the factor 0.14659 to the number of Subscription Rights held at the time of the subscription order's transmission, rounded down to the nearest whole ordinary share.

The initially unsubscribed New Shares pursuant to the exercise of the Subscription Rights shall be apportioned amongst the holders of Subscription Rights who have expressed the intention to subscribe more shares than the amount they would be entitled to, in proportion to the value of the corresponding subscriptions for New Shares through the exercise of the Subscription Rights, rounded down to the nearest whole ordinary share. The request for the additional subscription of New Shares shall be made along with the request for subscription and shall not be detachable from the latter.

Shares (i) acquired on Euronext Lisbon up to, and including, 15 June 2022, corresponding to the last trading day of the shares with the corresponding Subscription Rights attached, and (ii) transferred or acquired outside of a regulated market and registered on the acquirer's securities account up to, and including, the Business Day before the beginning of the Offer Period of the Offer, that is, up to, and including, 17 June 2022, shall entitle such holders to the right to subscribe for New Shares as part of the Offer.

Shareholders that do not intend to exercise their Subscription Rights may dispose of such Subscription Rights, in whole or in part, on Euronext Lisbon. Such Subscription Rights will trade between 20 June 2022 and 29 June 2022, that is, from the first day of the Subscription Rights Trading Period (i.e. the first day of the Offer Period) up to and including the last day of the Subscription Rights Trading Period (i.e. the fourth Trading Day prior to end of the Offer Period). The Subscription Rights may also be

traded outside Euronext Lisbon, in accordance with the general terms of the law, having to be registered on the relevant individual securities account of the acquirer until 4 July 2022 (inclusive), in order for the relevant exercise of such Subscription Rights. Therefore, Shareholders that do not intend to exercise their Subscription Rights, in whole or in part, or that intend to hold a higher number of Subscription Rights, may trade such Subscription Rights either on Euronext Lisbon and/or outside Euronext Lisbon, in accordance with the general terms of the law, within the aforementioned deadlines.

Subscription Rights that are not disposed of or exercised prior to the end of the Subscription Rights Trading Period and of the Offer Period, respectively, will expire and no compensation will be due to the holders of such Subscription Rights. The New Shares corresponding to such undisposed and unexercised Subscription Rights will be apportioned as described in Section 16.2 (*"Distribution and allocation plan"*) below.

This Prospectus also concerns the admission of the Subscription Rights for trading on Euronext Lisbon. The ISIN code corresponding to the Subscription Rights is PTGNVOAMS000 and they will be traded under the ticker "GVOS1".

16.1.3. Maximum and minimum amount of subscriptions

The maximum number of New Shares to be issued under the Offer is 17,792,576. The Offer is not conditional upon a minimum number of New Shares being subscribed. Therefore if the demand in respect of the Offer is lower than the offer and the Offer is incomplete, namely due to the termination of the Underwriting Agreement, it will be maintained with respect to the New Shares that have been subscribed and, in that case, the share capital increase referred to in this Prospectus will be limited to the New Shares subscribed.

Subscription orders are not required to refer to a minimum number of New Shares. The maximum number of New Shares an investor may subscribe for (if an investor has expressed its intention to subscribe more shares than the amount it would be entitled to) is limited to the maximum number of New Shares to be issued. The allocation of the subscription orders will be made in accordance with the criteria described in Section 16.2 (*"Distribution and allocation plan"*).

16.1.4. Conditions of the Offer

The effectiveness of the Offer is not subject to any conditions.

16.1.5. Term of the Offer, subscription process for the New Shares and calendar

The New Shares may be subscribed for during the Offer Period.

Shareholders or holders of Subscription Rights wanting to subscribe New Shares pursuant to the relevant Subscription Rights may place a subscription order with any financial intermediary legally qualified to provide registration and deposit of securities services.

Any subscription order may be revoked or amended until 3 p.m. on 1 July 2022, by means of a notification sent to the financial intermediary that received the relevant subscription order. From the moment the subscription orders become irrevocable, any subscription order may only be amended to increase the number of New Shares to be subscribed, to the extent permitted under the Offer and the law. Financial intermediaries receiving subscription orders are responsible for monitoring the veracity and authenticity of the information submitted by investors, as well as the capacity in which the persons making the relevant instructions act, in accordance with the legal requirements imposed by the conditions of the Offer; however, financial intermediaries will not be liable if the information provided is not true, except in case of culpable action or omission by said financial intermediaries.

Planned Schedule

The following table summarizes certain expected dates which are considered the most relevant in relation to the Offer:

Description of the main steps	Envisaged date
Approval and publication of the Prospectus	9 June 2022
Publication of the notice to Shareholders of the Issuer regarding their Subscription Rights	9 June 2022
Share cum-Subscription Rights date – last day on which the shares of the Issuer may be traded on Euronext Lisbon with the inherent Subscription Rights attached	15 June 2022
Record Date <i>Note: Issuer's shares acquired outside the regulated market and registered in the book-entry securities account of the relevant Shareholder up to, and including, 05:00 p.m. on 17 June 2022 shall grant such Shareholder the related Subscription Rights, unless otherwise stipulated</i>	17 June 2022
Subscription Rights Trading Period	20 June 2022 at 8:30 a.m. – 29 June 2022 at 4:30 p.m. Lisbon time
Offer Period	20 June 2022 at 8:30 a.m. – 4 July 2022 at 3:00 p.m. Lisbon time
Remittance by financial intermediaries to Interbolsa of orders received in the Offer	20 June 2022 at 8:30 a.m.– 4 July 2022 at 4:00 p.m. Lisbon time
First day of the Subscription Rights Trading Period (i.e. first day on which Subscription Rights may be traded on Euronext Lisbon)	20 June 2022
First day of the Offer Period (i.e. first day on which subscription orders in respect of the New Shares may be placed)	20 June 2022
Last day and end of the Subscription Rights Trading Period (i.e. last day on which Subscription Rights may be traded on Euronext Lisbon) <i>Note: The Subscription Rights may also be traded outside Euronext Lisbon, in accordance with the general terms of the law, having to be registered on the relevant individual securities account of the acquirer until 4 July 2022 (inclusive), in order for the relevant exercise of such Subscription Rights</i>	29 June 2022
Date and time from which subscription orders in respect of New Shares become irrevocable and may only be amended to increase the number	1 July 2022 at 3:00 p.m.

of New Shares to be subscribed, to the extent permitted under the Offer and the law	
Last day and end of the Offer Period (i.e. last day on which subscription orders in respect of the New Shares may be placed)	4 July 2022
Announcement of the results of the Offer	5 July 2022
Completion of the settlement of the New Shares	6 July 2022
Registration of the share capital increase with the commercial registry office	7 July 2022
Completion of the physical settlement through the application of the same ISIN code to the New Shares that were issued in order they become fungible with the others <i>Note: the issue of New Shares and the commencement of trading on Euronext Lisbon is conditioned upon prior registration of the share capital increase with the commercial registry office, which is expected to occur on 7 July 2022. There is no assurance that the registration of the share capital increase, and the commencement of trading on Euronext Lisbon will not be delayed.</i>	11 July 2022
First day of trading of the New Shares <i>Note: Conditioned to prior favourable decision by Euronext Lisbon.</i>	11 July 2022

16.1.6. Price, method, payment terms and delivery of the New Shares

The New Shares to be issued will be offered at the Subscription Price. The Subscription Price also contrasts with a net asset value per Share of €2.51, calculated dividing total equity attributable to equity holders of GreenVolt set out in the statement of financial position as at 31 March 2022 (of €121,376,470) by the number of Shares.

The payment of the Subscription Price, including in relation to any additional subscription requests made in the apportionment phase, will be made in cash and in full upon the act of subscription, and commissions or other expenses may be charged to investors in addition to the Subscription Price.

Costs related to the submission of subscription orders and/or the maintenance of securities accounts will depend on the prices applied by financial intermediaries for these services, which are available on the CMVM's website at www.cmvm.pt and should be communicated to the investor by the financial institution receiving the subscription order. GreenVolt will not charge any commissions or other expenses to investors in relation to the Offer.

Once the results of the Offer are determined, investors will be notified by their financial intermediaries (with whom they have placed their subscription orders) of the number of New Shares allocated to them.

If the total number of New Shares applied for any given investor are not allocated to it, the amount corresponding to the non-allocated New Shares shall be available with the financial intermediary through which the subscription order was transmitted, immediately upon receipt by the latter of the results of the Offer.

16.1.7. Circumstances permitting the amendment, withdrawal or suspension of the Offer

In accordance with the provisions of Article 128 of the Portuguese Securities Code, in the event of an unforeseeable and substantial change in the circumstances which, in a manner known to the addressees of the Offer, motivated the decision to launch the Offer, and exceeding the risks inherent to the Offer, GreenVolt may, within a reasonable period of time and after having obtained CMVM's authorization, modify or revoke the Offer. A modification of the Offer constitutes grounds for the extension of the Offer Period, decided by the CMVM on its own initiative or at the request of GreenVolt. In such scenario, the subscription orders presented prior to the amendments are considered effective for the purposes of the amended Offer, without prejudice to the possibility of such orders being revoked by investors. Any modification of the offer should be presented under a supplement and immediately disclosed following the same arrangements as were applied when the Prospectus was published. If a modification to the Offer is based on a significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus, GreenVolt shall request without undue delay that the CMVM approve a supplement to the Prospectus, pursuant to the provisions of Article 23 of the Prospectus Regulation. The supplement to the Prospectus shall be approved in a maximum of five working days and published in accordance with at least the same arrangements as were applied when the Prospectus was published. Investors who have already agreed to subscribe New Shares pursuant to the Offer before the supplement is published shall have the right, exercisable within three working days after the publication of the supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy that led to the preparation and approval of the supplement arose or was noted before the closing of the Offer Period or the delivery of the New Shares, whichever occurs first. The final date of the right of withdrawal shall be stated in the supplement.

Under the terms of Article 131 of the Portuguese Securities Code, the CMVM shall order the withdrawal of the Offer or prohibit its launch if it concludes that the Offer constitutes an irremediable legal or regulatory breach. A decision to withdraw or prohibit the Offer under such circumstances should be published by the CMVM, at the expenses of the Issuer, through the same means as the Prospectus. The revocation or withdrawal of the Offer determines the ineffectiveness thereof and of the subscription orders communicated prior to or subsequent to the revocation or the withdrawal, and everything that was delivered shall be returned, as established by the provision of Article 132 of the Portuguese Securities Code.

In accordance with Article 133 of the Portuguese Securities Code, CMVM shall suspend the Offer whenever it finds any illegality or breach of regulations that is susceptible of being remedied.

If the Offer is suspended for any reason, investors may revoke their subscription orders within five days after the suspension has ceased. Investors have the right to receive all funds they have delivered for the subscription of New Shares. Each period of suspension of the Offer may not exceed 10 working

days. Upon the expiry of such period, if the irregularities that led to the suspension have not been remedied, CMVM shall order the withdrawal of the Offer.

Pursuant to the provisions of Article 23 of the Prospectus Regulation, if between the time when the Prospectus is approved and the time when trading of the New Shares on the regulated market Euronext Lisbon begins any significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus which may affect the assessment of the New Shares arises or is noted, the Issuer shall request without undue delay that the CMVM approves a supplement to the Prospectus.

16.1.8. Registration of the New Shares, settlement of the Offer and listing on Euronext Lisbon

The financial settlement of the Offer is expected to occur on the second Trading Day following the end of the Offer Period. The payment of the Subscription Price in respect of the New Shares subscribed by each investor (either by means of the exercise of Subscription Rights or by requesting for additional subscription in the apportionment phase) shall be made against the registration of the certificates of the subscribed New Shares in the relevant securities account, under the terms of articles 61 *et seq.* of the Portuguese Securities Code. Such certificates shall be converted into Issuer's shares following the commercial registration of the share capital increase of the Issuer, which is expected to occur on 7 July 2022. The admission of the New Shares, if decided favourably by Euronext Lisbon, is expected to occur on or around 11 July 2022. No assurance can be given that the registration of the share capital increase and subsequent issue and physical settlement of the New Shares and their commencement of trading on Euronext Lisbon will not be delayed.

Notwithstanding the Issuer's request for admission of the New Shares to trading on Euronext Lisbon, this admission may be rejected. Thus, the addressees of the Offer may cancel their subscription of New Shares in the situations set forth in article 163(1) of the Portuguese Securities Code. Cancellation of the subscription of New Shares shall be notified to the Issuer under the terms of article 163(2) of the Portuguese Securities Code and the Issuer shall return any and all amounts received pursuant to article 163(3) of the Portuguese Securities Code.

The settlement agent appointed by the Issuer in connection with the Offer is CaixaBI. The Issuer reserves the right to vary or terminate the appointment of the Settlement Agent and to appoint additional or other settlement agents in case the Settlement Agent fails to comply with any of its obligations.

16.2. Distribution and allocation plan

The New Shares shall be distributed among the holders of Subscription Rights in the Offer as follows: (a) pursuant to the exercise of Subscription Rights, each holder of Subscription Rights, shall be entitled to subscribe the number of New Shares that result from the application of the factor 0.14659 to the number of Subscription Rights held at the moment of subscription and which it has declared its intention to exercise, rounded down to the nearest whole number; (b) the New Shares not subscribed for are to be allotted to holders of Subscription Rights that have expressed their intention to subscribe for more New Shares than those they are proportionally entitled to subscribe for pursuant to their Subscription Rights, *pro rata* to their exercise of Subscription Rights, rounded down to the nearest whole number; and (c) with regards to the New Shares not allocated under the preceding paragraphs, lots will be drawn, one at a time, to apportion such New Shares among the holders of Subscription Rights whose requests for the additional subscription of New Shares were not fully satisfied.

Subscription Rights not disposed of or unexercised prior to the end of the Subscription Rights Trading Period and of the Offer Period, respectively, shall be apportioned as described above.

If the New Shares are not fully subscribed under the Offer, they may also be subscribed by Qualified Investors or failing that by the Managers pursuant to the Underwriting Agreement as described in Section 16.4 (“*Underwriting*”).

Should the subscription become incomplete, (e.g. namely, if the Underwriting Agreement is terminated pursuant to Section 16.4 (“*Underwriting*”)) the Offer will not cease to be effective but the Offer and consequently the share capital increase will be limited to the subscriptions collected, i.e., it will be maintained with respect to the New Shares subject to valid subscription orders and, in that case, the share capital increase of the Issuer referred to in this Prospectus will be limited to the New Shares actually subscribed.

The results of the Offer, with respect to the exercise of Subscription Rights and the apportionment to shareholders that requested the additional subscription of New Shares, are expected to be published on 5 July 2022 on the CMVM’s website (www.cmvm.pt). This announcement will also include information, if applicable, about an eventual subscription of New Shares under the Underwriting Agreement.

These results will be assessed by CaixaBI, in accordance with the standard practice applicable to processing subscription orders in share capital increases similar to the Offer.

16.3. Subscription Commitments

Pursuant to subscription and lock-up letters dated on or around 6 June 2022, Promendo Investimentos, S.A., Actium Capital, S.A., Livrefluxo, S.A., Caderno Azul, S.A., 1 Thing, Investments, S.A. (which are core shareholders of both Altri and GreenVolt) and Kwe Partners Ltd. (an entity which is also controlled by the same controlling shareholders as those of V-Ridium Europe), on a several and

not jointly basis, assumed towards the Issuer the commitment to subscribe New Shares upon exercise of the Subscription Rights they currently hold, as follows:

Holders of Subscription Rights	Number of New Shares they commit to subscribe
Promendo Investimentos, S.A.	1,711,885
Actium Capital, S.A.	1,478,387
Livrefluxo, S.A.	1,421,935
Caderno Azul, S.A.	1,418,631
1 Thing, Investments, S.A.	911,970
Kwe Partners Ltd. ⁹³	1,641,808
Total	8,584,618 (corresponding to 48.2 percent of the share capital increase assuming that it is fully subscribed)

After the Offer, assuming the fulfilment of the Subscription Commitments in the terms foreseen above and full subscription of the Offer, the relevant holders of Subscription Rights will detain the following holdings:

Holders of Subscription Rights	Number of Shares	Percentage of share capital and voting rights held	Number of Shares following the Offer	Percentage of share capital and voting rights following the Offer
Promendo Investimentos, S.A.	11,678,050	9.62%	13,389,935	9.62%
Actium Capital, S.A.	10,085,184	8.31%	11,563,571	8.31%
Livrefluxo, S.A.	9,700,087	7.99%	11,122,022	7.99%
Caderno Azul, S.A.	9,677,544	7.97%	11,096,175	7.97%
1 Thing, Investments, S.A.	6,221,231	5.13%	7,133,201	5.13%
Kwe Partners Ltd.	11,200,000	9.23%	12,841,808	9.23%
Total	58,562,096	48.25%	67,146,712	48.25%

GreenVolt has been informed by Altri that Altri and Caima Energia (or Celbi, upon completion of the already publicly announced spin-off involving Caima Energia) will not exercise its Subscription Rights as such Subscription Rights are intended to be sold to Altri's shareholders on a *pro rata* basis taking into account their relevant shareholdings, so as to promote full implementation of the spin-off transaction that Altri has carried out under the resolution approved by its general meeting of shareholders on 29 April 2022. As of the date of this Prospectus, the Issuer does not have further information on the terms of the distribution of Altri's subscription rights, but, as far as the Issuer has been informed by Altri, the information in respect of such distribution is expected to be disclosed by Altri to the market in due course.

