OPDENERGY HOLDING, S.A.

The Consolidated Audited Annual Accounts for the year ended 31 December 2019, prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (Note 3 and 23), have been translated into English from Spanish, and in case of any discrepancy between the Spanish language version and the English language version, the former shall prevail.

Please note that the Individual Audited Annual Accounts for the year ended 31 December 2019 are available in Spanish only.

Las Cuentas Anuales Consolidadas y Auditadas del ejercicio anual terminado a 31 de diciembre de 2019, elaboradas conforme al marco normativo de información financiera aplicable al Grupo en España (Nota 3 y 23), han sido traducidas del español al inglés, y en caso de discrepancia entre la versión en español y la versión en inglés, deberá prevalecer la primera.

Por favor, tenga en cuenta que las Cuentas Anuales Individuales Auditadas para el ejercicio terminado el 31 de diciembre de 2019 están disponibles solo en español.

Opde Investment España, S.L. and Subsidiaries

Consolidated Financial Statements
for the year ended
31 December 2019,
together with Independent Auditor's
Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.

Deloitte.

Deloitte, S.L.
Plaza del Castillo, 21
31001 Pamplona
España

Tel: +34 948 17 00 86
www.deloitte.es

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 3 and 23). In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Opde Investment España, S.L.,

Opinion

We have audited the consolidated financial statements of Opde Investment España, S.L. ("the Parent") and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as at 31 December 2019, and the consolidated statement of profit or loss, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of the Group as at 31 December 2019, and its consolidated results and its consolidated cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Group (identified in Note 3.1 to the consolidated financial statements) and, in particular, with the accounting principles and rules contained therein.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the consolidated financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

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

Most Significant Audit Matters

The most significant audit matters are those matters that, in our professional judgement, were considered to be the most significant risks of material misstatement in our audit of the consolidated financial statements of the current period. These risks were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those risks.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Measurement of work-in-progress inventories	
Description	**Procedures applied in the audit**
The Group's consolidated balance sheet as at 31 December 2019 includes work-in-progress inventories amounting to EUR 162,501 thousand relating to investments for the development and construction of solar PV facilities at the solar farms included in the scope of consolidation and earmarked for sale, which are located mainly in Mexico, Spain, Chile and the US. Since this figure represents approximately 56% of the Group's total assets at 2019 year-end, and because, due to the industry in which the Group operates, the measurement of inventories is a complex process that requires an appropriate calculation of production costs and the use of estimates and allocation criteria, we considered the measurement of these assets to be one of the most significant matters in our audit.	Our audit procedures to address this matter included, among others, obtaining an appropriate understanding of the valuation method established by the Group and, specifically, of the factors considered in the allocation of direct and indirect costs, such as labour and other expenses related with the process, and also verifying that this method met the requirements of the applicable accounting legislation. Also, for a representative sample, we checked the correct valuation of the directly attributable costs in measuring work in progress, on the basis of the confirmation of the acquisition cost by suppliers. Lastly, we verified that the notes to the accompanying consolidated financial statements included the related disclosures required by the applicable financial reporting framework. Notes 5.9 and 12 to the accompanying consolidated financial statements include these disclosures.

Recognition of revenue from the development and construction of solar PV farms	
Description	**Procedures applied in the audit**
As detailed in Notes 18 and 19 to the accompanying consolidated financial statements, in 2019 the Group recognised revenue amounting to EUR 100,290 thousand relating to the development and construction of three projects located in Spain which had not been completed at 31 December 2019. Although the recognition of this revenue, under the terms and conditions agreed upon by the Group and the companies holding the rights to the solar PV farms, is not complex, since it gives rise to accounts receivable that are convertible into cash in a short period of time, it does involve the consideration of specific circumstances associated with the various terms and conditions agreed upon. Accordingly, this matter was an area of significant auditor attention in our audit. There is an inherent risk associated with the timing of the recognition of this revenue, which depends on the construction milestones achieved and agreed upon under the contractual terms and conditions agreed with customers, and the impacts that regulatory changes might have on sales (VAT, excise duties, etc.).	Our audit procedures included, among others, the review and analysis of the most significant contracts in order to obtain an appropriate understanding of the terms and conditions agreed upon; and the review of whether the revenue recognised was consistent with the terms and conditions reflected in those contracts, by verifying the price agreed for them, as well as the reasonableness of the revenue recognised on the basis of the delivery milestones for the solar PV farm construction and development project. We also analysed the collection of the certified amounts billed to the customer and recognised as construction revenue. Lastly, we verified that the notes to the accompanying consolidated financial statements included the related disclosures required by the applicable financial reporting framework. Notes 5.14, 18 and 19 to the accompanying consolidated financial statements include these disclosures.

Emphasis of Matter

We draw attention to Note 22 to the accompanying consolidated financial statements, which describes an uncertainty relating to the outcome of the COVID-19 crisis situation and the effects it might have on the Group's future operations. Our opinion is not modified in respect of this matter.

Other Information: Consolidated Directors' Report

The other information comprises only the consolidated directors' report for 2019, the preparation of which is the responsibility of the Parent's directors and which does not form part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated directors' report. Our responsibility relating to the consolidated directors' report, in accordance with the applicable audit regulations, consists of evaluating and reporting on whether the consolidated directors' report is consistent with the consolidated financial statements, based on our knowledge of the Group obtained in the audit of those consolidated financial statements and excluding any information other than that obtained as evidence during the audit. Also, our responsibility consists of evaluating and reporting on whether the content and presentation of the consolidated directors' report are in conformity with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described in the preceding paragraph, the information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2019 and its content and presentation are in conformity with the applicable regulations.

Responsibilities of the Parent's Directors for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the Group's consolidated equity, consolidated financial position and consolidated results in accordance with the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

A further description of our responsibilities for the audit of the consolidated financial statements is included in the Appendix to this auditor's report. This description, which is on the following page, forms part of our auditor's report.

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24 July 2020

Appendix to our auditor's report

Further to the information contained in our auditor's report, in this Appendix we include our responsibilities in relation to the audit of the consolidated financial statements.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

From the significant risks communicated with the Parent's directors, we determine those risks that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the most significant assessed risks.

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

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 3 and 23). In the event of a discrepancy, the Spanish-language version prevails.

opdenergy

OPDE Investment España, S.L. and Subsidiaries

CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2019 AND 2018 (NOTES 1, 2, 3 AND 5)

(Thousands of euros)

ASSETS	Notes	31/12/19	31/12/18 (*)	EQUITY AND LIABILITIES	Notes	31/12/19	31/12/18 (*)
NON-CURRENT ASSETS		**38.796**	**30.470**	**EQUITY**		**77.357**	**69.866**
Intangible assets	**Note 6**	**910**	**921**	***SHAREHOLDERS' EQUITY-***	**Note 13**	**80.251**	**70.405**
Patents, licences, trademarks and similar items		9	12	**Share capital**		**2.118**	**2.118**
Concessions		779	827	Registered share capital		2.118	2.118
Computer software		121	82	**Reserves and prior pears' profits (losses)**		**78.468**	**63.890**
Other intangible assets		1	-	Legal reserve		602	602
Property, plant and equipment	**Note 7**	**19.663**	**20.407**	Voluntary reserves		77.866	63.288
Land and buildings		2.158	2.291	**Reserves of consolidated companies**		**(12.829)**	**4.815**
Plant, machinery, tools, furniture and other items of property, plant and equipment		17.505	18.116	**Profit (Loss) for the year attributable to the Parent**		**12.494**	**(418)**
Investment property	**Note 8**	**642**	**642**	Consolidated profit (loss) for the year		12.494	(418)
Non-current investments in Group companies and associates	**Note 10.1**	**5.548**	**7**	***VALUATION ADJUSTMENTS-***		**(2.894)**	**(539)**
Investments accounted for using the equity method		-	-	Translation differences		(3.046)	(539)
Equity instruments		1	7	Hedges	**Note 10.1**	152	-
Long-term loans to companies	**Note 19.2**	5.547	-				
Non-current financial assets	**Note 10.1**	**2.838**	**2.730**				
Long-term loans to companies		783	835				
Derivatives		218	-				
Other financial assets		1.837	1.895	**NON-CURRENT LIABILITIES**		**60.601**	**32.316**
Deferred tax assets	**Note 17**	**9.195**	**5.763**	**Long-term provisions**	**Note 14**	**505**	**457**
				Provisions for future service-related obligations		137	104
CURRENT ASSETS		**252.412**	**89.554**	Other provisions		368	353
Inventories	**Note 12**	**162.991**	**61.982**	**Non-current payables**	**Note 15.1**	**52.644**	**30.752**
Goods held for resale		470	351	Debt instruments and other marketable securities		37.287	13.784
Raw materials and other supplies		13	13	Obligations under finance leases	**Note 9**	15.357	16.968
Work in progress		162.501	61.576	**Deferred tax liabilities**	**Note 17**	**5.635**	**1.107**
Advances to suppliers		7	42	**Non-current accruals and deferred income**	**Note 10.1**	**1.817**	-
Trade and other receivables	**Note 10.2**	**35.626**	**15.046**				
Trade receivables for sales and services		1.737	1.046	**CURRENT LIABILITIES**		**153.250**	**17.842**
Trade receivables from associates and related companies	**Note 19.2**	11.190	9	**Current payables**	**Note 15.2**	**96.677**	**11.843**
Other receivables		962	292	Bank borrowings		11.011	10.329
Employee receivables		3	3	Bank borrowings associated with solar PV plants		71.072	-
Current tax assets	**Note 17**	407	2.321	Obligations under finance leases	**Note 9**	1.570	1.464
Other accounts receivable from public authorities	**Note 17**	21.327	11.375	Other financial liabilities	**Note 2.3**	13.024	50
Current investments in associates and related companies	**Note 10.2**	**-**	**12**	**Non-current payables to associates and related companies**		**-**	**5**
Loans to companies		-	12	**Trade and other payables**		**56.313**	**5.834**
Current financial assets	**Note 10.2**	**9.492**	**2.345**	Payable to suppliers		50.912	3.795
Short-term loans to companies		95	538	Sundry accounts payable		-	134
Other financial assets		9.397	1.807	Remuneration payable		637	25
Current prepayments and accrued income		**31**	**250**	Current tax liabilities	**Note 17**	3.185	19
Cash and cash equivalents		**44.272**	**9.919**	Other accounts payable to public authorities	**Note 17**	1.579	1.861
Cash		44.272	9.919	**Current accruals and deferred income**		**260**	**160**
TOTAL ASSETS		**291.208**	**120.024**	**TOTAL EQUITY AND LIABILITIES**		**291.208**	**120.024**

(*) Presented for comparison purposes only.

The accompanying Notes 1 to 23 and Appendices are an integral part of the consolidated balance sheet as at 31 December 2019.

OPDE Investment España, S.L. and Subsidiaries

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR 2019 AND 2018 (NOTES 1, 2, 3 AND 5)

(Thousands of euros)

	Notes	2019	2018 (*)
CONTINUING OPERATIONS:			
Revenue	**Notes 18.1 and 21.4**	**118.444**	**7.505**
Sales		117.091	-
Services		1.353	7.505
Changes in inventories of finished goods and work in progress	**Note 12**	**80.683**	**51.032**
Procurements	**Note 18.2**	**(172.728)**	**(51.451)**
Cost of goods held for resale sold		(43)	(49.302)
Cost of raw materials and other consumables used		(8)	(78)
Work performed by other companies		(172.671)	(2.071)
Write-down of goods held for resale, raw materials and other supplies		(6)	-
Other operating income		**445**	**420**
Non-core and other current operating income		445	420
Staff costs	**Note 18.3**	**(5.738)**	**(4.029)**
Wages, salaries and similar expenses		(4.995)	(3.555)
Employee benefit costs		(743)	(474)
Other operating expenses	**Note 18.4**	**(6.053)**	**(3.365)**
Outside services		(5.852)	(3.452)
Taxes other than income tax		(106)	(89)
Losses on and write-down of trade receivables and changes in provisions for commercial transactions	Note 10.2	(11)	291
Other current operating expenses		(84)	(115)
Depreciation and amortisation charge	**Notes 6 and 7**	**(1.516)**	**(1.493)**
Excessive provisions	**Note 14**	**-**	**136**
Impairment and gains or losses on disposals of non-current assets		**(26)**	**(8)**
Impairment and other losses		(26)	(8)
Gains or losses on the loss of control of consolidated equity interests	**Notes 2.3 and 10.1**	**1.354**	-
Gains or losses on the loss of control of a subsidiary		1.354	-
Other income and expenses		**421**	**282**
PROFIT (LOSS) FROM OPERATIONS		**15.286**	**(971)**
Finance income	**Note 10.1**	**249**	**632**
From marketable securities and other financial instruments			
- Group companies		-	11
- Third parties		249	621
Finance costs	**Note 15**	**(3.534)**	**(1.872)**
Capitalised borrowing costs	**Note 12**	490	-
On debts to third parties		(4.024)	(1.872)
Exchange differences	**Note 5.15**	**1.382**	**974**
FINANCIAL LOSS		**(1.903)**	**(266)**
Share of profit (loss) of companies accounted for using the equity method	**Note 10.1**	**(593)**	**-**
PROFIT (LOSS) BEFORE TAX		**12.790**	**(1.237)**
Income tax	**Note 17**	(296)	819
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR		**12.494**	**(418)**

(*) Presented for comparison purposes only.

The accompanying Notes 1 to 23 and Appendices are an integral part of the consolidated statement of profit or loss for the year ended 31 December 2019.

OPDE Investment España, S.L. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR 2019 AND 2018 (NOTES 1, 2, 3 AND 5)

(Thousands of euros)

A) CONSOLIDATED STATEMENTS OF RECOGNISED INCOME AND EXPENSE FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

	Notes	2019	2018 (*)
Consolidated profit (loss) for the year		**12.494**	**(418)**
Total income and expense recognised directly in consolidated equity		**(2.355)**	**742**
Translation differences		(2.507)	742
Arising from hedges	**Note 10.1**	152	-
Total transfers to consolidated profit or loss		-	-
TOTAL RECOGNISED INCOME AND EXPENSE		**10.139**	**324**
Total income and expense attributable to the Parent		**10.139**	**324**

(*) Presented for comparison purposes only.

B) CONSOLIDATED STATEMENTS OF CHANGES IN TOTAL EQUITY FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

	Registered share capital	Reserves	Profit (Loss) for the year attributable to the Parent	Valuation adjustments	TOTAL
2018 BEGINNING BALANCE (*)	**2.118**	**69.885**	**2.118**	**(1.281)**	**72.840**
Total recognised income and expense	**-**	**-**	(418)	742	324
Transactions with shareholders or owners					
- Dividends paid (Note 13.2)	-	(2.800)	-	-	(2.800)
Other changes in equity					
- Distribution of 2017 profit	-	2.118	(2.118)	-	-
- Other changes	-	(498)	-	-	(498)
2018 ENDING BALANCE (*)	**2.118**	**68.705**	**(418)**	**(539)**	**69.866**
Total recognised income and expense	**-**	**-**	12.494	(2.355)	10.139
Other changes in equity					
- Allocation of 2018 loss (Note 13.2)	-	(3.218)	418	-	(2.800)
- Other changes	-	152	-	-	152
2019 ENDING BALANCE	**2.118**	**65.639**	**12.494**	**(2.894)**	**77.357**

(*) Presented for comparison purposes only.

The accompanying Notes 1 to 23 and Appendices are an integral part of the consolidated statement of changes in total equity for 2019.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 3 and 23). In the event of a discrepancy, the Spanish-language version prevails.

OPDE Investment España, S.L. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR 2019 AND 2018 (NOTES 1, 2, 3 AND 5)

(Thousands of euros)

	Notes	2019	2018 (*)
CASH FLOWS FROM OPERATING ACTIVITIES (I)		**(42.078)**	**(59.611)**
Profit (Loss) for the year before tax		**12.790**	**(1.237)**
Adjustments for:		**7.162**	**2.235**
- Depreciation and amortisation charge	**Notes 6 and 7**	1.516	1.493
- Impairment losses	**Notes 10.2 and 12**	2.696	594
- (Gains) Losses on derecognition and disposal of non-current assets	**Note 7**	26	(8)
- Changes in provisions		48	(110)
- Finance income		(249)	(632)
- Finance costs		3.534	1.872
- Exchange differences		(1.002)	(974)
- Share of loss of companies accounted for using the equity method	**Note 10.1**	593	-
Changes in working capital		**(60.063)**	**(60.525)**
- Inventories	**Note 12**	(82.819)	(51.605)
- Trade and other receivables		(27.970)	(8.072)
- Other current assets		219	(173)
- Trade and other payables		50.689	(665)
- Other current liabilities		(182)	(10)
Other cash flows from operating activities		**(1.967)**	**(84)**
- Interest paid		(4.130)	(1.039)
- Interest received		249	632
- Income tax recovered, net		1.914	323
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**(15.591)**	**11.835**
Payments due to investment		**(15.603)**	**(153)**
- Group companies, net of cash at consolidated companies	**Notes 2.3 and 10.1**	(2.650)	**-**
- Intangible assets	**Note 6**	(53)	(78)
- Property, plant and equipment	**Note 7**	(708)	(75)
- Other financial assets, net	**Note 10.2**	(7.255)	-
- Group companies and associates	**Note 19.2**	(4.937)	-
Proceeds from disposal		**12**	**11.988**
- Group companies and associates	**Note 10.1**	12	108
- Property, plant and equipment	**Note 7**	-	12
- Other financial assets, net	**Note 10**	-	11.868
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**90.987**	**19.036**
Proceeds and payments relating to financial liability instruments		**90.987**	**19.036**
- Proceeds from issue of:			
Bank borrowings	**Note 15.2**	71.754	10.277
- Debt instruments and other marketable securities	**Note 15.1**	23.706	13.883
- Repayment and redemption of:			
Other borrowings	**Note 9**	(1.668)	(2.216)
Borrowings from Group companies		(5)	(108)
Dividends and returns on other equity instruments paid		**(2.800)**	**(2.800)**
- Dividends	**Note 13.2**	(2.800)	(2.800)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)	**Note 5.15**	**1.035**	**478**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		**34.353**	**(28.262)**
Cash and cash equivalents at beginning of year from continuing operations		9.919	38.181
Cash and cash equivalents at end of year from continuing operations		44.272	9.919

(*) Presented for comparison purposes only.

The accompanying Notes 1 to 23 and Appendices are an integral part of the consolidated statement of cash flows for the year ended 31 December 2019.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see Notes 3 and 23). In the event of a discrepancy, the Spanish-language version prevails.

OPDE Investment España, S.L. and Subsidiaries

Notes to the consolidated financial statements
for the year ended 31 December 2019

1. Group object and business activity

OPDE Investment España, S.L. ("the Parent") was incorporated on 20 January 2005 under the name Otras Producciones de Energía, S.L. (OPDE, S.L.). On 3 July 2009, the Company changed its name to OPDE Investment España, S.L.

On that date the capital increase of the investee Otras Producciones de Energía Fotovoltaica, S.L. through the contribution by the company of a line of business was, in turn, notarised. Accordingly, OPDE Investment España, S.L. became a holding company with interests in various Group companies and associates, and Otras Producciones de Energía Fotovoltaica, S.L. took over the solar farm development activities that OPDE Investment España, S.L. (formerly OPDE, S.L.) had been carrying on until that date. This contribution qualifies for taxation under the special regime for mergers, spin-offs, asset contributions and share exchanges established in Navarre Income Tax Law 24/1996. This process is described in detail in the consolidated financial statements for the year ended 31 December 2009.

As a result of the aforementioned contribution of the business line relating to the "development, marketing, installation, sale and maintenance of solar PV plants" to Otras Producciones de Energía Fotovoltaica, S.L., the Parent's object, which coincides with its activity, consists mainly of:

- The subscription, acquisition, transfer, management, administration, holding and use of transferable securities representing an ownership interest in the equity of entities resident or not resident in Spain, and of fixed- or variable-income financial assets in general, any securities representing either the transfer to third parties of own capital or ownership interests in the equity of other entities, as well as shares representing the capital or equity of collective investment undertakings; in all cases admitted or not admitted to trading on organised markets and without performing the activities inherent to collective investment undertakings.

- The sale of energy to electricity companies.

Until 2 January 2020, the Parent of the Group had its registered office and address for tax purposes at Polígono Industrial Santos Justo y Pastor, s/n, 31510 Fustiñana (Navarre). On that date the shareholders at the Annual General Meeting of the Parent resolved to relocate its registered office and address for tax purposes to calle Cardenal Marcelo Spínola 42, 5ª, 28016, Madrid (Madrid).

At the end of 2019 and 2018 OPDE Investment España, S.L. was the head of a group ("the OPDE Group" or "the Group") made up of the subsidiaries and associates detailed in Appendices I and II, respectively.

Also, the Group engages mainly in electricity production and in the development, construction, operation, maintenance and sale of solar PV plants.

The most significant changes in the scope of consolidation and segment information are disclosed in Notes 2.3 and 21.4, respectively.

For the purposes of preparing the consolidated financial statements, a group is deemed to exist when the parent has one or more subsidiaries over which it exercises direct or indirect control. The scope of consolidation and the principles applied in the preparation of the Group's consolidated financial statements are detailed in Notes 2 and 5.

The consolidated financial statements of the OPDE Group for 2019 were formally prepared by the Parent's directors at the Board of Directors Meeting held on 20 July 2020.

The consolidated financial statements of the OPDE Group for 2018 were formally prepared by the Parent's directors at the Board of Directors meeting held on 27 March 2019 and, following approval by the shareholders at the Annual General Meeting of OPDE Investment España, S.L., held on 16 April 2019, were filed at the Navarre Mercantile Registry.

Industry regulation in Spain

The electricity generation business of the Spanish companies making up the OPDE Group is currently regulated by Spanish Electricity Industry Law 24/2013, of 26 December, which came into force on 28 December 2013, and by the regulatory provisions implementing this Law, including most notably Royal Decree 413/2014, regulating electricity production using renewable energy sources, cogeneration (CHP) and waste.

The implementing regulations of Royal Decree-Law 9/2013 were enacted in 2014 through the approval of Royal Decree 413/2014, which regulates and defines the new legal and economic model, and Ministry of Industry, Economy and Tourism Order IET/1045/2014, of 16 June, establishing the applicable standard facility remuneration parameters for determining specific remuneration.

Ministry of Energy, Tourism and the Digital Agenda Order ETU/130/2017, of 17 February, was published on 22 February 2017, updating the standard facility remuneration parameters applicable to certain electricity generation facilities that use renewable energy sources, CHP and waste for the regulatory period between 1 January 2017 and 31 December 2019, pursuant to Article 20 of Royal Decree 413/2014, of 6 June. The definitive parameters for 2017 to 2019 were approved on 2 March 2017.

Royal Decree-Law 17/2019, of 22 November, adopting urgent measures for the necessary adaptation of remuneration parameters affecting the electricity system, was published on 23 November 2019. This Royal Decree-Law establishes (on an exceptional basis for facilities generating energy from renewable energy sources), inter alia and in certain cases, that the value of 7.398% upon which the fair return will be based for the first regulatory period must not be revised in the two consecutive regulatory periods beginning on 1 January 2020.

