All Financial Information has been translated into English except for the Annual Corporate Governance Report, which is available in the Spanish versión. In the event of discrepancy, the Spanish-language version prevails.

STATEMENT OF RESPONSIBILITY OF THE DIRECTORS OF GRENERGY RENOVABLES, S.A. ON THE CONTENT OF THE ANNAL 2023 SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

With regard to the annual separate and consolidated financial statements of Grenergy Renovables, S.A. for 2023, and in accordance with Article 8 of Royal Legislative Decree 1362/2007, of October 19, which enacts the consolidated text of the Securities Market Law, the members of the Board of Directors hereby state:

That, to the best of their knowledge, the annual financial statements, prepared in accordance with applicable accounting principles, provide a true and fair view of the financial position and profit and loss of Grenergy Renovables, S.A. and the undertakings included in the consolidation, taken as a whole, and that the directors' report includes a fair view of the development and performance of the businesses and the position of the Grenergy Renovables, S.A. and the undertakings in the consolidation, taken as a whole, together with a description of the principal risks and uncertainties that they face.

Statement issued by the Board of Directors of GRENERGY RENOVABLES, S.A. on February 27, 2024 for the purpose of authorizing the separate and 2023 consolidated financial statements.

Mr. David Ruiz de Andrés
(Chief Executive Officer)

Mr. Antonio Jiménez Alarcón
(Board Member)

Mr. Florentino Vivancos Gasset
(Board Member)

Ms. Ana Peralta Moreno
(Board Member)

Mr. Nicolás Bergareche Mendoza
(Board Member)

Ms. María del Rocío Hortigüela Esturillo
(Board Member)

Ms. María Merry del Val Mariátegui
(Board Member)

Ms. Ana Plaza Arregui
(Board Member)

Audit Report on Financial Statements
issued by an Independent Auditor

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report
for the year ended
December 31, 2023

Ernst & Young, S.L.
C/ Raimundo Fernández Villaverde, 65
28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

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

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

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of GRENERGY RENOVABLES, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated financial position statement at December 31, 2023, the consolidated profit or loss statement, the consolidated other comprehensive income statement, the consolidated changes in equity statement, the consolidated cash flow statement, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2023 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

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

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

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

Domicilio Social: Calle de Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. C.I.F. B-78970506.

A member firm of Ernst & Young Global Limited.

Key audit matters

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

Impairment of non-financial non-current assets

Description

At December 31, 2023, the Group recognized PP&E items under non-current assets amounting to 729,981 thousand euros, mainly corresponding to wind farms and photovoltaic solar plants under development, construction or in operation.

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

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

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

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

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

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

Our response

Our Audit procedures included, among others, the following:

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

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

Recognition of income from sales of developments and renewable energy plants

Description

The Grenergy Group carries out a significant part of its business from sales of development and renewable energy plants in an advanced construction or start-up stage to third parties. The information on the recognition of revenue from these contracts is provided in Note 3.13 c) of the accompanying consolidated financial statements.

Sales of developments and renewable energy plants are completed when control of the over the goods and services underlying the performance obligation has been transferred to the buyer and the sale is considered legally irrevocable, taking termination clauses, among others, into account. Due to the relevance of the amounts involved and the complexity of analyzing them, both of which entail significant risk when recognizing revenue, we determine this to be a key audit matter.

Our response

Our audit procedures included, among others, the following:

- Understanding the transactions carried out in connection with sales of development and energy plants by analyzing the sale agreements reached and holding meetings with Company Management.
- Reviewing the accounting effects arising from the difference between the selling amount and the net asset transferred.
- Examining bank statements to verify collection of the sale of the subsidiaries in accordance with the payment schedule stipulated in the sale agreement.
- Reviewing the disclosures made in the notes to the consolidated financial statement comply with the applicable financial reporting framework.

Other information: consolidated management report

Other information refers exclusively to the 2023 consolidated management report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

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

a. Checking only that the consolidated non-financial statement, certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b. Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2023 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of GRENERGY RENOVABLES, S.A. and subsidiaries for the 2023 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of GRENERGY RENOVABLES, S.A. are responsible for submitting the annual financial report for the 2023 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Board remuneration report has been incorporated by reference in the consolidated management report.

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

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

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on February 28, 2024.

Term of engagement

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

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

ERNST & YOUNG, S.L.
(Registered in the Official Register
of Auditors under entry # S0530)

(Signed in the original version in Spanish)

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

February 28, 2024

GRENERGY RENOVABLES, S.A.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT REPORT FOR THE YEAR ENDED DECEMBER 31, 2023

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2023 AND 2022

(Thousands of euros)

ASSETS	Notes	12.31.2023	12.31.2022
NON-CURRENT ASSETS		**877,920**	**681,842**
Intangible assets	**Note 7**	**5,769**	**248**
Software		61	238
Patents, licenses, trademarks, et al.		10	10
Goodwill	**Note 5**	5,698	
Property, plant, and equipment	**Note 6**	**729,981**	**582,149**
Land and buildings		17	96
Plant and other PP&E		607,355	412,192
PP&E under construction and prepayments		122,609	169,861
Right-of-use assets	**Note 8**	**33,829**	**28,175**
Investments accounted for using the equity method	**Note 9**	**-**	**4,515**
Financial investments	**Note 9**	**64,236**	**19,428**
Equity instruments		40	40
Derivatives		63,467	16,444
Other financial assets		729	2,944
Deferred tax assets	**Note 19**	**44,105**	**47,327**
CURRENT ASSETS		**388,416**	**205,139**
Inventories	**Note 10**	**142,847**	**6,611**
Raw materials and other consumables		20	2,157
Plant under construction		135,943	100
Prepayments to suppliers		6,884	4,354
Trade and other receivables		**112,134**	**80,049**
Trade receivables	**Note 11**	44,517	47,880
Other accounts receivable		343	159
Receivables from employees		211	6
Current tax assets	**Note 19**	16,084	2,528
Other receivables from public administrations	**Note 19**	50,979	29,476
Financial investments	**Note 9**	**9,913**	**11,972**
Loans to companies		66	727
Derivatives		1,220	1,501
Other financial assets		8,627	9,744
Accruals		**2,071**	**837**
Cash and cash equivalents	**Note 12**	**121,451**	**105,670**
Cash in hand		108,071	105,670
Cash equivalents		13,380	-
TOTAL ASSETS		**1,266,336**	**886,981**

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of financial position for the years ended December 31, 2023 and 2022.