⁹³ Which has entered into a sale and assignment agreement pertaining to the subscription rights inherent to V-Ridium Europe current holding of 11,200,000 shares, corresponding to 9.23 percent of the share capital and voting rights of GreenVolt, whereby Kwe Partners Ltd. holds the exclusive and irrevocable right to exercise such subscription rights.

16.4. Underwriting

BNP PARIBAS, with registered office at 16, boulevard des Italiens, 75009 Paris, France, Banco Santander, S.A., with registered office at Paseo de Pereda, 9-12, Santander, Spain, CaixaBI, CaixaBank, S.A., with registered office at Calle Pintor Sorolla, 2-4, 46002, Valencia, Spain, Mediobanca Banca di Credito Finanziario S.p.A., with registered office at Piazzetta E. Cuccia, 1, 20121 Milan (MI), Italy, and JB Capital Markets, S.V, S.A.U., with registered office at Calle Serrano Anguita 1, 28004 Madrid, Spain, are the Managers of the Offer.

On 9 June 2022, the Issuer signed with the Managers the Underwriting Agreement, governed by Portuguese law, with respect to the New Shares not subscribed for pursuant to the distribution and allocation plan described in Section 16.2 (*"Distribution and allocation plan"*). The Managers have severally agreed to procure subscribers, namely Qualified Investors, or otherwise themselves to subscribe, for, and the Issuer has agreed to issue to the subscribers procured by the Managers or to the Managers, as the case may be, at the Subscription Price, any New Shares that are not subscribed for pursuant to the exercise of the Subscription Rights (other than by Promendo Investimentos, S.A., Actium Capital, S.A., Livrefluxe, S.A., Caderno Azul, S.A., 1 Thing, Investments, S.A. and Kwe Partners Ltd.) in the percentages specified below:

BNP PARIBAS	32.5%
Banco Santander, S.A.	32.5%
CaixaBank, S.A.	9.6%
CaixaBI	6.2%
Mediobanca Banca di Credito Finanziario S.p.A.	9.6%
JB Capital Markets, S.V, S.A.U.	9.6%;
Total	100%

If one or more of the Managers defaults in the performance of its obligations to underwrite its proportion of the underwritten New Shares as set out above (**"Defaulted Shares"**), obligation which is due on the last day of the Offer Period, the Joint Global Coordinators shall have the right, but not the obligation, within 48 hours thereafter, to make arrangements for one or more of the other Managers (each a **"Non-Defaulting Manager"**) to procure subscribers for all, but not less than all, of the Defaulted Shares in such amounts as the Joint Global Coordinators may (acting in good faith) determine, upon and subject to the terms set out in the Underwriting Agreement. If the Joint Global Coordinators have not completed such arrangements within such 48-hour (or other agreed) period, then, if the number of Defaulted Shares does not exceed 10 percent of the aggregate number of New Shares to be subscribed for by the Managers under the Underwriting Agreement, each of the Non-Defaulting Managers shall be obliged, severally and not jointly or jointly and severally, to subscribe for the full amount thereof in the proportion that its respective underwriting obligation hereunder bears to the underwriting obligations of all Non-Defaulting Managers. If the number of Defaulted Shares exceeds 10 percent of the aggregate number of New Shares to be subscribed for by the Managers under the Underwriting Agreement, the Non-Defaulting Managers shall not be obliged to subscribe for any Defaulted Shares. If the subscription of the Offer becomes incomplete as a result of the non-

subscription of the Defaulted Shares, the Offer results announcement (described in Section 16.1.8 (“*Registration of the New Shares, settlement of the Offer and listing on Euronext Lisbon*”), above) will be republished indicating the effective total amount of the share capital increase subscribed.

In connection with the Offer, the Issuer has agreed to pay the Managers: (i) an underwriting commission equal to 2.25 percent of the amount equal to the product of the Subscription Price and the aggregate number of New Shares minus the Subscription Commitments (“**Base Commission**”), plus taxes (VAT or stamp duty, as applicable), to be distributed amongst the Managers in proportion to their Underwriting Commitments; and (ii) in the Issuer’s sole and absolute discretion, an additional discretionary commission of up to 1.25 percent of the amount equal to the product of the Subscription Price and the aggregate number of New Shares (allocated and paid by the Issuer between Managers at the Issuer’s discretion), plus taxes (VAT and stamp duty, as applicable). Out of such Base Commission payable to the Managers, the Managers shall pay or procure the payment of sub-underwriting commissions payable to such persons (if any) as the Managers may procure to acquire New Shares.

The Underwriting Agreement is subject to the fulfilment of certain conditions and may be terminated until the expected date for registration of the share capital increase by means of the issuance of the New Shares with the Commercial Registry, *inter alia*, upon the occurrence of certain events, including certain events of breach of representations and warranties rendered by GreenVolt under the Underwriting Agreement or the occurrence of a material adverse change. In particular, if two or more of certain holders of Subscription Rights (*i.e.* Promendo Investimentos, S.A., Actium Capital, S.A., Livrefluxo, S.A., Caderno Azul, S.A., 1 Thing, Investments, S.A and Kwe Partners Ltd.) whose Subscription Commitments in aggregate represent a percentage higher than 20 percent of the aggregate of all of the Subscription Commitments of those entities default (in whole or in part) their respective Subscription Commitments, the obligation of the Managers to subscribe for New Shares under the Underwriting Agreement shall thereupon terminate in whole by means of a written notice sent by the Managers to the Issuer.

Accordingly, and assuming there is no other cause for termination of the Underwriting Agreement:

- (i) in a scenario where two or more of certain holders of Subscription Rights (*i.e.* Promendo Investimentos, S.A., Actium Capital, S.A., Livrefluxo, S.A., Caderno Azul, S.A., 1 Thing, Investments, S.A and Kwe Partners Ltd.) whose Subscription Commitments in aggregate represent a percentage higher than 20 percent of the aggregate of all of the Subscription Commitments of those entities default (in whole or in part) their respective Subscription Commitments, the obligations of the Managers under the Underwriting Agreement shall terminate (thus not being required to subscribe any New Shares), in which case the subscription of New Shares will include only the New Shares that are subject to subscription orders validly transmitted during the Offer Period by Shareholders or investors that acquire Subscription Rights and therefore a supplement to the Prospectus will be prepared in

accordance with Article 23 of the Prospectus Regulation, a situation where any investors who have accepted the Offer before the publication of such supplement have the right to withdraw their acceptance within three working days after the publication of the supplement;

- (ii) in a scenario where one of certain holders of Subscription Rights (*i.e.* Promendo Investimentos, S.A., Actium Capital, S.A., Livrefluxo, S.A., Caderno Azul, S.A., 1 Thing, Investments, S.A and Kwe Partners Ltd.) whose Subscription Commitments in aggregate represent a percentage lower than or equal to 20 percent of the aggregate of all of the Subscription Commitments of those entities default (in whole or in part) its respective Subscription Commitment, the Managers continue to be required to subscribe the New Shares under the Underwriting Agreement, in which case the subscription of New Shares will include the New Shares that are subject to subscription orders validly transmitted during the Offer Period by Shareholders or investors that acquire Subscription Rights, as well as the New Shares that are subject to subscription orders corresponding to the subscription commitments of the Managers under the Underwriting Agreement (which, for the avoidance of doubt, do not include the New Shares that the relevant defaulting entity failed to subscribe by breaching its Subscription Commitment), and therefore no supplement to the Prospectus will, due to such default and assuming there is no other cause for termination of the Underwriting Agreement, be prepared in accordance with Article 23 of the Prospectus Regulation taking into account that the obligations of the Managers under the Underwriting Agreement remain unchanged.

As the Offer is not subject to any conditions, neither the termination of the Underwriting Agreement nor the subscription of less than the New Shares subject to the Offer (*oferta incompleta*) will result in the Offer not becoming effective. Therefore, in any scenario where the Offer is not successfully completed by means of the subscription of all New Shares, the Offer will be limited to the number of New Shares subject to valid subscription orders, the share capital of the Issuer being thus increased accordingly. Any financial intermediary duly authorized and registered for this purpose may take on the role of recipient of purchase orders and of depositary of the New Shares.

16.5. Supplementary allocation and call option (green-shoe option)

Not applicable.

16.6. Lock-up arrangements

16.6.1. Company lock-up

Pursuant to the Underwriting Agreement, the Issue shall not, without the prior written consent of the Joint Global Coordinators (on behalf of the Managers) during the period of 180 days from the issue and admission of the New Shares in Euronext Lisbon directly or indirectly: (i) offer, lend, assign, charge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract

to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or any interest in any Shares or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Shares or any interest in Shares; or (ii) enter into any swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of Shares, whether any such swap or transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise.

This lock-up undertaking shall not prevent the Issuer from granting rights in the context of takeover offers, rights issues and any other pre-emptive offerings, schemes of arrangement, transfers of shares to margin loan lenders, share buy-backs and the vesting of awards under employee share schemes.

The foregoing undertaking shall automatically cease and be of no effect whatsoever, with no action being required from any entity to that effect, upon expiration of the aforementioned 180 days period.

16.6.2. V-Ridium Europe lock-up

Pursuant to the V-Ridium Investment Agreement entered into on 24 June 2021, the Issuer, Altri and V-Ridium Europe have agreed on V-Ridium Europe being subject to a lock-up period of 24 months counting from the admission of the Shares in Euronext Lisbon in July 2021, during which V-Ridium Europe cannot, directly or indirectly, sell, transfer, encumber or otherwise dispose of any of the Shares held by it or any of the rights attached to them (with exception to the subscription rights which have been assigned to Kwe Partners Ltd. with the Issuer's and Altri's consent), subject, in case of breach, to a penalty in the global amount of €14 million.

16.6.3. Kwe Partners Ltd. and certain core shareholders lock-up

Pursuant to subscription and lock-up commitments dated on or about 6 June 2022, Promendo Investimentos, S.A., Actium Capital, S.A., Livrefluxo, S.A., Caderno Azul, S.A., 1 Thing, Investments, S.A. (which are core shareholders of both Altri and GreenVolt) and Kwe Partners Ltd. (which is also controlled by V-Ridium Europe's controlling shareholder) assume towards the Issuer, not to, during the period of 180 days from the issue and admission of the New Shares in Euronext Lisbon, directly or indirectly, in respect of the Shares (meaning, in each case, the New Shares each of them will acquire upon exercise of its Subscription Rights pursuant to its Subscription Commitment and the Shares already held at the present date): (i) offer, lend, assign, charge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or any interest in any Shares or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Shares or any interest in Shares; or (ii) enter into any swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of Shares, whether any such swap or transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise.

The foregoing undertaking shall automatically cease and be of no effect whatsoever, with no action being required from any entity to that effect, upon expiration of the aforementioned 180 days period.

16.7. Undertakings from holders of qualified participations and members of the Issuer's corporate bodies to subscribe New Shares

Other than the Subscription Commitments described in Section 16.3 ("*Subscription Commitments*"), the Issuer is not aware of any further undertakings from holders of qualified participations or members of the Issuer's corporate bodies to subscribe New Shares.

16.8. Resolutions, authorizations and approvals

Under the statutory authorization contained in article 4(2) of the Articles of Association, granted by the General Meeting on the annual meeting of 29 April 2022, GreenVolt's Board of Directors resolved on 8 June 2022 (such resolution having been the object of a favourable opinion by Statutory Audit Board, taken on 8 June 2022), on the share capital increase that will result from the issue and subscription of the New Shares. This resolution was complemented by a set of acts performed by the Issuer's directors and attorneys, to whom the Board of Directors has delegated powers to take all other decisions and to perform all other acts necessary or appropriate to the implementation of this Offer.

The Board of Directors also resolved to submit the request for admission of the New Shares to trading.

17. MARKET INFORMATION

The ordinary shares representing GreenVolt's share capital are admitted to trading on the regulated market Euronext Lisbon.

A request was presented by the Issuer for the admission to trading on Euronext Lisbon of the New Shares.

The New Shares, when admitted to trading, shall have the same ISIN code (PTGNV0AM0001) and CFI code (ESVUFR) as the shares representing GreenVolt's share capital which are already admitted to trading on the date of this Prospectus, and be traded under the same ticker symbol "GVOLT".

It is expected that the admission of the New Shares, should it be decided favorably by Euronext Lisbon, will occur on or around 11 July 2022, after the commercial registration of the share capital increase.

Notwithstanding the presentation by GreenVolt of the request for admission of the New Shares to trading, this admission may eventually be frustrated. Thus, and in accordance with article 163 of the Portuguese Securities Code, the addressees of the Offer may cancel the subscription of New Shares whenever (i) the admission to trading has not been applied for at the time of assessing the Offer's results; or (ii) admission is declined due to a fact attributable to the Issuer, the Global Coordinators of the Offer, or persons or entities that are in relation to the former in any of the situations set forth in article 20(1) of the Portuguese Securities Code.

The cancellation of the subscription of New Shares shall be notified to the Issuer within 60 days following the decline of the admission to trading of the New Shares or following the disclosure of the Offer's results, in this latter case only if the request for admission of the New Shares had not been submitted until disclosure of the Offer's results. In such a scenario, the Issuer shall return any and all amounts received from the addressees of the Offer within 30 days from receiving therefrom any notification informing about the cancellation of the subscription of New Shares.

Additionally, the issue of New Shares and the commencement of trading on Euronext Lisbon is conditioned on obtaining the share capital increase registry on the competent Commercial Registry Office, which is expected to occur on 7 July 2022. No assurance can be given that the registration of the share capital increase and, consequently, that the issuance and delivery of the New Shares will not be delayed.

The Portuguese regulated market

Euronext Lisbon is managed by Euronext, the most relevant securities trading market in Portugal. Euronext is a limited liability company incorporated and organised under the laws of Portugal.

Euronext Lisbon is subject to the Portuguese Commercial Companies Code, the Regulated Market Management Companies Regime (*Regime das sociedades gestoras de mercado regulamentado, das sociedades gestoras de sistemas de negociação multilateral, das sociedades gestoras de câmara de compensação ou que atuem como contraparte central das sociedades gestoras de sistema de*

liquidação e das sociedades gestoras de sistema centralizado de valores mobiliários), approved by Decree-Law no. 357-C/2007, of 31 October, the Portuguese Securities Code, Order 1619/2007, of 26 December, issued by the Portuguese Ministry of Finance and Public Administration, and the regulations approved by the CMVM. Other applicable regulations are the Euronext Rule Book – Book I, which contains the harmonised rules, including rules of conduct and of enforcement, designed to protect the markets, as well as rules on listing, trading and membership, and Euronext Rule Book – Book II regarding specific rules applicable to Euronext Lisbon, as well as several instructions and notices issued by Euronext.

Euronext Lisbon is subject to the supervision of the Portuguese Ministry of Finance and the CMVM.

Trading

Under the Portuguese Securities Code, transactions on regulated markets managed by Euronext Lisbon may only be performed through the members admitted to such markets. Only financial intermediaries or other entities that (i) are suitable and professionally capable, (ii) have adequate capacity, experience and ability to negotiate, (iii) have an adequate organisational mechanism, if applicable, and (iv) have the necessary resources for the performance of trading services, can be admitted as market members. Such admission depends on a decision by Euronext Lisbon, based on the rules applicable to becoming a market member but, in any case, in accordance with the principles of legality, equality and competition.