Circular 4/2019, of 27 November, establishing the new remuneration methodology of the electricity system operator, was published on 3 December 2019, and the Spanish National Markets and Competition Commission (CNMC) Resolution indicating the amount of that remuneration was published on 30 January 2020. Under this Resolution, in 2020 the remuneration electricity producers will be required to pay to Red Eléctrica de España (REE) comprised a fixed payment of EUR 200/month/farm and a variable payment of EUR 0.13741/MWh.

On 28 February 2020, Ministry of Energy, Tourism and the Digital Agenda Order TED/171/2020, of 24 February, was approved, updating the standard facility remuneration parameters applicable to certain electricity generation facilities that use renewable energy sources, CHP and waste, for the purposes of the application thereof to the regulatory period that began on 1 January 2020 and from that date started to apply for the new three-year period from 2020 to 2022.

CNMC Circular 3/2020, of 15 January, establishing the methodology for calculating the electricity transmission and distribution tolls was published on 24 January 2020. This Circular eliminated from 25 January 2020 onwards the payment of the generation toll that electricity producers had been required to pay since 1 January 2011 for the electricity fed to the transmission and distribution networks (EUR 0.5/MWh).

Industry regulation in Italy

The regulatory framework envisaging both the required procedures and the exploitation and management of solar PV plants in Italy arises mainly from the 2003 "Decree 387" for the application in Italy of European Directive 2001/77/EC, which introduced the complete legal framework and general rules, as well as the framework establishing the regimes for the production of electricity from renewable energy sources in the Italian electricity grid. This Decree established a system of fixed premiums on tariffs for 20 years and prioritised the support and promotion of the production of electricity from renewable energy sources, in particular:

- Simplifying and unifying the authorisation procedures by introducing specific fixed time limits and rules.
- Introducing economic incentives.
- Granting priority access to the national grid.

Subsequently, the Italian Government approved a specific decree known as the "Novo Conto Energia", which regulated solar PV plants and was approved by Ministerial Decree of 19 February 2007. This Decree stipulated the prices for the portion of income obtained through the feed-in premium scheme. The Decree established three categories of solar PV plants: Non-integrated (basically, ground-mounted); partially integrated; and integrated (basically, mounted on roofs, greenhouses and car parks).

Due to the rapid expansion of the Italian market, on 6 August 2010 the Ministries of the Environment and Economy established new applicable tariffs for 2011 to 2014 by means of a Ministerial Decree. This measure was called the "3º Conto Energia", and it entered into force on 1 January 2011.

In March 2011 the Italian Government enacted Legislative Decree 28/2011 (also known as the "Renewables Decree"), which granted the Ministry of Economy the power to modify the incentives system, and completed the process with the approval of the Ministerial Decree of 5 May 2011, the "4º Conto Energia".

The "4º Conto Energia" established a system of differentiated incentives based on the type and size of the solar PV plant concerned.

The following regulatory changes were introduced in 2013:

- Ministerial Decree no. 69, of 21 June 2013, was published, extending the application of the "Robin Hood Tax" to energy producers that exceeded EUR 3 million in sales and EUR 300 thousand in profit before tax. This tax increased the "Imposta sul Reddito delle Societa (IRES)" -Italian corporate income tax- by 6.5%.
- On 20 December 2013, the "Agenzia delle Entrate" -the Italian Revenue Agency- published a resolution whereby depreciation costs exceeding an annual rate of 4% would not be deductible. The Group depreciates its solar PV plants over 25 years.
- In 2013 the "2014 Stability Law" was approved, whereby the "Imposta Municipale Propria" -Italian Council Tax- became deductible from the "IRES" at a rate of 30% and 20% for 2013 and subsequent years, respectively.

In 2014 the Italian Parliament approved Decree Law no. 91, of 24 June, in Law 116, of 11 August 2014, which affects the incentives guaranteed to solar PV companies, offering them other incentive options.

Management of the Parent considered that the regulatory changes described above did not have a significant impact on the recoverable amount of the assets.

No significant changes occurred in 2019 with respect to industry regulation in Italy.

2. Subsidiaries, associates and jointly controlled entities

2.1 Subsidiaries

The subsidiaries, which are the companies over which the Group exercises or can exercise, directly or indirectly, control, which is taken to be the power to govern the financial and operating policies of the subsidiary so as to obtain economic benefits from its activities, were fully consolidated. Control is, in general but not exclusively, presumed to exist when the Parent owns directly or indirectly half or more of the voting power of the investee. As described in section 2.2 of this Note, the Parent accounts for investees in which it holds 50% or less of the voting rights using the equity method, on the grounds that this percentage (directly or indirectly) grants the Parent significant influence, but not control, over the investee, pursuant to the definition provided in Royal Decree 1159/2010, approving the rules for the preparation of consolidated financial statements (see Note 3.1).

When the Group loses control, any investment retained in the former subsidiary is remeasured at its fair value when control is lost and the change in the carrying amount is recognised in profit or loss. That fair value is the cost on initial recognition for the purpose of subsequently measuring the investment retained as an investment in an associate, joint venture or financial asset.

Appendix I to the notes to the accompanying consolidated financial statements details the subsidiaries included in the scope of consolidation, indicating the respective percentages of total ownership (direct plus indirect). All of them have the same reporting period as the Group, and the principal auditor performed a review, with consolidated scope, of the significant unaudited consolidated investees.

The Board of Directors of the Parent has stated that it intends to avail itself of the audit exemption for subsidiaries in the UK under section 479A of the Companies Act 2006. The following companies availed themselves of this exemption: Epsilon Solar Limited, Iota Solar Limited, Lambda Solar Limited, Alpha Solar Limited, Gamma Solar Limited, Beta Solar Limited, Delta Solar Limited, Omega Solar Limited, Omicron Solar Limited, Theta Solar Limited and PSI Solar Limited.

2.2 Jointly controlled entities and associates

Jointly controlled entities are those which constitute a joint venture and are proportionately consolidated, whereby the proportional part of the assets, liabilities, expenses and income of these companies is included in the consolidated financial statements on the basis of the Group's percentage of ownership. A joint venture is a venture in which joint control is exercised with one or more other venturers, which occurs when there is a bylaw or contractual arrangement whereby strategic financial and operating decisions affecting the joint venture require the unanimous consent of the venturers. The Group had no jointly controlled investees at the end of 2019 or 2018.

Associates are companies over whose management significant influence is exercised, which is understood to be the power to influence the investee's financial and operating policy decisions, but not control or joint control. Significant influence is presumed to exist over companies in which the percentage of ownership is 20% or more. These investees are accounted for using the equity method. The equity method consists of including under "Non-Current Investments in Group Companies and Associates - Investments Accounted for Using the Equity Method" in the consolidated balance sheet the value of the net assets and any goodwill relating to the percentage of ownership of the associate.

The net profit or loss for each year corresponding to the percentage of ownership of these companies is reflected under "Share of Profit (Loss) of Companies Accounted for Using the Equity Method" in the consolidated statement of profit or loss.

The associates included in the scope of consolidation are listed in Appendix I and Note 10.1. They all have the same reporting period as the Group.

2.3 Changes in the scope of consolidation

2019

The following companies were included in the scope of consolidation of the OPDE Group in 2019: Orinoco Solar, S.L.U., Opdenergy Italia, S.r.l., Eucalipto, S.p.A., Lingue, S.p.A., Litre, S.p.A., Opde Generación, S.p.A., La Estrella, S.p.A., Austrian Solar DYO UNO, S.p.A., Austrian Solar Chile UNO, S.p.A. and from Planta Solar Opde 46, S.L.U. to Planta Solar Opde 60 S.L.U., Horus Lousiana 0, LLC., Horus Lousiana 1, LLC., Horus Lousiana 2, LLC., Horus Lousiana 3, LLC., Horus Lousiana 4, LLC., Horus Lousiana 5, LLC., Horus Lousiana 6, LLC., Horus Lousiana 7, LLC. and Horus Lousiana 8, LLC.

Most of these companies were incorporated in 2019 although there are companies that were incorporated in previous years, the inclusion of which did not, in any event, have a significant impact on the consolidated financial statements as at 31 December 2019.

Purchase of companies in Spain and Chile

Also, three of the aforementioned companies (Orinoco Solar, S.L.U., La Estrella, S.p.A. and Austrian Solar DYO UNO, S.p.A.) were acquired by the OPDE Group in 2019 through share purchase agreements with non-Group third parties. As a result of the aforementioned transactions, the OPDE Group became the owner of all the shares in those companies.

June 2019 saw the formalisation of the process of purchasing the shares of La Estrella, S.p.A., a wind farm developer (La Estrella project), and its associated structure, with an estimated capacity of 50 MWp, located in Cardenal Caro province, Chile.

October 2019 witnessed the formalisation of the process of purchasing the shares of Austrian Solar DYO UNO, S.p.A. and its subsidiary Austrian Solar Chile UNO, S.p.A., which hold the necessary rights and permits to construct a solar PV farm (Sol de los Andes project) with an estimated capacity of 104.2 MWp, located in the region of Atacama, Chile.

Lastly, December 2019 saw the formalisation of the process of purchasing Orinoco Solar, S.L.U., the holder of the necessary rights and permits for the construction of three solar PV farms each with an estimated capacity of 49.96 MWp. All the farms are located in the province of Cuenca, Spain.

These companies were purchased through a total monetary consideration of EUR 14,999 thousand, of which EUR 12,785 thousand had yet to be paid at 31 December 2019, as recognised under "Current Payables - Other Financial Liabilities" in the consolidated balance sheet (see Note 15.2), and will be paid in full in 2020.

The assets and liabilities of the acquired companies recognised on the dates on which control was obtained were as follows (in thousands of euros):

	Thousands of euros		
	La Estrella	Austrian Solar DYO Uno	Orinoco
Non-current assets	305	358	157
Current assets (excluding cash)	-	73	33
Cash	10	-	-
Non-current liabilities	-	-	-
Current liabilities	(316)	(446)	(188)
Total net assets and liabilities	**-**	**(15)**	**2**
Transaction price	**3,171**	**2,985**	**8,843**
Price to be allocated	**3,171**	**3,001**	**8,841**

The Parent's directors concluded the measurement process required to apply the acquisition price to this business combination, and the amount resulting from the difference between the price to be allocated and the carrying amount of the net assets acquired was therefore distributed as follows (in thousands of euros):

	Adjustment to fair value		
	La Estrella	Austrian Solar DYO Uno	Orinoco
Inventories	4,343	4,111	11,788
Deferred tax liabilities	(1,172)	(1,110)	(2,947)
Price to be allocated	**3,171**	**3,001**	**8,841**

The Parent's directors measured the inventories arising from the Group's solar PV facility projects at that date, which will be sold after the reporting date, allocating the full purchase price to the value of those assets.

Sales of Spanish companies

The OPDE Group performed the following sale transactions in 2019:

- On 29 January 2019, Otras Producciones de Energía Fotovoltaica, S.L.U. reached an agreement to sell 80% of its ownership interest in Planta Solar Opde La Fernandina, S.L.U. to an investment fund for a selling price of EUR 2,351 thousand, which was paid in cash.

- On 14 February 2019, that same company reached an agreement to sell 80% of its ownership interest in Planta Solar Opde Extremadura 2, S.L. to an investment fund for a selling price of EUR 2,164 thousand, which was paid in cash.

- On 19 March 2019, that same company reached an agreement to sell 80% of its ownership interest in Planta Solar Opde Andalucía 1, S.L. to an investment fund for a selling price of EUR 599 thousand, which was paid in cash.

Each of the companies sold are solar PV farms whose fixed assets were classified as inventories in the consolidated balance sheet at 31 December 2018 and at the date of the aforementioned sale transactions (see Note 5.9). Therefore, as described in Note 5.14, the Group recognised income of EUR 7,880 thousand with a credit to "Revenue" in the consolidated statement of profit or loss in relation to the sum of the price of the shares of the solar PV farms plus the amount of the net debt associated with each of the farms, and derecognised inventories with a charge of EUR 2,784 thousand to "Changes in Inventories of Finished Goods and Work in Progress" in the consolidated statement of profit or loss.

Following these corporate transactions, at 31 December 2019 Otras Producciones de Energía Fotovoltaica, S.L.U. held a 20% ownership interest in the aforementioned companies, losing control thereof and classifying the investments as associates, as established in Notes 2.1 and 2.2 above.

Additionally, as a result of the loss of control the OPDE Group measured the investment retained at fair value on the date on which control was lost. The OPDE Group thus recognised a gain of EUR 1,354 thousand under "Gains or Losses on the Loss of Control of Consolidated Equity Interests" in the consolidated statement of profit or loss for 2019.

Agreement for the sale of Mexican companies in 2020

On 31 December 2019, Otras Producciones de Energía Fotovoltaica, S.L.U., Lambda Solar, S. de R.L. de C.V., Grupo Solar Básico Kappa 2, S.L. and Grupo Solar Básico Iota 2, S.L., the holders of all the shares of the Mexican companies Infraestructura Energética del Norte, S. de R.L. de C.V. and Energía Solar de Poniente, S. de R.L. de C.V., entered into a sale agreement to sell all the ownership interests of those companies. The two companies own solar PV plants with an energy capacity of 34.2MW and 82.5MW, respectively, which, at 31 December 2019, were under development and construction and were recognised under "Inventories" in the consolidated balance sheet for an amount of EUR 101,581 thousand (see Note 12). They also hold financing agreements associated with the development of those farms amounting to EUR 48,898 thousand and recognised under "Bank Borrowings Associated with Solar PV Plants" in the consolidated balance sheet (see Note 15.2).

At year-end, this purchase agreement was subject to compliance with a series of financial and production-related terms and conditions, among others, and to the obtainment of various permits from Mexican governmental entities, at which point the agreement will be deemed performed and the loss of control will be considered effective for accounting purposes. Consequently, the assets and liabilities associated with these companies were fully consolidated at 31 December 2019, and the effects of the sale will be recognised once the agreement is deemed performed.

The aggregate selling price established in the aforementioned agreement for the ownership interests held and the loan granted by various OPDE Group companies to the Mexican companies consist of a fixed price and a potential earn-out of 50% of the fixed price, which will be paid on the final performance date of the agreement once all the conditions have been fulfilled, as well as the obtainment of a 20% investment in the holding company A2 Renovables, LP, which will in turn (once the agreement has been performed) hold all the shares of Infraestructura Energética del Norte, S. de R.L. de C.V. and Energía Solar de Poniente, S. de R.L. de C.V.

2018

The following companies were included in the scope of consolidation of the OPDE Group in 2018: Opdenergy, S.A.U., Planta Solar Opde La Fernandina, S.L.U., Planta Solar Opde Palomarejo, S.L.U., Planta Solar Opde La Calahorra, S.L.U., Planta Solar Opde Andalucía 1, S.L.U., Planta Solar Opde Andalucía 2, S.L.U., Planta Solar Opde Andalucía 3, S.L.U., Planta Solar Opde Extremadura 1, S.L.U., Planta Solar Opde Extremadura 2, S.L.U. and from Planta Solar Opde 1, S.L.U. to Planta Solar Opde 45, S.L.U.

Most of these companies were incorporated in 2018, although there are companies that were incorporated in previous years the inclusion of which did not, in any event, have a significant impact on the consolidated financial statements as at 31 December 2018, with the exception of Opdenergy, S.A.U.

The assets contributed by Opdenergy, S.A.U. to the consolidated financial statements totalled EUR 6 million, while the other companies contributed EUR 4 million. Also, the debt contributed by Opdenergy, S.A.U. totalled approximately EUR 14 million, while the other companies did not make any contribution. Lastly, there was no impact on the consolidated statement of profit or loss in the year.

In 2018 Proyectos y Montajes Eléctricos Riosur, S.L. was liquidated at no loss to the Group.

Also, in 2019 and 2018 the Group did not include its investment in 24% of the share capital of Renter Gestiones, S.L. in the scope of consolidation, given that the volume of assets, liabilities and transactions of this company was not material. At 2019 year-end, the total amount of this company’s assets, equity and net profit (loss) amounted to EUR 512 thousand, EUR 67 thousand and a loss of EUR 12 thousand, respectively (2018: EUR 118 thousand, EUR 127 thousand and EUR 9 thousand).

Also, in 2018 the scope of consolidation did not include the investments in Horus Lousiana 0, LLC., Horus Lousiana 1, LLC., Horus Lousiana 2, LLC., Horus Lousiana 3, LLC., Horus Lousiana 4, LLC., Horus Lousiana 5, LLC., Horus Lousiana 6, LLC., Horus Lousiana 7, LLC. or Horus Lousiana 8, LLC., since the volume of assets, liabilities and transactions contributed by these companies to the consolidated financial statements for 2018 was scantly significant.

3. Basis of presentation of the consolidated financial statements

3.1 Regulatory financial reporting framework applicable to the Group

These consolidated financial statements were formally prepared by the Parent's directors in accordance with the regulatory financial reporting framework applicable to the Group, which consists of:

a) The Spanish Commercial Code and all other Spanish corporate law.

b) The Rules for the Preparation of Consolidated Financial Statements approved by Royal Decree 1159/2010 and the Spanish National Chart of Accounts approved by Royal Decree 1514/2007, as amended by Royal Decree 602/2016, and its industry adaptations.

c) The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation.

d) All other applicable Spanish accounting legislation.

3.2 Fair presentation

The consolidated financial statements for 2019, which were obtained from the accounting records of the Parent and of the companies making up the OPDE Group (“the Group” - see Appendix I), are presented in accordance with the regulatory financial reporting framework applicable to the Group and, in particular, with the principles and rules contained therein and, accordingly, present fairly the

Group’s equity, financial position, results and cash flows for 2019. These consolidated financial statements were authorised for issue on 20 July 2020. These consolidated financial statements, which were formally prepared by the Parent's directors, will be submitted for approval by the shareholders at the Annual General Meeting, and it is considered that they will be approved without any changes.

In preparing these consolidated financial statements, the Group omitted any information or disclosures which, not requiring disclosure due to their qualitative importance, were considered not to be material in accordance with the concept of materiality defined in the conceptual framework of the 2007 Spanish National Chart of Accounts.

3.3 Non-obligatory accounting principles applied

No non-obligatory accounting principles were applied. Also, the Parent's directors formally prepared these consolidated financial statements taking into account all the obligatory accounting principles and standards with a significant effect hereon. All obligatory accounting principles were applied.

3.4 Key issues in relation to the measurement and estimation of uncertainty

In preparing the consolidated financial statements estimates were made by the Parent's directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The useful life of property, plant and equipment and intangible assets (see Notes 6 and 7).
- The assessment of possible impairment losses on certain assets (see Notes 6, 7 and 8).
- The net realisable value of inventories (see Note 12).
- The fair value of certain financial instruments (see Notes 10 and 11).
- The recoverability of deferred tax assets (see Notes 5.11 and 17).
- The calculation of provisions (see Note 14).
- The estimated revenue from turnkey contracts associated with the supply, assembly, development, construction and start-up of solar PV farms, and with the sale of electricity and related expenses, actually earned in 2019 (see Notes 18.1, 19.1 and 21.4).

Although these estimates were made on the basis of the best information available at the end of 2019 and 2018, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively.

3.5 Comparative information

The accounting policies were applied on a uniform basis in 2019 and 2018 and, therefore, there are no transactions recognised under different accounting policies that could give rise to discrepancies in the interpretation of the comparative figures of the two years.

3.6 Grouping of items

Certain items in the consolidated balance sheet, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the consolidated financial statements.

3.7 Changes in accounting policies

In 2019 there were no significant changes in accounting policies with respect to those applied in 2018.

3.8 Correction of errors and other

In preparing the consolidated financial statements no errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2018.

3.9 Presentation currency

The functional and presentation currency of the consolidated financial statements is the euro. Given the significance of the figures, the amounts are expressed in thousands of euros, unless indicated otherwise.

4. Distribution of profit

The proposed distribution of the profit obtained by the Parent in 2019 that the Parent's directors will submit for approval by the shareholders at the Annual General Meeting is as follows:

	Thousands of euros
Distributable profit-	
Profit for the year	1,745
	1,745
Distribution-	
Dividends	1,745
	1,745

5. Accounting policies

As indicated in Note 3, the Group applied accounting policies in accordance with the accounting principles and rules included in the Spanish Commercial Code, implemented in the current Spanish National Chart of Accounts (2007), and all other Spanish corporate law in force at the reporting date of these consolidated financial statements. In this connection, only those accounting policies that are specific to the Group's business activities and those considered significant on the basis of the nature of its activities are detailed below.

5.1 Basis of consolidation

The main consolidation bases applied in the consolidated financial statements for 2019 and 2018 were as follows:

1. Most of the investees, as well as those companies in which the Group holds a majority of votes on the Board and over which it holds effective control (taken to be the power to govern the financial and operating policies of the subsidiary so as to obtain economic benefits from its activities) were fully consolidated. The full consolidation method requires all the assets, rights and obligations composing the equity of the subsidiaries to be included in the Parent's balance sheet, non-controlling interests, if any, to be recognised under "Non-Controlling Interests" in the consolidated balance sheet, and all the income and expenses taken into account when determining the profit or loss of the subsidiaries to be recognised in the consolidated statement of profit or loss, once the related unifying entries and eliminations have been made. The information relating thereto was included previously.

2. All the significant balances and transactions between consolidated companies were eliminated in preparing the consolidated financial statements.
3. The recognition of the income and expenses of any companies newly included in the Group in the year is restricted to the period from the date of inclusion to the reporting date.
4. Also, capital investments in other companies in which a lasting relationship is held, in which an interest of 20% or more is generally held, are measured at the Group's share of the net assets of the investee, after taking into account any dividends received therefrom and other equity eliminations.
5. The other investments in securities representing holdings in share capital are presented in the consolidated balance sheet based on the criteria indicated in Note 5.8.
6. Unification of the separate financial statements included in the scope of consolidation: the differences between the measurement bases and the criteria of the companies included in the scope of consolidation are not significant.
7. The financial statements in foreign currency at 31 December 2019 and 2018 were translated to euros using the year-end exchange rate method. The net effect of this translation is recognised with a charge or credit to "Translation Differences" in the consolidated balance sheet.
8. In the case of share purchases following the obtainment of control of a company, "Non-Controlling Interests" is reduced by the amount of the decrease in the non-controlling interest's investment in consolidated equity, and "Consolidation Reserves" is adjusted for the amount of the difference between the value of the consideration paid and the reduction in non-controlling interests. Therefore, this type of transaction does not give rise to any goodwill.
9. The share of non-controlling interests in the equity and results of the consolidated subsidiaries is presented under "Equity - Non-Controlling Interests" and "Profit/Loss Attributable to Non-Controlling Interests" in the consolidated balance sheets and the consolidated statements of profit or loss, respectively.
10. Associates are accounted for using the equity method. Associates are companies over whose management significant influence is exercised, which is understood to be the power to influence the investee's financial and operating policy decisions, but not control or joint control. Significant influence is presumed to exist over companies in which the percentage of ownership is 20% or more.
11. The equity method consists of including under "Non-Current Investments in Group Companies and Associates - Investments Accounted for Using the Equity Method" in the consolidated balance sheet the value of the net assets and any goodwill relating to the percentage of ownership of the associate. The net profit or loss for each year corresponding to the percentage of ownership of these companies is reflected under "Share of Profit (Loss) of Companies Accounted for Using the Equity Method" in the consolidated statement of profit or loss.