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2023 AND 2022

(Thousands of euros)

EQUITY AND LIABILITIES	Notes	12.31.2023	12.31.2022
EQUITY		**343,730**	**244,815**
Equity attributed to the Parent company		**343,972**	**245,053**
Capital and reserves		**298,340**	**268,257**
Share capital	**Note 13.1**	**10,714**	**10,714**
Issued capital		10,714	10,714
Share premium	**Note 13.2**	**198,912**	**198,912**
Reserves	**Note 13.3**	**70,635**	**68,056**
(Shares and participation units of the Parent company)	**Note 13.4**	**(32,988)**	**(19,728)**
Profit for the year attributed to the Parent company		**51,067**	**10,303**
Unrealized gains (losses) reserve	**Note 14**	**45,632**	**(23,204)**
Hedging transactions		46,858	(25,617)
Currency translation differences		(1,226)	2,413
Minority interests	**Note 15**	**(242)**	**(238)**
NON-CURRENT LIABILITIES		**584,596**	**420,896**
Provisions	**Note 16**	**14,308**	**16,354**
Borrowings	**Note 17**	**536,550**	**384,119**
Bonds and other marketable debt securities		51,915	83,231
Bank borrowings		433,791	254,229
Lease liabilities		50,844	26,073
Derivatives		-	20,586
Deferred tax liabilities	**Note 19**	**33,738**	**20,423**
CURRENT LIABILITIES		**338,010**	**221,270**
Provisions	**Note 16**	**607**	**8,153**
Borrowings	**Note 17**	**220,496**	**118,612**
Bonds and other marketable debt securities		68,430	34,529
Bank borrowings		144,186	46,307
Lease liabilities		3,043	1,505
Derivatives		3,932	36,141
Other financial liabilities		905	130
Trade and other payables		**116,907**	**94,505**
Suppliers		103,776	85,050
Other accounts payable		5,397	5,644
Employee benefits payable		2,550	1,745
Current income tax liabilities	**Note 19**	2,546	293
Other payables to public administrations	**Note 19**	2,556	1,484
Customer advances		82	289
TOTAL EQUITY AND LIABILITIES		**1,266,336**	**886,981**

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of financial position for the years ended December 31, 2023 and 2022.

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Thousands of euros)

	Notes	12.31.2023	12.31.2022
CONTINUING OPERATIONS			
Revenue	**Note 4**	**179,139**	**110,584**
Sale of goods		176,588	107,969
Rendering of services		2,551	2,615
Changes in inventory of finished products and work in progress		**97,424**	**(3,792)**
Work performed by the entity and capitalized	**Note 4**	**221,099**	**182,423**
Cost of sales	**Note 20.1**	**(340,700)**	**(208,983)**
Other operating income		**795**	**299**
Employee benefits expense	**Note 20.2**	**(24,771)**	**(14,772)**
Other operating expenses	**Note 20.3**	**(26,320)**	**(15,671)**
Depreciation and amortization	**Notes 6, 7, and 8**	**(17,946)**	**(14,178)**
Impairment and losses	**Notes 6 and 24.2**	**-**	**(6,160)**
Other gains or losses	**Note 20.5**	**(2,157)**	**66**
OPERATING PROFIT		**86,563**	**29,816**
Finance income	**Note 20.4**	**1,806**	**471**
Finance costs from interest accrued on debt	**Note 20.4**	**(34,941)**	**(19,632)**
Other finance costs	**Note 20.4**	**(1,235)**	**(3,022)**
Profit (loss) for companies under the equity method	**Note 9.1**	**-**	**(325)**
FINANCE COST		**(34,370)**	**(22,508)**
PROFIT BEFORE TAX		**52,193**	**7,308**
Corporate income tax	**Note 19**	(1,138)	3,001
CONSOLIDATED PROFIT FOR THE YEAR		**51,055**	**10,309**
PROFIT (LOSS) ATTRIBUTED TO MINORITY INTERESTS		**(12)**	**6**
PROFIT (LOSS) FOR THE YEAR ATTRIBUTED TO THE PARENT		**51,067**	**10,303**
Earnings (losses) per share	**Note 13.6**	**1.72**	**0.34**

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of profit or loss for the years ended December 31, 2023 and 2022.

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

A) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Thousands of euros)

	12.31.2023	12.31.2022
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR (I)	**51,055**	**10,309**
OTHER COMPREHENSIVE INCOME RECOGNIZED DIRECTLY IN EQUITY		
Items which can be taken to profit or loss subsequently		
- Currency translation differences	(3,639)	2,263
- From cash flow hedges	96,633	(18,832)
- Tax effect	(24,158)	4,708
TOTAL INCOME AND EXPENSE RECOGNIZED DIRECTLY IN CONSOLIDATED EQUITY (II)	**68,836**	**(11,861)**
TOTAL CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD (I+II)	**119,891**	**(1,552)**
Attributable to:		
Parent company	**119,903**	**(1,558)**
Minority interests	**(12)**	**6**

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of comprehensive income for the years ended December 31, 2023 and 2022.