Clearance and Settlement System

Transactions in securities traded on Euronext Lisbon are cleared by LCH Clearnet (“**LCH Clearnet**”) and settled through Interbolsa’s settlement system (the “**Portuguese Settlement System**”). Interbolsa manages both the Portuguese Settlement System and the CVM. The CVM is the centralised system for the registration and control of securities, including custody of certified securities and registration of book-entry securities, in which all securities admitted to trading on a Portuguese regulated market must be registered. Any trading of securities listed on a Portuguese regulated market that takes place over the counter must be cleared through financial institutions and physically settled through the CVM, where such securities are registered. To hold ordinary shares directly in book-entry form through the facilities of the CVM, a non-resident of Portugal must, prior to the execution of the transaction, open a special securities account with a duly licensed financial intermediary. Persons who hold ordinary shares through Euroclear (“**Euroclear**”) and Clearstream (“**Clearstream**”) are not subject to this requirement in order to hold ordinary shares. The New Shares, as all the Shares of the Issuer, are expected to be accepted for clearing and settlement through Euroclear and Clearstream in accordance with the procedures established by Euroclear and Clearstream from time to time.

Listing of the New Shares

The settlement of the Offer of the New Shares and the listing of the New Shares on Euronext Lisbon will be preceded by a special session (*Sessão Especial de Mercado Regulamentado*) organised for this purpose, where the results of the Offer will be assessed.

18. INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING

This Chapter contains summaries of the most relevant aspects of the applicable legal framework and does not exempt the investor from consulting the relevant legislation and/or obtaining legal advice on it. It should be noted that this Chapter describes Portuguese law as at the date hereof, but investors are encouraged to make their own assessment taking into account the laws and regulations applicable from time to time. Accordingly, the description below may become outdated after the date of the Prospectus, following changes in laws and regulations.

18.1. Amount, class (*categoria*) and form of representation of the New Shares

The New Shares to be admitted to trading are up to 17,792,576 ordinary, nominative, book-entry shares, without nominal value, representing 12.8 percent of the entire share capital of the Issuer after full subscription of the share capital increase.

The New Shares are represented in book-entry form and will be registered in book-entry securities accounts, meaning that no share certificates will be issued. All Shares, including, for the avoidance of doubt, the New Shares, will form a single class (*categoria*) and therefore the New Shares will rank *pari passu* in all respects and be fungible for all purposes with the remaining upon their admission to trading on Euronext Lisbon.

The New Shares, when admitted to trading, shall have the same ISIN code (PTGNV0AM0001) and CFI code (ESVUFR) as the remaining Shares. The New Shares will grant their holders the same rights as the remaining Shares. The New Shares are expected to be admitted to trading on 11 July 2022. However, the Issuer cannot ensure that admission to trading of the New Shares will occur on the abovementioned date.

The New Shares will be integrated in the CVM centralised system and will grant their holders the rights detailed in Section 18.4 (*"Rights attached to the New Shares and procedure for the exercise of those rights"*).

18.2. Legislation under which the New Shares will be created

The New Shares will be created under Portuguese law, namely in compliance with the rules set forth in the Portuguese Commercial Companies Code and the Portuguese Securities Code, which govern the creation of securities representing the share capital of limited liability companies by shares (*sociedades anónimas*) incorporated under Portuguese law, and their form of representation and integration in a centralised system, including the requirements applicable for the purposes of trading on a regulated market, complying with the provisions contained in all other applicable laws and regulations.

18.3. Currency of the securities

The New Shares have no nominal value. However, the New Shares will trade on Euronext Lisbon and be quoted in Euros.

18.4. Rights attached to the New Shares and procedure for the exercise of those rights

The New Shares are ordinary shares with all inherent rights and obligations as established in the Portuguese Commercial Companies Code, the Portuguese Securities Code and the Articles of Association.

18.4.1 Voting Rights

Persons who are shareholders of the Issuer by 00:00 a.m. (GMT) on the fifth Trading Day prior to the date of the relevant General Meeting of Shareholders (“**Record Date**”), who hold Shares that entitle them to, at least, one vote, according to law and the Articles of Association, and who have given notice to the Chairman of the Board of the General Meeting of Shareholders and to the financial intermediary where their individual record securities account is open of their intention to participate and vote in such meeting until the Trading Day prior to 00:00 a.m. (GMT) on the fifth Trading Day prior to the date of the relevant General Meeting of Shareholders, are entitled to attend such General Meeting of Shareholders and to one vote for each ordinary share held. In order for the shareholders to be able to attend the General Meeting of Shareholders, in addition to the conditions set above, the financial intermediary must send to the Chairman of the Board of the General Meeting of Shareholders, by the end of the fifth Trading Day prior to the date of the relevant General Meeting of Shareholders, a notice confirming the number of Shares registered in the name of the shareholder, by reference to the record date. The abovementioned notices may be given either by post or electronic mail.

The exercise of voting rights shall not be impaired by any transfers of any Shares executed after the record date and shall not be subject to share blockage between the record date and the date of the relevant General Meeting of Shareholders. Nevertheless, any shareholder who has given notice of his/her/its intention to participate in the General Meeting and who transfers his/her/its Shares between the record date and the beginning of the General Meeting of Shareholders, shall immediately notify the Chairman of the Board of the General Meeting of Shareholders (this notice is to be given either by post or by email) and the CMVM of this fact.

Under the Portuguese Commercial Companies Code, shareholders who have more than one vote cannot divide their votes in order to vote differently on the same proposal. However, shareholders who, in the course of their duties as professionals, hold shares in their own name but on behalf of their clients, may vote differently, provided that, in addition to the required information described above, they send to the Chairman of the Board of the General Meeting of Shareholders, by 05:00 p.m. (GMT) on the fifth Trading Day prior to the date of the relevant General Meeting of Shareholders, (i) identification of each client and the number of Shares that will be used to vote on their behalf; and (ii) the precise voting instructions given by each client for each agenda item, in accordance with the provisions of the Portuguese Securities Code.

Shareholders can vote through electronic means, if available, in compliance with the requirements determined by the Chairman of the Board of General Meeting of Shareholders in the notice convening

the respective General Meeting and pursuant to the requirements set forth under the Articles of Association.

18.4.2 General Meeting of Shareholders

The Issuer holds an annual General Meeting of Shareholders during the first five months of the year following the year for which such meeting is convened (or three months in the event that consolidated accounts are not to be approved).

Pursuant to Article 376(1) of the Portuguese Commercial Companies Code, the purpose of the annual General Meeting of Shareholders is to: (i) discuss and approve the annual report and accounts for the financial year; (ii) discuss and approve the proposed application of the Issuer's results, if any; (iii) assess the performance of the Issuer's management and supervisory bodies and, if applicable and although such matters might not appear on the order of business, to proceed with the dismissal of any managers, within the scope of the General Meeting of Shareholders' powers, or to propose a vote of no confidence in relation to one or more directors; and (iv) proceed with any appointments which fall within the powers of the General Meeting of Shareholders.

The convening notice determines the specific date, time and place of an annual General Meeting of Shareholders. Other General Meeting of Shareholders are held (i) whenever required by law or deemed appropriate by the Issuer's Board of Directors or Statutory Audit Board, or (ii) when requested by shareholders which hold at least 2 percent of the share capital of the Issuer (in the case of companies whose shares are admitted to trading on a regulated market located or operating in Portugal, as is the case of the Issuer).

The convening notices of all General Meetings of Shareholders are published on the Issuer and CMVM's websites, as well as on the Portuguese Official Issuer Publications website, at <http://publicacoes.mj.pt/>. Pursuant to Article 21-J(2) of the Portuguese Securities Code and CMVM Regulation no. 5/2008, in the case of companies whose shares are admitted to trading on a regulated market located or operating in Portugal (as is the case of GreenVolt), convening notices shall also be disclosed via the information disclosure system made available on the CMVM's website, as well as on the Issuer's website.

As per Article 21-I(1) of the Portuguese Securities Code, in the case of a company whose shares are admitted to trading on a regulated market located or operating in Portugal (as is the case of GreenVolt), a convening notice must be published at least 21 days before the holding of the respective General Meeting of Shareholders.

The General Meeting of Shareholders can convene on first call provided that the Shareholders representing over fifty percent of the Issuer's share capital are present or represented at the meeting. If a quorum is not present on first call, the meeting may be reconvened with no quorum requirement.

Resolutions must be approved by a majority of the votes cast by the Shareholders present at the meeting or represented by proxy, except where Portuguese law states otherwise or the Articles of

Association require the approval of a resolution by a qualified majority. Pursuant to Portuguese law, Shareholders holding at least one third of the share capital must be present or represented on first call to pass a resolution amending the Articles of Association, to approve a merger, demerger or spin-off, to approve a conversion, to approve the dissolution of the Issuer or to take any other action for which the law requires approval by a qualified majority. Such resolutions may only be passed by two thirds of the votes cast, regardless of whether the General Meeting of Shareholders convenes on first or second call.

All resolutions approved at a General Meeting of Shareholders are binding upon all Shareholders, except resolutions that are void – which may be declared void, at any time, by a court of competent jurisdiction and invoked at the General Meeting of Shareholders by the Statutory Audit Board or by any interested party – or voidable, in which case the Statutory Audit Board and any Shareholder who did not vote in favour of the resolution, or who was absent from the relevant meeting and did not approve it afterwards (expressly or tacitly), may request that the resolution in question be declared voidable by a court during the 30 days following: (i) the date on which the General Meeting of Shareholders closed; or (ii) the third day after the minutes of the resolution by written vote is sent; or (iii) the date on which the Shareholder has knowledge of the resolution, in the event that the resolution relates to a matter not included in the order of business for the relevant General Meeting of Shareholders.

Ordinary shares held by the Issuer or its subsidiaries do not grant voting rights, as such rights seeing as they are legally suspended while the relevant Shares are held by the Issuer.

18.4.3 Proxy Requirement

Shareholders may be represented at a General Meeting of Shareholders in accordance with the law and the respective convening notice. The instrument of representation may be sent to the Chairman of the Board of the General Meeting of Shareholders by post or by email. Shareholders can appoint different representatives for shares held in different securities accounts, without prejudice to the principle of voting units, as set forth in Article 385 of the Portuguese Commercial Companies Code.

Pursuant to Articles 381 of the Portuguese Commercial Companies Code and 23 of the Portuguese Securities Code, in the event that any person requests a proxy for himself/herself or others, from more than five shareholders, this request must contain or have attached the agenda of the meeting for which the proxy is requested and fulfil the additional requirements imposed by Article 23(3) of the Portuguese Securities Code and Article 381 of the Portuguese Commercial Companies Code.

When a vote is cast in a manner other than in accordance with the proxy request, in cases where circumstances arise which were unknown when the proxies were sent, the representative shall immediately inform the principal in writing, explaining the reasons for such vote.

A proxy may be revoked at any time until the General Meeting of Shareholders takes place. The personal attendance of the relevant Shareholder at the General Meeting of Shareholders shall constitute a revocation of any proxy issued by it with respect to such General Meeting of Shareholders.

18.4.4 Information Rights

In accordance with the Portuguese Commercial Companies Code, any Shareholder who holds Shares representing at least 1 percent of the share capital may have access, alleging a justified reason and at the headquarters of the Issuer, to:

- (a) the management reports and accounting documents for the last three years, including the opinions of the supervisory board, the audit board, the general and supervisory board or the committee for financial matters, as well as the reports of the statutory external independent auditor, in accordance with the law;
- (b) the convening notices, minutes and attendance lists of the general meetings of shareholders and bondholders held in the last three years;
- (c) the total remuneration paid to the members of the governing bodies during each of the last three years;
- (d) the total amounts paid to the ten or five employees of the Issuer with the highest remuneration in each of the last three years; and
- (e) the registration document in respect of the Shares.

The accuracy of the information referred to in subparagraphs (c) and (d) above shall be certified by the Statutory External Independent Auditor, if requested by the shareholder.

In accordance with the Portuguese Securities Code and the Portuguese Commercial Companies Code, the Issuer, as an issuer of shares admitted to trading on a regulated market, shall also provide its shareholders access to the following documents, among others, as of the date on which a General Meeting of Shareholders is convened, at its registered office and on its website (where they shall remain for at least a year):

- (a) the convening notices of the General Meeting of Shareholders, which must also be published on the CMVM's website, along with the proposals for these meetings, and which must include information on the procedures for participating, exercising rights or being represented in the General Meeting of Shareholders;
- (b) the total number of shares and voting rights as at the date of publication of the convening notice (including separate totals for each class of shares, if applicable);
- (c) the forms to be used for voting by proxy and voting by correspondence, provided that these alternatives are not precluded by the Articles of Association;

- (d) the names of the members of the management and supervisory bodies, as well as the composition of the Board of the General Meeting of Shareholders;
- (e) other companies in which the members of the governing bodies hold corporate positions, except for professional companies;
- (f) the proposed resolutions to be submitted to the General Meeting of Shareholders by the Board of Directors, as well as reports or grounds for such proposed resolutions;
- (g) when members of the corporate bodies are to be elected, information on the names of the candidates, their professional competences, their professional activities during the last five years, including services related to the company or in other companies, and the number of shares held in the company's share capital;
- (h) the management report, financial accounts, other accounting documents, including the legal certification of the accounts, the opinion of the Statutory Audit Board and the annual report, to be provided during the annual General Meeting of Shareholders; and
- (i) other documents to be submitted to the General Meeting of Shareholders.

In accordance with Articles 290 to 291 of the Portuguese Commercial Companies Code:

- (a) shareholders are entitled to be provided with comprehensive, true, clear and lawful information in order to enable them to form a reasoned opinion on the matters being discussed in each General Meeting of Shareholders. The information required shall be provided by the authorised corporate body, unless it may cause serious damage to the Issuer or its affiliates, or could imply breach of the secrecy obligation imposed by law; and
- (b) holders of shares representing at least 10 percent of the share capital may request, from the management body, in writing, to be provided with written information regarding corporate matters, a request which may only be denied in the cases provided for by law.

The Issuer should also comply with the information duties provided for in CMVM Regulation no. 5/2008, applicable to public companies.

18.4.5 Dividends

Holders of the Shares (including the New Shares) are entitled to receive dividends when, as and if declared by the General Meeting of Shareholders, subject to the limits set by applicable Portuguese law.

Under Portuguese law and pursuant to the Articles of Association, the Issuer's net results shown in its annual financial statements (prepared on an individual and non-consolidated basis), after deduction of the amounts legally required to create or to be added to the legal reserve, will be applied as determined by the General Meeting of Shareholders, which can resolve, by a simple majority, to distribute them totally or partially or to transfer them to reserves. Under the Portuguese Commercial

Companies Code, the annual General Meeting of Shareholders, at which shareholders discuss (at least, and as required by law) the annual report and accounts for the financial year, as well as the proposed application of the Issuer's net profits, must meet in the first five months of the Issuer's financial year. Portuguese law prohibits the distribution of a company's assets if (before or following the distribution) the company's net worth (including the current financial year's net profit) is less than the sum of its share capital, the legal reserve and other similar reserves established by Portuguese law or by the company's articles of association.

Under the Portuguese Commercial Companies Code, at least 5 percent of the Issuer's net profit must be allocated to a legal reserve until such legal reserve amounts to 20 percent of the share capital of the Issuer. The legal reserve may only be distributed upon the liquidation of the Issuer; however, it may be used (i) to increase the Issuer's share capital (by way of a bonus issue of shares), in which case the legal reserve shall be recalculated and replenished, (ii) to offset losses of a financial year that cannot be offset by other reserves, or (iii) to offset losses carried forward that cannot be offset either by the net profit of the relevant financial year or by the offset of other reserves. Dividends will be paid to shareholders in proportion to their holding of paid-up share capital.

In accordance with the Portuguese Commercial Companies Code, dividends shall be distributed to shareholders within 30 days after the resolution for attribution of profits. In accordance with Portuguese law, the right to dividends expires and such dividends, interest and any other income shall be lost in favour of the Portuguese State if, during a period of 5 years, the persons entitled to these rights have not exercised or attempted to exercise them.

Under Article 23(2) of the Articles of Association and Article 297 of the Portuguese Commercial Companies Code, an interim dividend may be paid during a financial year provided that:

- (a) the Board of Directors, with the consent of the Statutory Audit Board, approves this payment;
- (b) an interim statement of financial position, prepared not more than 30 days prior to the resolution of the Board of Directors and duly certified by the chartered accountant, demonstrates the availability of funds for the payment of the interim dividend, considering the results of the Issuer for the period to which the interim dividend applies;
- (c) only one interim dividend is paid with respect to a single financial year and it is paid only in the second half of the financial year; and
- (d) the amount of the interim dividend does not exceed half of the amount of the profits that may be distributed, as indicated in the interim statement of financial position.