5.2 Goodwill and business combinations

The obtainment by the Parent of control over a subsidiary constitutes a business combination to which the acquisition method is applied. When the ownership interest is consolidated subsequently, the equity investment in the subsidiary is generally eliminated on the basis of the values resulting from applying the acquisition method (described below) at the date on which control is obtained.

Business combinations are accounted for by applying the acquisition method, for which the acquisition date is determined and the cost of the combination is calculated, and the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair value.

Goodwill or gains from a bargain purchase arising from a combination are calculated as the difference between the acquisition-date fair value of the assets acquired and liabilities assumed and the cost of the business combination at the acquisition date.

The cost of a business combination is the aggregate of:

- The acquisition-date fair value of the assets acquired, the liabilities assumed and the equity instruments issued.
- The fair value of any contingent consideration that depends on future events or on the fulfilment of certain pre-determined conditions.

The costs incurred to issue equity or debt securities given up in exchange for the items acquired are not included in the cost of a business combination.

Also, since 1 January 2010 the cost of a business combination does not include the fees paid to legal advisers and other professionals involved in the combination or, clearly, any costs incurred internally in this connection. Such amounts are charged directly to profit or loss.

If the business combination is achieved in stages and, therefore, the acquirer already held an equity interest in the acquiree immediately before the acquisition date (the date on which control is obtained), the goodwill or gain on a bargain purchase is the difference between:

- The cost of the business combination, plus the acquisition-date fair value of any equity interest previously held by the acquirer in the acquiree; and
- The fair value of the identifiable assets acquired less the fair value of the liabilities assumed, determined as indicated above.

Any gain or loss resulting from the remeasurement of the previously held equity interest in the acquiree at its acquisition-date fair value is recognised in profit or loss. If the investment in this investee had previously been measured at fair value, any valuation adjustments not yet recognised in profit or loss will be transferred to the statement of profit or loss. Also, the cost of a business combination is presumed to be the best reference for estimating the acquisition-date fair value of any previously held equity interest.

If, exceptionally, a gain on a bargain purchase arises from the business combination, it is recognised as income in the consolidated statement of profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete, and the provisional amounts may be adjusted in the period required to obtain the necessary information. However, the measurement period shall not exceed one year from the acquisition date. The effects of the adjustments made in that period are recognised retrospectively and comparative information for prior periods must be revised as needed.

Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss, unless the consideration has been classified as equity, in which case subsequent changes in its fair value are not recognised.

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

Any excess of the cost of the investments in the consolidated companies over the corresponding underlying carrying amounts acquired, adjusted at the date of first-time consolidation, is allocated as follows:

1. If it is attributable to specific assets and liabilities of the companies acquired, increasing the value of the assets (or reducing the value of the liabilities) whose market values were higher (lower) than the carrying amounts at which they had been recognised in their balance sheets and whose accounting treatment was similar to that of the same assets (liabilities) of the Group: amortisation, accrual, etc.
2. If it is attributable to specific intangible assets, recognising it explicitly in the consolidated balance sheet provided that the fair value at the date of acquisition can be measured reliably.
3. The remaining amount is recognised as goodwill, which is allocated to one or more specific cash-generating units.

Goodwill is only recognised when it has been acquired for consideration and represents, therefore, a payment made by the acquirer in anticipation of future economic benefits from assets of the acquired company that are not capable of being individually identified and separately recognised.

Goodwill is measured at cost. At the end of each reporting period goodwill is reviewed for impairment (i.e., a reduction in its recoverable amount to below its carrying amount) and, if there is any impairment, the goodwill is written down with a charge to "Impairment and Gains and Losses on Disposals of Fully Consolidated Companies - Companies Accounted for Using the Equity Method" in the consolidated statement of profit or loss.

Any impairment losses recognised for goodwill must not be reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

If after control is obtained there are transactions to sell or purchase the shares of a subsidiary without control being lost, the impact of these transactions not leading to a change in control are recognised in equity and the amount of the goodwill arising on consolidation is not modified.

5.3 Intangible assets

As a general rule, intangible assets are recognised initially at acquisition or production cost. They are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. These assets are amortised over their years of useful life.

Patents, concessions, licences, trademarks and similar items

Patents and concessions are recognised on the asset side of the consolidated balance sheet at cost less accumulated amortisation and any accumulated impairment losses recognised. "Patents, Concessions, Licences, Trademarks and Similar Items" includes mainly the amounts paid for rights and licences to construct solar farms. These items are amortised on a straight-line basis over the estimated term of use, which in the case of the solar farm concessions coincides with their useful life.

Computer software

Licenses for computer programs acquired from third parties are capitalised based on the costs incurred to acquire them and prepare them for use of the specific program. These costs are amortised over their estimated useful lives.

Computer software maintenance costs are recognised on an accrual basis. Costs directly related to the production of unique and identifiable computer software controlled by the Group which are likely to generate economic benefits exceeding those costs over more than one year are recognised as intangible assets. Direct costs include the costs of the staff that develop the computer software and an appropriate percentage of general expenses.

The computer program development expenditure recognised as assets is amortised over its estimated useful life (which is no more than five years).

5.4 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition or production cost and are subsequently reduced by the related accumulated depreciation and by any impairment losses recognised, as indicated in Note 5.6.

Property, plant and equipment upkeep and maintenance expenses are transferred to the consolidated statement of profit or loss for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

On initial recognition of property, plant and equipment items, the Group estimates the present value of the future obligations for the dismantling and removal thereof, and other obligations, such as the cost of restoring the site on which they are located. This present value is added to the cost of the related assets and a provision is recognised, which is increased by the related interest cost in the periods following that in which it is recognised.

The Group depreciates its property, plant and equipment by the straight-line method at annual rates based on the years of estimated useful life of the related assets. In this connection, the Group depreciates the solar PV facilities, and amortises the related intangible assets, over 25 to 30 years.

The years of estimated useful life of the respective items of property, plant and equipment for depreciation purposes are as follows:

	Useful life
Buildings	20
Plant	25-30
Machinery	6-7
Furniture	6-7
Tools	3
Transport equipment	5
Computer hardware	4

The borrowing costs directly attributable to the acquisition or construction of property, plant and equipment that necessarily take a period of more than 12 months to get ready for their intended use are added to the cost of the related items until they come into operation.

5.5 Investment property

"Investment Property" in the consolidated balance sheet reflects the values of the land, buildings and other structures held either to earn rentals or for capital appreciation.

At 31 December 2019 and 2018, the Group recognised mainly under "Investment Property" land held to earn rentals (see Note 8).

Investment property is measured as described in Note 5.4 on property, plant and equipment.

5.6 Impairment of intangible assets and property, plant and equipment

At the end of each reporting period (for goodwill and intangible assets with indefinite useful lives) or whenever there are indications of impairment (for other assets), the Group tests the tangible and intangible assets for impairment to determine whether the recoverable amount of the assets has been reduced to below their carrying amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use.

The recoverable amounts are calculated for each cash-generating unit, although in the case of property, plant and equipment, wherever possible, the impairment tests are performed individually for each asset.

Each year management prepares a business plan by market and line of business for each CGU.

The main components for the assets associated with the other segments are:

- Earnings projections.
- Investment and working capital projections.

Other variables affecting the calculation of the recoverable amount are:

- The discount rate to be used, which is taken to be cost of equity, the main variables with an effect on its calculation being borrowing costs and the risks specific to the assets.
- The cash flow growth rate used to extrapolate the cash flow projections to beyond the period covered by the budgets or forecasts.

The projections are prepared on the basis of past experience and of the best estimates available, which are consistent with the information obtained from external sources.

The business plans thus prepared are reviewed and ultimately approved by the directors.

If an impairment loss has to be recognised for a cash-generating unit to which all or part of an item of goodwill has been allocated, the carrying amount of the goodwill relating to that unit is written down first. If the loss exceeds the carrying amount of this goodwill, the carrying amount of the other assets of the cash-generating unit is then reduced, on the basis of their carrying amount, down to the limit of the highest of the following values: fair value less costs of disposal; value in use; and zero. Based on the foregoing, the directors considered that at 31 December 2019 no need had arisen to recognise any impairment in this connection in the consolidated financial statements as at that date.

Where an impairment loss subsequently reverses (not permitted in the specific case of goodwill), the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised as income.

5.7 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

<u>Finance leases</u>

In finance leases in which the Group acts as the lessee, the cost of the leased assets is presented in the consolidated balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option when it is reasonably certain that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are recognised in the consolidated statement of profit or loss for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

Leased assets are depreciated, based on their nature, using similar criteria to those applied to the items of property, plant and equipment that are owned.

Operating leases

i. The Group as lessor

Lease income and expenses from operating leases are recognised in income on an accrual basis.

Also, the acquisition cost of the leased asset is presented in the consolidated balance sheet according to the nature of the asset, increased by the costs directly attributable to the lease, which are recognised as an expense over the lease term, applying the same method as that used to recognise lease income.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

ii. The Group as lessee

Lease income and expenses from operating leases are recognised in income on an accrual basis.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

5.8 Financial instruments

Financial assets

Classification of financial assets-

The financial assets held by the Group are classified in the following categories:

a) Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Group's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

b) Held-to-maturity investments: debt securities with fixed maturity and determinable payments that are traded in an active market and which the Group has the positive intention and ability to hold to the date of maturity.

Initial recognition-

Financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

Subsequent measurement-

Loans and receivables are measured at amortised cost.

At least at each reporting date the Parent tests financial assets not measured at fair value through profit or loss for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognised in the consolidated statement of profit or loss.

The Group derecognises a financial asset when the rights to the cash flows from the financial asset expire or have been transferred and substantially all the risks and rewards of ownership of the financial asset have also been transferred, such as in the case of firm asset sales, factoring of trade receivables in which the Group does not retain any credit or interest rate risk, sales of financial assets under an agreement to repurchase them at fair value and the use of financial assets in which the transferor does not retain any subordinated debt, provide any kind of guarantee or assume any other kind of risk. At 31 December 2019 and 2018, the Group had not entered into any agreement of this nature.

However, the Group does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of note and bill discounting, recourse factoring, sales of financial assets subject to an agreement to buy them back at a fixed price or at the selling price plus a lender's return and the securitisation of financial assets in which the transferor retains a subordinated interest or any other kind of guarantee that absorbs substantially all the expected losses. At 31 December 2019 and 2018, the Group had not entered into any agreement of this nature.

The Group calculates write-downs relating to trade and other receivables by recognising an allowance for doubtful debts based on a case-by-case analysis of its balances receivable and by estimating the amounts that are considered to be irregular or highly doubtful debts.

Financial liabilities

Financial liabilities include accounts payable by the Group that have arisen from the purchase of goods or services in the normal course of the Group's business and those which, not having commercial substance, cannot be classed as derivative financial instruments.

Accounts payable are initially recognised at the fair value of the items received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

The payables are classified as current liabilities unless the Group has the unconditional right to defer settlement of the debt for at least 12 months from the reporting date, with the exception of financial debt associated with the development, construction and operation of the solar farms that the Group intends to sell, which shall be recognised under "Non-Current Liabilities" (see Note 15.2).

Financial guarantee contracts are measured initially at fair value which, unless there is evidence to the contrary, is equal to the premium received plus, where applicable, the present value of the premiums receivable.

The Group derecognises financial liabilities when the obligations giving rise to them cease to exist.

Derivative financial instruments

The Group uses derivative financial instruments to hedge the risks to which its business activities, operations and future cash flows are exposed. Basically, these risks relate to changes in interest rates and in the price of the power produced by the solar plants. The Group arranges derivative financial instruments in this connection.

In order for these financial instruments to qualify for hedge accounting, they are initially designated as such and the hedging relationship is documented. Also, the Group verifies, both at inception and periodically over the term of the hedge (at least at the end of each reporting period), that the hedging relationship is effective, i.e. that it is prospectively foreseeable that the changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by those of the hedging instrument and that, retrospectively, the gain or loss on the hedge was within a range of 80-125% of the gain or loss on the hedged item.

Financial derivatives are measured at fair value, both on initial recognition and on subsequent measurement. The method for recognising the resulting gains or losses depends on whether the derivative was designated as a hedging instrument and, if so, the type of hedge. The Group designates certain derivatives as follows:

- Fair value hedges: the changes in fair value of the derivatives designated and classified as fair value hedges are recognised in the consolidated statement of profit or loss, together with any changes in the fair value of the hedged asset or liability attributable to the hedged risk.
- Cash flow hedges: the effective portion of the changes in the fair value of the derivatives designated and classified as cash flow hedges is recognised temporarily in equity. It is recognised in the consolidated statement of profit or loss in the same period as that in which the forecast hedge affects profit or loss, unless the hedge relates to a forecast transaction that results in the recognition of a non-financial asset or a non-financial liability, in which case the amounts recognised in equity are included in the initial cost of the asset or liability when it is acquired or assumed.
- The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of profit or loss.
- Hedges of net investments in foreign operations: in hedges of net investments in joint ventures that have no independent legal personality and foreign branches, the gain or loss in the value of the derivatives attributable to the hedged risk is recognised temporarily in equity and is recognised in the consolidated statement of profit or loss in the years in which the investment in the foreign operation is disposed of.

Hedges of net investments in foreign operations at subsidiaries, jointly controlled entities and associates are treated as fair value hedges of the foreign currency component.

Hedging instruments are measured and accounted for on the basis of their nature to the extent that they are not, or cease to be, effective hedges.

In the case of derivatives that do not qualify for hedge accounting, the gains or losses in the fair value thereof are recognised immediately in the consolidated statement of profit or loss.

5.9 Inventories

The net assets (basically, solar PV facilities and civil engineering work) of the solar farms included in the scope of consolidation and earmarked for sale are classified as inventories and are measured in the same way as other inventories.

Inventories are measured at the lower of acquisition or production cost and net realisable value. Trade discounts, rebates, other similar items and interest included in the face value of the related payables are deducted in determining the costs of purchase (see Note 12).

Production cost includes the costs of direct materials and, where applicable, the necessary direct labour costs and general construction and development costs incurred up to the reporting date.

Net realisable value is the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The cost of the Group's inventories is assigned by using the FIFO cost formula.

The Group recognises the appropriate write-downs as an expense in the consolidated statement of profit or loss when the net realisable value of the inventories is lower than acquisition or production cost.

Work in progress and finished goods relate mainly to solar PV farms and to wind farms under development and construction. The cost of finished goods and work in progress includes the costs of design, development, raw materials, directly attributable time worked by Group staff, subcontracting costs, other direct costs and production overheads (based on the normal capacity of production facilities).

The net realisable value is the estimated selling price in the normal course of business less the estimated costs of disposal.

The cost of inventories that necessarily take a period of more than 12 months to get ready to be sold will include borrowing costs in accordance with the same terms envisaged for non-current assets.

If a solar farm earmarked for sale has been in operation for an insignificant period of time in relation to its estimated useful life (which may be set, for illustrative purposes, at a maximum of 18 months) and no purchase and sale agreement therefor has been entered into with third parties, and no purchase option or similar agreement has been granted, its fixed assets are transferred from "Inventories" to "Property, Plant and Equipment - Property, Plant and Equipment in the Course of Construction" in the consolidated balance sheet.

At 31 December 2019, the Group had inventory purchase commitments amounting to EUR 87,964 thousand relating to solar PV projects to be constructed in Spain and Chile (see Note 2.3). At 31 December 2018, the Group had inventory purchase commitments amounting to EUR 59,559 thousand for the construction of the solar PV farms under construction in Mexico.

5.10 Cash and cash equivalents

"Cash and Cash Equivalents" in the consolidated balance sheet includes cash on hand, demand deposits at banks and any short-term deposits and reverse repurchase agreements that meet all of the following requirements:

- They are convertible into cash.
- At the date of acquisition, they had a maturity of three months or less.
- They are subject to an insignificant risk of changes in value.
- They form part of the Group's normal cash management policy.

5.11 Income tax

Since 2010 OPDE Investment España, S.L. and the subsidiaries which have registered office in Navarre (Appendix I) have filed consolidated income tax returns pursuant to Navarre Income Tax Law 26/2016, of 28 December. Specifically, the companies which form the consolidated tax group, in addition to the Parent, are as follows: Opdenergy, S.A., Otras Producciones de Energía Fotovoltaica, S.L., OPDE Participaciones Industriales, S.L., PV Integral Management, S.L., OPDE O&M, S.L., OPDE Extremadura, S.L., OPDE Levante, S.L., Valsíngula, S.L., OPDE DEVELOPMENT, S.L., OPDE Sur S.A., Almaraz Fotovoltaica XXXIX, S.L., Almaraz Fotovoltaica XL, S.L., Almaraz Fotovoltaica XLI, S.L., Aragonesa de Iniciativas Sostenibles III, S.L., Turolense de Iniciativas Sostenibles IV, S.L., Grupo Solar Básico Iota (nos. 2 - 20), Grupo Solar Básico Gamma (nos. 2 - 20), Grupo Solar Básico Lambda (nos. 2 - 20), Grupo Solar Básico Kappa (nos. 2 - 20), Grupo Solar Básico Omega (nos. 2 - 20), Grupo Solar Básico Omicron (nos. 2 - 20), Sociedad Ibérica de generación de energía Fotovoltaica XVI, Sociedad Ibérica de generación de energía Fotovoltaica XVII, Almaraz Fotovoltaica XXXIV, S.L., Tordesillas Solar FV 11, Tordesillas Solar FV 12, Tordesillas Solar FV 13, Tordesillas Solar FV 14, Tordesillas Solar FV 15, Tordesillas Solar FV 16, Tordesillas Solar FV 17, Tordesillas Solar FV 18 y Tordesillas Solar FV 19, Grupo Solar Básico Alfa (nos. 3 - 20), Grupo Solar Básico Beta (nos. 3 - 20), Grupo Solar Básico Delta (nos. 3 - 14), Grupo Solar Básico Epsilon (nos. 3 - 20), Grupo Solar Básico Tau (nos. 3 - 20), Grupo Solar Básico Sigma (nos. 3 - 20), AlgiebA Solar, S.L., Aroa Solar, S.L., Siva Solar, S.L., Runa Solar, S.L., Resela Solar, S.L., Ranta Solar, S.L., Quira Solar, S.L., Osmana Solar, S.L., Efrana Solar, S.L., Adala Solar, S.L., Noema Solar, S.L., Moroni Solar, S.L., Morei Solar, S.L., Magala Solar, S.L., Lirae Solar, S.L., Lincis Solar, S.L., Galana Solar, S.L., Erita Solar, S.L., Corenna Solar, S.L., Basal Solar, S.L., Planta Solar OPDE Palomarejo, S.L., Planta Solar OPDE la Calahorra S.L., Planta Solar OPDE Andalucia 2, S.L., Planta Solar OPDE Andalucia 3, S.L., Planta Solar OPDE Extremadura 1, S.L. and Planta Solar OPDE (nos. 1 - 3; nos. 5 - 60).

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current income tax expense is the amount payable by the Group as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss).

Deferred tax assets are recognised to the extent that it is considered probable that the Group will have taxable profits in the future against which the deferred tax assets can be utilised (see Note 17).

Also, at consolidated level, any differences between the consolidated carrying amount of an investment in an investee and the related tax base are also taken into account. In general, such differences arise from the undistributed profits generated since the date of acquisition of the investee, from tax credits associated with the investment and, in the case of investees with a functional currency other than the euro, from translation differences. The deferred tax assets and deferred tax liabilities arising from these differences are recognised, unless, in the case of taxable temporary differences, the investor is able to control the timing of the reversal of the temporary difference, and provided that, in the case of deductible temporary differences, it is probable that the temporary difference will reverse in the foreseeable future and it is probable that the Group will have sufficient future taxable profits.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits within the shorter of a maximum period of ten years or the limit allowed for offset by tax legislation.

5.12 Termination benefits

Under current legislation, the Group is required to pay termination benefits to employees terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken. The amount recognised at 31 December 2019 under "Staff Costs - Wages, Salaries and Similar Expenses" in the consolidated statement of profit or loss in this connection was EUR 37 thousand (2018 year-end: EUR 83 thousand) (see Note 18.3). At 31 December 2019, there were no situations of this nature and, accordingly, no provisions had been recognised in this connection at the reporting date.

5.13 Provisions and contingencies

When preparing the consolidated financial statements the Group’s directors made a distinction between:

a) Provisions: credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources embodying economic benefits that is uncertain as to its amount and/or timing will be required to settle the obligations; and

b) Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Group’s control.

The consolidated financial statements include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the consolidated financial statements, but rather are disclosed, unless the possibility of an outflow in settlement is considered to be remote.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Where discounting is used, adjustments made to provisions are recognised as interest cost on an accrual basis.

The compensation to be received from a third party on settlement of the obligation is recognised as an asset, provided that there are no doubts that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalised as a result of which the Group is not liable; in this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognised.

Standard industry practice is to offer guarantees to customers for the execution of turnkey solar PV plant projects. Group management uses its judgment to determine the amount of provisions for potential claims vis-à-vis the guarantee of turnkey projects, which are estimated on the basis of the theoretical forecasts and historical information relating to estimated defect rates and repair costs, and are revised and adjusted on periodically. At 31 December 2019 and 2018, there were no provisions for guarantees for turnkey projects, as there had been no significant experience of claims of this nature, and because it was considered that the guarantees of the manufacturers of the components used by the Group, and of the subcontractors, would sufficiently cover any case of this kind.

5.14 Revenue recognition

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods sold have been transferred to the buyer, and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

<u>Solar farm sales</u>

The sale of solar PV farms the net assets of which are classified as inventories (see Notes 5.9 and 12) is recognised under "Revenue" in the consolidated statement of profit or loss as the aggregate of the price of the shares in the solar PV farms and the net debt of the farm in question (total debt less current assets), and at the same time the inventories are derecognised with a charge to "Changes in Inventories of Finished Goods and Work in Progress" in the consolidated statement of profit or loss. The difference between the two amounts is the operating profit or loss obtained on the sale.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably.

Revenue from turnkey projects for the construction of solar farms for non-Group entities is recognised on the basis of the construction milestones reached and agreed upon under the contractual terms and conditions agreed with the customer, or by applying the stage of completion method to the entire margin envisaged in the construction and sale of the solar farm, provided that at 31 December each year the following conditions are met:

- there is a firm obligation on the part of the buyer prior to commencement of the turnkey construction work;
- the total revenue to be received can be estimated with an acceptable level of confidence; and
- the costs until completion of the contract, as well as the stage of completion to date, can be reliably estimated.

When there is no firm obligation with a non-Group buyer, or when the outcome of a contract cannot be reliably estimated, the contract revenue is recognised only up to the limit of the construction contract costs that are deemed recoverable. When the contract costs are likely to exceed the total contract revenue, the expected loss is recognised immediately as an expense.

The percentage of completion is calculated on the basis of the total estimated revenue of each contract, and is determined considering the costs incurred to date in relation to the total costs envisaged for the performance of the project.

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment has been established. Interest and dividends from financial assets accrued after the date of acquisition are recognised as income in the consolidated statement of profit or loss.