B) CONSOLIDATED STATEMENT OF ALL CHANGES IN EQUITY
(Thousands of euros)

	Share capital	Share premium	Reserves	(Treasury shares)	Profit for the period attributed to the Parent company	Unrealized gains (losses) reserve	Minority interests	Total
BALANCE AT DECEMBER 31, 2021	**9,774**	**109,851**	**52,310**	**(17,577)**	**16,308**	**(11,343)**	**(615)**	**158,708**
Adjustments for changes in criteria and misstatements	-	-	-	-	-	-	-	-
ADJUSTED OPENING BALANCE 2022	**9,774**	**109,851**	**52,310**	**(17,577)**	**16,308**	**(11,343)**	**(615)**	**158,708**
Total consolidated comprehensive income	-	-	-	-	10,303	(11,861)	6	(1,552)
Capital increase	940	89,061	(1,075)	-	-	-	-	88,926
Transactions with shares of the Parent company (net)	-	-	1,410	(2,151)	-	-	-	(741)
Changes in the consolidation scope, transfers, and other minor effects	-	-	(897)	-	-	-	371	(526)
Appropriation of profit from prior year	-	-	16,308	-	(16,308)	-	-	-
BALANCE AT DECEMBER 31, 2022	**10,714**	**198,912**	**68,056**	**(19,728)**	**10,303**	**(23,204)**	**(238)**	**244,815**
Adjustments for changes in criteria and misstatements	-	-	-	-	-	-	-	-
ADJUSTED OPENING BALANCE 2023	**10,714**	**198,912**	**68,056**	**(19,728)**	**10,303**	**(23,204)**	**(238)**	**244,815**
Total consolidated comprehensive income	-	-	-	-	51,067	68,836	(12)	119,891
Transactions with shares of the Parent company (net)	-	-	(7,168)	(13,260)	-	-	-	(20,428)
Changes in the consolidation scope, transfers, and other minor effects	-	-	(556)	-	-	-	8	(548)
Appropriation of profit from prior year	-	-	10,303	-	(10,303)	-	-	-
BALANCE AT DECEMBER 31, 2023	**10,714**	**198,912**	**70,635**	**(32,988)**	**51,067**	**45,632**	**(242)**	**343,730**

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated statement of changes in equity for the years ended December 31, 2023 and 2022.

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Thousands of euros)

	Notes	12.31.2023	12.31.2022
A) CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax		**52,193**	**7,308**
2. Adjustments to profit		**55,764**	**38,517**
a) Depreciation and amortization (+)	6 and 7	17,946	14,178
b) Impairment and losses (+/-)	24.2	3,448	6,160
c) Changes in provisions (+/-)		-	71
g) Finance income (-)		(1,806)	(471)
h) Finance costs (+)	20	34,941	19,632
i) Exchange gains (losses) (+/-)	20	1,235	(1,191)
j) Change in fair value of financial instruments (+/-)		-	(187)
k) Other income and expenses (-/+)	5	-	325
3. Changes in working capital		**(30,463)**	**20,156**
a) Inventories (+/-)	10	(25,824)	10,736
b) Trade and other receivables (+/-)	11	(35,533)	(356)
c) Other current assets (+/-)		(1,234)	1,852
d) Trade and other payables (+/-)		84,314	7,011
e) Other current liabilities (+/-)		(7,546)	913
f) Other non-current assets and liabilities (+/-)		(44,640)	-
4. Other cash flows from operating activities		**(44,268)**	**(27,583)**
a) Interest paid (-)	20	(34,799)	(19,632)
c) Interest received (+)		1,806	471
d) Income tax receipts (payments) (+/-)	20	(11,275)	(8,422)
5. Cash flows from operating activities (+/-1+/-2+/-3+/-4)		**33,226**	**38,398**
B) CASH FLOWS FROM INVESTING ACTIVITIES			
6. Payments on investments (-)		**(366,333)**	**(200,720)**
a) Companies consolidated using the equity method	9	-	(4,840)
b) Intangible assets	7	(18)	(195)
c) Property, plant, and equipment	6	(366,315)	(189,782)
e) Other financial assets		-	(5,903)
7. Proceeds from disinvestments (+)		**97,621**	**1,482**
c) Property, plant, and equipment	6	95,843	-
e) Other financial assets	8	1,778	1,482
8. Cash flows from (used in) investing activities (7+6)		**(268,712)**	**(199,238)**
C) CASH FLOWS FROM FINANCING ACTIVITIES			
9. Proceeds from and payments on equity instruments		**(25,602)**	**88,846**
a) Proceeds from issuance of equity instruments (+)	13	-	90,001
c) Acquisition of own equity instruments (-)	13	(41,575)	(30,242)
d) Disposal of equity instruments of the Parent company	13	15,973	29,087
10. Proceeds from and payments of financial liabilities		**279,884**	**110,893**
a) Issues (+)		*526,362*	*317,901*
1. Bonds and other marketable debt securities (+)		*216,544*	*225,836*
2. Bank borrowings (+)	17	309,818	92,065
b) Repayment and redemption of:		*(246,478)*	*(207,008)*
1. Bonds and other marketable debt securities (-)	*17*	(213,959)	(171,445)
2. Bank borrowings (-)	*17*	(31,014)	(34,148)
3. Leases (-)	*17*	(1,505)	(1,389)
4. Other borrowings (-)	17	-	(26)
12. Cash flows from financing activities (+/-9+/-10-11)		**254,282**	**199,739**
D) Net foreign exchange difference		(3,015)	(1,897)
E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (+/-A+/-B+/-C+/- D)		**15,781**	**37,002**
Cash and cash equivalents at January 1	12	105,670	68,668
Cash and cash equivalents at December 31	12	121,451	105,670

The accompanying notes 1 to 25 and appendices are an integral part of the consolidated cash flow statement for the years ended December 31, 2023 and 2022.

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. Group companies

1.1. Company information

GRENERGY RENOVABLES, S.A. ("the Parent") was incorporated in Madrid on July 2, 2007 via public deed, as filed at the Mercantile Register of Madrid in Tome 24.430, Book 0, Folio 112, Section 8, Page M-439.423, 1st inscription. Its registered business and tax address, where it also performs its activities, is located at Calle Rafael Botí, nº 26, Madrid.

The corporate purpose of the Company and the sectors in which it performs its activities are as follows: the promotion, commercialization, and construction of renewable energy installations, the production and commercialization of electric energy as well as any complementary activities, and the management and operation of renewable energy installations.