Pursuant to Portuguese law, any dividend or interim dividend paid out in contravention of any of law is repayable to the Issuer by the shareholders (with appropriate interest), if the shareholders (i) were aware of the irregularity of the dividend payment or (ii) could not have been unaware of such irregularity.

Upon liquidation of the Issuer, the Shareholders are entitled to receive, in proportion to their shareholding, any assets of the Issuer remaining after the payment of all debts, taxes and liquidation expenses.

The General Meeting of Shareholders may decide that the share capital will be totally or partially refunded, with the shareholders receiving the nominal value of each share or part thereof. In case of a partial refund, a selection “draw” is carried out amongst shareholders.

When new shares are issued as a result of a share capital increase, such shares will be eligible for dividends as determined by the resolution which approved the share capital increase. In the absence of such a resolution, the dividend entitlement will be based on the time elapsed between the last day of subscription to the share capital increase and the end of the financial year.

With regard to the tax regime applicable to dividends, holding and transferring, see Chapter 19 (“Taxation”).

18.4.6 Pre-emptive rights in the context of share capital increases in cash

A General Meeting of Shareholders may increase or decrease the share capital of the Issuer in accordance with the provisions of the Portuguese Commercial Companies Code. An increase of the Issuer’s share capital must be approved by a resolution passed by two-thirds of the votes cast, regardless of whether the General Meeting of Shareholders convenes on first or second call.

The Portuguese Commercial Companies Code determines that the Articles of Association may authorise the Board of Directors to approve (one or more) increases to the Issuer’s share capital, through cash contributions, provided that the Articles of Association set (i) the maximum amount of the capital increases; (ii) the term, no longer than 5 years, during which such power can be exercised by the Board of Directors; and (iii) the rights to be attributed to the shares to be issued (in the absence of any determination, only the issuance of ordinary shares will be authorised).

If the share capital is increased through cash contributions, the existing shareholders (which shall be understood as the persons or companies that are shareholders when the resolution for the share capital increase is approved) can subscribe the new shares with pre-emption rights over persons or companies that were not shareholders at that time. Pursuant to the Portuguese Commercial Companies Code, the new shares shall be allocated to shareholders that exercise their pre-emption right in the following manner:

- (a) each shareholder shall receive a number of new shares proportional to the number of shares held by them when the share capital increase was approved, or the lowest number of ordinary shares in relation to which the shareholder exercised the pre-emption right; and
- (b) if any shareholder applies to subscribe for a greater number of new shares than those proportional to the ordinary shares held by the shareholder when the share capital increase was approved, such application shall be fulfilled insofar as it results from one or more surplus allocations.

If, when the share capital increase is approved the Issuer has different categories of shares (although all shareholders have pre-emption rights, as described above), the pre-emption right shall be exercised by shareholders of the same category first.

According to Article 460 of the Portuguese Commercial Companies Code, shareholders' pre-emption right, in the terms set forth above, can be limited or suppressed in accordance with applicable law.

18.4.7 Right to challenge resolutions of the corporate bodies

A resolution passed in a General Meeting of Shareholders is binding on all shareholders, except resolutions that are void – which may be declared void, at any time, by a court and invoked at the General Meeting of Shareholders, by the Board of Directors or by any interested party – or voidable, in which case the Statutory Audit Board and any shareholder who did not vote in favour of the resolution or did not approve it afterwards (expressly or tacitly), may request that the resolution in question be declared voidable by a court during the 30 days following: (i) the date on which the General Meeting of Shareholders closed; or (ii) the third day after the minutes of the resolution by written vote is sent; or (iii) the date on which the shareholder has knowledge of the resolution, in the event that the resolution relates to a matter not included in the order of business for the relevant General Meeting of Shareholders.

18.4.8 Shareholder suits

Besides being liable to the Issuer, the Issuer's creditors and other third parties, under the Portuguese Commercial Companies Code the directors are also liable to the shareholders for any damages directly caused to them while in the exercise of their office. Liability arises from illegal actions (or omissions) carried out by the directors in the exercise of their office and because of such office, notably the violation of (i) shareholders' rights, (ii) legal provisions that protect the shareholders, and (iii) certain specific legal duties, such as the duty of care and the duty of loyalty.

Shareholders are not personally liable for the obligations or liabilities of, or claims against, the Issuer.

18.4.9 Dissolution of the Issuer

According to Portuguese law, the Issuer will be immediately dissolved, in the terms set forth in Article 141 of the Portuguese Commercial Companies Code, upon the occurrence of certain events, such as: (i) after the timeframe established in the Articles of Association; (ii) by a Shareholders' resolution to dissolve the Issuer (approved by a qualified majority of two thirds of the votes cast); (iii) by the fulfilment of the Issuer's corporate purpose; (iv) if it becomes illegal for the Issuer to fulfil its corporate purpose; or (v) if the Issuer's insolvency is declared.

Additionally, the Issuer's administrative dissolution may be requested in the circumstances provided for in the law, such as: (i) the number of Shareholders is less than the minimum legal requirement for a period of not less than one year, except if one of the Shareholders is a public legal entity or an entity legally comparable thereto; (ii) the Issuer's corporate purpose becomes impossible to fulfil; (iii) the

Issuer has not exercised any activity for two consecutive years; and (iv) the Issuer pursues an activity not included in the corporate purpose stated in its Articles of Association.

Lastly, if interested parties do not initiate administrative dissolution proceedings, the appropriate commercial registry should enforce such proceedings whenever: (i) the Issuer has not filed its financial statements for a period of two consecutive years and the tax authorities inform the appropriate commercial registry that the Issuer has not filed its income tax return for an equivalent period; (ii) the tax authorities inform the appropriate commercial registry of an absence of Issuer's activity, as defined by the applicable tax legislation; and (iii) the tax authorities issue an official statement to the appropriate commercial registry notifying that the Issuer's activities have ceased, as defined by the applicable tax legislation.

The winding up of the Issuer following its dissolution is carried out by a winding up committee made up of members of the executive committee, provided that such a committee is in place at the time of the liquidation, or, if not, by the members of the Board of Directors, except as otherwise provided for in a shareholders' resolution. In the case of a liquidation, the Issuer's remaining assets after payment of the Issuer's debts, liquidation expenses and all remaining obligations will be distributed to Shareholders *pro rata* according to their respective holdings.

18.4.10 Registration and transfers

The Shares are in book-entry form. Therefore, all transfers are carried out by accounting transfers. The registration of a transfer in favour of a person or entity acquiring the Shares shall produce similar effects to that of a transfer of title. The transfer will be effective against third parties from the moment of its registration in the purchaser's account.

18.4.11 Reporting requirements

Under Portuguese law, the Issuer is required to publish, among other information applicable to listed companies (notably, that included in Article 29-G *et seq.* of the Portuguese Securities Code), (i) an annual report which includes, but is not limited to, a management report and audited individual and consolidated financial statements, an opinion issued by the supervisory board, a report issued by the auditor, as well as an annual report on corporate governance; (ii) a semi-annual report which includes, but is not limited to, unaudited individual and consolidated financial statements, material information on the Issuer's activities and performance and any factors that may potentially influence its future performance; (iii) first and third quarter reports containing certain unaudited individual and consolidated information, if the Issuer resolves to produce these reports; (iv) non-public information that investors would consider relevant to a valuation of the Issuer or the price of the Shares; and (v) certain information concerning, *inter alia*, outstanding bonds and changes in the composition of the Board of Directors, the General Meeting of Shareholders, the Issuer's Secretary or the Statutory Audit Board.

Furthermore, the Issuer is required to comply with the legal framework provided for under the Market Abuse Regulation, which establishes a common regulatory framework on insider dealing, the unlawful disclosure of inside information and market manipulation (market abuse), as well as measures to prevent market abuse to ensure the integrity of financial markets in the EU and to enhance investor protection and confidence in those markets, setting forth the legal framework applicable to the disclosure, among others, of inside information and managers' transactions.

18.4.12 Conditions necessary to change the rights of the shareholders

Any change in Shareholders' rights other than those resulting directly from a change in applicable Portuguese law must be approved by a General Meeting of Shareholders through an amendment to the Articles of Association.

18.4.13 Provisions of the Articles of Association that may delay, defer or prevent a change of control of the Issuer

There are no provisions in the Articles of Association aimed at delaying, deferring or preventing any changes in control of the Issuer and the Articles of Association do not include, for example, any restrictions on the transfer of the Shares or limitations to voting rights attached to the Shares.

As all Shares (including the New Shares) are ordinary shares, and therefore all Shares (including the New Shares) grant the same political and economic rights, there are no Shares granting special rights or privileges or that allow for plural voting.

The Issuer has no defensive measures that automatically cause serious erosion in its assets, in the event of a change of control or a change in the composition of the Board of Directors, which would hinder the free transferability of shares and free assessment by the Shareholders of the performance of the members of the Board of Directors.

18.4.14 Provisions governing disclosure obligations

In accordance with Article 16 of the Portuguese Securities Code, any entity which reaches or exceeds a holding of 5 percent, 10 percent, 15 percent, 20 percent, 25 percent, a third, a half, two thirds and 90 percent of the voting rights in the share capital of a company subject to Portuguese law that issues shares admitted to trading on a regulated market (or which reduces its holding to a value lower than any of the above thresholds) shall, as soon as possible, and in any case within four Trading Days of the occurrence of said fact or knowledge thereof, notify the CMVM.

The holders of qualifying holdings in such companies should provide the CMVM, at its request, with information on the origin of the funds used to acquire or increase said holdings.

For the purposes of the abovementioned disclosure duties, voting rights are calculated based on all shares with voting rights, with the suspension of their exercise being of no consequence to this calculation. For such purposes, it is deemed that the participant has knowledge of the fact which triggers the reporting requirements within two Trading Days of the occurrence of said fact.

In the event of the reporting duty being incumbent on more than one participant, a single notification may be made, thus exonerating the other participants from their reporting duties.

Notifications carried out in accordance with the preceding paragraphs should include the following:

- (a) identification of the participant, as well as the natural or legal person empowered to exercise voting rights on behalf of the participant;
- (b) the indication of the situations that determine the attribution to the participant of voting rights inherent to securities belonging to third parties, in accordance with Article 20(1);
- (c) identification of the entire chain of entities to which the qualifying holding is assigned by Article 20(1) of the Portuguese Securities Code, regardless of the law to which it is found to be subject;
- (d) specification of the percentage of voting rights assigned to the holder of the qualifying holding, the percentage of equity capital and the number of corresponding shares, and, when applicable, details of the holding per class of shares; and
- (e) a reference to the date on which the qualifying holding reached, exceeded or was reduced below the abovementioned thresholds.

When the relevant thresholds are exceeded by means of the holding of the financial instruments mentioned in Article 20(1)(e) and 20(1)(i) of the Portuguese Securities Code, the participating entity should:

- (a) include a reference in notification to all instruments with the same underlying asset;
- (b) issue as many notifications as there are issuers for the underlying asset of the same financial instrument;
- (c) specify in the notification the date or period during which the acquisition rights conferred by the instrument may be exercised and the date on which the instrument lapses; and
- (d) disclose the number and percentage of voting rights attributable per type of financial instrument and whether they are physically (*liquidação física*) or financially settled (*liquidação financeira*).

The participating entity should renew this notification each time there is a change in the voting rights assigned to it.

When the relevant thresholds are reduced or exceeded as a result of the assignment of discretionary powers to a Shareholder, pursuant to Article 20(1)(g) of the Portuguese Securities Code:

- (a) whoever confers discretionary powers may issue a single notification at that time, provided that the information as to the start and end of the assignment of discretionary powers for the exercise of voting rights is made clear;
- (b) the person to whom voting rights are assigned may issue a single notification when the discretionary powers are conferred, provided that the information as to the start and end of the assignment of discretionary powers for the exercise of the voting rights is made clear.

After receiving this notification from the relevant Shareholder, the Issuer shall publicly disclose the information via the CMVM's website as soon as possible and no later than three Trading Days after having received the relevant notification.

Pursuant to the Portuguese Commercial Companies Code, companies holding ordinary shares corresponding to a participation equal to or greater than 10 percent of the share capital of another company shall notify such company of all acquisitions and disposals made while maintaining this 10 percent or greater shareholding in its share capital. Pursuant to the Portuguese Commercial Companies Code, whenever two companies have reciprocal equity interests reaching 10 percent of the share capital, the last company to have issued the required notification disclosing its equity interest shall not acquire any further shares in the other company.

Regarding the disclosure regime pertaining to short selling, and in accordance with Regulation no. 236/2012 of the European Parliament and of the Council, of 14 March 2012, on short selling and certain aspects of credit default swaps, holders of net short positions relating to 0.1 percent of the issued share capital of the Issuer and each 0.1 percent above that threshold must disclose such holdings to the CMVM. Public disclosure is required by holders of net short positions relating to 0.5 percent of the share capital of the Issuer and each 0.1 percent above that threshold. For the purposes of Regulation no. 236/2012, net short position means the portion remaining after the deduction of any long position held by a natural or legal person in relation to the issued share capital from any short position held by such legal person in relation to that same share capital.

18.4.15 Restrictions on the free transferability of the Shares and foreign ownership of the Shares

The Shares (including the New Shares) are freely transferable under the Articles of Association.

The Articles of Association do not discriminate against foreign shareholders and there are no existing limitations on ownership of the Shares (including the New Shares) by foreign investors.

18.5. Issuer's Articles of Association

In addition to the applicable laws and regulations, the rights inherent to the Shares (including the New Shares) are regulated by the Issuer's Articles of Association. The most relevant provision in this regard is transcribed below (freely translated from the Portuguese original).

18.5.1 Right to participate and vote at the General Meeting

In accordance with the Issuer's Articles of Association:

"Article Eleven

Meetings of the General Meeting

One – The General Meeting resolves on all matters over which it has authority pursuant to the law and these articles of association, including without limitation on the:

(a) Management report and the accounts of the financial year and on the application of results

of the financial year;

- (b) General assessment of the administration and auditing of the Company;*
- (c) The appointment and dismissal of the members of the Corporate bodies;*
- (d) Any amendments to the articles of association, without prejudice to the terms of article two, number one and article four number two;*
- (e) Setting of the remuneration of the members of the corporate bodies, being able to designate a remuneration committee with the aim of establishing such remuneration, composed by a majority of independent members;*
- (f) Any other matter for which it has been legally convened and/or all further matters for which it has authority under the law.*

Two – The General Meeting shall meet whenever called by the Chairman of the Board and upon the request of the Board of Directors, the Statutory Audit Board or upon the request of shareholders owning shares that correspond at least to two percent of the share capital.

Three – The convening notice sent to the shareholders for the general meeting must be published under the legal terms, but the publication may be replaced by registered letter or by electronic mail with delivery receipt in what relates to the shareholders who previously provided their consent; the convening notice shall be sent with a prior notice of at least twenty one days.”

“Article Twelve

Functioning of the General Meeting

One – The General Meeting is composed by all voting shareholders, corresponding one vote per each share; the meeting may be held by telematic means, in which case the Company must ensure the authenticity of the statements and safety in communications, recording its contents and respective intervening parties.

Two – The participation in the General Meeting follows the terms prescribed in the law and in the convening notice.

Three – Bond holders and non-voting shareholders are not allowed to attend the General Meeting, exception made if it is expressly resolved to admit them.

Four – Shareholders may be represented by whom they so designate, informing the Chairman of the Board of the General Meeting jointly with the respective instrument of representation, by letter received at the registered office by mail or email (in the case of the latter, the hard copy of the letter shall also be delivered on the day of the General Meeting) up to the end of the third business day prior to the date of the General Meeting, unless a larger period of time is granted in the convening notice.

Five – While the Company has its shares admitted to negotiation at the stock exchange market,

voting by correspondence is allowed, where the following shall apply:

- (a) The vote by correspondence shall be cast by a written statement issued by the holder of the shares or by their legal representative. Individual shareholders must attach copy of their identification document to the voting statement and corporate shareholders must have their signature legalized with certification of the capacity and powers to act;*
- (b) Votes by correspondence are only admitted if delivered by registered mail with receipt of acknowledgement or protocolled delivery at the registered office up until the end of the third business day prior to the date of the General Meeting, unless a larger period of time is granted in the call, with the identification of the sender and addressed to the Chairman of the General Meeting;*
- (c) The vote statements must (i) indicate the matter or matters of the agenda to which they relate, (ii) the specific proposal it is addressing with the indication of the proposing parties, as well as (iii) the precise and unconditional indication of the vote per each proposal;*
- (d) The votes issued by correspondence are counted for purposes of assessing the constitutive quorum of the Meeting and the result of the vote by correspondence relating to each matter of the agenda shall be disclosed at the matter it relates to;*
- (e) The votes issued by correspondence shall be taken as negative votes in relation to proposals of resolution presented after the vote was cast;*
- (f) In case the vote statements omit the indication of the vote in relation to proposals presented prior to the date when those votes were issued, it shall be deemed that such shareholder abstains from voting those proposals;*
- (g) The Chairman of the Board of the General Meeting must verify the conformity of the vote by correspondence statements and the votes included in the statements that are not accepted shall be deemed as votes not cast;*
- (h) The Company shall be responsible for the confidentiality of the votes by correspondence up to the voting moment;*
- (i) The vote by correspondence that has been cast will be considered revoked in case the issuing shareholder or his/her representative attends the Meeting.*

Six – The right to vote may equally be exercised by electronic means pursuant to requirements that assure its authenticity, if they are defined by the Chairman of the Board of the General Meeting in the relevant General Meeting’s convening notice.