Electricity sales (Spanish solar farms)

Nexus Energía, S.A. acts as the Group's selling agent in the market, deals with the payments with the various agents in the energy market and passes on the invoices.

In 2019 and 2018 electricity sales revenue was governed by Royal Decree-Law 413/2014 (see Note 1).

At 31 December 2019, the Group had the following electricity generation facilities: Sociedad Ibérica de generación de energía Fotovoltaica XVI, S.L., Sociedad Ibérica de generación de energía XVII, S.L., Almaraz Fotovoltaica XXXIV, S.L., Almaraz Fotovoltaica XXXIX, S.L. and Almaraz Fotovoltaica XL, S.L.

Electricity sales (Italian solar farms)

Gestore dei Servizi Energetici, S.p.A. acts as the Group's selling agent in the market, deals with the payments with the various agents in the energy market, and passes on the invoices.

In 2019 and 2018 electricity sales revenue was governed by Royal Decree-Law 91/2014, approved by Law 116/2014 (see Note 1).

At 31 December 2019, the Group had the following Italian electricity generation farms: Opde Puglia, S.r.l., Solare Puglia, S.r.l. and Ribaforada 10, S.r.l.

5.15 Foreign currency transactions

Functional and presentation currency

The Group's consolidated financial statements are presented in euros, which is the Group's presentation and functional currency.

Transactions and balances

Foreign currency transactions are translated to the functional currency using the exchange rates prevailing at the date of the transactions. The exchange gains and losses arising on settlement of these transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, unless they are deferred in equity, as in the case of qualifying cash flow hedges and qualifying hedges of net investments.

The detail of the most significant balances in foreign currency, translated to euros at the year-end exchange rates, is as follows (in thousands of euros):

	2019	2018
Trade and other receivables	216	354
Other current financial assets	1,638	923
Cash	3,263	3,014
Non-current payables - Debt instruments and other marketable securities (Note 15.1)	(19,076)	(7,128)
Current payables - Bank borrowings related to solar PV plants (see Note 15.2)	(48,898)	-

The detail, by class of financial instrument, of the exchange differences recognised in profit or loss is as follows (in thousands of euros):

2019

	Total
Other consolidated balance sheet positions	987
Current financial assets	15
Cash	380
Total financial assets	**1,382**

2018

	Total
Other consolidated balance sheet positions	641
Current financial assets	86
Cash	247
Total financial assets	**974**

5.16 Related party transactions

In general, transactions between Group companies are initially recognised at fair value. If the agreed price differs from fair value, the difference is recognised on the basis of the economic substance of the transaction. These transactions are subsequently measured pursuant to the corresponding standards.

However, in merger, spin-off and non-monetary contribution transactions, the items comprising the acquired business are measured at the amount corresponding thereto, once the transactions have taken place, in the consolidated financial statements of the group or subgroup.

When the parent of the group or subgroup and its subsidiary are not involved, the financial statements to be considered for this purpose shall be those of the Spanish parent of the higher group or subgroup in which the assets and liabilities are consolidated.

In these cases, any difference between the carrying amount of the assets and liabilities of the company acquired, adjusted by the balance of the groups of grants, donations and legacies received and valuation adjustments and any amount of share capital and share premium, if any, issued by the absorbing company, is recognised in reserves.

5.17 Current/Non-current classification

Current assets are assets associated with the normal operating cycle, which in general is considered to be one year; other assets which are expected to mature, be disposed of or be realised within 12 months from the end of the reporting period; financial assets held for trading, except for financial derivatives that will be settled in a period exceeding one year; and cash and cash equivalents. Assets that do not meet these requirements are classified as non-current assets.

Similarly, current liabilities are liabilities associated with the normal operating cycle, financial liabilities held for trading, except for financial derivatives that will be settled in a period exceeding one year; and, in general, all obligations that will mature or be extinguished at short term. All other liabilities are classified as non-current liabilities.

5.18 Environmental assets and liabilities

Environmental assets are deemed to be assets used on a lasting basis in the Group’s operations whose main purpose is to minimise environmental impact and protect and improve the environment, including the reduction or elimination of future pollution.

Actions affecting the environment are considered to be an expense for the year or an addition to the carrying amount of the related asset, based on the property, plant and equipment measurement bases described in the corresponding note above.

5.19 Statement of cash flows

The items used in the presentation of the consolidated statements of cash flows are as follows:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities: the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the equity and borrowings of the Group companies that are not operating activities.

5.20 Non-current assets and disposal groups classified as held for sale

The Group classifies a non-current asset or disposal group as held for sale when the decision to sell it has been taken and the sale is expected to occur within 12 months.

These assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale are not depreciated, but rather at the end of each reporting period the related impairment losses are recognised to ensure that the carrying amount is not higher than fair value less costs to sell.

Income and expenses arising from non-current assets and disposal groups classified as held for sale which do not qualify for classification as discontinued operations are recognised under the related heading in the statement of profit or loss on the basis of their nature.

6. Intangible assets

The changes in "Intangible Assets" in the consolidated balance sheet in 2019 and 2018 were as follows:

2019

	Thousands of euros		
	Balance at 31/12/18	Additions/ (Charge for the year)	Balance at 31/12/19
Cost:			
Concessions, patents and licences	1,208	1	1,209
Computer software	573	51	624
Other intangible assets	1	1	2
Total cost	**1,782**	**53**	**1,835**
Accumulated amortisation:			
Concessions, patents and licences	(369)	(52)	(421)
Computer software	(491)	(12)	(503)
Other intangible assets	(1)	-	(1)
Total accumulated amortisation	**(861)**	**(64)**	**(925)**
Total, net	**921**		**910**

2018

	Thousands of euros		
	Balance at 31/12/17	Additions/ (Charge for the year)	Balance at 31/12/18
Cost:			
Concessions, patents and licences	1,195	13	1,208
Computer software	508	65	573
Other intangible assets	1	-	1
Total cost	**1,704**	**78**	**1,782**
Accumulated amortisation:			
Concessions, patents and licences	(321)	(48)	(369)
Computer software	(479)	(12)	(491)
Other intangible assets	-	(1)	(1)
Total accumulated amortisation	**(800)**	**(61)**	**(861)**
Total, net	**904**		**921**

At 2019 year-end the Group had fully amortised intangible assets amounting to EUR 463 thousand (31 December 2018: EUR 458 thousand).

As detailed in Note 9, the Group holds various intangible assets under finance leases for a net amount of EUR 779 thousand at 31 December 2019 (31 December 2018: EUR 827 thousand).

At 31 December 2019 and 2018, there were no firm intangible asset purchase commitments.

7. Property, plant and equipment

The changes in 2019 and 2018 in "Property, Plant and Equipment" in the consolidated balance sheet and the most significant information affecting this heading were as follows:

2019:

	Thousands of euros			
	Balance at 31/12/18	Additions/ (Charge for the year)	Disposals	Balance at 31/12/19
Cost:				
Land and buildings	3,603	-	-	3,603
Plant and machinery	28,532	399	-	28,931
Other fixtures, tools and furniture	741	309	(4)	1,046
Other items of property, plant and equipment	147	-	-	147
Total cost	**33,023**	**708**	**(4)**	**33,727**
Accumulated depreciation:				
Buildings	(1,312)	(133)	-	(1,445)
Plant and machinery	(10,542)	(1,271)	-	(11,813)
Other fixtures, tools and furniture	(642)	(38)	4	(676)
Other items of property, plant and equipment	(120)	(10)	-	(130)
Total accumulated depreciation	**(12,616)**	**(1,452)**	**4**	**(14,064)**
Total, net	**20,407**			**19,663**

2018:

	Thousands of euros					
	Balance at 31/12/17	Additions/ (Charge for the year)	Disposals	Transfers	Translation differences	Balance at 31/12/18
Cost:						
Land and buildings	3,603	-	-	-	-	3,603
Plant and machinery	28,547	55	-	(70)	-	28,532
Other fixtures, tools and furniture	728	17	(4)	-	-	741
Other items of property, plant and equipment	152	-	-	(9)	4	147
Total cost	**33,030**	**72**	**(4)**	**(79)**	**4**	**33,023**
Accumulated depreciation:						
Buildings	(1,178)	(133)	-	(1)	-	(1,312)
Plant and machinery	(9,381)	(1,232)	-	71	-	(10,542)
Other fixtures, tools and furniture	(583)	(59)	-	-	-	(642)
Other items of property, plant and equipment	(121)	(8)	-	9	-	(120)
Total accumulated depreciation	**(11,263)**	**(1,432)**	**-**	**79**	**-**	**(12,616)**
Total, net	**21,767**					**20,407**

The detail of the value of the buildings and land relating to the properties owned by the Group at the end of 2019 and 2018 is as follows (in thousands of euros):

	31/12/19			31/12/18		
	Gross amount	Accumulated depreciation	Net amount	Gross amount	Accumulated depreciation	Net amount
Land	1,103	-	1,103	1,103	-	1,103
Buildings	2,500	(1,445)	1,055	2,500	(1,312)	1,188
	3,603	**(1,445)**	**2,158**	**3,603**	**(1,312)**	**2,291**

In 2019 and 2018 no significant property, plant and equipment purchases were made for the OPDE Group.

The carrying amount of the property, plant and equipment located outside Spain at 31 December 2019 was EUR 17,765 thousand (31 December 2018: EUR 19,019 thousand).

The detail of the fully depreciated items of property, plant and equipment still in use is as follows (in thousands of euros):

	2019	2018
Buildings	5	5
Plant, machinery and other items of property, plant and equipment	527	341

As detailed in Note 9, at 31 December 2019 the Group held various items of property, plant and equipment under finance leases, which amounted to EUR 18,675 thousand (31 December 2018: EUR 19,191 thousand).

The Group has taken out several insurance policies to cover the risks to which its property, plant and equipment are subject. It is considered that these policies sufficiently cover such risks.

At 31 December 2019 and 2018, the Group had no property, plant and equipment purchase commitments.

8. Investment property

At 31 December 2019 and 2018, the Group recognised EUR 642 thousand under "Investment Property" in the consolidated balance sheet in relation to the land acquired for the construction of solar PV farms. These plots of land are leased to the owners of the solar PV facilities.

Income from these investments amounting to EUR 81 thousand was recognised under "Non-Core and Other Current Operating Income" in the consolidated statement of profit or loss for 2019 (2018: EUR 80 thousand).

At 31 December 2019 and 2018 there were no restrictions on making new investment property investments, on the collection of rental income therefrom or in connection with the proceeds to be obtained from a potential disposal thereof.

At 31 December 2019 and 2018 there were no contractual commitments in relation to the repair, maintenance or improvement of the aforementioned buildings.

9. Leases

Finance leases

At 31 December 2019 and 2018, the Group, as the lessee under finance leases, had recognised leased assets with a carrying amount net of depreciation, the detail being as follows (in thousands of euros):

	31/12/19	31/12/18
	Assets measured at fair value	
Intangible assets (Note 6)	779	827
Property, plant and equipment (Note 7)	18,675	19,191
Balance sheet total	**19,454**	**20,018**

At 31 December 2019 and 2018, the Group had contracted with lessors for the following minimum lease payments (including any purchase options), based on the leases currently in force, without taking into account the charging of common expenses, future increases in the CPI or future contractual lease payment revisions (in thousands of euros):

Minimum finance lease payments	31/12/19	31/12/18
Within one year	1,570	1,464
Between one and five years	6,959	6,745
After five years	8,398	10,223
Total	**16,927**	**18,432**

The main features of the Group's most significant finance leases at the end of 2019 were as follows:

Solar PV facility/farm	Location	Commencement	Term	Thousands of euros		
				Purchase option	Lease payments made (*)	
					2019	2018
Almaraz XXXIV	Extremadura	30/04/12	10 years	7	64	62
Ribaforada 10	Italy	01/05/11	18 years	96	587	587
OPDE Puglia - Ruatella 1	Italy	01/08/10	18 years	48	399	399
OPDE Puglia - Ginosa 1	Italy	01/03/10	18 years	48	394	394
Solare Puglia - Ruatella 2	Italy	21/09/09	19 years	48	306	306
Solare Puglia - Ginosa 2	Italy	21/09/09	19 years	48	306	306
Solare Puglia - Sannicardo	Italy	01/03/10	20 years	46	325	325

(*) The lease payments made include amortised principal and accrued interest paid. The accrued interest paid in 2019 totalled EUR 713 thousand (2018: EUR 782 thousand).

Operating leases

The Group as the lessee has arranged leases of various plots of land upon which solar PV farms, buildings and vehicles are located.

At 2019 year-end the Company had contracted for the following minimum lease payments, based on the leases currently in force, without taking into account the charging of common expenses, future increases in the CPI or future contractual lease payment revisions (in thousands of euros):

Minimum operating lease payments	Nominal value	
	2019	2018
Within one year (*)	270	144
Between one and five years	556	96
Total	**826**	**240**

(*) Non-cancellable leases.

The detail of the operating lease payments recognised as an expense in 2019 and 2018 under "Other Operating Expenses - Outside Services" in the consolidated statement of profit or loss (see Note 18.4) is as follows (in thousands of euros):

	2019	2018
Lease payments(*)	240	224
Total	**240**	**224**

(*) Non-cancellable leases.

There were no significant operating lease commitments at 31 December 2019 or 2018.

10. Financial assets (non-current and current)

10.1 Non-current financial instruments

The classification, by category, of the non-current financial instruments is as follows (in thousands of euros):

	31/12/19	31/12/18
Investments accounted for using the equity method	-	-
Loans and receivables		
- Loans to companies	783	835
- Loans to associates (Note 19.2)	5,547	-
- Other financial assets	1,837	1,895
- Derivatives	218	-
Available-for-sale financial assets		
- Equity instruments	1	7
Total	**8,386**	**2,737**

Investments accounted for using the equity method

As detailed in Note 2.3 above, as a result of the loss of control of the OPDE Group over three previously fully consolidated companies, at the date of loss of control these investments were classified under "Investments Accounted for Using the Equity Method" in the consolidated balance sheet.

The detail of "Investments Accounted for Using the Equity Method" at 31 December 2019 and of the changes therein in 2019 is as follows (in thousands of euros):

	Balance at 31 December 2018	Changes in the scope of consolidation (Note 2.3)	Additions	Share of profit (loss) of companies accounted for using the equity method	Other consolidation adjustments	Balance at 31 December 2019
Planta Solar OPDE Fernandina, S.L.	-	588	604	(219)	(1,482)	(509)
Planta Solar OPDE Extremadura 2, S.L.	-	541	612	(200)	(1,515)	(562)
Planta Solar OPDE Andalucía 1, S.L.	-	150	629	(174)	(1,352)	(746)
Total	**-**	**1,279**	**1,845**	**(593)**	**(4,348)**	**(1,817)**

In 2019, these companies performed various capital increases, to which the OPDE Group subscribed 20%. The detail of the capital increases performed is as follows:

- At a General Meeting of Planta Solar OPDE Fernandina, S.L. on 29 January 2019, the shareholders resolved to increase capital with a monetary contribution of EUR 3,022,025 through the issue of 3,022,025 new shares of EUR 1 par value each. The Group company Otras Producciones de Energía Fotovoltaica, S.L. subscribed and paid 604,405 new shares.

- At a General Meeting of Planta Solar OPDE Extremadura 2, S.L. on 14 February 2019, the shareholders resolved to increase capital by EUR 764,875 through the issue of 764,875 new shares of EUR 1 par value each. These shares were issued with a share premium of EUR 2,294,625, which is EUR 3 per share. The Group company Otras Producciones de Energía Fotovoltaica, S.L. subscribed 152,975 shares by offsetting collection rights amounting to EUR 611,900 on the subordinated loan arranged on 22 June 2017 with the associate as the borrower.

- At a General Meeting of Planta Solar OPDE Andalucía 1, S.L. on 19 March 2019, the shareholders resolved to increase capital by EUR 786,750 through the issue of 786,750 new shares of EUR 1 par value each. These shares were issued with a share premium of EUR 2,360,250, which is EUR 3 per share. The Group company Otras Producciones de Energía Fotovoltaica, S.L. subscribed 157,350 shares by offsetting collection rights amounting to EUR 629,400 on the subordinated loan arranged on 22 June 2017 with the associate as the borrower.

Also, at 31 December 2019, as a consequence of the consolidation process, the appropriate proportion of the unrealised gains or losses generated in transactions between investees accounted for using the equity method and the OPDE Group was eliminated with a charge to “Investments Accounted for Using the Equity Method”. Specifically, the turnkey contracts entered into by Otras Producciones de Energía Fotovoltaica, S.L., as the contractor, with each of the aforementioned companies for the provision of supply, assembly, development, construction and start-up services for the three solar PV farms in question (see Notes 18.1 and 19.1), gave rise to partially unrealised profits or losses amounting to EUR 4,348 thousand. The excess of the unrealised and eliminated profit or loss was recognised with a credit to “Non-Current Prepayments and Accrued Income” in the consolidated balance sheet. These gains or losses will be transferred to the consolidated statement of profit or loss when the associated asset items (the solar PV plants built) become impaired, are derecognised or are disposed of to third parties outside the Group.

None of the companies accounted for using the equity method are listed.

The main aggregates of these associates of the Group are as follows:

2019

	Thousands of euros			
	Assets	Liabilities	Revenue	Profit for the year
Planta Solar OPDE Fernandina, S.L. (*)	42,499	41,272	-	(1,097)
Planta Solar OPDE Extremadura 2, S.L. (*)	39,227	37,813	-	(999)
Planta Solar OPDE Andalucía 1, S.L. (*)	38,064	36,293	-	(872)
	119,790	**115,378**	-	**(2,968)**

(*) Data audited by Deloitte.

Loans to companies

At 31 December 2019 and 2018, the Group recognised various loans granted to third parties in prior years at long term. The detail of the loans granted is as follows (in thousands of euros):

	Average interest rate	Balance at 31/12/19		Balance at 31/12/18	
		Long term	Short term	Long term	Short term
Sociedad Ibérica de Generación de Energía Fotovoltaica XIX, S.L. (*)	None	402	40	428	54
Sociedad Ibérica de Generación de Energía Fotovoltaica VI, S.L. (*)	None	381	39	407	53
Desarrollos Fotovoltaicos Valdecaballero I a XVIII, S.L.	1.5%	-	-	-	13
Ribaforada 6, S.r.l.	None	-	-	-	7
Piemonte Eguzki 10, S.r.l.	None	-	-	-	411
Other loans to third parties	4.00%	-	16		-
Carrying amount		**783**	**95**	**835**	**538**

(*) The Parent's management considered that the loans to Sociedad Ibérica de Generación de Energía Fotovoltaica XIX, S.L. and Sociedad Ibérica de Generación de Energía Fotovoltaica VI, S.L. (for gross amounts of EUR 601 thousand and EUR 573 thousand at 31 December 2019, respectively) were not 100% recoverable and, therefore, were partially impaired in prior years (see Note 10.2).

On 16 December 2015, a debt recognition and pledge transaction was performed, as a result of which Ibérica de Generación de Energía Fotovoltaica VI, S.L. and Ibérica de Generación de Energía Fotovoltaica XIX, S.L. (the Iberian Companies) recognised loans from the OPDE Group of EUR 768 thousand and EUR 795 thousand, respectively, the payment of which (the interest was forgiven) would be made monthly from the first payment in January 2016 to final settlement, for an amount equal to 70% of the net remuneration received by these companies each month from the generation of solar PV energy, with the remaining 30% retained to meet operating expenses.

In addition, as security for the total amount of the debt recognised by the so-called Iberian Companies, Grupo Render Industrial, Ingeniería y Montajes, S.L., the sole shareholder of those companies, arranged a security interest in favour of the Group on all the shares of the two companies, which will remain in force until the recognised debt is paid in full.

The Parent's directors considered that the implicit financial costs associated with the present value of the expected future cash flows from the transaction amounted to EUR 34 thousand, and proportionally derecognised the Iberian Companies' receivables for this amount.

At 31 December 2019, the carrying amounts of the two loans, EUR 783 thousand at long term and EUR 79 thousand at short term, recognised under "Current Financial Assets - Short-Term Loans to Third Parties" in the accompanying consolidated balance sheet (31 December 2018: EUR 835 thousand and EUR 107 thousand).

Lastly, at 31 December 2018 the Parent had tax assets receivable from Italian public authorities amounting to EUR 411 thousand in relation to the sales of Piemonte Eguzki 1, S.R.L. and Piemonte Eguzki 10, S.R.L. At 31 December 2019, these tax assets had been collected in full and, therefore, no amount is recognised in the accompanying balance sheet in this connection.

Other financial assets

At 31 December 2019, the Group held non-current financial assets amounting to EUR 1,837 thousand (31 December 2018: EUR 1,895 thousand) in relation to pledged deposits for guarantee facilities granted as security for compliance with certain obligations assumed by the Group; principally, the guarantees granted to the customers on the sale of farms and guarantees provided to foreign public authorities (see Note 21.1). The term of the secured obligation is more than one year and, therefore, these deposits are recognised under non-current assets.

These assets bear interest at market rates. In 2019 the interest borne on non-current and current financial assets (see Notes 10.1 and 10.2), amounting to approximately EUR 249 thousand (2018: EUR 621 thousand), was recognised with a credit to "Finance Income - From Marketable Securities and Other Financial Instruments" in the consolidated statement of profit or loss for 2019.

Derivatives

Interest rate hedge

On 7 August 2019, Energía Solar de Poniente, S. de R.L. de C.V. arranged a financing agreement with Mitsui Banking Corporation for the construction of a solar PV farm (see Note 15.2). Together with this financing agreement, an interest-rate risk hedging agreement was entered into for a notional amount of EUR 35,262,855 with six-monthly maturities until 30 December 2037.

The Group has complied with the requirements detailed in Note 5.8 on measurement bases in order to be able to classify this financial instrument as a hedge. The hedging instrument settlements are made at the same time the cash flows are expected to occur. Specifically, this instrument was formally designated as a hedge and the hedge was assessed as being effective.

At 31 December 2019, the valuation of this derivative, carried out by an independent expert, amounted to EUR 218 thousand and was recognised under "Non-Current Financial Assets - Derivatives", with a credit to "Valuation Adjustments - Hedges", net of the related tax effect, in the consolidated balance sheet.

10.2 Current financial instruments

The classification, by category, of the Group's current financial instruments is as follows (in thousands of euros):

	31/12/19	31/12/18
- Trade and other receivables		
Trade receivables for sales and services (Note 5.14)	1,737	1,046
Trade receivables from associates and related companies (Note 19.2)	11,190	9
Other receivables	962	292
- Investments in associates and related companies	-	12
- Current financial assets	9,492	2,345
Total	**23,381**	**3,704**

Trade and other receivables

The Group writes down trade receivables on the basis of a specific analysis of past-due balances, and pursuant to certain percentages based on historical experience.

The changes in the write-downs of trade receivables recognised as a reduction of the balance of "Trade Receivables for Sales and Services" in the consolidated balance sheet were as follows:

2019:

	Beginning balance	Write-downs/ (reversals) recognised in the year	Amounts used	Ending balance
Write-downs of trade receivables	140	11	-	151

2018:

	Beginning balance	Write-downs/ (reversals) recognised in the year	Amounts used	Ending balance
Write-downs of trade receivables	787	(291)	(356)	140

In 2019 the Group recognised a charge for write-downs of EUR 11 thousand (2018: reversal of EUR 291 thousand) under "Losses on and Write-Down of Trade Receivables and Changes in Provisions for Commercial Transactions" in the consolidated statement of profit or loss for 2019.