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

In each of the countries in which the Group operates, it has a parent company which conducts the outsourcing functions arranged under EPC (Engineering, Procurement, and Construction) and O&M (Operation and Management) contracts, or asset-management contracts using company personnel. The remaining subsidiaries are considered Special Purpose Vehicles (SPVs), responsible for developing each of the solar or wind parks.

The breakdown of the subsidiaries which make up the Group is presented in Appendix I. In addition, the main changes in the consolidation scope corresponding to 2023 and 2022 are disclosed in Appendix II to the accompanying consolidated financial statements.

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

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

1.2. Regulatory framework

The Grenergy Group performs its activity in a regulated environment with different characteristics depending on the country in which it operates. The Group's regulatory framework is disclosed in Appendix III. No relevant matters arose in this respect during 2023 which had a significant impact on the consolidated financial statements.

2. Basis of presentation

2.1 True and fair view

The annual consolidated financial statements of Grenergy Renovables, S.A. corresponding to FY 2022 were approved by the general shareholder meeting held on April 24, 2023.

The consolidated financial statements corresponding to FY 2023, which were authorized for issue by the Board of Directors of Grenergy Renovables, S.A. on February 27, 2024, as well as those of its investees, will be submitted for approval by shareholders at their respective general meetings. It is expected that they will be approved without modification.

Grenergy's annual 2023 consolidated financial statements were prepared based on the accounting records held by Grenergy Renovables, S.A. and the remaining entities which comprise the Group, in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU"), and in conformity with Regulation (EC) 1606/2002 of the European Parliament and Council.

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

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

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

These consolidated financial statements give a true and fair view of Grenergy's consolidated equity and consolidated financial position at December 31, 2023, as well as the consolidated results of its operations, changes in the consolidated statement of comprehensive income, consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended.

2.2 Adoption of International Financial Reporting Standards (IFRS)

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

The accounting policies used to prepare the accompanying consolidated financial statements are the same as those applied to prepare the consolidated financial statements for the year ended December 31, 2022, as none of the standards, interpretations or amendments that are effective for the first time in the current year have had any impact on the Group's accounting policies.

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

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

2.3 Responsibility for the information presented and significant estimates

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

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

- Impairment losses on certain assets (Notes 3.4, 3.10, 6, 7, and 11)
- The probability of occurrence and amounts corresponding to certain provisions and contingencies (Notes 3.15 and 16)
- The recognition of income based on degree of project completion (Note 3.14)
- The market value of derivatives (such as interest rate swaps and hedging instruments for energy sales prices) (Notes 3.9 and 17.5)
- The recoverability of deferred tax assets (Notes 3.12 and 19).

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

2.4 Comparison of information

For comparative purposes the accompanying consolidated financial statements are presented together with the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year ended December 31, 2022.

2.5 Seasonality

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

2.6 Climate change

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

In February 2023 the Group published its ESG Action Plan 2023, including the objectives for the last phase of the ESG Roadmap 2023, affirming its commitment to informing the public on its progress every quarter.

The double materiality analysis was updated, taking into account the dual perspective of financial and impact materiality, in accordance with the main GRI and CSRD standards.

The double materiality assessment process lays the foundations for the recent update and approval of the 2024-2026 Sustainability Strategy, comprised of 6 dimensions and 9 levers, of which 44 objectives to be fulfilled based on a battery of more than 100 measures over a three-year period are worth highlighting.

The risks and opportunities of climate change were assessed towards the end of the year in line with the TCFD recommendations and an internal report was prepared.

Given the nature of its activities, Grenergy contributes directly to the fight against climate change, enabling the energy transition and decarbonization of the economy.

Sustainability permeates all of Grenergy's decisions, generating a positive environmental and social impact on the surroundings and local communities, thereby contributing to the well-being of the planet, social development, equal opportunities, and respect for human rights.

Analysis measures:

- The scope 1, 2, and 3 emissions that Grenergy generates directly or indirectly in its activity are measured in accordance with the criteria established in the international GHG Protocol standard and the ISO 14064 standard, including emissions corresponding to all greenhouse gases relevant to Grenergy. Grenergy's identification of emission sources and carbon footprint calculations for 2023 have obtained independent verification for their alignment with the principles and requirements of the ISO 14064 standard.

- A Net Zero by 2040 Strategy was prepared and approved, bringing Grenergy ten years ahead of European and national commitments such as the EU Green Deal and the National Integrated Energy and Climate Plan ("PNIEC" in its Spanish acronym). This strategy has both medium-term objectives (60% reduction in absolute GHG emissions for scopes 1 and 2 by 2030 and 50% reduction in relative GHG emissions (with respect to sales) for scope 3 by 2030) as well as long-term objectives (carbon neutrality for scopes 1, 2, and 3 by 2040), with 2021 as the base year and weighting the reduction objectives based on sales so as to take Grenergy's growth into account.

- The degree of eligibility and alignment of revenue, OPEX, and CAPEX in accordance with the Environmental Taxonomy was presented in 2023.

3. Accounting principles and policies and measurement criteria

3.1. Consolidation principles

3.1.1 Subsidiaries

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

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

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

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

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

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

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

3.1.2 Investments in associates and joint ventures

Companies over which the Group exercises significant influence but not joint control are considered associates. Significant influence is the power to participate in the decision-making process for the investee's financial and operating policy but does not represent control or joint control over those policies.

A joint venture is an agreement in which the parties that exercise the joint control of the arrangement have rights to the net assets relating to the arrangement. Joint control is the contractually agreed sharing of control in an arrangement which exists only when the decisions about relevant activities require the unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are recognized in these consolidated financial statements using the equity method of consolidation.

Under the equity method, an investment in an associate or joint venture is initially accounted for in the consolidated balance sheet at cost and is subsequently adjusted to recognize the Group's share in the results and other comprehensive income generated by the associate or joint venture. When the Group's share in the losses generated by an associate or joint venture exceeds its interest in the associate or joint venture, the Group discontinues recognizing its share in further losses. Additional losses are only recognized to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method starting from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or joint venture, any excess investment cost over the Group's interest in the net fair value of the investee's identifiable assets and liabilities is recognized as goodwill and included in the carrying amount of the investment. Any excess of the Group's interest in the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss for the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate or joint venture.