Seven – The General Meeting may be held through telematic means provided that the Chairman of the Board of the General Meeting confirms that all relevant means, the authenticity of the statements and the safety in communications are assured.

Eight – The General Meeting may meet on first call provided shareholders owning shares that represent more than fifty percent of the share capital are present or represented.”

“Article Thirteen

Resolutions of the General Meeting

One – The resolutions of the General Meeting are approved by a majority of votes cast, irrespective of the percentage of capital represented at the meeting, except if a greater majority is required by legal or statutory provision.

Two – Resolutions about amendments to the articles of association, including share capital increases, as well as the suppression or limitation of the preferred acquisition of new shares, merger, de-merger, transformation or dissolution of the Company must be approved by two thirds of the votes cast and, when the meeting is held on first call, provided the meeting is attended by shareholders or their representatives that own shares corresponding at least to one third of the share capital.

Three – Article 386. No.4 of the Companies Code is not applicable, irrespective of whether the General Meeting is held on first or second call.”

18.5.2 Share capital and other securities

With regards to the Issuer’s share capital and the issue of other securities, the Articles of Association state that:

“Article Four

Share Capital

One – The Company’s fully subscribed and paid up share capital amounts to €267,099,997.50 (two hundred and sixty seven million, ninety nine thousand, nine hundred and ninety seven Euros and fifty cents) and is represented by 121,376,470 (one hundred and twenty one million, three hundred and seventy six thousand, four hundred and seventy) shares without nominal value.

Two – The Board of Directors may, subject to the applicable legal terms, resolve to increase the share capital one or more times, up to a maximum of one hundred million Euros; the relevant resolution must contain the subscription terms and conditions, the share classes to be issued, if any, and any other terms and conditions applicable to the share capital increase.

Three – In share capital increases by cash contributions, the shareholders will have a pre-emptive right to subscribe new shares in accordance with the applicable legal provisions.

Four – General Meeting resolutions concerning share capital increases, or the limitation or suppression of shareholders’ pre-emptive rights, shall only be deemed passed if approved by a supermajority of two thirds of the total votes cast.”

“Article Five

Shares

One – The shares are registered shares, either in book-entry or certificate form.

Two – Shares can be converted into any other form of representation, pursuant to and as provided for by law, at the request and at the expense of the interested parties.

Three - Share certificates, if any, shall be represented in accordance with the law; the Company's provisional and final share certificates shall be signed by two directors, by mechanical reproduction or facsimile, in either case authorised by the relevant directors.

Four – The Company can issue preferred shares without voting rights or special share classes, which may be redeemed at their issue price, with or without premium, if the General Meeting so resolves; if this should occur, the Company must determine how redemption prices are to be calculated.

Five – Should the Company fail to redeem the shares, it must pay damages to the holder in an amount to be determined in the issue resolution.”

“Article Six

Bonds and Other Securities

One – Subject to a resolution of the General Meeting or the Board of Directors, the Company may issue registered bonds pursuant to the law, including bonds convertible into common or special shares and bonds entitling their holder to subscribe common or special share classes, as well as any other registered debt securities, including covered warrants on own securities.

Two – If the Board of Directors should resolve to issue any of the above bonds, the special share classes mentioned in paragraph 1 must already exist.

Three – Bonds, other debt securities and covered warrants on own securities can be issued in certificate or book-entry form and the provisions of Article 5.3 shall apply, mutatis mutandis.

Four – The issue of convertible bonds and covered warrants on own securities entitling their holders to subscribe the securities to be issued pursuant to this article shall be subject to a Board of Directors resolution, up to the limit set for share capital increases subject only to a Board of Directors' resolution at the time of the resolution.”

“Article Seven

Own Shares and Own Bonds

The Company may acquire own shares and bonds or other own debt securities, and covered warrants on own securities, in accordance with applicable law.”

18.5.3 Main statutory provisions concerning the management and supervisory bodies

The main statutory provisions concerning the Issuer's management and supervisory bodies are set out below:

“Article Nine

Governing Bodies

One – The Corporate Bodies are the General Meeting, the Board of Directors and the Statutory Audit Board and Statutory External Independent Auditor.

Two – The Company also has one Company Secretary, and an alternate, appointed by the Board of Directors for a term corresponding to the Board of Directors’ term of office.

Three – Officers’ terms of office shall be of three years, renewable one or more times.

Four – The term of office of the Statutory External Independent Auditor is of one year, renewable for one or more times, and the minimum initial period for the legal auditing of the accounts is as set forth in the applicable legislation.”

“Article Ten

Board of the General Meeting

One – The board of the General Meeting is composed by one chairman and one secretary, which may be the Secretary to the Company, and their absence shall be dealt with in accordance with the law.

Two – The chairman of the board shall conduct the works of the General Meeting, as well as perform any other duties entrusted to him by law.

Three – The secretary assists the chairman and ensures all clerical work relating to the General Meeting.”

“Article Fourteen

Composition

One – The Board of Directors is composed by an even or odd number of members, no less than three and no more than fifteen, elected by the General Meeting which shall also appoint the respective Chairman. In case the General Meeting does not expressly determine the number of directors, it shall be deemed that the number of directors for each term of office is the number of elected directors, which does not preclude changing the number of members during the term of office up to the legal or statutory limit.

Two - One of the directors may be elected from among persons proposed in lists subscribed by groups of shareholders provided that none of such groups owns shares representing more than twenty percent or less than ten percent of the share capital. In case there are proposals to such effect, the election shall be made separately prior to the election of the remaining directors.

Three- Each one of the lists set out in the previous paragraph shall include at least two persons eligible per each position to fill.

Four – No shareholder can subscribe more than one of the said lists.

Five – If in one separate election are presented lists by more than one group, the vote shall be made over the set of such lists.

Six – What is established in numbers two to five of this article is only applicable if the company, at any moment, is considered a listed company, concessionaire of the State or equivalent entity.

Seven – The directors shall pay a bond for the performance of their office as resolved by the General Meeting that elects them or, in the absence thereof, under the terms required by law.”

“Article Fifteen

Powers

One – The Board of Directors shall perform all acts necessary to pursue the corporate purpose and enjoys the broadest management and representation powers permitted by law.

Two – The Board of Directors may resolve on the following matters, without limitation:

- (a) Acquire, sell and encumber any movable assets, and/or immovable assets;*
- (b) Acquire, sell and encumber any shareholdings in other companies;*
- (c) Lease, as tenant or landlord, any movable and immovable assets;*
- (d) To designate proxyholders or attorneys for the execution of certain acts or categories of acts, delimiting the scope of the granted powers;*
- (e) To represent the company, in and out of court, to file and oppose any lawsuits, to make settlements and to withdraw those and to reach agreements in arbitrations and for such purposes the Board of Directors may delegate its powers to one single proxyholder or attorney;*
- (f) To appoint the Company Secretary and respective alternate;*
- (g) To draft and approve the Company’s budget;*
- (h) To resolve that the company associates itself with other entities, be it private or public, individuals or companies, under the terms of article three number two, as well as to appoint any persons or companies for the discharge of corporate functions in other companies;*
- (i) To resolve on the issuing of bonds, commercial paper and/or taking out loans in the national or foreign financial market;*
- (j) To resolver on the provision of technical and financial support to the company’s subsidiaries;*
- (k) To approve the respective internal regulation which shall include rules of relationship with other corporate bodies;*

Three – The Board of Directors may specifically entrust the current management of the Company to one or more directors or to an Executive Committee, defining, as the case may be, the scope of the delegation or the composition and terms of functioning of the Executive Committee.

Four – The previous paragraph does not preclude changing, during the directorship period and up to the legal or statutory limit, of the number of members of the Board of Directors.

Five – In case it is resolved to delegate powers to an executive director or to set up an Executive Committee, the Board of Directors must define the respective rules of functioning and the scope of the powers, adopting for such purposes an internal regulation which shall also include the relationship terms with other corporate bodies.

Six – The Board of Directors may create specialized or follow-up committees, such as in matters of corporate governance and sustainability, as well as to perform independent supervision roles over the performance of the corporate bodies and respective committees.

Seven – The rules on composition and functioning, as well as the delimitation of authority of the committees referred in the previous paragraphs shall be defined in specific regulations to be approved by the Board of Directors.”

“Article Sixteen

Meeting of the Board of Directors

One – The Board of Directors shall meet at least once every quarter and also whenever called orally or in writing by its Chairman of upon request of any two directors.

Two – Any director may be represented in the meeting by another director, through a letter addressed to the Chairman, which shall indicate the day and time of the meeting. Each instrument of representation may only be used in the meeting it was issued for. Vote by correspondence is also admitted under the legal terms.

Three – The Board of Directors may only validly transact business in the meetings where the majority of its members are present or represented.

Four – The meetings of the Board of Directors shall be conducted by the Chairman.

Five – The resolutions are approved by a majority of the votes cast by the attending or represented directors and the chairman has casting vote in case of tie.

Six – When the Board is composed by an even number of directors, the vice-chairman has casting vote whenever the chairman is temporarily absent or unavailable, or, if there is no vice-chairman, the casting vote shall be granted to the executive director to whom such right was attributed when he/she was designated.

Seven – Board of Directors’ meetings may be held by telematic means, under the terms and conditions legally established.”

“Article Seventeen

Replacement of Directors

One – In case of death, resignation or temporary or definitive impediment of any director, the Board of Directors may resolve about his/her replacement pursuant to the applicable legal provisions.

Two – Absence of one director to two consecutive or intercalated meetings without justification that deserves approval of the Board shall be deemed a definitive absence.”

“Article Eighteen

Representation

One – The company is bound before third parties in all documents, if signed by:

- (a) One director to whom sufficient powers have been delegated, under the terms permitted by law and within the scope of such delegation;*
- (b) Two Directors;*
- (c) One or more proxyholders, pursuant to the respective proxies;*
- (d) One Director and one proxyholder within the powers granted for such purposes;*
- (e) One director, in order to designate a judicial attorney, or if he/she has been so designated by the Board of Directors to execute the act or acts.*
- (f) Two proxyholders within the scope of the respective proxy;*
- (g) One proxyholder if, in order to intervene in the act, he/she has been so designated by the Board of Directors or by any directors empowered for such designation.*

Two – Clerical documents may be signed by one sole director.

Three – Directors and proxyholders are expressly forbidden to bind the company in acts and contracts alien to the corporate businesses.”

“Article Nineteen

Auditing of the Company

One – The auditing of the company shall be performed by a Statutory Audit Board and a Statutory External Independent Auditor, elected by the General Meeting.

Two – The powers of the Statutory Audit Board are those attributed by law.

Three – The Statutory Audit Board shall comprise three members, and one or two alternates.

Four – The members of the Statutory Audit Board shall secure the discharge of functions under the terms resolved by the General Meeting that elects them or, in case no resolution is approved about that, under the legal terms.

Five – The Statutory Audit Board may be assisted by technicians specifically designated for such purposes and also by companies specialized in auditing work.”

“Article Twenty

Statutory External Independent Auditor

The Statutory External Independent Auditor has the powers and authority foreseen in the law and is specifically tasked with carrying out any inspections and checks required by law to audit and certify the accounts.”

18.6. Possible mandatory public tender offers

By being a public limited liability company (*sociedade anónima*) with shares admitted to trading on a regulated market (*sociedade emitente de ações admitidas à negociação em mercado regulamentado*), the Issuer is subject to the applicable legal framework of voluntary and mandatory public tender offers, as well as the rules regarding squeeze-out and sell-out, under the terms of the Portuguese Securities Code. There are currently no public tender offer bids in relation to the Shares.

18.6.1 Mandatory public tender offer

The rules applicable to mandatory public tender offers are established in the Portuguese Securities Code, which transposes into national law the rules laid down in Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 (in its current version) on public tender offers.

Under the terms of Article 187 of the Portuguese Securities Code, the duty to launch a mandatory public tender offer for all shares representing the share capital of a public limited liability company (*sociedade anónima*) with shares admitted to trading on a regulated market (*sociedade emitente de ações admitidas à negociação em mercado regulamentado*) and other securities issued by that company that confer the right to subscribe for or acquire the respective shares falls on any natural or legal person who holds, directly or under the terms of Article 20(1) of the Portuguese Securities Code, more than one third or half of the voting rights corresponding to the share capital of that company. If the one third threshold is exceeded, and provided that the half of the voting rights threshold is not surpassed, the person who would be obliged to launch a public tender offer may provide evidence to the CMVM that he/she/it does not have control of the relevant company. If such evidence is accepted by the CMVM, the launch of a public tender offer is not required.

Under the terms of Article 20(1) of the Portuguese Securities Code, the calculation of qualifying holdings shall consider not only the voting rights inherent to the shares held by the participant, but also the following voting rights:

- (a) Held by a third party in its own name but on behalf of the participant;
- (b) Held by companies controlled by the participant or subordinated to it, in the context of a control or group relationship, under the terms of Article 21 of the Portuguese Securities Code;
- (c) Held by holders of voting rights with whom the participant has entered into a voting agreement, except when, by virtue of this same agreement, the parties thereto are required to follow the instructions of a third party;

- (d) Held by members of the participant's management and supervisory bodies, whenever the participant is a corporate entity;
- (e) That the participant may acquire pursuant to an agreement executed with the respective holders or pursuant to financial instruments:
 - (i) Granting the unconditional right or option to acquire, by virtue of a binding agreement, with voting rights that have already been issued by an entity with its shares listed on a regulated market; and
 - (ii) With physical settlement, not covered by the previous point, but indexed to the shares mentioned in that point and with economic effects similar to those of holding the aforementioned shares or instruments;
- (f) Inherent to shares subject to security or managed by or registered or deposited with the participant, whenever the relevant voting rights can be exercised by the participant at its discretion in the absence of specific instructions from the holder;
- (g) Held by holders of voting rights who have granted the participant discretionary powers to exercise them;
- (h) Held by persons who have entered into any agreement with the participant aimed at either acquiring control of the company or preventing any changes to its control, or otherwise constituting an instrument for concertedly exercising influence over the company in which the participating interest is held, whereby, under the terms of Article 20(4)(5) of the Portuguese Securities Code the agreements on the transfer of shares representing the share capital of the issuer of shares admitted to trading on a regulated market in which the company holds an interest are presumed to be an instrument of this concerted exercise of influence;
- (i) Pertaining to any shares underlying the financial instruments held by the participant, with financial settlement, indexed to the shares mentioned in subparagraph (e) and with economic effects similar to those of holding shares or the instruments identified in that subparagraph;
- (j) Attributable to any individual or entity described in any of the above subparagraphs by application, *mutatis mutandis*, of the criteria described in any of the other subparagraphs.

For the purposes of Article 20(1)(e) and 20(1)(i) of the Portuguese Securities Code, financial instruments also include those featured in the list drawn up by ESMA, in particular, any agreements with physical or financial settlement with economic effects similar to the holding of shares or the instruments referred to in paragraph 1(e).

The number of voting rights attributable under paragraph 1(e) and (i), by virtue of the holding of financial instruments, is calculated as follows:

- (a) Based on the total number of voting rights of the underlying shares in the financial instrument, except for the instruments detailed in the following subparagraph;

- (b) In the case of instruments with exclusively delta adjustment financial settlements, by multiplying the total number of underlying shares by the instrument delta, in accordance European regulation, considering only long positions, which shall not be offset against any short positions relating to the same issuer of the respective shares; and
- (c) In the case of financial instruments indexed to a basket of shares or an index, in accordance with European regulation.