At 31 December 2019, the Group did not have significant balances in currencies other than the euro, the main trade receivables in foreign currency totalling EUR 216 thousand (2018: EUR 354 thousand).

The maximum exposure to credit risk at the reporting date is the fair value of each category of accounts receivable indicated above. The Group does not have any guarantees securing the receivables.

Current financial assets

At 31 December 2019, the Parent had current financial assets (deposits and term deposits) amounting to EUR 9,397 thousand (31 December 2018: EUR 1,807 thousand).

In addition, the Group recognised EUR 95 thousand in relation to the loans to third parties indicated in Note 10.1, which will be payable in 2020 (31 December 2018: EUR 538 thousand).

11. Financial risk management

The Group's activities are exposed to various financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk and fair value measurement. The Group's global risk management programme focuses on the uncertainty of the financial markets and aims to minimise the potential adverse effects on its financial returns.

Responsibility for financial risk management is controlled by the Group's Financial Department in accordance with the policies approved by the Parent's directors. This department identifies, assesses and hedges the financial risks in close cooperation with the Group's operating units. The Group provides policies for global risk management, as well as for specific areas such as foreign currency risk, interest rate risk, liquidity risk, the use of derivative and non-derivative instruments and investment of surplus liquidity.

11.1 Market risk

Foreign currency risk

The Group operates internationally and is exposed to foreign currency risk on the transactions it performs in foreign currencies. Foreign currency risk arises mainly from commercial transactions performed abroad that are in a currency other than the euro, which is the Group's functional currency.

Cash flow and fair value interest rate risk

Interest rate fluctuations change the fair value of assets and liabilities that bear a fixed interest rate and the future flows from assets and liabilities bearing interest at a floating rate.

The Group's revenue and cash flows from operating activities are scantly dependent on fluctuations in market interest rates, since it does not have significant interest-earning assets, except for deposits (see Note 10).

The Group's interest rate risk arises mainly on bank borrowings and marketable securities issued. Bank borrowings and marketable securities issued on unregulated markets at floating interest rates expose the Group to cash flow interest rate risk (see Note 15). The Group had arranged an interest rate hedge at 31 December 2019 in order to mitigate fluctuations in interest rates (see Note 10.1).

Market risk

The OPDE Group uses derivative financial instruments to hedge the risk of fluctuations in electricity prices based on its projections, since such fluctuations may have a very significant impact on the earnings of the companies that own the solar PV and wind farms under development. Specifically, on 20 December 2019 three Group companies arranged various swaps for a given number of megawatts in order to fix the electricity price.

As a result of these swaps, the companies that are parties thereto undertake to pay the market hourly pool price in relation to a notional amount of MWh produced in six-month periods in exchange for receiving a fixed price (EUR 41/MWh) over ten years from the last quarter of 2020 onwards. The detail of the notional amount and the fixed price of these financial instruments for each company is as follows:

Contracting company	Total notional amount	Fixed price
Planta Solar OPDE 3, S.L.	648.776 MWh	EUR 41/MWh
Planta Solar OPDE 5, S.L.	162.194 MWh	EUR 41/MWh
Planta Solar OPDE 6, S.L.	648.776 MWh	EUR 41/MWh

The Company's directors, in accordance with the valuations made by an independent expert, consider that the changes in the fair value of these derivative financial instruments between the arrangement date and 2019 year-end were not material and, therefore, they did not recognise any assets or liabilities in relation thereto in the consolidated balance sheet as at 31 December 2019.

The derivatives indicated were not designated as hedges because they do not meet all of the requirements established in the Spanish National Chart of Accounts to qualify for hedge accounting (see Note 5.8).

11.2 Credit risk

Credit risk arises from cash and cash equivalents and deposits at banks and financial institutions, as well as balances with customers, including outstanding accounts receivable and committed transactions. In relation to banks and financial institutions, transactions are only performed with renowned high quality entities, taking into account past experience and other factors. If an independent appraisal of the customers' creditworthiness has not been made, the Financial Department assesses their credit quality on the basis of the financial position of the customer in question, past experience and other factors. The Group does not have a policy of granting long-term loans to its customers, except in exceptional circumstances.

The maximum credit risk exposure of the financial assets at the reporting date is the carrying amount thereof.

11.3 Liquidity risk

Prudent management of liquidity risk entails the maintenance of sufficient cash and marketable securities, availability of financing through a sufficient level of committed credit facilities and the capacity to settle market positions. In view of the dynamic nature of the underlying businesses, the Group's Financial Department aims to maintain the flexibility of financing through the availability of the credit lines arranged, which complement the financing specific to the turnkey projects.

An exhaustive control of working capital (current assets less current liabilities), the absence of an excessive concentration of risk at any bank and the ongoing monitoring of levels of borrowings and the generation of funds enable the business's liquidity risk to be adequately controlled.

In this connection, at 31 December 2019 the Group had arranged credit lines the limits of which had not been fully drawn down and had the capacity to increase issues of debt instruments on unregulated markets to enable it to continue operating normally and to obtain the necessary liquidity to guarantee the development of its projects.

11.4 Fair value measurement

It is considered that the carrying amount of trade receivables and payables approximates their fair value. For financial reporting purposes, the fair value of the financial liabilities is estimated by discounting the contractual future cash flows at the current market interest rate available to the Group for similar financial instruments.

12. Inventories

The detail of "Inventories" in the consolidated balance sheets as at 31 December 2019 and 2018 is as follows (in thousands of euros):

	31/12/19	31/12/18
Goods held for resale	470	351
Raw materials and other supplies	13	13
Work in progress	162,501	61,576
Advances to suppliers	7	42
Total	**162,991**	**61,982**

"Goods Held for Resale" relate mainly to PV materials for installation or sale.

Under "Work in Progress" the Group recognised EUR 101,581 thousand in relation to the solar PV farms under construction located in Mexico in relation to which there was a sale agreement at 31 December 2019. The agreement has yet to be executed on the basis of various conditioning clauses which will foreseeably be met in 2020 (see Note 2.3). In addition, "Work in Progress" includes various solar PV farm projects under development, mainly in Spain, Chile and the US.

In the year ended 31 December 2019, the Group capitalised, as an increase in the carrying amount of inventories, borrowing costs amounting to EUR 490 thousand attributable to the financing associated with solar PV farms that have required a period of more than twelve months to get ready for use (see Note 15.2).

At 31 December 2019, “Work in Progress” included a provision of EUR 5,138 thousand recognised by the Group for possible impairment losses in relation to the capitalised development costs (31 December 2018: EUR 2,453 thousand) recognised with a charge to “Changes in Inventories of Finished Goods and Work in Progress” in the consolidated statement of profit or loss. The changes arising from write-downs recognised in “Changes in Inventories of Finished Goods and Work in Progress” in 2019 and 2018 were as follows (in thousands of euros):

2019:

	Beginning balance	Write-downs	Reversals	Ending balance
Write-downs of work in progress	2,453	2,685	-	5,138
Total	**2,453**	**2,685**	-	**5,138**

2018:

	Beginning balance	Write-downs	Reversals	Ending balance
Write-downs of work in progress	1,573	911	(31)	2,453
Total	**1,573**	**911**	**(31)**	**2,453**

The Group has taken out insurance policies to provide cover for the risks to which inventories are subject. It is considered that these policies sufficiently cover such risks.

Inventories pledged as guarantees

At 31 December 2019 and 2018, there were no commitments to create security interests on farms.

13. Equity and shareholders' equity

13.1 Share capital

At 31 December 2019 and 2018, the Parent's share capital consisted of 211,844 fully subscribed and paid shares of EUR 10 par value each. Also, at 31 December 2019 and 2018, the distribution of the shares among the Parent's shareholders was as follows:

	Number of shares	% of ownership
Aldrovi, S.L.	89,356	42.18%
Mrearoja Internacional, S.L.	89,356	42.18%
Jalasa Ingeniería, S.L.	33,132	15.64%
	211,844	**100.00%**

13.2 Reserves

The breakdown of reserves is as follows (in thousands of euros):

	2019	2018
Legal reserve	602	602
Voluntary reserves	77,866	63,288
Total reserves of the Parent	**78,468**	**63,890**
Reserves of consolidated companies	(12,829)	4,815
Total consolidated reserves	**(12,829)**	**4,815**
Total reserves	**65,639**	**68,705**

Legal reserve

Under the Consolidated Spanish Limited Liability Companies Law, the Parent must transfer 10% of net profit for each year to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 31 December 2019 and 2018, this reserve had not reached the legally required minimum.

"Reserves of Consolidated Companies" included legal reserves corresponding to subsidiaries totalling EUR 2,432 thousand at the end of 2019 (31 December 2018: EUR 2,429 thousand). At 31 December 2019 and 2018, there were no restricted reserves at the consolidated companies.

Voluntary reserves - Dividends distributed

At the Parent's Annual General Meeting in 2019, the shareholders resolved to approve the distribution of dividends totalling EUR 2,800 thousand out of profit for 2018. At 31 December 2019, these dividends had been paid in full.

At the related General Meetings of the Parent in 2018, the shareholders resolved to approve the distribution of dividends totalling EUR 2,800 thousand with a charge to voluntary reserves. At 31 December 2018, these dividends had been paid in full.

The voluntary reserves are unrestricted as to their use.

14. Provisions and contingencies

The detail of "Provisions" in the consolidated balance sheets as at 31 December 2019 and 2018 is as follows (in thousands of euros):

	31/12/19	31/12/18
Provision for decommissioning of farms (Notes 5.4 & 7)	368	353
Provision for bonus (Note 19.3)	55	54
Other provisions	82	50
Long-term provisions	**505**	**457**

Long-term provisions:

In accordance with directors' best estimate, the Group recognised EUR 368 thousand for the dismantling of Italian and Spanish farms in accordance with the legislation in both countries (see Note 1) (31 December 2018: EUR 353 thousand). This provision is discounted annually and the effect on the consolidated statement of profit or loss for 2019 and 2018 is not significant.

In 2019 the Parent recognised a long-term provision of EUR 55 thousand for the strategic bonus accrued with a charge to "Other Operating Expenses - Outside Services" associated with the Group's senior executives (31 December 2018: same amount). The remaining amount recognised under "Other Provisions" relates to other obligations accrued to the employees of the Group's Italian companies in accordance with the legislation in that country.

15. Non-current and current liabilities

15.1 Non-current financial liabilities

The detail of "Non-Current Payables" in the consolidated balance sheets at the end of 2019 and 2018 is as follows (in thousands of euros):

	31/12/19	31/12/18
Debt instruments and other marketable securities-		
1st bond issue - EUR face value	7,274	7,274
1st bond issue - USD face value	7,411	7,272
2nd bond issue - EUR face value	11,743	-
2nd bond issue - USD face value	11,964	-
Debt arrangement expenses and fees	(1,105)	(762)
Obligations under finance leases (Note 9)-	15,357	16,968
Total	**52,644**	**30,752**

The detail, by maturity, of "Non-Current Payables" is as follows (in thousands of euros):

2019:

	2020 (**)	2021	2022	2023	2024	2025 and subsequent years	Total
Debt instruments and other marketable securities-							
1st bond issue - EUR	-	-	-	-	7,274	-	7,274
1st bond issue - USD (*)	-	-	-	-	7,411	-	7,411
2nd bond issue - EUR face value	-	-	-	-	11,743	-	11,743
2nd bond issue - USD face value	-	-	-	-	11,964	-	11,964
Debt arrangement expenses and fees (*)	(221)	(221)	(221)	(221)	(221)	-	(1,105)
Obligations under finance leases (Note 9)	-	1,675	1,753	1,750	1,863	8,316	15,357
Total	**(221)**	**1,454**	**1,532**	**1,529**	**40,034**	**8,316**	**52,644**

(*) Expressed in thousands of euros at the USD/EUR exchange rate applicable a 31 December 2019.

(**) The Parent's directors considered that the fees and debt arrangement expenses should be classified in full as non-current payables. However, it is estimated that EUR 221 thousand will be taken to short term.

2018:

	2019 (**)	2020	2021	2022	2023	2024 and subsequent years	Total
Debt instruments and other marketable securities-							
1st bond issue - EUR	-	-	-	-	-	7,274	7,274
1st bond issue - USD (*)	-	-	-	-	-	7,272	7,272
Debt arrangement expenses and fees (*)	(127)	(127)	(127)	(127)	(127)	(127)	(762)
Obligations under finance leases (Note 9)	-	1,575	1,657	1,735	1,778	10,223	16,968
Total	**(127)**	**1,448**	**1,530**	**1,608**	**1,651**	**24,642**	**30,752**

(*) Expressed in thousands of euros at the USD/EUR exchange rate applicable a 31 December 2018.

(**) At 31 December 2018, the Parent's directors considered that the fees and debt arrangement expenses should be classified in full as non-current payables, even though it was expected that EUR 127 thousand would be taken to short term.

The full amount of debt was tied to floating interest rates in 2019 and 2018.

Debt instruments and other marketable securities

On 10 December 2018, Opdenergy, S.A.U. entered into an agreement for the issue of two financing facilities based on bonds in both euros and US dollars, remunerated at floating interest rates, guaranteed by Opde Investment España, S.L. and with a drawable limit of EUR 34,930,000 and USD 39,979,800, respectively.

Both financing facilities have a single maturity -19 December 2024- for all the issues launched and the bonds issued in euros will bear interest at three-month Euribor, and those issued in US dollars will bear interest at three-month Libor plus a spread that will be payable on a quarterly basis. However, the issues may be redeemed early from the second year following their issue.

Within the framework of this transaction, the Group provided the following guarantees to the holders of the bonds issued:

- Security interest created by Opde Investment España, S.L. in 60,000 shares (numbered 1 to 60,000) of EUR 1 par value each, consisting of all the shares representing the share capital of Opdenergy S.A.U.

- Security interest created by Opdenergy, S.A. in 7,138,349 shares (numbered 1 to 7,138,349) of EUR 1 par value each, representing all the share capital of Otras Producciones de Energía Fotovoltaica, S.L.U.

- Security interest created by Opdenergy, S.A. in 15,061,224 shares (numbered 1 to 15,061,224) of EUR 1 par value each, representing all the share capital of Opde Participaciones Industriales, S.L.U.

- Security interest created by Opdenergy, S.A. in the collection rights arising from various demand deposits held by it at Caja Rural de Navarra, Sociedad Corporativa de Crédito, Caixabank, S.A. and Banco Bilbao Vizcaya Argentaria, S.A.

In accordance with the issue agreement, all the bonds issued by Opdenergy, S.A. will be fully subscribed and paid by institutional investors identified in that agreement and accordingly, pursuant to Article 35.2 of Legislative Royal Decree 4/2015, of 23 October, approving the Consolidated Spanish Securities Market Law, it is not necessary for an issue prospectus in relation to this bond issue to be registered with the Spanish National Securities Market Commission (CNMV), as the issue is addressed solely to the aforementioned subscribers and therefore is not a public offering of securities.

In accordance with this agreement, a second issue was launched in 2019 which was fully subscribed by five collective investment undertakings of renowned prestige, and the balances outstanding at 31 December 2019 amounted to EUR 11,742,488 and USD 13,440,452, as detailed below:

ISIN	Issuer	Issue date	Currency	Number of bonds purchased	Face value expressed in euros	Maturity date	Market (*)
XS1918788255	Opdenergy, S.A.U.	04/12/19	USD	3,958,506	3,899,128	19/12/24	Freiverkehr
XS1918788255	Opdenergy, S.A.U.	04/12/19	USD	505,059	497,483	19/12/24	Freiverkehr
XS1918788255	Opdenergy, S.A.U.	04/12/19	USD	787,054	775,248	19/12/24	Freiverkehr
XS1918788255	Opdenergy, S.A.U.	04/12/19	USD	1,281,233	1,262,015	19/12/24	Freiverkehr
XS1918788255	Opdenergy, S.A.U.	04/12/19	USD	3,454,300	3,402,486	19/12/24	Freiverkehr
XS2091490446	Opdenergy, S.A.U.	04/12/19	USD	3,454,300	3,402,486	19/12/24	Freiverkehr
	Bond issue in USD			**13,440,452**	**13,238,846**		
XS2091491923	Opdenergy, S.A.U.	04/12/19	EUR	7,681,936	7,566,707	19/12/24	Freiverkehr
XS2091491923	Opdenergy, S.A.U.	04/12/19	EUR	635,268	625,739	19/12/24	Freiverkehr
XS2091491923	Opdenergy, S.A.U.	04/12/19	EUR	1,076,786	1,060,634	19/12/24	Freiverkehr
XS2091491923	Opdenergy, S.A.U.	04/12/19	EUR	802,012	789,982	19/12/24	Freiverkehr
XS2091491923	Opdenergy, S.A.U.	04/12/19	EUR	1,546,486	1,523,289	19/12/24	Freiverkehr
	Bond issue in EUR			**11,742,488**	**11,566,351**		

(*) The senior bond issue by Opdenergy, S.A.U. was listed on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange in accordance with the German securities market law.

Each bond issued had a face value of EUR 1 and US 1, respectively.

Also, in 2019 this financing accrued interest of EUR 103 thousand, EUR 53 thousand of which had not yet been paid at 31 December 2019 and was recognised under "Current Payables - Other Financial Liabilities" in the consolidated balance sheet.

Lastly, as a result of the revaluation at the 2019 year-end exchange rate of the bonds issued in US dollars, the Parent recognised exchange gains amounting to EUR 105 thousand recognised under "Exchange Differences" in the consolidated statement of profit or loss for 2019 (2018: EUR 57 thousand).

In accordance with this agreement, a first issue was launched at the end of 2018 which was fully subscribed by five collective investment undertakings of renowned prestige, and the balances outstanding at 31 December 2018 were EUR 7,274,065 and USD 8,325,895, respectively, as detailed below:

ISIN	Issuer	Issue date	Currency	Number of bonds purchased	Face value expressed in euros	Maturity date	Market (*)
XS1918788255	Opdenergy, S.A.U.	19/12/18	USD	2,452,158	2,415,375	19/12/24	Freiverkehr
XS1918788255	Opdenergy, S.A.U.	19/12/18	USD	312,866	308,173	19/12/24	Freiverkehr
XS1918788255	Opdenergy, S.A.U.	19/12/18	USD	1,281,233	1,262,015	19/12/24	Freiverkehr
XS1918788255	Opdenergy, S.A.U.	19/12/18	USD	2,139,819	2,107,722	19/12/24	Freiverkehr
XS1918788255	Opdenergy, S.A.U.	19/12/18	USD	2,139,819	2,107,722	19/12/24	Freiverkehr
	Bond issue in USD			**8,325,895**	**8,201,007**		
XS1918789816	Opdenergy, S.A.U.	19/12/18	EUR	4,758,693	4,687,313	19/12/24	Freiverkehr
XS1918789816	Opdenergy, S.A.U.	19/12/18	EUR	393,527	387,624	19/12/24	Freiverkehr
XS1918789816	Opdenergy, S.A.U.	19/12/18	EUR	667,032	657,027	19/12/24	Freiverkehr
XS1918789816	Opdenergy, S.A.U.	19/12/18	EUR	496,819	489,367	19/12/24	Freiverkehr
XS1918789816	Opdenergy, S.A.U.	19/12/18	EUR	957,994	943,624	19/12/24	Freiverkehr
	Bond issue in EUR			**7,274,065**	**7,164,954**		

(*) The senior bond issue by Opdenergy, S.A.U. was listed on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange in accordance with the German securities market law.

Each bond issued had a face value of EUR 1 and US 1, respectively.

Also, in 2019 the senior-bond-issue financing accrued interest of EUR 1,159 thousand (2018: EUR 48 thousand), EUR 83 thousand of which had not yet been paid at 31 December 2019 and was recognised under "Current Payables - Other Financial Liabilities" in the consolidated balance sheet (31 December 2018: EUR 48 thousand).

Achievement of financial ratios

The bond issue agreement includes a series of terms and conditions and obligations assumed by Opde Investment España, S.L. and its subsidiaries which include most notably the achievement of a series of financial ratios, in particular, the achievement of a certain level of cash and inventories as a percentage of debt which will be calculated each year based on the consolidated financial statements of the OPDE Group.

At 2019 year-end the Group's administrators consider that they were achieving all the obligations arising from the bond issues, including the obligation in relation to the achievement of the financial ratio described above, and do not envisage any non-compliance in this connection in the coming years.

15.2 Current financial liabilities

The detail of "Non-Current Payables" in the consolidated balance sheets as at 31 December 2019 and 2018 is as follows (in thousands of euros):

	31/12/19	31/12/18
Bank borrowings-		
Credit lines	11,011	10,329
Bank borrowings associated with solar PV plants	71,072	-
Obligations under finance leases (Note 9)-	1,570	1,464
Other financial liabilities		
Unmatured interest incurred on bond issues	86	50
Other financial liabilities arising from the purchase of companies (Note 2.3)	12,938	-
	96,677	**11,843**

Bank borrowings - bank borrowings associated with solar PV plants

In 2019 the OPDE Group entered into various project finance agreements with credit institutions associated with solar PV plants mainly in Spain and Mexico.

In the case of the Spanish companies (Planta Solar OPDE 3, S.L., Planta Solar OPDE 5, S.L. and Planta Solar OPDE 6, S.L.), the project finance agreements entered into are very similar and were signed on the same date, 20 December 2019. The main features of these loans are as follows:

- Loans entered into on 20 December 2019, which came into effect on that date and have their final maturity date on 31 December 2035. The purpose of these loans is to finance the construction and development of solar PV farms (see Note 12).

  The amount payable for these loans at 31 December 2019 amounted to EUR 22,174 thousand and was recognised in full under current liabilities as it is tied to inventories. The detail, by company, is as follows (in thousands of euros):

	Drawn down at 31/12/19	Loan drawn down
Planta Solar OPDE 3, S.L.	10,624	25,578
Planta Solar OPDE 5, S.L.	2,515	5,658
Planta Solar OPDE 6, S.L.	9,035	25,481
Total	**22,174**	**56,717**

- These loans bear interest at Euribor plus a spread of 1.25% until 31 December 2020. From 1 January 2021, the interest accrued on these loans will be Euribor plus a spread of 1.5%. Given the date on which the loans were available, the interest accrued at 31 December 2019 is not material.

In the case of the Mexican company (Energía Solar de Poniente, S. de R.L. de C.V.), the project finance agreement was entered into with the Sumitomo credit institution with a drawable limit of USD 64 million. The main features of this loan associated with the solar PV plant are as follows:

- Loan entered into on 8 August 2019, which came into effect on that date and has its final maturity date on 31 July 2026. The purpose of this loan is to finance the construction of the solar PV farm by the aforementioned Group company (see Note 12).

- EUR 48,898 thousand had been drawn down against this loan at 31 December 2019 and the full amount was recognised under current liabilities in the consolidated balance sheet as it is tied to inventories.