The Group ceases to use the equity method from the date on which the investment is no longer considered to correspond to an associate or a joint venture. When the Group retains an interest in the former associate or joint venture and the retained interest corresponds to a financial asset, the Group measures the retained interest at its fair value at that date and this fair value is deemed to be its fair value on initial recognition, in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued and the fair value of the retained interest, as well as the proceeds from the disposal of a portion of the interest in the associate or joint venture, is included when determining the gain or loss on disposal of the associate or joint venture.

When the Group reduces its ownership interest in an associate or joint venture, but continues to use the equity method, the Group reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income in connection with the reduced ownership interest to profit or loss if said gain or loss would also be reclassified to profit or loss on disposal of the related assets or liabilities.

When a Group company carries out transactions with an associate or joint venture of the Group, the profits and losses resulting from said transactions are only recognized in the Group's consolidated financial statements to the extent of the interests in the associate or joint venture that are not related to the Group. The associates and joint ventures included in the consolidation scope are listed in Appendices I.A and I.B as well as Note 10. All said entities use the same reporting period as the Group.

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

3.1.3 Prior standardization of the balances recognized in the separate financial statements

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

The financial statements of the companies included in the consolidation scope and used for consolidation purposes correspond to the financial year ended December 31, 2023.

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

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

3.1.4 Functional and presentation currency

The items corresponding to each of the Group companies included in the Group's consolidated financial statements are measured and reported using the currency of the main economic environment in which the Parent operates. Although the Group carries out operations in Chile, Colombia, Peru, Argentina, Mexico, Poland, Romania, United Kingdom and the United States, its consolidated financial statements are presented in euros, the functional and presentation currency of the Parent. Given the magnitude of the figures, the amounts are expressed in thousands of euros, unless otherwise indicated. Likewise, each of the Group companies presents the currency of the country in which it operates as its functional currency, except for some of the entities in Chile, Argentina, and Peru, which use the US dollar as their functional currency. Transactions in currencies other than the Group's functional currency are considered foreign currency transactions.

3.1.5 Transactions between companies included in the consolidation scope

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

3.1.6 Main transactions for the year

The main transactions carried out during 2023 which affect the consolidation scope were as follows:

- Acquisition of 60% of the US company Sofos Harbert Renewable Energy, LLC, thereby attaining 100% ownership of said entity (Note 5).

- Acquisition of a 9.6 MW solar park in Chile via acquisition of 100% of the shares of the Chilean company GR Guindo, SpA for an amount of 9.6 million euros. This transaction was analyzed based on the Appendix to IFRS 3 "Business Combinations" of 2018, performing a simplified concentration test to assess whether the acquired activities or assets constitute a business. Given that the fair value of the gross assets acquired is mainly concentrated in a single identifiable asset that cannot be used separately from the asset acquired, the Group considers this transaction corresponds to an acquisition of assets. Consequently, an asset was recognized corresponding to the photovoltaic solar park acquired, the acquisition costs were capitalized, and no deferred tax or contingent liability was recognized as a result of this transaction (Note 6).

- Sale of the 150 MW Belinchón solar park (Spain). The sale of this park generated capital gains in the amount of 68 million euros (Notes 6 and 10).

- In 2023, the Group agreed upon the sale of 100% of two photovoltaic solar parks with a total capacity of 297 MW in Spain (Tabernas and José Cabrera) to a third party, the enterprise value of which amounted to 270.6 million euros. This sale is subject to fulfillment of certain suspensive clauses which had not been fulfilled at December 31, 2023 (Note 10).

- In 2023, the Group agreed upon the sale of 100% of the Duna & Huambos (77MW) and Matarani (97MW) wind parks in Peru for a total amount of 136.4 million euros, which could increase up to 140 million euros based on fulfillment of specific milestones (earn-outs). This sale is subject to fulfillment of certain suspensive clauses which had not been fulfilled at December 31, 2023 (Note 6).

3.2. Goodwill and business combinations

Acquisition of control over a subsidiary by the Parent constitutes a business combination and is measured using the acquisition method. When the interests held are subsequently consolidated, the capital investment in the subsidiary is usually eliminated on the basis of the values resulting from application of the acquisition method (described below) on the date on which control is obtained.

Business combinations are accounted for using the acquisition method, which requires identification of the acquisition date, calculation of the cost of the combination, and recognition of the identifiable assets acquired and liabilities assumed at their acquisition-date fair values.

Goodwill or negative goodwill arising on the combination is calculated as the difference between the aggregate of the acquisition-date fair value of the recognized assets acquired and liabilities assumed and the cost of the business combination.

The cost of a business combination is the aggregate of:

- the acquisition-date fair value of the assets transferred, the liabilities incurred or assumed, and the equity instruments issued; and
- the fair value of any contingent consideration which depends on future events or the fulfillment of predetermined conditions.

The cost of the business combination does not include expenses related to the issuing of any equity instruments or financial liabilities delivered in exchange for the items acquired.

Likewise, neither fees paid to legal advisors or other professionals involved in the transaction, nor expenses incurred internally on such items, are included in the cost of the combination. These amounts are taken directly to profit or loss.

In a business combination achieved in stages, so that prior to the acquisition date (the date on which control is obtained) there already was a previous investment, goodwill or the negative difference corresponds to the difference between:

- the cost of the business combination plus the acquisition-date fair value of the acquirer’s previously held equity interest in the acquiree; and,
- the value of the identifiable assets acquired less the liabilities assumed, determined in the manner described above.

Any gain or loss arising from measurement at fair value at the date control of the prior interest held in the acquired company is obtained is recognized in the consolidated statement of profit and loss or other comprehensive income, as applicable. In prior periods, the acquirer may have recognized changes in the value of its interest in the acquiree in other comprehensive income. In this case, the amount recognized in other comprehensive income will be recognized on the same basis as would be required if the acquirer had directly disposed of the interest it previously held. Further, the cost of the business combination is presumed to be the best reference for estimating fair value at the acquisition date of any previously held equity interest.