Under the terms of Article 188(1) of the Portuguese Securities Code, the consideration for a mandatory public tender offer may not be less than the highest of the following amounts:

- (a) The highest price paid by the offeror or by any entities in a situation described in Article 20(1) for the acquisition of securities in the same class, or which the offeror or any of those entities has undertaken to pay, in the six months immediately prior to the date of publication of the preliminary offer announcement;
- (b) The weighted average price of these securities on a regulated market during the same period.

Whenever the consideration may not be calculated by reference to the criteria described in the preceding paragraph, or if the CMVM is of the opinion that the consideration, in cash or securities, proposed by the offeror is neither duly justified nor equitable, insufficient or excessive, the minimum consideration will be calculated, at the offeror's expense, by an independent expert appointed by the CMVM.

In accordance with Article 188(3) of the Portuguese Securities Code, any consideration, in cash or securities, proposed by the offeror is inequitable whenever:

- (a) the highest price has been settled by means of an agreement entered into between the purchaser and the seller through private negotiation;
- (b) the securities offered as consideration have a reduced liquidity by reference to the regulated market on which such securities are traded;
- (c) the consideration is determined according to the market price of the securities in question and this market price or the regulated market on which the securities are traded have been significantly affected by extraordinary events.

By way of consideration, the offeror may offer securities provided that (i) these securities are of the same type as those targeted by the mandatory takeover; and (ii) are admitted to trading on a regulated market or are of the same class of demonstrably liquid securities admitted to trading on a regulated market, and provided that neither the offeror, nor any entity that is with the offeror in any situation described in Article 20(1), acquired or promised to acquire any shares of the target company by payment in cash during the six-month period preceding the publication of the preliminary announcement, in which case an equivalent offer in cash shall be made.

18.6.2 Squeeze-out and sell-out procedures

According to Article 194 of the Portuguese Securities Code, any entity that, following the launch of a general public tender offer over the shares of a public limited liability company (*sociedade anónima*) with shares admitted to trading on a regulated market (*sociedade emitente de ações admitidas à negociação em mercado regulamentado*) and incorporated under Portuguese law, reaches or exceeds, directly or under the terms of Article 20(1) of the Portuguese Securities Code, 90 percent of the voting rights corresponding to the share capital up to when the public offer results are disclosed may, in the following three months, acquire the remaining shares for a fair consideration, in cash, which corresponds to the tender offer price or, if higher, the price paid by the offeror or any natural or legal person who has a relationship with the offeror under the terms of Article 20(1) of the Portuguese Securities Code in the period comprised between the date on which the tender offer results were assessed and the date on which the squeeze-out procedure is registered with the CMVM.

The controlling shareholder which decides to initiate a squeeze-out procedure shall immediately disclose an announcement (consigning the consideration on deposit with a credit institution to the order of the holders of the remaining shares) and submit it to the CMVM for registration.

The squeeze-out becomes effective upon the interested party having disclosed the registration of the squeeze-out with the CMVM and shall entail, in immediate terms, the loss of the company's open to public investment status, the exclusion from trading of its shares on any regulated market and their readmission to trading being prohibited for one year.

Each holder of remaining shares may, in accordance with Article 196 of the Portuguese Securities Code, within a three-month period following the disclosure of the public tender offer results as detailed in Article 194(1), exercise its right to sell its shares. For such purpose, each interested holder shall address a notice to the controlling shareholder for the latter to present a proposal for the acquisition of the respective shares within eight days. If no proposal is received or if the proposal is not deemed satisfactory, any remaining shareholder may opt for a sell-out procedure by means of a statement submitted to the CMVM together with a document evidencing the deposit or blockage of the shares for sale and indication of the consideration calculated in accordance with Article 194(1) and (2).

Once the requirements for the sell-out have been verified by the CMVM, the sale becomes effective as from the date on which this authority notifies the controlling shareholder.

18.7. Public offers launched by third parties during the last financial year and the current financial year

There were no public offers launched by third parties during the last or the current financial year.

18.8. Countries where the New Shares will be admitted to trading and potential restrictions

Admission to trading of the New Shares on the Euronext Lisbon regulated market is being requested exclusively to Euronext.

18.9. Stabilisation

Not applicable.

18.10. Expenses of the Offer

The expenses of the Offer include, notably, fees due to the Managers (see Section 16.4 (“*Underwriting*”)) and costs with other advisors and with the admission of the New Shares and the Subscription Rights to trading, which are estimated to amount to €4,262,278.

Subject to listing of the New Shares and the Subscription Rights being authorised by Euronext, investors may trade their New Shares and Subscription Rights on Euronext Lisbon. Any costs related to the placing of purchase or sale orders and/or the maintenance of securities accounts will depend on the prices applied by financial intermediaries for these services, which are available on the CMVM’s website at www.cmvm.pt and should be communicated to investors by the relevant financial institution prior to executing such orders. The Issuer will not charge any commissions or other expenses to investors in relation to the admission to trading of the New Shares or the Subscription Rights on Euronext Lisbon.

18.11. Registration of the New Shares and listing on Euronext Lisbon

The New Shares will be registered in the book-entry securities accounts prior to their first day of trading on Euronext Lisbon.

However, no assurance can be given that the start of trading on Euronext Lisbon will not be delayed. It is expected that the admission of the New Shares, if decided favourably by Euronext Lisbon, will occur on 11 July 2022. Notwithstanding the Issuer’s submission of a request for admission of the New Shares to trading on Euronext Lisbon, this admission may be rejected.

18.12. Dilution and shareholding after the issuance

The Shareholders who subscribe for all the New Shares to which they are entitled, by exercising their Subscription Rights, will receive New Shares in a percentage proportional to their current percentage of ownership in the Issuer’s share capital. Hence, upon completion of the Offer, these Shareholders will maintain the same percentage of interest in the Issuer’s share capital as they held prior to the Offer, thus not suffering any dilution as a result of the share capital increase carried out through the Offer.

The proportion of share ownership and voting rights in GreenVolt of Shareholders who do not exercise their Subscription Rights shall be diluted with the issuance of the New Shares, being such dilution equivalent to the quotient between the amount of the New Shares issued and the total number of shares representing the share capital of the Issuer after this Offer. For instance, for the current Shareholders that do not exercise their Subscription Rights in the Offer, a participation in the share capital of GreenVolt corresponding to 1 percent shall be reduced to approximately 0.8722 percent

after the respective capital increase, assuming that the relevant Shareholder does not exercise any Subscription Rights and that the share capital increase is fully subscribed.

18.13. Investor relations

Ricardo Mendes Ferreira (IR officer) and Miguel Valente (Securities markets liaison representative) are responsible for the Issuer's investor relations. They can be reached at **rmf@greenvolt.pt** and **miguel.valente@greenvolt.pt** to clarify any enquiries about the Offer.

19. TAXATION

19.1. Taxation of income and gains on shares issued by a Portuguese resident entity

The following Section is a summary of the Portuguese tax regime, as in effect on the date of this Prospectus, in relation to income derived from shares issued by a company resident in Portugal, capital gains on the transmission of those shares for consideration, and the transmission of these same shares through gift or inheritance.

The framework described herein is subject to changes in the relevant laws, including changes that could have a retroactive effect. This Section does not represent an exhaustive analysis of the potential impact of the decision to purchase, hold or dispose of the Shares. Any transitional rules that may apply have not been considered in this analysis. Prospective investors are advised to consult their own tax advisers as to the Portuguese or other jurisdictions' tax consequences of the subscription, ownership and disposal of any Shares, including the legal and tax consequences in foreign jurisdictions.

Tax consequences may differ according to the applicable Conventions for the Avoidance of Double Taxation, or according to specific characteristics of the investors. This analysis does not address all the potential tax consequences of the aforementioned transactions, or the regime applicable to all categories of investors, some of whom (such as financial institutions, collective investment undertakings, pension fund cooperatives and look-through entities, etc.) may be subject to special rules.

Investors are warned that the tax legislation of each investor's Member State and of the Issuer's country of incorporation may have an impact on the income received from an investment in the Shares.

19.1.1 Individuals resident in Portugal or non-resident individuals with a permanent establishment in Portugal to which the income derived from shares is attributable

Dividends derived from the ownership of shares

Dividends paid to a Portuguese resident individual are subject to PIT. Withholding tax applies, currently at a rate of 28 percent, which is the final tax on that income. However, in cases where the individual taxpayer opts to include all sums in their tax return, if the income is obtained outside the scope of business and professional activities, only 50 percent of the dividends are subject to Portuguese taxation, at progressive rates of up to 48 percent, increased by a surcharge of 2.5 percent on income higher than €80,000 and 5 percent on income higher than €250,000.

Notwithstanding the above, dividends paid or made available (*colocados à disposição*) to accounts opened in the name of one or more account holders acting on behalf of undisclosed third parties are subject to a final withholding tax at a rate of 35 percent, unless the beneficial owner of the dividends is disclosed, in which case the general rules shall apply.

Dividends obtained by non-resident individuals with a permanent establishment in Portugal to which such income is attributable are subject to withholding tax at a rate of 28 percent, on account of the final tax due (which is calculated at a rate of 25 percent).

Capital gains and capital losses on the sale of shares.

Any change in the value of the assets owned by an individual taxpayer as a result of any alteration in such assets may give rise to capital gains or losses. In the event of a sale of shares, the net annual positive difference between taxable capital gains and capital losses arising from the sale of shares (and other securities and financial assets) is taxed at a special flat rate of 28 percent, which is the final tax on that income, unless the individual taxpayer opts for the aggregation of such income (i.e., to include all sums in the tax return), in which case the capital gains obtained will be subject to tax at progressive rates of up to 48 percent, increased by a surcharge of 2.5 percent on income higher than €80,000 and 5 percent on income higher than €250,000.

The net annual positive difference between taxable capital gains and capital losses arising from the sale of shares (and other securities and financial assets) by non-resident individuals with a permanent establishment in Portugal to which those capital gains and losses are attributable is taxed at the special flat rate of 25 percent.

In case of a negative balance between taxable capital gains and capital losses arising from transactions performed in the same year, the negative balance may be carried forward to offset income of the same nature made in the five subsequent years, provided that the individual taxpayer opts for the aggregation of such gains (i.e., to include all sums in their tax return).

When computing the difference between capital gains and capital losses, any losses incurred from the sale of shares to an entity or individual subject to a more favourable tax regime, as defined in applicable laws, are not taken into account.

The State Budget Law Proposal for 2022 foresees that, from 1 January 2023 onwards, the positive balance between capital gains and capital losses arising from the transfer for consideration of shares and other securities is mandatorily accumulated and taxed at progressive rates if the assets have been held for less than 365 days and the taxable income of the taxpayer, including the balance of the capital gains and capital losses, amounts to or exceeds EUR 75,009. At the date hereof, the State Budget Law is under legislative procedure and is not yet in force.

The purchase value, in the case of shares with prices quoted on the stock exchange market, is the cost proved by document or, in its absence, the value of the lowest price quoted during the two years preceding the date of sale, if a lower price is not declared. The purchase value of shares is accrued by the necessary and effectively incurred expenses inherent to their purchase and to their sale.

When computing capital gains and losses, the acquisition cost of shares held for at least 24 months prior to the date of sale is adjusted in accordance with the currency devaluation coefficient for the year of acquisition, as annually approved by a Ministerial Order.

The attribution and exercise of subscription rights inherent to the Shares shall not be deemed taxable events under Portuguese law. However, income derived from the disposal of such subscription rights inherent to the Shares in the course of a share capital increase shall be regarded as capital gains for tax purposes, taxed at the rate of 28 percent, without prejudice to the option for the aggregation of such income (i.e., including all sums in the tax return), when performed by individuals with residence in Portugal, or at the rate of 25 percent when performed by non-resident individuals with permanent establishment in Portugal to which those gains are attributable.

Acquisition of shares through gift or inheritance

A 10 percent stamp tax rate applies to the acquisition of shares through gift or inheritance. However, an exemption is applicable if the beneficiaries of this gift or inheritance are spouses, civil partners, parents or grandparents and children or grandchildren.

19.1.2 Individuals not resident in Portugal and without a permanent establishment in Portugal to which the income derived from shares is attributable

(a) Dividends derived from the ownership of shares

Dividends are subject to PIT through a final withholding tax, currently at a rate of 28 percent, which is applied when the income is paid or made available (*colocados à disposição*).

The above-mentioned rate may be reduced *a priori* under a Convention for the Avoidance of Double Taxation entered into by Portugal and the relevant individual's country of residence, provided that the material conditions for the application of the tax reduction and certain other relevant formalities are met. In broad terms, according to Portuguese tax law, the formalities consist in filling out and signing a specific official form (*Modelo 21-RFI*) supplemented by a document issued by the local tax authorities of the country of residence of the beneficiary of the income for the year the dividends were made available, attesting both the tax residency of the beneficiary individual and that this individual is subject to tax in accordance with the applicable Convention. This evidence is valid for a maximum of one year as from the issuance date. The form currently applicable for these purposes (*Modelo 21-RFI*) is available for viewing and download at: www.portaldasfinancas.gov.pt.

Alternatively, if the beneficiary of the income is only able to comply with the conditions and/or formalities required for the application of the benefits entailed in the applicable Convention *a posteriori*, the beneficiary may request a full or partial refund of the tax withheld at source, within two years of the end of the year in which the taxable event occurred.

A final withholding tax of 35 percent applies when dividends are paid or made available (*colocados à disposição*) to:

- (i) accounts in the name of one or more account holders acting on behalf of undisclosed third parties, unless the beneficial owner of the income is disclosed, in which case the general rules will apply; or
- (ii) individuals domiciled in a country, territory or region subject to a clearly more favourable tax regime included in the list approved by Ministerial Order no. 150/2004, of 13 February.

(b) **Capital gains and capital losses on the sale of shares**

Capital gains arising from the sale of shares obtained by non-residents in Portugal are subject to PIT. The annual positive difference between capital gains and capital losses arising from the sale of shares (and other securities or financial assets) is subject to a special flat rate of 28 percent.

A domestic exemption may apply, however, to capital gains on the sale of shares obtained by non-residents in Portugal, unless: (i) the individual is domiciled in a country, territory or region subject to a clearly more favourable tax regime included in the list approved by Ministerial Order no. 150/2004, of 13 February; or (ii) the assets of the company with traded shares are composed, in more than 50 percent, by immovable property located in Portugal.

The attribution and exercise of Subscription Rights shall not be deemed taxable events under Portuguese law. However, income derived from the disposal of Subscription Rights attributed to shareholders in the course of the share capital increase shall be regarded for tax purposes as capital gains, which may benefit from the abovementioned tax exemption regime in the abovementioned conditions, when realized by individuals without residence in Portugal or permanent establishment therein to which the income is attributable.

The power to tax these capital gains may also be waived under an applicable Convention for the avoidance of Double Taxation entered into by Portugal, which should be confirmed on a case-by-case basis.

(c) **Acquisition of shares through gift or inheritance**

The acquisition of shares through gift or inheritance by non-resident individuals is not subject to stamp tax.

19.1.3 Legal entities resident in Portugal or non-resident entities with permanent establishment in Portugal to which the income or gains derived from shares are attributable

(a) **Dividends derived from the ownership of shares**

Dividends paid to legal entities resident for tax purposes in mainland Portugal and to non-resident legal entities with a permanent establishment in mainland Portugal to which the income is attributable are included in their taxable income and are subject to Portuguese CIT at the standard rate of 21 percent, or at a rate of 17 percent on the first €25,000 in the case of

small or medium-sized enterprises – as determined in Decree-Law no. 372/2007, of 6 November). They may also be subject to a municipal surcharge (*derrama municipal*) of up to 1.5 percent, to be levied on the taxable profit (before the deduction of any tax losses from previous years). A state surcharge (*derrama estadual*) applies at a rate of 3 percent on taxable profits (before the deduction of any tax losses from previous years) in excess of €1.5 million and up to €7.5 million, 5 percent on taxable profits in excess of €7.5 million and up to €35 million and 9 percent on taxable profits in excess of €35 million. Withholding tax also applies at a rate of 25 percent, which is deemed a payment on account of the final tax due.

Under the participation tax exemption regime, a CIT exemption may apply if a legal entity: (i) is not subject to the tax transparency regime; (ii) directly (or directly and indirectly) holds at least 10 percent of the distributing company's share capital or voting rights; and (iii) has continuously held the shares throughout the year prior to the date on which the dividends were made available (*colocados à disposição*) or holds the shares until that minimum holding period has elapsed. A minimum one-year holding period prior to distribution is required for the application of an exemption from withholding tax.

The application of the participation exemption regime may be denied or withdrawn if the beneficiary of the dividends is a participant in an artificial arrangement or a series of artificial arrangements put into place for the main purpose, or one of the main purposes, of obtaining a tax advantage.