- The loan bears interest at LIBOR plus a spread of 4.5% on the portion drawn down and LIBOR plus a spread of 0.5% on the undrawn portion. The interest accrued on this loan at 31 December 2019 amounted to EUR 613 thousand, EUR 490 thousand of which were capitalised as an increase in the carrying amount of inventories (see Note 12), as this interest was incurred while the solar PV plant was under construction, and accordingly, in accordance with applicable legislation, can be capitalised as an increase in the carrying amount of inventories.

- At 31 December 2019, the loan from Sumitomo establishes a series of requirements and obligations that must be observed, mainly in relation the achievement of certain financial ratios and obligations that must be exceeded or not exceeded, based on the Mexican company's aggregates. The Group's directors consider that these ratios and obligations were being achieved. The loan also sets out the need to achieve various financial ratios from the date the first loan repayment instalment is paid, which will take place in 2020.

Although the financing agreements mature at long term, as described in Note 5.8 above, they were classified in full under current liabilities as they are tied to the solar PV farms recognised under "Inventories" in the consolidated balance sheet (see Note 12).

The detail, by maturity, of bank borrowings is as follows (in thousands of euros):

	2020	2021	2022	2023	2024	2025 and subsequent years	Total
Bank borrowings associated with solar PV plants	2,233	3,499	4,480	4,658	4,826	51,376	71,072
Total	**2,233**	**3,499**	**4,480**	**4,658**	**4,826**	**51,376**	**71,072**

Guarantees

In order to guarantee fulfilment of the obligations arising from the financing granted to the companies located in Spain, those companies have provided the following guarantees:

- Security interest in the pledged agreements (solar PV plant construction contract, plant operation and maintenance agreement, hedging contracts, among others).

- Security interest in the pledged agreements (principal account, debt service reserve account and offset account).

In this regard, at 31 December 2019, the Group recognised pledged demand deposits in relation to this financing amounting to EUR 1,946 thousand under "Cash and Cash Equivalents" in the consolidated balance sheet.

The Group's directors consider that the companies subject to the guarantees will be able to meet all the contractual obligations arising from the aforementioned financing loans on a timely basis.

Achievement of financial ratios

The project finance agreement of the Spanish companies includes a series of terms and conditions and obligations assumed by them, for 2020 and subsequent years, which include most notably the achievement of a series of financial ratios; in particular, achieving the debt service ratio and calculating the cash flow generated and the surplus cash flow based on the audited financial statements of those stand-alone companies.

Accordingly, at 2019 year-end these companies did not have any obligation to be achieved in this connection.

Bank borrowings - credit facilities

In relation to the various credit facilities in force held by the Group, at 2019 year-end a limit of EUR 35,226 thousand was established. The detail of the amount drawn down at 31 December 2019 is as follows (in thousands of euros):

	Drawn down at 31/12/19	Limit
Multi-currency credit accounts	8,776	12,699
Loans	-	11,354
Reverse factoring facilities	2,213	11,173
Unmatured accrued interest	22	-
Total	**11,011**	**35,226**

All the credit facilities bear interest at market rates mainly tied to Euribor or Libor plus a market spread (see Note 11).

The interest costs incurred on the loans and credit facilities recognised by the Group in 2019 amount to EUR 390 thousand (2018 year-end: EUR 474 thousand), EUR 22 thousand of which were payable at 2019 year-end (2018 year-end: EUR 77 thousand).

16. Disclosures on the periods of payment to suppliers. Additional Provision Three. "Disclosure obligation" provided for in Law 15/2010, of 5 July

Set forth below are the disclosures required by Additional Provision Three of Law 15/2010, of 5 July (amended by Final Provision Two of Law 31/2014, of 3 December), prepared in accordance with the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 on the disclosures to be included in notes to financial statements in relation to the average period of payment to suppliers in commercial transactions:

	2019	2018
	Days	
Average period of payment to suppliers	27	47
Ratio of transactions settled	20	44
Ratio of transactions not yet settled	55	85
	Amount (thousands of euros)	
Total payments made	126,271	259
Total payments outstanding	30,934	602

In accordance with the ICAC Resolution, the average period of payment to suppliers in these consolidated financial statements was calculated by taking into account the commercial transactions relating to the supply of goods or services for which payment has accrued since the date of entry into force of Law 31/2014, of 3 December, although solely in respect of the fully or proportionately consolidated companies located in Spain.

For the sole purpose of the disclosures provided for in this Resolution, suppliers are considered to be the trade creditors for the supply of goods or services relating solely to the Spanish consolidated companies included in "Trade and Other Payables - Payable to Suppliers", "Trade and Other Payables - Payable to Suppliers - Group Companies and Associates" and "Trade and Other Payables - Sundry Accounts Payable" under current liabilities in the consolidated balance sheet.

"Average period of payment to suppliers" is taken to be the period that elapses from the billing of the goods or the provision of the services by the supplier to the effective payment of the transaction.

The statutory maximum payment period applicable to the Group in 2019 under Law 11/2013, of 26 July, on combating late payment in commercial transactions and pursuant to the transitional provisions contained in Law 15/2010, of 5 July, is 30 days (except where certain conditions established in the law are met, in which case the maximum payment period can be increased to 60 days).

17. Tax matters

Since 2010, OPDE Investment España, S.L. and subsidiaries, whose registered office was in Navarre until 31 December 2019 (see Appendix I) have filed consolidated tax returns pursuant to the Navarre Income Tax Law 24/1996, of 30 December (see Note 5.11).

The other subsidiaries located abroad file tax returns in accordance with the tax legislation in the countries in which they are located.

17.1 Current tax receivables and payables

The detail of the current tax receivables and payables in the accompanying consolidated balance sheets as at 31 December 2019 and 2018 is as follows (in thousands of euros):

Tax receivables

	31/12/19	31/12/18
VAT refundable (*)	21,327	11,320
Income tax refundable	407	2,321
Other accounts receivable from public authorities	-	55
Total	**21,734**	**13,696**

(*) Relating mainly to VAT borne by the Mexican Group companies in relation to solar PV modules and expenses assumed for the construction of the new solar power farms.

Tax payables

	31/12/19	31/12/18
VAT payable	1,347	29
Income tax payable	3,185	19
Accrued social security taxes payable	115	126
Other accounts payable to public authorities	117	1,706
Total	**4,764**	**1,880**

17.2 Reconciliation of the accounting profit (loss) to the taxable profit (tax loss)

The reconciliation of the consolidated accounting profit (loss) for the year to the taxable profit (tax loss) for income tax purposes is as follows (in thousands of euros):

	2019	2018
Consolidated profit (loss) for the year from continuing operations (before tax)	**12,790**	**(1,237)**
Permanent differences		
Dividends from shares of foreign companies	(5,690)	(144)
Exemption for the disposal of investees	(5,390)	-
Temporary differences:		
Consolidation adjustments	21,625	(2,768)
Individual companies	1,151	285
Taxable profit (tax loss)	**24,486**	**(3,864)**

Permanent and temporary differences mainly include adjustments arising from differences between Spanish accounting principles (Spanish National Chart of Accounts) and local accounting principles, the elimination of profits or losses on transactions between Group companies and adjustments related to the backlog. In 2019 various Group companies with a tax domicile similar to the Parent's filed consolidated tax returns pursuant to Navarre Income Tax Law 24/1996, of 30 December, with OPDE Investment España, S.L. as the head of the tax group.

In the year ended 31 December 2019 the OPDE Group will avail itself of one of the tax benefits, the Special Investment Reserve, available under Navarre Income Tax Law 26/2016, of 28 December.

This special investment reserve establishes the possibility of reducing taxable profit for income tax purposes by 45% of the amounts appropriated out of accounting profit for the year to a special reserve called the "Special Investment Reserve Navarre Income Tax Law of 1996”. This maximum limit of this reduction is 40% of taxable profit, subsequent to offset of any prior years' tax losses. The amounts appropriated to this reserve must total the minimum amount of EUR 50,000 in the reporting period, and the entity must increase equity compared to the prior year by the appropriated amount and maintain it at that level for the five years subsequent to the investment, unless a capital reduction is required as a result of accounting losses. The amount appropriated to the reserve must be invested in a period of two years from the end of the year in which the profit was appropriated to the reserve to acquire assets fulfilling the following characteristics:

- New items of property, plant and equipment, except for land. New shall mean entering into operation for the first time.
- The items must remain in operation at the company's facilities for at least five years, except in the event of justified losses, or for their years of useful life if less, and must not be transferred or assigned.
- The items in which investments are made must not be subject to the Special Tax on Certain Means of Transport.
- Also, the investment may be made in fixed assets built by the company, provided that the cost of the investment is sufficiently justified.

The reserve may be used by the company which appropriated the amount to the reserve or by any other company that forms part of the tax group.

In the year ended 31 December 2019 the OPDE Group will appropriate EUR 8,325 thousand to the reserve. The Group's directors expect to fulfil all the requirements under the aforementioned Navarre law as regards the maintenance of the investments.

Once the five-year period from the end of the investment period has elapsed, the corresponding amount of this special reserve may be used to offset accounting losses or to increase capital or be appropriated to unrestricted reserves.

17.3 Reconciliation of the accounting profit (loss) to the income tax (expense) benefit

The reconciliation of the accounting profit (loss) to the income tax (expense) benefit is as follows (in thousands of euros):

	2019	2018
Accounting profit (loss) before tax	**12,790**	**(1,237)**
Permanent differences	(11,080)	(144)
Special investment reserve	(8,325)	-
Net taxable income	**(6,456)**	**(1,381)**
Tax charge at tax rates in force in each country	**1,652**	**(814)**
Deferred tax assets and liabilities recognised (*)	(187)	506
Recognition of tax loss carryforwards (**)	431	1,175
Double taxation tax credits	(513)	119
Adjustments to prior years' settlements	501	(305)
Adjustment of tax rate (***)	56	(12)
Offset of tax losses	(2,151)	-
Tax credits recognised in the year	(55)	555
Other (****)	(30)	(405)
Total tax benefit (expense)	**(296)**	**819**

(*) Relating to deferred tax assets and liabilities arising from differences between Spanish accounting principles (Spanish National Chart of Accounts) and local accounting principles in Mexico, the US, Chile and Italy.

(**) The Group's directors decided to recognise the tax loss carryforwards generated by Opde Chile SPA in 2019 considering that, in accordance with the applicable tax and accounting legislation, these assets will be recovered.

(***) The tax rate applicable to the Group in Spain from 2020 onwards, following the change in registered office and tax domicile (see Note 1), will change from 28% to 25%.

(****) Relating mainly to exchange differences arising from adjustments to tax assets recognised in the consolidated balance sheet at the exchange rate prevailing at 2019 year-end as well as other small adjustments.

17.4 Breakdown of current and deferred income tax

The breakdown of the income tax (expense) benefit is as follows (in thousands of euros):

	2019	2018
Current tax	(3,783)	(138)
Deferred tax	3,488	957
Total tax benefit (expense)	**(296)**	**819**

17.5 Deferred tax assets recognised

The detail of the deferred taxes is as follows (in thousands of euros):

	2019	2018
Temporary differences (deferred tax assets)-		
Temporary differences arising from consolidation adjustments	6,400	1,007
Unreceived invoices	-	168
Non-deductible finance costs	423	-
Provisions for equity investments	80	166
Provisions for contingencies and charges	15	52
Tax loss carryforwards-	2,045	3,815
Tax credits-	232	555
Total deferred tax assets recognised	**9,195**	**5,763**

The deferred tax assets indicated above were recognised because the Group's directors considered that, based on their best estimate of the Group's future earnings, including certain tax planning measures, it is probable that these assets will be recovered.

Tax loss carryforwards recognised

The detail of the last years for offset of the tax losses recognised in the accompanying consolidated balance sheet as at 31 December 2019 is as follows (in thousands of euros):

		Tax loss carryforwards by country (tax payable)				
Year incurred	Total tax payable	Spain	Mexico	Chile	USA	Italy
2008	1	1	-	-	-	-
2009	186	186	-	-	-	-
2010	18	18	-	-	-	-
2011	5	5	-	-	-	-
2014	13	-	-	-	-	13
2015	11	-	-	-	1	10
2016	206	-	-	111	95	-
2017	545	-	-	381	164	-
2018	620	-	-	438	182	-
2019	440	-	-	440	-	-
TOTAL	**2,045**	**210**	**-**	**1,370**	**442**	**23**

The foregoing tax losses relate mainly to Opde Investment España, S.L., Otras Producciones de Energía Fotovoltaica, S.L., Inversiones Solares del Altiplano, S.r.l. de C.V., Opde Chile SPA, Horus Renewables Corp. and Opde Puglia, S.r.l. The last years for deduction of these tax losses, in accordance with the legislation in force in each country, were as follows:

	Last year for deduction
Spain	No time limit applied
Mexico	10
Chile	No time limit applied
USA	20
Italy	No time limit applied

Tax credits recognised

At 2019 year-end, the tax credit carryforwards recognised in the consolidated balance sheet related to tax credits generated by Almaraz Fotovoltaica XXXIV, S.L., Sociedad Ibérica de Generación de Energía XVI, S.L. and Sociedad Ibérica de Generación de Energía XVII, S.L., for which the last year for deduction is as follows (in thousands of euros):

	Thousands of euros		
	Year incurred	Tax payable	Last year for deduction
Tax credits-			
Tax credits under standard regime	2008	82	2023
Tax credits under standard regime	2009	150	2024
Total		**232**	

17.6 Deferred tax liabilities recognised

The detail of the deferred tax liabilities is as follows:

	Thousands of euros	
	2019	2018
Temporary differences (unearned revenues)-		
Temporary differences arising from consolidation adjustments	385	537
Unissued invoices	-	547
Deferred tax liabilities associated with inventories (Note 2.3)	5,229	-
Other	21	23
Total deferred tax liabilities recognised	**5,635**	**1,107**

17.7 Deferred tax assets not recognised

The Group did not recognise certain deferred tax assets in the consolidated balance sheet because it considered that the requirements in the applicable accounting legislation regarding the probability of their future recoverability were not met. The detail of these unrecognised assets is as follows:

Tax loss carryforwards

	Thousands of euros			
Year incurred	Total tax payable	Spain (*)	Italy	Mexico
2009	137	137	-	-
2011	1	-	1	-
2012	3	-	3	-
2013	56	-	16	40
2014	63	-	20	42
2015	45	-	8	37
2016	90	-	15	74
2017	158	-	34	124
2018	913	-	6	908
2019	1,678	-	62	1,616
TOTAL	**3,144**	**137**	**167**	**2,840**

(*) *Tax loss carryforwards incurred by companies filing consolidated tax returns in accordance with Navarre tax legislation prior to the creation of the consolidated tax group. These amounts may only be offset at stand-alone company level.*

The amount of the unrecognised tax loss carryforwards of other Group companies was not material at 31 December 2019.

Temporary differences

Year incurred	Total projected investment (thousands of euros)
2014	33
2015	22
2016	18
2017	27
2018	21
2019	13
TOTAL	**135**

All the temporary differences included in the foregoing table relate to temporary differences arising from the limitation on the deductibility of finance costs at Opde Puglia, S.R.L. and Opde Solare S.R.L.

17.8 Years open for review and tax audits

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. Also, in accordance with Article 55.bis of Navarre Law 13/2000, of 14 December (subsequently amended by Navarre Law 23/2015, of 28 September), the entitlement of the tax authorities to perform a tax audit of the tax bases or tax charges offset or yet to be offset or tax credits deducted or not yet deducted will become statute-barred ten years after the day following that on which the legally stipulated period for filing the tax return relating to the year or tax period in which the right to offset such tax bases or to deduct such tax credits arose ends.

In the case of the Spanish companies, at 2019 year-end the Group had all years since 2016 open for review for income tax and for the other taxes applicable to it. However, on 3 July 2015 a tax audit commenced of the years 2010 and 2013 relating to income tax, and, in particular, with respect to the venture promotion companies (SPEs), the tax regime applicable to the Group companies Opde Investment España, S.L. and Otras Participaciones Industriales, S.L.

Also, in July 2014 SPE tax regime audits commenced at the Group companies Opde Investment España, S.L., Opde Participaciones Industriales, S.L., Otras Producciones de Energía Fotovoltaica, S.L. and the company that was excluded from the Group in 2014, Proyectos Integrales Solares, S.L. The purpose of the tax audit was to review compliance with legal requirements, the activities carried on and the tax benefits taken by the Parent and Opde Participaciones Industriales, S.L. as SPEs in the years from 2010 to 2013. The audit also reviewed the tax benefits taken by Otras Producciones de Energía Fotovoltaica, S.L. and Proyectos Integrales Solares, S.L. as shareholders of the SPE. In accordance with the last tax assessment of the Tax Department of the Navarre Autonomous Community Government of 3 February 2017, the Parent, as the representative of the OPDE tax group, was required to pay EUR 4,039 thousand, for the following items, the full amount of which would be assumed by the Opde Group:

	Total tax audit	Opde Investment, S.L.	Other Group companies
Refund of tax credits (taxable amount)	1,900	1,200	700
Interest payable	488	309	179
Penalties	1,651	950	701
Total	**4,039**	**2,459**	**1,580**

The Group recognised the penalties amounting to EUR 1,651 thousand with a charge to "Other Income and Expenses" in the consolidated statement of profit or loss for 2016. The interest amounting to EUR 488 thousand was recognised with a charge to "Finance Costs - On Debts to Third Parties" in the consolidated statement of profit or loss for 2016. Lastly, the refund of the tax credits in the tax charge was recognised with a charge to "Income Tax" in the consolidated statement of profit or loss for 2016.

On 9 March 2017, the Parent paid EUR 2,388 thousand relating to the refund of the tax credits and interest, and the remaining amount of EUR 1,651 thousand was settled on 16 January 2019. Accordingly, at 31 December 2019, no amount was outstanding for payment in relation to the tax audit that commenced in July 2014.

The Parent's directors were in total disagreement with this assessment and, accordingly, filed an appeal to the Navarre Economic-Administrative Tribunal. On 16 January 2019, the Parent paid EUR 1,651 thousand to the Tax Department of the Navarre Autonomous Community Government in relation to the penalty payable for the tax audit that commenced in July 2014. This amount was recognised under "Other Accounts Payable to Public Authorities" in the consolidated balance sheet as at 31 December 2018 (see Note 17.1). However, on 5 February 2019 the Parent filed an appeal to the Navarre Judicial Review Court as the Parent's directors consider that there are expectations as regards the possibility of recovering the tax credits, interest and penalties paid by the SPE in relation to the tax audit carried out.

In this connection, on 11 March 2020 the Navarre Judicial Review Court handed down a ruling partially in favour of the Parent's claims, which would give rise to the recognition of tax losses for the tax Group amounting to EUR 7 million and the partial refund of the penalties previously imposed amounting to EUR 701 thousand. Both the Tax Department of the Navarre Autonomous Community Government and the Parent, for the parts of the ruling handed down that were not in their favour, subsequently lodged appeals against this ruling and at the date of authorisation for issue of these consolidated financial statements a decision had yet to be handed down by the court.

In addition, in view of the varying interpretations that can be made of the tax legislation applicable to the transactions carried out by the Parent, additional contingent tax liabilities might arise which cannot be objectively quantified. However, the Parent's directors consider that the possibility of such contingent liabilities arising is remote and, in any case, the tax charge that might arise therefrom would not materially affect these consolidated financial statements.

Also, in the opinion of the Group's directors and their tax advisers, the system for determining transfer prices is adequately designed and supported for the purposes of complying with the applicable tax legislation and, accordingly, the directors consider that there are no material risks in this connection that might give rise to significant liabilities for the Group in the future.

18. Income and expenses

18.1 Revenue

The breakdown, by geographical area, of the Group's revenue from continuing operations is as follows:

	%	
	2019	2018
Spain	96%	35%
Abroad	4%	65%
	100%	**100%**

The breakdown, by business line, of the Group's revenue for 2019 and 2018 is as follows:

	2019	2018
Sales of development and construction of solar PV plants (Note 20.1)	89%	1%
Services received	1%	45%
Sales of companies owning solar PV plants (Note 2.3)	7%	-
Sale of energy and other	3%	54%
	100%	**100%**

18.2 Procurements

The detail of "Procurements - Cost of Goods Held for Resale Sold", "Procurements - Cost of Raw Materials and Other Consumables Used" and " Procurements - Work Performed by Other Companies" in the consolidated statement of profit or loss for 2019 and 2018 is as follows (in thousands of euros):

	2019	2018
Purchases	170	49,300
Changes in inventories (Note 12)	(119)	80
Work performed by other companies	172,671	2,071
Total	**172,728**	**51,451**

18.3 Staff costs

The detail of "Staff Costs" in the accompanying consolidated statement of profit or loss for 2019 and 2018 is as follows (in thousands of euros):

	2019	2018
Wages, salaries and similar expenses (*)	4,995	3,472
Termination benefits (Note 5.12)	37	83
Employee benefit costs	743	474
	5,738	**4,029**

(*) Including the staff costs of employees of the Group company Inversiones Solares del Altiplano S.R.L. de C.V. (Mexico), which, strictly speaking, due to the type of contract used for employees in that country, should not be considered as employees of the Group.

As indicated in Note 19.3, the Group assumed a long-term variable remuneration obligation to certain employees based on the achievement of certain objectives.

The average number of employees, by category, in 2019 and 2018 was as follows:

	No. of employees	
	2019	2018
Managers	2	2
Graduates, line personnel and clerical staff	67	53
Skilled and manual workers	1	2
	70	**57**

At 31 December 2019 and 2018, the Group's workforce did not include any employees with a disability.

Also, the Group's headcount at 31 December 2019 and 2018, by gender and category, was as follows:

	2019			2018		
	Men	Women	Total	Men	Women	Total
Managers	2	-	2	2	-	2
Graduates, line personnel and clerical staff	59	22	81	45	15	60
Skilled and manual workers	3	-	3	1	-	1
	64	**22**	**86**	**48**	**15**	**63**

18.4 Other operating expenses

"Outside Services" in the consolidated statement of profit and loss for 2019 and 2018 includes mainly travel expenses, insurance premiums and independent professional services, among other items.

In addition, in 2019 the Group recognised EUR 240 thousand (2018: EUR 224 thousand) relating to charges for lease payments received (see Note 9).

19. Related party transactions and balances

19.1 Related party transactions

The detail of the transactions performed with related parties in 2019 and 2018 is as follows (in thousands of euros):

2019

	Revenue from sales and services
Associates:	
Renter Gestiones, S.L. (*)	634
Planta Solar OPDE la Fernandina, S.L.	33,170
Planta Solar OPDE Extremadura 2, S.L.	33,594
Planta Solar OPDE Andalucía 1, S.L.	33,526
	100,924

(*) Not included in the scope of consolidation, as indicated in Note 2.3.

The revenue associated with the solar PV plants relates to the "turnkey" agreements signed by Otras Producciones de Energía Fotovoltaica, S.L., as the contractor, with each of the foregoing companies for the provision of supply, assembly, development, construction and start-up services for three solar PV farms. Revenue was recognised in accordance with the terms and conditions indicated in the aforementioned agreements and based on the delivery milestones set for each of the projects.