Should a bargain purchase gain exceptionally arise from the business combination, this will be recognized as income in the consolidated statement of profit or loss.

If the initial accounting for a business combination cannot be completed at the end of the period in which the combination occurs, the acquirer will report the provisional amounts in its financial statements corresponding to the items for which the accounting is incomplete. Said provisional amounts may be adjusted within the period required to obtain the necessary information. However, the measurement period may not exceed one year counting from the acquisition date. The effects of any such adjustments made within this period are recognized retroactively, modifying any comparative information if necessary.

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

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

1. Where the excess can be allocated to specific assets of the company acquired: by increasing the value of assets (or reducing the value of liabilities) whose fair values were higher (lower) than the carrying amounts at which they had been recognized in the acquirees' balance sheets and which were accounted for in a similar manner to the Group's same assets (liabilities): amortization/depreciation, accruals, etc.

2. Where the excess can be allocated to specific intangible assets: by recognizing the excess explicitly in the consolidated balance sheets provided that the fair value at the date of acquisition can be measured reliably.

3. The remaining amount is recognized as goodwill, which is allocated to one or more specific cash-generating units.

Goodwill is only recognized when it has been acquired for consideration and therefore represents a payment made by the acquirer in anticipation of future economic benefits from the assets of the acquired company that cannot be identified and recognized individually and separately. Goodwill is not amortized but impairment tests are performed at least once a year. At the end of each annual reporting period, the Group analyzes whether there are any indications of impairment relating to its assets or cash-generating units to which goodwill has been assigned. If any such indications are detected, it performs an "impairment test" to determine the potential loss of value that may reduce the recoverable amount of said assets to below their carrying amount. Should it be necessary to recognize impairment losses for a cash-generating unit to which all or a portion of goodwill has been assigned, the carrying amount of the corresponding goodwill is first reduced. If the impairment provision is more than the carrying amount of goodwill, then the rest of the assets constituting the cash-generating unit are written down for impairment, *pro rata*, on the basis of the carrying amount of each asset in the unit, to the higher of fair value less costs to sell, value in use and zero. Impairment loss allowances recognized for goodwill are not reversed in subsequent periods.

On disposal of a subsidiary, the amount attributable to goodwill is included in the determination of gains or losses on disposal.

If, subsequent to acquiring control, transactions are carried out for the sale or purchase of interests in a subsidiary without loss of control, the impact of these transactions without change of control are accounted for in equity and consolidation goodwill is not modified.

3.3. Intangible assets

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

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

<u>Licenses and trademarks</u>

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

<u>Software</u>

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

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

Derecognition of intangible assets

Intangible assets are derecognized as soon as they are disposed of or when future economic benefits from their use or disposal are no longer expected. Gains or losses arising from the derecognition of an intangible asset (measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognized in profit or loss when the asset is derecognized.

3.4. Property, plant, and equipment

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

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

In addition, the Group considers "PP&E under construction" to include those expenses incurred in the development from the early stage, defined as the moment when the Group starts applying for interconnection, and/or secures a significant part of the land where the plant is to be located, and/or defines the financing and structuring strategies for the sale of energy generated by the plant (expenses arising from performance of electricity studies for connection of the projects, preparation of the environmental impact statement, basic/detailed engineering work for industry projects, performance of topographical, hydrological, and geotechnical activities during the project, environmental commitments, electrical/environmental/urban/archaeological pre-feasibility studies, consulting services for technical assistance, as well as personnel expenses for employees directly involved in the development of projects), as well as in the construction of certain plants which are still under construction and which will be operated by the Group once they have been started up.

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

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

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

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

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

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

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

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

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

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

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

3.5. Impairment losses on intangible assets and PP&E

At each annual reporting date (in the case of goodwill or whenever there are indications of impairment for other assets), the Group performs impairment tests on the corresponding items to estimate their recoverable amount should it have been reduced to below their carrying amount.

The recoverable amount is the higher of fair value less costs to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Recoverable amounts are calculated for each cash-generating unit (CGU), although for property, plant and equipment, whenever possible, impairment is calculated for each individual asset. CGUs are generally defined by the Group's directors as the renewable energy plants being operated by the Group. However, in the case of the United States, where the Group is not yet operating any power plants, the entire geographical area corresponding to the United States is considered a single CGU.

At the end of each annual reporting period, the directors analyze whether there are any indications of impairment for its operational renewable energy plants, unless an event indicating impairment is detected, in which case this analysis will be performed more frequently. When reviewing indications of impairment, which includes declining or negative results, negative cash flows or expected instability for future energy prices, the Group uses, amongst others, the financial forecasts corresponding to each asset. These financial forecasts are characteristically structured to determine project costs (in the construction phase as well as in the operating phase) and estimate income during the life of the plant.

Should it be necessary to recognize impairment losses for a CGU to which all or a portion of goodwill has been assigned, the carrying amount of the corresponding goodwill is first reduced. If the impairment provision is more than the carrying amount of goodwill, then the rest of the assets constituting the CGU are written down for impairment, *pro rata*, on the basis of the carrying amount of each asset in the unit, to the higher of fair value less costs to sell, value in use and zero.

When an impairment loss subsequently reverses (which is not permitted in the specific case of goodwill), the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, which cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. The reversal of an impairment loss is recognized as income.

In 2023 and 2022, the Group did not recognize any impairment losses on its intangible assets or PP&E.

3.6. Leases

The Group as lessee: IFRS 16 "Leases" establishes the principles for recognizing, measuring, and presenting leases together with the related disclosure requirements, with a view to guaranteeing that both the lessee and the lessor provide the relevant information to ensure fair presentation of lease transactions. IFRS 16 provides a single accounting model for the lessee, according to which the lessee must recognize the right-of-use assets and the corresponding lease liabilities for all lease contracts.