Financial institutions, pension funds, venture capital funds, and collective investment schemes, among other entities, are not subject to such withholding tax, provided that the funds are set up and operate according to Portuguese legislation.

An autonomous tax applies at a rate of 23 percent to dividends distributed to entities that benefit from a total or partial exemption from CIT (including, in the latter case, investment income) by entities subject to CIT, if the shares are not held by those entities for a minimum holding period of one uninterrupted year, which may be completed after the dividends are made available. This tax rate is increased by 10 percentage points for entities that accrue a tax loss during the taxable period in which the dividends are made available.

A final withholding tax of 35 percent applies when dividends are paid or made available (*colocados à disposição*) to accounts in the name of one or more account holders acting on behalf of undisclosed third parties, unless the beneficial owner of the income is disclosed, in which case the general rules shall apply.

(b) **Capital gains and capital losses on the sale of shares**

In cases where a gain or loss is derived from the sale of shares, the net annual positive difference between capital gains and capital losses is included in the taxable profit and is subject to CIT at the standard rate of 21 percent, or at a rate of 17 percent on the first €25,000

in the case of small or medium-sized enterprises – as determined in Decree-Law no. 372/2007, of 6 November), and may also be subject to a municipal surcharge (*derrama municipal*) of up to 1.5 percent, to be levied on the taxable profit (before the deduction of any tax losses from previous years). A state surcharge (*derrama estadual*) also applies, at 3 percent, on taxable profits (before the deduction of any tax losses from previous years) in excess of €1.5 million and up to €7.5 million, 5 percent on taxable profits in excess of €7.5 million and up to €35 million and 9 percent on taxable profits in excess of €35 million.

When computing capital gains and losses, the acquisition cost of shares held for at least 2 years prior to the date of the sale is adjusted in accordance with the currency devaluation coefficient for the year of acquisition, as annually approved by a Ministerial Order.

Under the participation exemption regime, capital gains or capital losses are not taken into account when determining the taxable profit (i.e., are exempt from CIT) if a legal entity: (i) is not subject to the tax transparency regime; (ii) directly (or directly and indirectly) holds at least 10 percent of the company's share capital or voting rights; (iii) has continuously held the shares throughout the year prior to the date on which the transfer of shares occurs; and (iv) does not own Portuguese-situs immovable property which consists in more than 50 percent of its total assets, except if such property is assigned to agricultural, industrial or commercial activities not related to property trading.

The application of the participation exemption regime may be denied or withdrawn if the beneficiary of the income is a participant in an artificial arrangement or a series of artificial arrangements put into place for the main purpose, or one of the main purposes, of obtaining a tax advantage.

Capital losses with respect to shares are not included in the taxable profit up to the amount of dividends and capital gains obtained from shares held in the same entity, whenever those dividends and capital gains were eligible for the participation exemption regime in the same tax year or in the previous four tax years.

The attribution and exercise of Subscription Rights shall not be deemed taxable events under Portuguese law. However, income derived from the disposal of Subscription Rights attributed to shareholders in the course of the share capital increase are subject to taxation within the general terms of CIT when performed by legal entities with residence in Portugal or permanent establishment therein to which the income is attributable.

(c) **Acquisition of shares through gift or inheritance**

The net worth increase resulting from the acquisition of shares through gift or inheritance by legal entities is subject to CIT at the standard rate of 21 percent (or at a rate of 17 percent on the first €25,000 in the case of small or medium-sized enterprises – as determined by Decree-Law no. 372/2007, of 6 November 2007), and may also be subject to a municipal surcharge

(*derrama municipal*) of up to 1.5 percent, to be levied on the taxable profit (before the deduction of any tax losses from previous years). A state surcharge (*derrama estadual*) also applies at 3 percent (before the deduction of any tax losses from previous years) on taxable profits in excess of €1.5 million and up to €7.5 million, 5 percent on taxable profits in excess of €7.5 million and up to €35 million and 9 percent on taxable profits in excess of €35 million.

The gratuitous transfers of shares in favour of legal entities resident in Portugal (or non-resident entities with a permanent establishment therein) are exempt from stamp tax.

19.1.4 Non-resident legal entities without a permanent establishment in Portugal to which the income derived from shares is attributable

(a) Dividends and other income derived from the ownership of shares

Dividends are subject to CIT through withholding tax, currently at a rate of 25 percent, which is the final tax on that income.

The above-mentioned withholding tax rate may be *a priori* reduced under a Convention for the Avoidance of Double Taxation entered into by Portugal and the shareholder's country of residence, provided that the material conditions for the application of the tax reduction and certain other relevant formalities are met. In broad terms, according to Portuguese tax law, the formalities consist in filling out and signing a specific official form (*Modelo 21-RFI*) supplemented by a document issued by the local tax authorities of the country of residence of the beneficiary of the income regarding the year the dividends were made available, attesting both the tax residency of the beneficiary entity and that this entity is subject to tax in accordance with the applicable Convention. This evidence is valid for a maximum of one year as from the issuance date.

The form currently applicable for these purposes (*Modelo 21-RFI*) is available for viewing and download at: www.portaldasfinancas.gov.pt.

Alternatively, if the beneficiary of the income is only able to comply with the conditions and/or formalities required for the application of the benefits entailed in the applicable Convention *a posteriori*, the beneficiary may request a full or partial refund of the tax withheld at source, within two years of the end of the year in which the taxable event occurred.

Dividends paid to a company resident in another Member State of the EU or of the EEA (in this latter case, provided that there is administrative cooperation in tax matters equivalent to that established in the EU) or in a country with which Portugal has entered into a Convention that includes an exchange of information clause, may be exempt from taxation in Portugal. For the exemption to apply, the beneficiary company must (i) be subject to and not exempt from a tax listed in Article 2 of Directive 2011/96/EU of the Council of 30 November 2011 (with the necessary adjustments, where applicable) or subject to a tax identical or similar to the CIT, provided (in the case of companies resident in countries with which Portugal has entered into

a Convention which provides for the exchange of information) that the applicable tax rate is not lower than 60 percent of the standard CIT rate; (ii) directly (or directly and indirectly) holds at least 10 percent of the company's share capital or voting rights; and (iii) have continuously held the Shares throughout the year prior to the date on which the dividends were made available (*colocados à disposição*). If the period of one year is completed after the date of payment, the tax withheld may be refunded. Certain formalities are required for exemption from or the refund of withholding tax.

A final withholding tax rate of 35 percent applies when dividends are paid or made available (*colocados à disposição*):

- (i) to accounts in the name of one or more accountholders acting on behalf of undisclosed third parties, unless the beneficial owner of the income is disclosed, in which case the general rules shall apply; and
- (ii) to legal entities domiciled in a country, territory or region subject to a clearly more favourable tax regime included in the list approved by Ministerial Order no. 150/2004, of 13 February.

Dividends obtained by pension funds on shares held uninterruptedly for at least one year are exempt from CIT. Said exemption will only apply if the funds are set up and operate in accordance with the law, are established in another Member State of the EU or of the EEA and, in the latter case, provided that the country in question is bound by a duty to exchange information in the field of taxation equivalent to that established in the EU, which are not attributable to a permanent establishment located in Portuguese territory, exclusively guarantee the payment of old-age or invalidity retirement, widow(er), pre-retirement or early retirement pensions, and post-employment health benefits, and, when supplementary and ancillary to these benefits, the award of death payments, provided that they are managed by institutions for the provision of occupational retirement benefits which are subject to Directive 2003/41/EC of the European Parliament and of the Council, of 3 June 2003, and are the beneficial owner of the income.

(b) Capital gains and capital losses on the sale of shares

The net annual positive difference between taxable capital gains and capital losses arising from the sale of shares (and other securities and financial assets) by non-resident legal entities and without a permanent establishment in Portugal is subject to CIT at a rate of 25 percent.

Notwithstanding the above, an exemption to the capital gains tax applies, unless:

- (i) the seller is directly or indirectly held in more than 25 percent by Portuguese resident entities. This 25 percent threshold will not be applicable when the following cumulative requirements are met by the seller: (i) it is an entity resident in the EU or in the EEA (in this case, provided that there is administrative cooperation in tax matters equivalent to

that established in the EU) or in any country with which Portugal has a Convention for the Avoidance of Double Taxation in force that provides for the exchange of tax information; (ii) such entity is subject and not exempt from CIT, or a tax of a similar nature with a rate not lower than 60 percent of the CIT; (iii) it has held for at least 1 uninterrupted year at least 10 percent of the share capital or voting rights of the entity whose shares are transferred; and (iv) is not a participant in an artificial arrangement or a series of artificial arrangements put into place for the main purpose, or one of the main purposes, of obtaining a tax advantage;

- (ii) the seller is resident in a country, territory or region subject to a clearly more favourable tax regime included in the list approved by Ministerial Order no. 150/2004, of 13 February; or
- (iii) more than 50 percent of the assets of the company whose share capital is being sold consist of immovable property located in Portugal.

The attribution and exercise of Subscription Rights shall not be deemed taxable events under Portuguese law. However, income derived from the disposal of Subscription Rights attributed to shareholders in the course of the share capital increase qualifies for tax purposes as capital gains which may benefit from the abovementioned tax exemption regime, in the abovementioned conditions, when performed by legal entities without residence in Portugal or permanent establishment therein to which the income is attributable.

The power to tax these capital gains may also be waived by the application of a Convention entered into by Portugal, which should be confirmed on a case-by-case basis.

(c) **Acquisition of shares through gift or inheritance**

The acquisition of shares through gift or inheritance by non-resident legal entities without permanent establishment in Portugal to which the shares are attributable is taxed at a rate of 25 percent. Under the Conventions for the Avoidance of Double Taxation entered into by Portugal, Portugal is generally not allowed to tax such income, but the applicable rules should be confirmed on a case-by-case basis.

19.2. Transaction costs in Portugal

Fees on transactions carried out on or outside regulated markets have been abolished. In turn, stamp tax, at the rate of 4 percent, is due on brokerage fees, bank fees and other payments for financial services.

19.3. Certain U.S. federal income taxation considerations

This Section describes certain U.S. federal considerations that may be relevant to the acquisition, ownership or disposition of the New Shares. This Section applies to U.S. Holders (as defined below) who either receive or acquire New Shares pursuant to the exercise of any subscription rights or acquire

New Shares for cash, and who hold their subscription rights and New Shares as capital assets for U.S. federal income tax purposes (generally, property held for investment). This Section does not purport to discuss all aspects of U.S. federal income taxation which may be relevant to U.S. Holders based on their specific circumstances, or that may be relevant to their decision to acquire, own, or dispose of New Shares. This Section does not apply to any U.S. Holder who is a member of a special class of holders subject to special rules, including, without limitation:

- a dealer in securities;
- a trader in securities that elects to use a mark-to-market method of accounting for securities holdings;
- a bank or financial institution;
- a tax-exempt organisation;
- an insurance company;
- a regulated investment company;
- a real estate investment trust;
- a person liable for alternative minimum tax;
- a person that actually or constructively owns 10 percent or more (by vote or value) of stock in the Issuer;
- a person that holds subscription rights or shares as part of a straddle or a hedging or conversion transaction;
- a person that purchases or sells subscription rights or shares as part of a wash sale for tax purposes;
- individual retirement accounts, qualified retirement plans and other tax-deferred accounts;
- a person that has ceased to be a U.S. citizen or lawful permanent resident of the United States;
- a person that is resident, is ordinarily resident in or has a permanent establishment in a jurisdiction outside of the United States;
- a partnership or other entity or arrangement classified as a partnership for U.S. federal income tax purposes; or
- a U.S. Holder (as defined below) whose functional currency is not the USD.

In addition, this Section does not discuss any non-U.S., state or local tax considerations, alternative minimum tax, Medicare net investment tax, U.S. federal estate or gift tax, or any aspect of U.S. federal tax law other than income taxation.

This Section is based on the U.S. Internal Revenue Code of 1986, its legislative history, existing and proposed U.S. Treasury Regulations, published rulings and court decisions, all as currently in effect, as well as on the Treaty. These laws are subject to change, possibly on a retroactive basis.

For the purposes of this discussion, a U.S. Holder is a beneficial owner of New Shares that is for U.S. federal income tax purposes: (i) an individual who is a citizen or resident of the United States, (ii) a

corporation or other entity taxable as a corporation that is created or organised in the United States, any state thereof or the District of Columbia, (iii) an estate whose income is subject to U.S. federal income tax regardless of its source or a trust, if a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorised to control all substantial decisions of the trust.

If an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes holds New Shares, the tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Such entities and arrangements should consult their own tax advisers regarding the tax consequences of their specific situations.

The Issuer expects, and this summary assumes, that the Issuer was not and will not be a passive foreign investment company for U.S. federal income tax purposes with respect to its most recent taxable year, the current taxable year or in the foreseeable future (for more details see below).

19.3.1 Taxation of New Shares

(a) Distributions on New Shares

Distributions will be includible in a U.S. Holder's income as dividends to the extent paid out of the Issuer's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. The Issuer does not expect to calculate its earnings and profits in accordance with U.S. federal income tax principles and, accordingly, U.S. Holders should expect that a distribution will generally be reported as a dividend even if that distribution (or a portion thereof) would otherwise be treated as a tax-free return of capital or as capital gain. Such dividends will not be eligible for the dividends received deduction allowed to U.S. corporations for dividends received from other U.S. corporations.

With respect to certain non-corporate U.S. Holders, including individual U.S. Holders, dividends may be taxed at the lower capital gain rates applicable to "qualified dividend income", provided that the Issuer is eligible for the benefits of the Treaty. The Issuer expects to be eligible for benefits under the Treaty, provided that there is regular trading of the New Shares on Euronext Lisbon. U.S. Holders should consult their tax advisers regarding the availability of the lower capital gain rates applicable to qualified dividend income for dividends paid with respect to the New Shares.

Subject to certain limitations, a U.S. Holder will generally be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Portuguese income taxes withheld. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. Dividend income will generally constitute foreign source "passive category" income for foreign tax credit purposes. The rules relating to foreign tax credits are complex and a U.S. Holder should consult its own tax adviser regarding the availability and the application of the foreign tax credit to their specific situation.

U.S. Holders should consult their own tax advisers regarding how to account for dividends that are paid in a currency other than USD.

(b) Sale, Exchange or Other Taxable Disposition of New Shares

A U.S. Holder will recognise U.S. source capital gain or loss upon the sale or other taxable disposition of the New Shares in an amount equal to the difference between the USD value of the amount realised upon the disposition and the U.S. Holder's adjusted tax basis in such New Shares. Any capital gain or loss will be long-term if the New Shares have been held for more than one year at the time of the sale or other taxable disposition. Certain non-corporate U.S. Holders, including individuals, are eligible for reduced rates of taxation on long-term capital gains. The deductibility of capital losses is subject to limitations.

U.S. Holders should consult their own tax advisers regarding how to account for sale or other disposition proceeds that are paid in a currency other than USD.

(c) Passive Foreign Investment Issuer

In general, a non-U.S. corporation will be classified as a PFIC for any taxable year if at least (i) 75 percent of its gross income is classified as "passive income"; or (ii) 50 percent of the average quarterly value of its assets produce or are held for the production of passive income. For this purpose, passive income generally includes, among other items, dividends, interest, gains from certain commodities transactions, certain rents, royalties and gains from the disposition of passive assets. For the purposes of the above calculations, a non-U.S. corporation that directly or indirectly owns at least 25 percent by value of the stock of another corporation is treated as if it held its proportionate share of the assets of such other corporation and directly received its proportionate share of the income of such other corporation ("general look-through rule").

Based on the nature of its business, the Issuer does not believe it was a PFIC for its most recent taxable year and does not expect to be a PFIC for the current taxable year or in the foreseeable future, although there can be no assurance in this regard because the Issuer's status as a PFIC depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. A non-U.S. corporation is classified as a PFIC in any year in which it meets either the income test or asset test (together, the "PFIC tests") discussed above, which depends on the actual financial results for each year in question. Accordingly, it is possible that the Issuer may be considered a PFIC in the current or any future taxable year due to changes in its asset or income composition.

If the Issuer is a PFIC for any taxable year during which a U.S. Holder holds the New Shares, such U.S. Holder will be subject to special tax rules with respect to any "excess distribution" received and any gain realised from a sale or other disposition, including a pledge, of shares. Distributions received in a taxable year in an amount greater than 125 percent of the average annual distributions received during the shorter of the three preceding taxable years or a U.S.