At 31 December 2019, the Group's directors and management considered that, as the amount of this revenue was immaterial, inclusion of the amount of the transactions performed in 2019 with the related companies Proyectos Integrales Solares, S.L., Proyectos Integrales Solares UK, S.L., Proyectos Integrales Solares USA, S.L., Mecanizados Solares, S.L. and Mecasolar USA, LLC, was not relevant.

2018

	Revenue from services provided	Outside services
Associates:		
Renter Gestiones, S.L. (*)	709	-
Related to:		
Proyectos Integrales Solares, S.L.	15	-
Proyectos Integrales Solares UK, S.L.	23	-
Proyectos Integrales Solares USA, S.L.	-	(4)
Mecanizados Solares, S.L.	32	-
Mecasolar USA, LLC	-	(2)
	779	**(6)**

(*) Not included in the scope of consolidation, as indicated in Note 2.3.

The services provided related mainly to the maintenance work carried out at the Almaraz farm in Extremadura, whereas services received related mainly to maintenance work performed at solar PV farms.

Transactions were also carried out with companies related to directors of the Parent corresponding to management services provided by those companies in 2019, amounting to EUR 233 thousand, which was recognised with a charge to "Other Operating Expenses - Outside Services" in the accompanying consolidated statement of profit or loss for 2019 (2018: EUR 215 thousand). The detail is as follows (in thousands of euros):

	2019	2018
Aldrovi, S.L.	71	72
Jalasa Ingeniería, S.L.	77	73
Marearoja Internacional, S.L.	85	70
Total	**233**	**215**

Note 19.3 includes details of the additional obligations acquired with certain directors and executives of the Parent.

19.2 Related party balances

The detail of "Related Party Balances" at 31 December 2019 and 2018 is as follows (in thousands of euros):

2019:

	Loans granted	Trade receivables from associates and related companies
Associates:		
Renter Gestiones, S.L. (**)	129	363
Planta Solar OPDE la Fernandina, S.L.	1,889	3,116
Planta Solar OPDE Extremadura 2, S.L.	1,905	3,161
Planta Solar OPDE Andalucía 1, S.L.	1,624	4,550
	5,547	**11,190**

(*) Not included in the scope of consolidation, as in accordance with that indicated in Note 2.3.

"Loans Granted" relates mainly to the subordinated loan agreements entered into with each of the associates (see Note 10.1). The purpose of these loan agreements is to finance in part the design, construction and operation of the solar PV farm. The balances have been drawn down against several loan agreements maturing on 1 January 2036. The loans bear interest at an annual rate of 8% which, under the terms of the agreements, are capitalised on the related due dates as an addition to the principal, which will give rise to further interest in the following period. The loan agreements establish that the subordinated loans will be repaid in a single payment on the maturity date. However, pursuant to the loan repayment terms and conditions, they may be repaid early by the solar PV plant holding companies every year in full or in part if certain conditions are met.

Also, the accounts receivable recognised under "Trade Receivables from Group Companies and Associates" in the consolidated balance sheet relate mainly to the amount receivable at year end corresponding to the "turnkey" agreements signed by Otras Producciones de Energía Fotovoltaica, S.L., as the contractor, with each of the companies indicated (see Note 19.1).

At 31 December 2019, the Group's directors and management considered that as the amount was immaterial, inclusion of the balances with related companies Proyectos Integrales Solares, S.L., Proyectos Integrales Solares UK, S.L., Proyectos Integrales Solares USA, S.L., Mecanizados Solares, S.L. and Mecasolar USA, LLC, was not relevant.

2018:

	Accounts receivable and loans granted	Payables to associates and related companies
Associates:		
Renter Gestiones, S.L. (**)	9	-
Related companies:		
Proyectos Integrales Solares, S.L.	2	-
Proyectos Integrales Solares UK, S.L. (*)	4	-
Proyectos Integrales Solares USA, S.L.	3	(5)
Mecanizados Solares, S.L.	3	-
	21	**(5)**

(*) Not included in the scope of consolidation, as in accordance with that indicated in Note 2.3.

19.3 Remuneration of Group directors and senior executives

Remuneration paid to members of the Board of Directors

The members of the Parent's Board of Directors did not earn or receive any remuneration in 2019 or 2018, except as indicated below. Also, the Group had not granted any advances or loans to the directors and it did not have any pension, retirement bonus or special termination benefit obligations to them.

For information purposes, it is hereby disclosed that the shareholders, Aldrovi, S.L., Jalasa Ingeniería, S.L. and Marearoja Internacional, S.L. are companies related to three members of the Board of Directors, and provide and invoice services to the Parent. All of the foregoing companies provide services to the Parent in accordance with the signed contracts (see Note 19.1).

In addition, the Group has taken out a third-party liability insurance policy for its directors the cost of which amounted to EUR 23 thousand in 2019 (2018:EUR 23 thousand).

Remuneration of senior executives

In 2019 the remuneration earned by senior executives amounted to EUR 229 thousand (2018: EUR 328 thousand).

Also, the Group acquired obligations to certain executives of the OPDE Group consisting of the recognition of additional variable remuneration amounting to EUR 55 thousand under "Long-Term Provisions - Provisions for Long-Term Employee Benefit Obligations" in the accompanying consolidated balance sheet, which will be payable in 2021 (31 December 2018: EUR 55 thousand).

19.4 Information regarding situations of conflict of interest involving the directors

At the end of 2019 neither the directors of the Parent nor the persons related to them as defined in Article 231 of the Consolidated Spanish Limited Liability Companies Law had reported to the shareholders at the General Meeting any direct or indirect conflict of interest they might have with respect to the Parent.

20. Information on the environment

In the overall conduct of its operations the Group takes into account the laws relating to protection of the environment ("environmental laws"). The Group considers that it is substantially complying with these laws and that it has procedures in place to foster and guarantee compliance therewith.

The Group adopted the appropriate measures in relation to environmental protection and enhancement and the minimisation, as appropriate, of its environmental impact, and is complying with current environmental legislation. In 2019 and prior years, the Group did not make any investments of an environmental nature or incur expenses for the protection and improvement of the environment, also, the Group did not consider it necessary to recognise any provision for environmental contingencies or charges since there are no contingencies relating to environmental protection and improvement or any liability of an environmental nature.

21. Other disclosures

21.1 Contingencies

Contingent liabilities

The Group does not have any contingent liabilities due to litigation arising from the ordinary course of business which are expected to give rise to significant liabilities.

Bank guarantees

At 31 December 2019, the Group had provided guarantees to third parties in relation to the development and construction of solar PV facilities amounting to EUR 23 million, GBP 0.2 million, MXN 153 million, CLP 1,993 million and USD 14 million (31 December 2018: EUR 5 million, GBP 3 million, MXN 4 million and USD 2 million), relating mainly to guarantees for provisional receipt of the solar PV facilities built, guarantees provided to municipal councils for work to be or already performed and guarantees submitted for the tenders awarded.

Also, the Group has recognised deposits and term deposits under "Current Financial Assets - Other Financial Assets" and "Non-Current Financial Assets - Other Financial Assets" which are pledged to secure bank guarantees amounting to EUR 1,382 thousand, respectively (2018 year-end: EUR 1,731 thousand and GBP 703 thousand).

In 2019 the Parent took out surety insurance for a maximum of EUR 155,589 thousand (2018: EUR 106,063 thousand).

21.2 Guarantees

Guarantees in agreements for sale and execution of solar PV facilities (turnkey)

The Group guarantees to remedy the flaws or defects in the execution and completion of the projects for the construction of the solar PV plants, provided that they are directly allocable thereto, for a period of two years from the final delivery date of the solar PV plant.

The guarantee assumed by the Group with respect to the products and materials supplied by it for the construction of the plants shall be covered by and limited to the warranty provided by the manufacturers of those materials. In addition, the Group offers the assembly guarantee, although at the date of this report, no warranty expenses had been incurred.

At 31 December 2019, the Group had not recognised any provisions for this warranty given that there is no historical experience in this connection and it is considered that the manufacturers' warranties for the components used by the Group would provide adequate cover for any incident.

21.3 Fees paid to auditors

In 2019 the fees for financial audit and other services provided by the auditor of the Group's consolidated financial statements, Deloitte, S.L., or by firms in the Deloitte organisation, and the fees billed by the auditors of the separate financial statements of the consolidated companies, and by companies related to these auditors as a result of a relationship of control, common ownership or common management, were as follows (in thousands of euros):

2019:

	Thousands of euros
Audit services	90
Other attest services	3
Total audit and related services	**93**
Tax counselling services	34
Other services	41
Total professional services	**75**

2018:

	Thousands of euros
Audit services	62
Other attest services	-
Total audit and related services	**62**
Tax counselling services	31
Other services	-
Total professional services	**31**

21.4 Segment reporting

The Group's financial reporting, broken down by operating segment, for the years ended 31 December 2019 and 2018 is as follows:

2019:

	Thousands of euros			
	Development and construction line of business	Electricity and O&M services line of business	Consolidation adjustments	Total
Revenue:				
- External customers	104,791	5,715	7,938	**118,444**
- Inter-segment sales	114,097	2,797	(116,894)	-
Changes in inventories of work in progress	80,855	8	-	**80,683**
Procurements	(266,448)	(274)	93,994	**(172,728)**
Staff costs	(4,271)	(1,467)	-	**(5,738)**
Other operating expenses	(7,523)	(2,710)	4,180	**(6,053)**
Depreciation and amortisation charge	(54)	(1,613)	151	**(1,516)**
Gains or losses on the loss of control of consolidated equity interests	1,354	-	-	**1,354**
Other operating income, excessive provisions, losses, impairment losses/write-downs, changes in provisions, other non-recurring items	193	647	-	**840**
Profit from operations	**22,814**	**3,103**	**(10,632)**	**15,286**
Finance income	5,124	7,853	(12,728)	**249**
Finance costs	(7,731)	(3,039)	7,236	**(3,534)**
Exchange differences	1,349	33	-	**1,382**
Impairment and gains or losses on disposals of financial instruments	5,031	113	(5,144)	-
Share of profit (loss) of companies accounted for using the equity method	(434)	-	-	**(593)**
Profit before tax	**26,510**	**8,063**	**(21,269)**	**12,790**
Segment assets	283,164	498,063	(486,479)	**294,748**
Segment liabilities	(178,235)	(288,766)	253,309	**(213,851)**

2018:

	Thousands of euros			
	Development and construction line of business	Electricity and O&M services line of business	Consolidation adjustments	Total
Revenue:				
- External customers	2,132	5,366	-	**7,498**
- Inter-segment sales	1,440	1,307	(2,739)	**8**
Changes in inventories of work in progress	1,125	49,907	-	**51,032**
Procurements	(417)	(51,401)	367	**(51,451)**
Staff costs	(2,845)	(1,184)	-	**(4,029)**
Other operating expenses	(3,628)	(2,162)	2,425	**(3,365)**
Depreciation and amortisation charge	(29)	(1,634)	170	**(1,493)**
Other operating income, excessive provisions, losses, impairment losses/write-downs, changes in provisions, other non-recurring items	352	598	(121)	**829**
Profit (Loss) from operations	**(1,870)**	**797**	**102**	**(971)**
Finance income	2,596	1,067	(3,031)	**632**
Finance costs	(3,414)	(1,395)	2,937	**(1,872)**
Exchange differences	1,220	(246)	-	**974**
Profit (Loss) before tax	**(1,468)**	**223**	**8**	**(1,237)**
Segment assets	195,946	276,359	(352,836)	**119,469**
Segment liabilities	(124,119)	(77,390)	151,351	**(50,158)**

The information provided in each of the segments relates to the profit or loss of the Group companies performing those activities.

Pursuant to the applicable legislation, transactions between Group companies are carried out at arm's length basis.

Sales carried out by the Group in Spain amounted to EUR 114,185 thousand (2018: EUR 2,651 thousand), in the European Union to EUR 3,522 thousand (2108: EUR 1,999 thousand) and in the rest of the world to EUR 737 thousand (2018: EUR 2,855 thousand).

In 2018 sales in the "Energy Sales" segment were carried out by means of a single agent and represented 46% of revenue in 2018. Customers in the remaining segments are highly fragmented.

The subsidiaries (both Group companies and associates) included in the scope of consolidation are defined in Appendices I and II.

22. Events after the reporting period

The appearance of the Coronavirus (COVID-19) in China in January 2020 and its recent global expansion to a large number of countries caused the viral outbreak to be classified as a pandemic by the World Health Organization on 11 March.

Bearing in mind the complexity of the markets due to their globalisation and the absence, for the time being, of effective medical treatment against the virus, the consequences for the Group's operations are uncertain and will depend to a large degree on the evolution and extension of the pandemic in the coming months, as well as on the reaction and adaptation capacity of all the economic players affected.

Therefore, at the date of authorisation for issue of these consolidated financial statements, the Group's Board of Directors had analysed the impact that the global crisis caused by COVID-19 might have on the Group based on the best available information and reached the following conclusions:

- Electricity production will not be affected by these circumstances.

- Delays in collections relating to energy sales are not expected.

- The Group companies that provide Operation and Maintenance (O&M) services are operating normally, adapting their activities according to the COVID-19 infection prevention measures.

- Solar PV farm development and construction tasks have not been significantly affected by the restrictions on the movement of individuals adopted in the various countries in which the Group operates.

- The solar PV farm purchase and sale transactions carried out by the Group are progressing as normal and the current situation is not affecting the Group's ability to reach agreements with potential investors.

However, the existing high levels of economic uncertainty at global level as a result of the crisis could have an adverse impact on investment decisions in the short, medium and long term and may lead to a decrease in the amounts of relevant headings for the Group in the next financial statements, such as "Revenue", "Profit from Operations" or "Profit before/after Tax", although it is not yet possible to reliably quantify their impact, taking into account the aforementioned difficulties and restrictions. In addition, the ongoing effects of the crisis could have an adverse impact on the carrying amount of certain assets and on the need to recognise certain provisions or other types of liabilities. As soon as sufficient reliable information is available, the appropriate analyses and calculations will be made to allow, if necessary, the re-measurement of those assets and liabilities.

Lastly, it should be noted that the Parent’s directors and management are constantly monitoring the evolution of the situation in order to successfully address any possible impacts, both financial and non-financial, that may arise.

Also, on 29 June 2020, as indicated in Note 2.3 above, once all the terms and conditions set out and stipulated in the purchase and sale agreement reached by various companies in the OPDE Group for the disposal of the Mexican companies Infraestructura Energética del Norte, S. de R.L. de C.V. and Energía Solar de Poniente S. de R.L. de C.V. had been fulfilled, it was considered that the loss of accounting control actually came into effect. As a result of this transaction, the Group has obtained an estimated net aggregate gain of EUR 12,564 thousand in 2020.

No subsequent events took place that might have an effect on the consolidated financial statements for 2019 other than the events described above.

23. Explanation added for translation to English

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group in Spain (see Note 3.1). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Appendix I- Subsidiaries and associates at 31 December 2019

Company name and location	Line of business	Ownership interest % of par value	Group company shareholder
Opdenergy, S.A.U. (Madrid)	Holding company activities	100%	OPDE Investment España, S.L.
OPDE Participaciones Industriales, S.L. (Madrid)	Development and promotion of companies	100%	Opdenergy, S.A.U.
Otras Producciones de Energía Fotovoltaica, S.L. (Madrid)	Manufacture and sale of solar trackers	100%	Opdenergy, S.A.U.
P.V. Integral Management, S.L. (Madrid)	Services	100%	OPDE Participaciones Industriales, S.L.
Planta Solar OPDE Andalucía 2, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE Andalucía 3, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE Extremadura 1, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE La Calahorra, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE Palomarejo, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 1, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 2, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 3, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 5, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 6, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 7, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 8, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 9, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 10, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 11, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 12, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 13, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 14, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 15, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 16, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 17, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 18, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 19, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 20, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 21, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 22, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 23, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 24, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 25, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 26, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 27, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 28, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.

Company name and location	Line of business	Ownership interest % of par value	Group company shareholder
Planta Solar OPDE 29, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 30, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 31, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 32, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 33, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 34, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 35, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 36, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 37, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 38, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 39, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 40, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 41, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 42, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 43, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 44, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 45, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 46, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 47, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 48, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 49, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 50, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 51, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 52, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 53, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 54, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 55, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 56, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 57, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 58, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 59, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 60, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
OPDE Extremadura, S.L. (Madrid)	Development, manufacture and marketing of solar PV facilities	100%	OPDE Participaciones Industriales, S.L.
Ribaforada 10, S.r.l. (Turin, Italy)	Sale of energy	100%	OPDE Investment España, S.L.
Sociedad Ibérica de Generación de Energía Fotovoltaica XVI (Madrid)	Sale of energy	100%	OPDE Participaciones Industriales, S.L.
Grupo Valsingula, S.L. (Madrid) - Including 230 dormant companies	Operation of solar PV farms	100%	OPDE Investment España, S.L.
Sociedad Ibérica de Generación de Energía Fotovoltaica XVII (Madrid)	Sale of energy	100%	OPDE Participaciones Industriales, S.L.

Company name and location	Line of business	Ownership interest % of par value	Group company shareholder
Opde Sur, S.A.	Development, manufacture and marketing of solar PV facilities	100%	OPDE Investment España, S.L.
Opde Levante, S.L. (Madrid)	Development, manufacture and marketing of solar PV facilities	100%	OPDE Participaciones Industriales, S.L.
OPDE Solare, S.r.l. (Italy)	Development, manufacture and marketing of solar PV facilities	100%	OPDE Italy, S.r.l.
OPDE Puglia, S.r.l. (Italy)	Sale of energy	100%	OPDE Solare, S.r.l.
Solare Puglia, S.r.l. (Italy)	Sale of energy	100%	OPDE Solare, S.r.l.
OPDE Puglia, S.r.l. (Italy)	Sale of energy	100%	Opde Investment, S.L.
Almaraz Fotovoltaica XXXIV, S.L. (Madrid)	Sale of energy	100%	OPDE Participaciones Industriales, S.L.
OPDE Italy, S.r.l. (Italy)	Development, manufacture and marketing of solar PV facilities	100%	OPDE Investment España, S.L.
Almaraz Fotovoltaica XXXIX, S.L. (Madrid)	Operation of solar PV farms	100%	OPDE Participaciones Industriales, S.L.
Tordesillas Solar F.V.11, S.L. (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S.L.
Tordesillas Solar F.V.12, S.L. (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S.L.
Tordesillas Solar F.V.13, S.L. (Beniparrel, Valencia)	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Tordesillas Solar F.V.14, S.L. (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S.L.
Tordesillas Solar F.V.15, S.L. (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S.L.
Tordesillas Solar F.V.16, S.L. (Beniparrel, Valencia)	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Tordesillas Solar F.V.17, S.L. (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S.L.
Tordesillas Solar F.V.18, S.L. (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S.L.
Tordesillas Solar F.V.19, S.L. (Beniparrel, Valencia)	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Almaraz Fotovoltaica XL, S.L. (Madrid)	Operation of solar PV farms	100%	OPDE Participaciones Industriales, S.L.
Almaraz Fotovoltaica XLI, S.L. (Madrid)	Operation of solar PV farms	100%	OPDE Participaciones Industriales, S.L.
Aragonesa de Iniciativas Sostenibles III, S.L. (Madrid)	Operation of solar PV farms	100%	OPDE Investment España, S.L.
Turolense de Iniciativas Sostenibles IV, S.L. (Madrid)	Operation of solar PV farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
GSB Gamma 2, S.L. (Madrid)	Development of energy farms	100%	OPDE Participaciones Industriales, S.L.
GSB Iota 2, S.L. (Madrid)	Development of energy farms	100%	Wholly owned by Otras Producciones de Energía Fotovoltaica
GSB Kappa 2, S.L. (Madrid)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
GSB Lambda 2, S.L. (Madrid)	Development of energy farms	100%	OPDE Participaciones Industriales, S.L.
GSB Omicron 2, S.L. (Madrid)	Development of energy farms	100%	OPDE Participaciones Industriales, S.L.
Gamma Solar S. de R.L. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Aragonesa de Iniciativas Sostenibles III, S.L. (15%)
Garambullo Solar S. de R.L. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Aragonesa de Iniciativas Sostenibles III, S.L. (15%)
GSB Omega 2, S.L. (Navarre)	Development of energy farms	100%	OPDE Participaciones Industriales, S.L.
Lambda Solar S. de R.L. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (84%) Aragonesa de Iniciativas Sostenibles III, S.L. (16%)
Rho Solar S. de R.L. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Turolense de Iniciativas Sostenibles IV, S.L. (15%)
Theta Solar S. de R.L. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%)

Company name and location	Line of business	Ownership interest % of par value	Group company shareholder
			Turolense de Iniciativas Sostenibles IV, S.L. (15%)
Renter Gestiones, S.L. (Madrid)	Development, manufacture and marketing of solar PV facilities	24%	Opde Extremadura, S.L.
Opde O&M, S.L. (Madrid)	Development, manufacture and marketing of solar PV facilities	100%	OPDE Participaciones Industriales, S.L.
Opde Development, S.L. (Madrid)	Generation of electricity and other types of energy	100%	OPDE Investment España, S.L.
INVERSIONES SOLARES DEL ALTIPLANO, S.R.L. de C.V. (Mexico)	Development of energy farms	100%	Aragonesa de Iniciativas Sostenibles, S.L. (62%) Turolense de Inversiones Sostenibles S.L. (39%)
ELECTRICIDAD FOTOVOLTAICA ARGENTUM, S.R.L. de C.V. (Mexico)	Development of energy farms	100%	OPDE Participaciones Industriales, S.L. (50%) GSB Omicron 2, S.L. (50%)
ENERGÍA SOLAR DE PONIENTE, S.R.L. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (98%) GSB Kappa 2, S.L. (1%) Lambda Solar, S.R.L. (1%)
INFRAESTRUCTURA ENERGÉTICA DEL NORTE S.R.L. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (98%) GSB Kappa 2, S.L. (1%) Lambda Solar, S.R.L. (1%)
INVERSIONES Y PROMOCIONES SOLARES DEL CENTRO, S.R.L. de C.V. (Mexico)	Development of energy farms	100%	OPDE Participaciones Industriales, S.L. (50%) GSB Lambda 2, S.L. (50%)
SOLEIL FOTOVOLTAICA, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Turolense de Iniciativas Sostenibles IV, S.L. (15%)
INFRAESTRUCTURA ENERGÉTICA DEL OESTE, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Aragonesa de Iniciativas Sostenibles III, S.L. (15%)
PROMOCIONES SOLARES MW, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (84%) Tordesillas Solar F.V. 13, S.L. (15%) Lambda Solar, S.R.L. (1%)
PROMOCION FOTOVOLTAICA VALLADOLID, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Turolense de Iniciativas Sostenibles IV, S.L. (15%)
SOLAR DE LA SIERRA, S.A.P.I de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Turolense de Iniciativas Sostenibles IV, S.L. (15%)
ENERGÍA FOTOVOLTAICA MIRAFLORES, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (84%) Tordesillas Solar F.V. 13, S.L. (15%) Lambda Solar, S.R.L. (1%)
INFRAESTRUCTURA SOLAR OMICRON, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Aragonesa de Iniciativas Sostenibles III, S.L. (15%)
INFRAESTRUCTURA SOLAR KAPPA, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Turolense de Iniciativas Sostenibles IV, S.L. (15%)
INFRAESTRUCTURA SOLAR IPSILON, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Turolense de Iniciativas Sostenibles IV, S.L. (15%)
INFRAESTRUCTURA SOLAR SIGMA, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Turolense de Iniciativas Sostenibles IV, S.L. (15%)
ENERGIA SOLAR OMEGA, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Aragonesa de Iniciativas Sostenibles IV, S.L. (15%)
BETA SOLAR LIMITED (UK)	Development of energy farms	100%	OPDE Participaciones Industriales, S.L.
DELTA SOLAR LIMITED (UK)	Development of energy farms	100%	OPDE Participaciones Industriales, S.L.
OMEGA SOLAR LIMITED (UK)	Development of energy farms	100%	OPDE Participaciones Industriales, S.L.
Opde UK Limited (UK)	Construction of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
HORUS RENEWABLES CORP.	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.