At inception of a contract, the Group assesses whether it is a lease agreement or includes a lease. If the contract is or contains a lease, the Group recognizes a right-of-use asset and a lease liability for all lease contracts in which it is the lessee, except in the case of short-term leases (defined as leases with a term of 12 months or less) and leases of low-value assets (less than 5,000 US dollars). For these leases, the Group recognizes the lease payments on a straight-line basis over the lease term, unless a different approach more faithfully reflects the time pattern over which the economic benefits of the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments, discounted using the implicit rate in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

As defined in IFRS 16, the incremental borrowing rate should be calculated as the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use assets in a similar economic environment. The incremental borrowing rate of the Group's loans is comprised of a risk-free variable reference rate, adjusted by a financing spread.

The selection of the reference rate is in line with the currency in which the lease's cash flows are denominated, and for a term aligned with the lease term. The Group's reference rates are the Euribor and Libor.

The financing spread adjustment refers to the premium above the reference rate at which an entity can finance itself. The methodology followed to calculate this adjustment is based on the cost of external debt issued by the Group.

Lease payments included in the measurement of lease liabilities comprise the following:

- Fixed lease payments (including fixed payments in kind), less any incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the inception date;
- The amount expected to be paid by the lessee by virtue of residual value guarantees;
- The exercise price of purchase options, if the Group is reasonably certain to exercise them;
- Lease termination penalty payments, if the lease term reflects the exercise of a lease termination option.

Lease liabilities are presented as a separate line in the consolidated balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease payment (using the effective interest method) and reducing the carrying amount to reflect lease payments made. The Group measures the lease liability again (and makes an adjustment to the right-of-use asset) whenever:

- The lease term has changed or a significant event or change in circumstances has occurred that results in a change in the assessment with respect to exercising a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- Lease payments vary due to changes in an index or rate or a change in the expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an original discount rate (unless the change in lease payments is due to a change in a variable interest rate, in which case a revised discount rate is used).

- A lease agreement is modified without being accounted for as a separate lease, in which case the lease liability is remeasured based on the term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during 2023 and 2022 since their impact was not significant.

The right-of-use asset comprises the initial valuation of the corresponding lease liability, the lease payments made on or before the inception date, less any lease incentives received and initial direct costs. Subsequently, it is measured at cost, less accumulated depreciation and any accumulated impairment losses.

In addition, the Group classifies the following items as inventories: the depreciation of the right-of-use assets and the accrued expense of the finance lease liabilities related to the rental of land incurred in the initial stages of design, development, and construction of solar power plants that will be subsequently sold by the Group (Note 3.11). Until these plants become operational, the Group capitalizes the depreciation expense of the right-of-use asset as an increase in the carrying amount for the plant, in accordance with IAS 2.

For the remaining assets, depreciation is calculated by applying the straight-line method to the cost of the right-of-use asset.

If a lease involves transfer of ownership of the underlying asset or the cost of the right-of-use asset reflects the intention of the Group to exercise a purchase option, the right-of-use asset is amortized/depreciated over the useful life of the underlying asset.

Right-of-use assets are presented as a separate line item in the balance sheet. The right-of-use assets are amortized/depreciated over the shorter period of the lease term or the useful life of the underlying asset.

The lease term ranges between 25 and 30 years in the case of land.

In order to determine the lease term of the land for the construction of renewable energy plants, the non-cancellable term of the contract was used. The same criterion was applied for the leases of buildings corresponding to the Group's offices in the different geographical areas, except for those located in Spain, for which the Group assumed a longer lease term since this is where its headquarters are located. Thus, it was considered reasonably safe to exercise the extension option included in these agreements.

When determining whether an extension option is reasonably certain to be exercised, the Group considers historical evidence of how leases with similar characteristics behave, as well as any changes in general economic conditions, or factors specific to the type of asset, that may arise. In addition, the Group considers all relevant facts and circumstances that create an economic incentive. As indicated in IFRS 16, this includes significant lease improvements which have been carried out or are expected to occur during the lease term, and which are expected to generate a significant economic benefit to the lessee when a lease extension or termination option becomes exercisable.

At the end of the reporting period, the Group analyzes the values of its non-current assets to determine whether there is any indication those assets may have suffered an impairment loss. Should the corresponding impairment test become necessary given the existence of impairment indicators relating to the CGU, the Group's approach will be to compare the carrying amounts of the CGUs, which includes the lease assets, and their recoverable amounts, determined using a discounted cash flow model. The present value of estimated future cash flows excludes lease payments which depend on the determination of the lease liability, which is why the lease liability recognized in the consolidated statement of financial position is not deducted from the right-of-use asset for purposes of determining the recoverable amount.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability or the right-of-use asset. The corresponding payments are recognized as an expense in the period in which the event or circumstance that triggers said payments occurs and are included under "Other operating expenses" in the consolidated statement of profit or loss (Note 18.3).

As a practical expedient, IFRS 16 permits the lessee not to separate the non-lease components and instead to account for any lease and non-lease components as a single agreement. The Group has not applied this practical expedient. For those contracts that contain a lease component and one or more additional lease or other non-lease components, the Group allocates the contractual consideration to each lease component based on the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3.7. Financial instruments

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

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

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

- Trade receivables
- Financing received from financial institutions and suppliers
- Securities, both those representing debt (obligations, bonds, letters of credit, etc.) or equity instruments of other entities (shares) or interests held in collective investment institutions.

a) Financial assets

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

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

  This category includes "Trade and other receivables," which are measured at market value at the moment of their recognition in the statement of financial position. The Group recognizes the corresponding impairment provisions for any differences between the recoverable amount of its accounts receivable and the carrying amounts at which they are recognized in accordance with the previous paragraph. Said provisions are recognized in accordance with the expected losses. The Group has carried out an analysis of expected losses and concluded that this IFRS does not have any significant effect on the annual consolidated financial statements for the years 2023 and 2022.