Holder's holding period for the New Shares will be treated as excess distributions. Under these special tax rules:

- the excess distribution or gain will be allocated rateably over a U.S. Holder's holding period for the New Shares;
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which the Issuer was a PFIC, will be treated as ordinary income; and
- the amount allocated to each other taxable year will be subject to tax at the highest tax rate in effect for that year and the interest charge applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to taxable years prior to the year of disposition or excess distribution in which the Issuer was a PFIC cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale or other disposition of the New Shares cannot be treated as capital, even if a U.S. Holder holds the New Shares as capital assets. In addition, non-corporate U.S. Holders will not be eligible for reduced rates of taxation on any dividends received from the Issuer if the Issuer is a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year. A U.S. Holder will be required to report additional information with its U.S. federal income tax return if such U.S. Holder holds the New Shares in any year in which the Issuer is a PFIC. If a U.S. Holder held existing shares during any taxable year in which the Issuer may have been a PFIC, such U.S. Holder is urged to consult its own tax adviser concerning the U.S. federal income tax consequences of holding the New Shares in a PFIC.

If the Issuer is a PFIC and if any of its subsidiaries or other entities in which it, directly or indirectly, owns equity are PFICs (collectively, "**Lower-tier PFICs**"), a U.S. Holder will be deemed to own its proportionate share of any Lower-tier PFICs and will be subject to U.S. federal income tax, according to the PFIC rules described in the paragraph above, on (i) certain distributions made by a Lower-tier PFIC; and (ii) a disposition of shares of a Lower-tier PFIC, in each case as if the U.S. Holder owned such shares directly, even though it has not received the proceeds of those distributions or dispositions directly. Attending to the final PFIC regulations released in December 2020, where some relevant amendments on lower-tier corporation rules were introduced, U.S. Holders should consult their tax advisers regarding the application of the PFIC rules to any of the Issuer's subsidiaries according to U.S. internal law.

In certain circumstances, in lieu of being subject to the excess distribution rules discussed above, a U.S. Holder may elect to include gain on the stock of a PFIC as ordinary income under a mark-to-market method, provided that such stock is "regularly traded" on a "qualified exchange". In general, the shares will be treated as "regularly traded" for a given calendar year if more than a *de minimis* quantity of the shares is traded on a qualified exchange for at least 15 days during each calendar quarter of such calendar year. A non-U.S. securities exchange on

which the shares are traded will be considered a “qualified exchange” if (i) it is regulated or supervised by a governmental authority of the country in which the market is located; (ii) it has trading volume, listing, financial disclosure, surveillance, and other requirements designed to prevent fraudulent and manipulative acts and practices, to remove impediments to and perfect the mechanism of a free and open, fair and orderly, market, and to protect investors; and the laws of the country in which the exchange is located and the rules of the exchange ensure that such requirements are actually enforced; and (iii) the rules of the exchange effectively promote the active trading of listed stocks. No assurance can be given that the New Shares will be regularly traded on a qualified exchange for the purposes of the mark-to-market election.

If a U.S. Holder makes an effective mark-to-market election, such U.S. Holder will include as ordinary income in each year the excess of the fair market value of the New Shares at the end of the year over the adjusted tax basis in the New Shares. Such U.S. Holder will be entitled to deduct as an ordinary loss each year the excess of the adjusted tax basis in the New Shares over their fair market value at the end of the year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A U.S. Holder’s adjusted tax basis in the New Shares will be increased by the amount of any income inclusion and decreased by the amount of any deductions under the mark-to-market rules. Any distributions made by the Issuer would generally be subject to the rules discussed above, except that the lower rate applicable to qualified dividend income would not apply. If a U.S. Holder makes a mark-to-market election, it will be effective for the taxable year for which the election is made and all subsequent taxable years (provided that, for any subsequent taxable year in which the Issuer is not a PFIC, a U.S. Holder will not include in income mark-to-market gain or loss), unless the New Shares are no longer regularly traded on a qualified exchange or the U.S. Internal Revenue Service consents to the revocation of the election. Because a mark-to-market election generally cannot be made for equity interests in Lower-tier PFICs, U.S. Holders will generally continue to be subject to the PFIC rules with respect to their indirect interest in any Lower-tier PFICs. As a result, distributions from, and dispositions of, Lower-tier PFICs, as well as certain other transactions, will be generally treated as distributions or dispositions subject to the rules above regarding excess distributions, even if a mark-to-market election is made. U.S. Holders are urged to consult their tax advisers about the availability and advisability of the mark-to-market election in relation to their specific circumstances, as well as the impact of such election on interests in any Lower-tier PFICs.

Each U.S. Holder is urged to consult its own tax adviser concerning the U.S. federal income tax consequences of holding the New Shares if the Issuer is a PFIC in any taxable year during its holding period.

19.3.2 Information Reporting and Backup Withholding

A U.S. Holder may be subject to information reporting on amounts received by such U.S. Holder from a distribution on or disposition of the New Shares, unless such U.S. Holder establishes that it is exempt from these rules. If a U.S. Holder does not establish its exemption from these rules, it may be subject to backup withholding on the amounts received, unless it provides a taxpayer identification number and otherwise complies with the requirements of the backup withholding rules. Backup withholding is not an additional tax and the amount of any backup withholding from a payment received will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability and may entitle such U.S. Holder to a refund, provided that the required information is submitted to the U.S. Internal Revenue Service in a timely manner.

In addition, U.S. Holders should consult their tax advisers about any reporting obligations that may apply as a result of the acquisition, holding or disposition of the New Shares. Failure to comply with applicable reporting obligations could result in the imposition of substantial penalties.

20. SELLING AND TRANSFER RESTRICTIONS

No action has been or will be taken in any jurisdiction by the Issuer or the Joint Global Coordinators or the Joint Bookrunners that would permit, other than pursuant to the Offer, an offer of the New Shares or Subscription Rights or possession, circulation or distribution of this Prospectus or any other Offer material in any jurisdiction where action for that purpose is required. The distribution of this Prospectus and the offer of the New Shares and Subscription Rights in certain jurisdictions may be restricted by law.

Accordingly, no New Shares and Subscription Rights may be offered or sold either directly or indirectly, and neither this Prospectus nor any other Offer material or advertisements in connection with the New Shares or Subscription Rights may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. If an investor receives a copy of this Prospectus, it must not treat this Prospectus as constituting an invitation or offer of the New Shares or Subscription Rights, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor or the New Shares or Subscription Rights could lawfully be dealt in without violating any registration or other legal requirements. Accordingly, if the investor receives a copy of this Prospectus or any other Offer materials or advertisements, the investor should not distribute these in or into, or send them to any person in, any jurisdiction where to do so would or might violate local securities laws or regulations.

If an investor forwards this Prospectus or any other Offer materials or advertisements into any such territories (whether under a contractual or legal obligation or otherwise), the investor should draw the recipient's attention to the contents of this Section.

Subject to the specific restrictions described below, investors wishing to accept, sell or purchase the New Shares or Subscription Rights must ensure that they fully observe the applicable laws of any

relevant territory, including obtaining any required governmental or other consents, observing any other necessary formalities and paying any issue, transfer or other taxes due in such territories.

Investors that are in any doubt as to whether they are eligible to purchase the New Shares or Subscription Rights should consult their professional advisers without delay.

Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions, including those detailed in the following paragraphs. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

United States

The New Shares and Subscription Rights have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States unless the New Shares and/or Subscription Rights are registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available.

All offers and sales of the New Shares and/or Subscription Rights will be made outside the U.S. in “offshore transactions” as defined in, and in compliance with, Regulation S under the U.S. Securities Act. Recipients of this Prospectus in the United States are hereby notified that this Prospectus has been provided to them on a confidential basis and is not to be reproduced, retransmitted or otherwise redistributed, in whole or in part, under any circumstances. This Prospectus is personal to each offeree and does not constitute an offer to any other person or the public in general to subscribe for or otherwise acquire the New Shares or Subscription Rights.

Regulation S

Each purchaser of the New Shares outside of the United States pursuant to Regulation S, by accepting the delivery of this Prospectus, the New Shares or Subscription Rights, will be deemed to have represented, agreed and acknowledged that it has received a copy of this Prospectus and such other information necessary to make an informed investment decision and that:

- (i) It is authorised to purchase the New Shares and/or Subscription Rights in compliance with all applicable laws and regulations;
- (ii) It is, or when the New Shares and/or Subscription Rights are purchased will be, the beneficial owner of such New Shares and/or Subscription Rights and (a) is, and the person, if any, for whose account it is acquiring the New Shares and/or Subscription Rights is, outside the United States (within the meaning of Regulation S) and is purchasing such New Shares and/or Subscription Rights in an “offshore transaction” in accordance with Rule 903 or 904 of Regulation S; (b) is not an affiliate of the company or a person acting on behalf of such affiliate; and (c) is not in the business of buying or selling securities or, if it is in such business, it did not

acquire the New Shares and/or Subscription Rights from the company or an affiliate thereof in the initial distribution of such New Shares;

- (iii) It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that such New Shares and/or Subscription Rights have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction within the United States;
- (iv) It (a) acknowledges that the Issuer, the Joint Global Coordinators / Managers and their respective affiliates will rely on the truth and accuracy of the acknowledgements, representations and agreements in the foregoing paragraphs; and (b) agrees that, if any of these acknowledgements, representations or agreements deemed to have been made by virtue of its purchase of the New Shares and/or Subscription Rights are no longer accurate, it will promptly notify the Issuer, and if it is acquiring any New Shares and/or Subscription Rights as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account (in which case it hereby makes such acknowledgements, representations and agreements on behalf of such accounts as well);
- (v) It is aware of the restrictions on the offer and sale of the New Shares and/or Subscription Rights pursuant to Regulation S described in this Prospectus; and
- (vi) The Issuer shall not recognise any offer, sale, pledge or other transfer of the New Shares and/or Subscription Rights made other than in compliance with the above-stated restrictions.

European Economic Area

In relation to each EEA Member State other than Portugal (each a “Relevant Member State”), no New Shares or Subscription Rights have been offered or will be offered pursuant to the Offer to the public in that Relevant Member State prior to the publication of a prospectus in relation to the New Shares and Subscription Rights which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Regulation, except that the New Shares and Subscription Rights may be offered to the public in that Relevant Member State at any time:

- (i) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation) subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of the New Shares and Subscription Rights shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an ‘offer to the public’ in relation to the New Shares and Subscription Rights in any Relevant Member State means the communication, in any form and by any means, of sufficient information on the terms of the offer and any New Shares or Subscription Rights to be offered to enable an investor to decide whether or not to purchase or subscribe for any New Shares or Subscription Rights, and the expression “Prospectus Regulation” means Regulation (EU) no. 2017/1129.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any New Shares or Subscription Rights under, the Offer will be deemed to have represented, warranted and agreed with each of the Managers and their affiliates and the Issuer that:

- (i) it is a qualified investor within the meaning of the Prospectus Regulation; and
- (ii) in the case of any New Shares or Subscription Rights acquired by it as a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, the New Shares or Subscription Rights acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any circumstances which may give rise to an offer to the public, other than their offer or resale in a Relevant Member State to Qualified Investors, in circumstances where the prior consent of the Joint Global Coordinators has been obtained for each such proposed offer or resale.

The Issuer, the Managers and their affiliates, and others will rely on the truth and accuracy of the foregoing representation, acknowledgement and agreement.

United Kingdom

This Prospectus and any other material in relation to the New Shares described herein is only being distributed to and is only directed at, and any investment or investment activity to which this Prospectus relates is only available to and will be engaged in only with persons (i) who have professional experience in matters relating to investments and who fall within the definition of investment professionals in Article 19(5) of the FPO; or (ii) who are high net worth entities falling within Article 49(2)(a) to (d) of the FPO; (iii) outside the UK; or (iv) to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any New Shares may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**Relevant Persons**”). The New Shares are only available in the UK to, and any invitation, offer or agreement to purchase or otherwise acquire the New Shares will be engaged in only with, the Relevant Persons. This Prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or

in part) or disclosed by recipients to any other person in the UK. Any person in the UK that is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

No New Shares have been offered or will be offered pursuant to the Offer to the public in the United Kingdom prior to the publication of a prospectus in relation to the New Shares which has been approved by the Financial Conduct Authority, except that the New Shares may be offered to the public in the United Kingdom at any time:

- (i) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- (iii) in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of the New Shares shall require the Issuer and/or any Joint Global Coordinators or Joint Bookrunners, or any of their affiliates, to publish a prospectus pursuant to Section 85 of the FSMA or to supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to the New Shares in the United Kingdom means the communication, in any form and by any means, of sufficient information on the terms of the offer and any New Shares to be offered to enable an investor to decide whether or not to purchase or subscribe for any New Shares and the expression “UK Prospectus Regulation” means Regulation (EU) no. 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Each person in the UK who acquires any New Shares in the Offer or to whom any offer is made will be deemed to have represented, acknowledged and agreed with the Issuer, the Joint Global Coordinators or Joint Bookrunners and their affiliates that it meets the criteria outlined in this Section.

21. INFORMATION INCORPORATED BY REFERENCE AND DOCUMENTATION AVAILABLE TO THE PUBLIC

21.1. Information incorporated by reference

For the term of this Prospectus, i.e. until 9 June 2023, the following documents shall be deemed to be incorporated in, and to form part of, this Prospectus. Electronic versions thereof are available on the website of the Issuer (www.greenvolt.pt) and, in certain cases, on CMVM's website (www.cmvm.pt) and may be accessed via the following hyperlinks:

- (a) The Articles of Association (available at <https://www.greenvolt.pt/pt/investidores/governance>);
- (b) The information on resolutions taken at the General Meeting of Shareholders held on 29 April 2022 (available at <https://web3.cmvm.pt/sdi/emitentes/docs/FR82438.pdf>);
- (c) The Unaudited Condensed Consolidated Interim Financial Statements (available at <https://web3.cmvm.pt/sdi/emitentes/docs/PCT83083.pdf>);
- (d) The 2021 Annual Audited Consolidated Financial Statements (available at <https://web3.cmvm.pt/sdi/emitentes/docs/20220429174240-174114110-174114-2021-12-31/174114-2021-12-31/reports/174114-2021-12-31.xhtml>);
- (e) The 2018-2020 Annual Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Statements (available at https://greenvolt.pt/wp-content/uploads/2022/06/pdf_en_29.pdf);
- (f) The investors report dated of June 2022 (available at <https://web3.cmvm.pt/sdi/emitentes/docs/FR83085.pdf>); and
- (g) The 2021 corporate governance report (available at <https://web3.cmvm.pt/sdi/emitentes/docs/RGS82182.pdf>).

Copies of the documents incorporated by reference in this Prospectus and the Prospectus itself can be obtained (without charge) from the registered offices of the Issuer.

Documents incorporated by reference in this Prospectus contain the information available with respect to the Issuer as at the date of their publication and their incorporation by reference does not imply, in any circumstance, that there have been no changes in the Issuer's businesses since the relevant date of publication or that the information contains the quality required under Article 7 of the Portuguese Securities Code at any moment after such date. In any event, pursuant to Article 23 of the Prospectus Regulation, if between the approval of the Prospectus and the start of trading of the New Shares on Euronext Lisbon any significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus, which may affect the assessment of the New Shares, arises or is noted, the Issuer shall prepare a supplement to the Prospectus without undue delay.

Information contained in the Issuer's official website (www.greenvolt.pt) or in any other website referred to in this Prospectus does not form part of this Prospectus and has not been scrutinised or

approved by the CMVM, unless that information is incorporated by reference in this Prospectus, and therefore the Issuer is not liable, and cannot be held liable, for the information contained in such websites, which, except for the Issuer's official website (www.greenvolt.pt), have not been reviewed by the Issuer with the purpose of assessing if the information contained therein is complete, true, updated, clear, objective and licit.

Any information contained in any of the documents specified above which is not incorporated by reference in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

21.2. Prospectus available to the public

A copy of the Prospectus, and a Portuguese summary thereof, on a durable medium shall be delivered by the Issuer to any potential investor, upon request and free of charge, but with such delivery being limited to Portugal. In the event that a potential investor makes a specific demand for a paper copy of the Prospectus, the Issuer shall deliver a printed version thereof.

The Prospectus and the Portuguese summary will also be published in electronic form, thus being available to the public, and shall remain publicly available in electronic form for at least 10 years after its publication on the following websites:

- (a) on the Issuer's website at www.greenvolt.pt; and
- (b) on the CMVM's website at www.cmvm.pt.

All information and documents incorporated by reference will be available for public consultation for at least 10 years after the publication of this Prospectus, in the same means as referred above.

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