Company name and location	Line of business	Ownership interest % of par value	Group company shareholder
Horus Central Valley Solar 1, LLC	Development of energy farms	100%	HORUS RENEWABLES CORP.
Horus Central Valley Solar 2, LLC	Development of energy farms	100%	HORUS RENEWABLES CORP.
Horus Thousand Palms Solar 1, LLC	Development of energy farms	100%	HORUS RENEWABLES CORP.
Horus North Carolina 0, LLC	Development of energy farms	100%	HORUS RENEWABLES CORP.
Horus North Carolina 1, LLC	Development of energy farms	100%	Horus North Carolina 0, LLC
Horus North Carolina 3, LLC	Development of energy farms	100%	Horus North Carolina 0, LLC
Horus North Carolina 4, LLC	Development of energy farms	100%	Horus North Carolina 0, LLC
Horus North Carolina 5, LLC	Development of energy farms	100%	Horus North Carolina 0, LLC
Horus North Carolina 6, LLC	Development of energy farms	100%	Horus North Carolina 0, LLC
Horus North Carolina 7, LLC	Development of energy farms	100%	Horus North Carolina 0, LLC
Horus North Carolina 8, LLC	Development of energy farms	100%	Horus North Carolina 0, LLC
Horus South Carolina 0, LLC	Development of energy farms	100%	HORUS RENEWABLES CORP
Horus South Carolina 1, LLC	Development of energy farms	100%	Horus South Carolina 0, LLC
Horus South Carolina 2, LLC	Development of energy farms	100%	Horus South Carolina 0, LLC
Horus South Carolina 3, LLC	Development of energy farms	100%	Horus South Carolina 0, LLC
Horus South Carolina 4, LLC	Development of energy farms	100%	Horus South Carolina 0, LLC
Horus South Carolina 5, LLC	Development of energy farms	100%	Horus South Carolina 0, LLC
HORUS FLORIDA 0, LLC	Development of energy farms	100%	HORUS RENEWABLES CORP.
HORUS FLORIDA 1, LLC	Development of energy farms	100%	HORUS FLORIDA 0, LLC
HORUS GEORGIA 0, LLC	Development of energy farms	100%	HORUS RENEWABLES CORP.
HORUS GEORGIA 1, LLC	Development of energy farms	100%	HORUS GEORGIA 0, LLC
HORUS NEW YORK 0, LLC	Development of energy farms	100%	HORUS RENEWABLES CORP.
HORUS NEW YORK 1, LLC	Development of energy farms	100%	HORUS NEW YORK 0, LLC
HORUS NEW YORK 2, LLC	Development of energy farms	100%	HORUS NEW YORK 0, LLC
HORUS NEW YORK 3, LLC	Development of energy farms	100%	HORUS NEW YORK 0, LLC
HORUS NEW YORK 4, LLC	Development of energy farms	100%	HORUS NEW YORK 0, LLC
HORUS LOUISIANA 0, LLC	Development of energy farms	100%	HORUS RENEWABLES CORP
HORUS LOUISIANA 1, LLC	Development of energy farms	100%	HORUS LOUISIANA 0, LLC
HORUS LOUISIANA 2, LLC	Development of energy farms	100%	HORUS LOUISIANA 0, LLC
HORUS LOUISIANA 3, LLC	Development of energy farms	100%	HORUS LOUISIANA 0, LLC
HORUS LOUISIANA 4, LLC	Development of energy farms	100%	HORUS LOUISIANA 0, LLC
HORUS LOUISIANA 5, LLC	Development of energy farms	100%	HORUS LOUISIANA 0, LLC
HORUS LOUISIANA 6, LLC	Development of energy farms	100%	HORUS LOUISIANA 0, LLC
HORUS LOUISIANA 7, LLC	Development of energy farms	100%	HORUS LOUISIANA 0, LLC
HORUS LOUISIANA 8, LLC	Development of energy farms	100%	HORUS LOUISIANA 0, LLC
OPDE CHILE, SpA	Construction of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
ADITYA SOLAR, SpA	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.

Company name and location	Line of business	Ownership interest % of par value	Group company shareholder
EUCALIPTO, SpA	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
LINGUE, SpA	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
LITRE, SpA	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
OPDEnergy GENERACIÓN, SpA	Development, manufacture and marketing of solar PV facilities	100%	OPDE Investment España, S.L.
AUSTRIAN SOLAR CHILE UNO, SpA	Development of energy farms	100%	Austrian Solar DYO Uno, SpA
RA SOLAR, SpA	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
EOLICA LA ESTRELLA, SpA	Development of energy farms	100%	OPDE Chile, SpA
SOL INVICTUS, SpA	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
XUE SOLAR, SpA	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
COCHENTO EOLICO, SpA	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
MUCHEN EOLICO, SpA	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
PSI SOLAR LIMITED	Development of energy farms	100%	OPDE Participaciones Industriales, S.L.
ORINOCO SOLAR, S.L.	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Austrian Solar DYO UNO, SpA	Development of energy farms	100%	OPDEnergy Generación, SpA

Appendix II- Subsidiaries and associates at 31 December 2018

Company name and location	Line of business	Ownership interest % of par value	Group company shareholder
Opdenergy, S.A.U. (Fustiñana, Navarre)	Holding company activities	100%	OPDE Investment España, S.L.
OPDE Participaciones Industriales, S.L. (Fustiñana, Navarre)	Development and promotion of companies	100%	Opdenergy, S.A.U.
Otras Producciones de Energía Fotovoltaica, S.L. (Navarre)	Manufacture and sale of solar trackers	100%	Opdenergy, S.A.U.
P.V. Integral Management, S.L. (Spain)	Services	100%	OPDE Participaciones Industriales, S.L.
Planta Solar OPDE Andalucía 1, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE Andalucía 2, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE Andalucía 3, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE Extremadura 1, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE Extremadura 2, 1, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE La Calahorra, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE Palomarejo, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE La Fernandina, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 1, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 2, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 3, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 5, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 6, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 7, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 8, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 9, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 10, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 11, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 12, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 13, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 14, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 15, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 16, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 17, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 18, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 19, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 20, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 21, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.

Company name and location	Line of business	Ownership interest % of par value	Group company shareholder
Planta Solar OPDE 22, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 23, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 24, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 25, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 26, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 27, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 28, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 29, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 30, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 31, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 32, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 33, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 34, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 35, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 36, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 37, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 38, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 39, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 40, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 41, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 42, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 43, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 44, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Planta Solar OPDE 45, S.L.	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
OPDE Extremadura, S.L. (Navarre)	Development, manufacture and marketing of solar PV facilities	100%	OPDE Participaciones Industriales, S.L.
Ribaforada 10, S.r.l. (Turin, Italy)	Sale of energy	100%	OPDE Investment España, S.L.
Sociedad Ibérica de Generación de Energía Fotovoltaica XVI (Navarre)	Sale of energy	100%	OPDE Participaciones Industriales, S.L.
Grupo Valsingula, S.L. (Navarre) - Including 230 dormant companies	Operation of solar PV farms	100%	OPDE Investment España, S.L.
Sociedad Ibérica de Generación de Energía Fotovoltaica XVII (Navarre)	Sale of energy	100%	OPDE Participaciones Industriales, S.L.
Opde Sur, S.A.	Development, manufacture and marketing of solar PV facilities	100%	OPDE Investment España, S.L.
Opde Levante, S.L. (Navarre)	Development, manufacture and marketing of solar PV facilities	100%	OPDE Participaciones Industriales, S.L.
OPDE Solare, S.r.l. (Italy)	Development, manufacture and marketing of solar PV facilities	100%	OPDE Italy, S.r.l.
OPDE Puglia, S.r.l. (Italy)	Sale of energy	100%	OPDE Solare, S.r.l.
Solare Puglia, S.r.l. (Italy)	Sale of energy	100%	OPDE Solare, S.r.l.
OPDE Puglia, S.r.l. (Italy)	Sale of energy	100%	Opde Investment, S.L.

Company name and location	Line of business	Ownership interest % of par value	Group company shareholder
Almaraz Fotovoltaica XXXIV, S.L. (Navarre)	Sale of energy	100%	OPDE Participaciones Industriales, S.L.
OPDE Italy, S.r.l. (Italy)	Development, manufacture and marketing of solar PV facilities	100%	OPDE Investment España, S.L.
Almaraz Fotovoltaica XXXIX, S.L. (Navarre)	Operation of solar PV farms	100%	OPDE Participaciones Industriales, S.L.
Tordesillas Solar F.V.11, S.L. (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S.L.
Tordesillas Solar F.V.12, S.L. (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S.L.
Tordesillas Solar F.V.13, S.L. (Beniparrel, Valencia)	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Tordesillas Solar F.V.14, S.L. (Beniparrell, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S.L.
Tordesillas Solar F.V.15, S.L. (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S.L.
Tordesillas Solar F.V.16, S.L. (Beniparrel, Valencia)	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Tordesillas Solar F.V.17, S.L. (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S.L.
Tordesillas Solar F.V.18, S.L. (Beniparrell, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S.L.
Tordesillas Solar F.V.19, S.L. (Beniparrel, Valencia)	Sale of energy	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Almaraz Fotovoltaica XL, S.L. (Navarre)	Operation of solar PV farms	100%	OPDE Participaciones Industriales, S.L.
Almaraz Fotovoltaica XLI, S.L. (Navarre)	Operation of solar PV farms	100%	OPDE Participaciones Industriales, S.L.
Aragonesa de Iniciativas Sostenibles III, S.L. (Navarre)	Operation of solar PV farms	100%	OPDE Investment España, S.L.
Turolense de Iniciativas Sostenibles IV, S.L. (Navarre)	Operation of solar PV farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
GSB Gamma 2, S.L. (Navarre)	Development of energy farms	100%	OPDE Participaciones Industriales, S.L.
GSB Iota 2, S.L. (Navarre)	Development of energy farms	100%	Wholly owned by Otras Producciones de Energía Fotovoltaica
GSB Kappa 2, S.L. (Navarre)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
GSB Lambda 2, S.L. (Navarre)	Development of energy farms	100%	OPDE Participaciones Industriales, S.L.
GSB Omicron 2, S.L. (Navarre)	Development of energy farms	100%	OPDE Participaciones Industriales, S.L.
Gamma Solar S. de R.L. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Aragonesa de Iniciativas Sostenibles III, S.L. (15%)
Garambullo Solar S. de R.L. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Aragonesa de Iniciativas Sostenibles III, S.L. (15%)
GSB Omega 2, S.L. (Navarre)	Development of energy farms	100%	OPDE Participaciones Industriales, S.L.
Lambda Solar S. de R.L. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (84%) Aragonesa de Iniciativas Sostenibles III, S.L. (16%)
Rho Solar S. de R.L. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Turolense de Iniciativas Sostenibles IV, S.L. (15%)
Theta Solar S. de R.L. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Turolense de Iniciativas Sostenibles IV, S.L. (15%)
Renter Gestiones, S.L. (Navarre)	Development, manufacture and marketing of solar PV facilities	24%	Opde Extremadura, S.L.
Opde O&M, S.L. (Navarre)	Development, manufacture and marketing of solar PV facilities	100%	OPDE Participaciones Industriales, S.L.
Opde Development, S.L. (Navarre)	Generation of electricity and other types of energy	100%	OPDE Investment España, S.L.
INVERSIONES SOLARES DEL ALTIPLANO, S.R.L. de C.V. (Mexico)	Development of energy farms	100%	Aragonesa de Iniciativas Sostenibles, S.L. (62%) Turolense de Inversiones Sostenibles S.L. (39%)

Company name and location	Line of business	Ownership interest % of par value	Group company shareholder
ELECTRICIDAD FOTOVOLTAICA ARGENTUM, S.R.L. de C.V. (Mexico)	Development of energy farms	100%	OPDE Participaciones Industriales, S.L. (50%) GSB Omicron 2, S.L. (50%)
ENERGÍA SOLAR DE PONIENTE, S.R.L. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (98%) GSB Kappa 2, S.L. (1%) Lambda Solar, S.R.L. (1%)
INFRAESTRUCTURA ENERGÉTICA DEL NORTE S.R.L. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (98%) GSB Kappa 2, S.L. (1%) Lambda Solar, S.R.L. (1%)
INVERSIONES Y PROMOCIONES SOLARES DEL CENTRO, S.R.L. de C.V. (Mexico)	Development of energy farms	100%	OPDE Participaciones Industriales, S.L. (50%) GSB Lambda 2, S.L. (50%)
SOLEIL FOTOVOLTAICA, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Turolense de Iniciativas Sostenibles IV, S.L. (15%)
INFRAESTRUCTURA ENERGÉTICA DEL OESTE, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Aragonesa de Iniciativas Sostenibles III, S.L. (15%)
PROMOCIONES SOLARES MW, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (84%) Tordesillas Solar F.V. 13, S.L. (15%) Lambda Solar, S.R.L. (1%)
PROMOCION FOTOVOLTAICA VALLADOLID, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Turolense de Iniciativas Sostenibles IV, S.L. (15%)
SOLAR DE LA SIERRA, S.A.P.I de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Turolense de Iniciativas Sostenibles IV, S.L. (15%)
ENERGÍA FOTOVOLTAICA MIRAFLORES, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (84%) Tordesillas Solar F.V. 13, S.L. (15%) Lambda Solar, S.R.L. (1%)
INFRAESTRUCTURA SOLAR OMICRON, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Aragonesa de Iniciativas Sostenibles III, S.L. (15%)
INFRAESTRUCTURA SOLAR KAPPA, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Turolense de Iniciativas Sostenibles IV, S.L. (15%)
INFRAESTRUCTURA SOLAR IPSILON, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Turolense de Iniciativas Sostenibles IV, S.L. (15%)
ENERGIA SOLAR OMEGA, S.A.P.I. de C.V. (Mexico)	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L. (85%) Aragonesa de Iniciativas Sostenibles IV, S.L. (15%)
BETA SOLAR LIMITED (UK)	Development of energy farms	100%	OPDE Participaciones Industriales, S.L.
DELTA SOLAR LIMITED (UK)	Development of energy farms	100%	OPDE Participaciones Industriales, S.L.
OMEGA SOLAR LIMITED (UK)	Development of energy farms	100%	OPDE Participaciones Industriales, S.L.
Opde UK Limited (UK)	Construction of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
HORUS RENEWABLES CORP.	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
Horus Central Valley Solar 1, LLC	Development of energy farms	100%	HORUS RENEWABLES CORP.
Horus Central Valley Solar 2, LLC	Development of energy farms	100%	HORUS RENEWABLES CORP.
Horus Thousand Palms Solar 1, LLC	Development of energy farms	100%	HORUS RENEWABLES CORP.
Horus North Carolina 0, LLC	Development of energy farms	100%	HORUS RENEWABLES CORP.
Horus North Carolina 1, LLC	Development of energy farms	100%	Horus North Carolina 0, LLC
Horus North Carolina 3, LLC	Development of energy farms	100%	Horus North Carolina 0, LLC
Horus North Carolina 4, LLC	Development of energy farms	100%	Horus North Carolina 0, LLC
Horus North Carolina 5, LLC	Development of energy farms	100%	Horus North Carolina 0, LLC
Horus North Carolina 6, LLC	Development of energy farms	100%	Horus North Carolina 0, LLC

Company name and location	Line of business	Ownership interest % of par value	Group company shareholder
Horus North Carolina 7, LLC	Development of energy farms	100%	Horus North Carolina 0, LLC
Horus North Carolina 8, LLC	Development of energy farms	100%	Horus North Carolina 0, LLC
Horus South Carolina 0, LLC	Development of energy farms	100%	HORUS RENEWABLES CORP
Horus South Carolina 1, LLC	Development of energy farms	100%	Horus South Carolina 0, LLC
Horus South Carolina 2, LLC	Development of energy farms	100%	Horus South Carolina 0, LLC
Horus South Carolina 3, LLC	Development of energy farms	100%	Horus South Carolina 0, LLC
Horus South Carolina 4, LLC	Development of energy farms	100%	Horus South Carolina 0, LLC
Horus South Carolina 5, LLC	Development of energy farms	100%	Horus South Carolina 0, LLC
HORUS FLORIDA 0, LLC	Development of energy farms	100%	HORUS RENEWABLES CORP.
HORUS FLORIDA 1, LLC	Development of energy farms	100%	HORUS FLORIDA 0, LLC
HORUS GEORGIA 0, LLC	Development of energy farms	100%	HORUS RENEWABLES CORP.
HORUS GEORGIA 1, LLC	Development of energy farms	100%	HORUS GEORGIA 0, LLC
HORUS NEW YORK 0, LLC	Development of energy farms	100%	HORUS RENEWABLES CORP.
HORUS NEW YORK 1, LLC	Development of energy farms	100%	HORUS NEW YORK 0, LLC
HORUS NEW YORK 2, LLC	Development of energy farms	100%	HORUS NEW YORK 0, LLC
HORUS NEW YORK 3, LLC	Development of energy farms	100%	HORUS NEW YORK 0, LLC
HORUS NEW YORK 4, LLC	Development of energy farms	100%	HORUS NEW YORK 0, LLC
HORUS LOUISIANA 0, LLC	Development of energy farms	100%	HORUS RENEWABLES CORP.
HORUS LOUISIANA 1, LLC	Development of energy farms	100%	HORUS LOUISIANA 0, LLC
HORUS LOUISIANA 2, LLC	Development of energy farms	100%	HORUS LOUISIANA 0, LLC
HORUS LOUISIANA 3, LLC	Development of energy farms	100%	HORUS LOUISIANA 0, LLC
HORUS LOUISIANA 4, LLC	Development of energy farms	100%	HORUS LOUISIANA 0, LLC
HORUS LOUISIANA 5, LLC	Development of energy farms	100%	HORUS LOUISIANA 0, LLC
HORUS LOUISIANA 6, LLC	Development of energy farms	100%	HORUS LOUISIANA 0, LLC
HORUS LOUISIANA 7, LLC	Development of energy farms	100%	HORUS LOUISIANA 0, LLC
HORUS LOUISIANA 8, LLC	Development of energy farms	100%	HORUS LOUISIANA 0, LLC
OPDE CHILE, SpA	Construction of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
ADITYA SOLAR, SpA	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
RA SOLAR, SpA	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
SOL INVICTUS, SpA	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
XUE SOLAR, SpA	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
COCHENTO EOLICO, SpA	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
MUCHEN EOLICO, SpA	Development of energy farms	100%	Otras Producciones de Energía Fotovoltaica, S.L.
PSI SOLAR LIMITED	Development of energy farms	100%	OPDE Participaciones Industriales, S.L.

CONSOLIDATED DIRECTORS' REPORT FOR 2019

1. SITUATION OF THE GROUP AND BUSINESS PERFORMANCE

The consolidated equity of the OPDE Group (Opde Investment España, S.L. and Subsidiaries, "the Group") amounted to EUR 80,251 thousand at 2019 year-end (31 December 2018: EUR 70,405 thousand), representing an increase of EUR 9,846 thousand, due mainly to the profit for the year and reduced by EUR 2,800 thousand due to the distribution of dividends at the Parent.

Cash increased significantly in 2019 due to sales of solar PV farms in Spain to third parties, the development and construction thereof and construction progress billings to Group companies under project finance arrangements.

The Group's work in progress amounted to EUR 162,501 thousand (2018 year-end: EUR 61,576 thousand) and included mainly the cost incurred in two solar PV projects in Mexico totalling 144 MW and three solar PV projects in Spain totalling 111 MW. The non-recourse borrowings related to these projects amounted to EUR 71,072 thousand.

At 31 December 2019, the Group had positive working capital of EUR 99,162 thousand (2018 year-end: EUR 71,712 thousand).

2. 2019 PROFIT

At 2019 year-end the Group obtained a profit of EUR 12,494 thousand (2018 year-end: loss of EUR 418 thousand) due mainly to the development and construction contracts for solar PV farms in Spain and to the sale of those farms. The Group did not sell any solar PV farms in 2018.

Also, recurring income continues to be received from the operation and maintenance and electricity production businesses. The Group owns solar PV farms and facilities in operation with a power of approximately 7 MW, located mainly in Italy.

3. RISKS, UNCERTAINTIES AND OUTLOOK FOR THE GROUP

The most significant risks and uncertainties relate to the industry's regulatory framework, which was highly unfavourable to the development and construction of solar PV farms in Spain and, to a lesser extent, in Italy.

This risk in Europe was considerably reduced by the sale of the Spanish and Italian electricity companies in 2016 and 2017 and the favourable environment for the development and construction of solar PV farms in Spain resulting from the renewable energy auctions held in summer 2017.

In this connection, the Group was awarded 200 MW of solar PV energy in the second renewable energy auction in Spain, held in July 2017. Also, note should be made of the MWs awarded in the renewable energy auctions organised by the governments of Mexico and Chile in 2016 in relation to projects to be built for 144 MW and 151 MW, respectively.

In parallel with these awards, the Group is developing projects in addition to those awarded in the auctions. It plans to construct these projects in the coming years in the aforementioned countries and in the US.

In this regard, the arrangement by the Group of an agreement for the issue of bond-based financing, both in euros and in US dollars, for a total maximum amount equal to EUR 70 million, enables financing for present and future investments in the European and US markets.

4. THE ENVIRONMENT

The Group complies with current environmental legislation.

5. EMPLOYEES

The Group ended the year with a workforce of 86 employees (2018: 63 employees).

6. EVENTS AFTER THE REPORTING PERIOD

On 29 June 2020, once all the terms and conditions set out and stipulated in the purchase and sale agreement reached by various companies in the OPDE Group for the disposal of the Mexican companies Infraestructura Energética del Norte, S. de R.L. de C.V. and Energía Solar de Poniente S. de R.L. de C.V. had been fulfilled, it was considered that the loss of accounting control of the two companies, with a combined power of 144 MW, actually came into effect. As a result of this transaction, the Group has obtained an estimated net aggregate gain of EUR 12,564 thousand in 2020.

On 11 June 2020, one of the Group companies closed the joint financing for the construction in Chile of a solar PV farm (104 MW) and a wind farm (50 MW), the construction of both of which has already begun.

No other subsequent events occurred that might have an effect on the consolidated financial statements for 2019.

7. OTHER INFORMATION

The Group did not use resources of a significant value in the area of research and development.

The Group does not hold any treasury shares and did not perform any treasury share transactions in 2019.

Lastly, the Group's average period of payment was 27 days (2018: 47 days).