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

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

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

b) Financial liabilities

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

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

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

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

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

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

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

c) Own equity instruments

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

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

Share capital

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

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

Treasury shares

Transactions involving treasury shares in 2023 and 2022 are summarized in Note 13.4. They are deducted from equity in the accompanying consolidated statements of financial position for the years ended December 31, 2023 and 2022.

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

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

Share options (Note 3.18)

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

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

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

d) Cash and cash equivalents

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

3.8. Lease liabilities

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

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

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

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

3.9. Derivative financial instruments and hedge accounting

The Group contracts a series of derivative financial instruments to manage the risks to which its activities, operations, and projected cash flows are exposed. Basically, these risks are related to changes in interest rates and the price of energy produced by solar power plants. The Group contracts derivative financial instruments in this spirit.

The derivatives are initially recognized at their contract-date fair value and are subsequently re-measured at their fair value as of each report date. Any gains or losses generated are immediately recognized in profit or loss, unless the derivative is designated and effective as a hedging instrument, in which case the timing of recognition in profit or loss depends on the nature of the hedging relationship.

A derivative with a positive fair value is recognized as a financial asset, while a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the Group has the right and intention to offset them. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is greater than 12 months and it is not expected to be realized or settled within 12 months. The remaining derivative financial instruments are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain derivatives as hedging instruments to cover against risks relating to interest rates and the price of energy in cash flow hedges.

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and the hedged item, together with its risk management objectives and strategy for undertaking the hedge. In addition, from the inception of the hedge and on an ongoing basis, the Group documents the effectiveness of the financial instrument in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationship meets all of the following hedge effectiveness requirements:

- the existence of an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the changes in value that arise from this economic relationship;
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group is actually hedging and the quantity of the hedging instrument that the Group actually uses to hedge said quantity.

If a hedging relationship no longer meets the hedge ratio effectiveness requirement, but the risk management objective for that designated hedging relationship remains the same, the Group rebalances the hedge so that it complies with eligibility criteria.

The Group designates the entire change in the fair value of a forward contract (including forward elements) as a hedging instrument for all its hedging relationships involving forward contracts.

In general terms, a derivative which is measured at fair value through profit or loss can be designated as a hedging instrument except in the case of certain options issued. An issued option does not fulfill the requirements for a hedging instrument unless it is designated to offset a purchased option, including an option which is implicit in another financial instrument.

The Group classifies options issued at fair value through profit or loss as they do not correspond to financial instruments which fulfill the requirements to be designated as hedging instruments. Changes in the fair value of this derivative are presented under "Other gains or losses" in the consolidated statement of profit or loss. The Group only designates the intrinsic value of option contracts as the hedged item, excluding the time value of the option. Changes in the fair value of the aligned time value of the option are recognized under "Unrealized gains (losses) reserve" and accumulated in hedge reserves. If the hedged item is transaction-related, the time value is reclassified to profit or loss when it affects earnings. If the hedged item is time-related, the accumulated amount in hedge reserves is reclassified to profit or loss on a rational basis and the Group applies straight-line amortization. These reclassified amounts are recognized in profit or loss under the same line as the hedged item. If the hedged item is a non-financial item, the amount accumulated in hedge reserves is eliminated directly from equity and included in the initial carrying amount of the non-financial item recognized. In addition, if the Group expects that part or all of the accumulated loss on hedge reserves will not be recovered in the future, that amount is immediately reclassified to the consolidated statement of profit or loss.

The Group designates certain derivatives as follows:

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying instruments that are designated as cash flow hedges is recognized under "Unrealized gains (losses) reserve" and accumulates under cash flow hedge reserves, limited to the accumulated change in the fair value of the hedged item since inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss under "Other gains or losses."

The amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods in which the hedged item affects profit or loss and under the same line as for the hedged item that was recognized. However, when the expected transaction that is being hedged results in recognition of a non-financial asset or non-financial liability, the gains or losses previously recognized in other comprehensive income and accumulated in equity are eliminated from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that a part or all of the accumulated loss on cash flow hedge reserves will not be recovered in the future, said balance is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or part of it) no longer meets the qualifying criteria (after the readjustment, if applicable). This includes those cases in which the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognized in other comprehensive income and accumulated in the cash flow hedge reserve at that moment remains in equity and is reclassified to profit or loss when the expected transaction is carried out. When a forecast transaction is no longer expected, the accumulated gain or loss in the cash flow hedge reserve is immediately reclassified to profit or loss.

Hedging instruments are measured and accounted for based on their nature to the extent that they are still effective hedges or have ceased to be effective hedges.

Gains or losses on the fair value of derivatives that do not qualify for hedge accounting are recognized immediately in the consolidated statement of profit or loss.

Fair Value Measurement

IFRS 13 "Fair Value Measurement" explains how to measure fair value when required by another International Accounting Standard (IAS). It establishes the requirements for fair value measurement applicable to financial and non-financial assets and liabilities.

IFRS 13 defines fair value as the price that would either be received for selling an asset or paid for transferring a liability in an orderly transaction at the measurement date. When said price is not observable, it is estimated by applying a valuation technique. To this end, consistent data is selected which market participants would take into account when considering the transaction.

The Group fulfills the requirements established in IFRS 13 for measuring the fair value of its assets and liabilities when this value is required by other IFRSs.

Based on IFRS 13 and IFRS 7 "Financial instruments: Disclosures," the Group discloses the fair value estimate based on a fair value hierarchy as follows:

- Unadjusted quoted prices in active markets for assets and liabilities, such as financial instruments quoted on organized markets whose market value corresponds to the quoted value at year end (Level 1).
- Inputs other than quoted prices included in Level 1 which are observable either directly (i.e., as reference prices) or indirectly (i.e., derived from prices, such as future energy prices available from OMIP) through valuation models (Level 2).
- Inputs for the asset or liability which are not based on observable market data (i.e., unobservable inputs) (Level 3).

The financial instruments held by the Group in 2023 and 2022 and measured at fair value consist of Level 2 derivatives contracted as interest rate hedges (swaps) and Level 3 derivatives corresponding to PPAs.

For financial reporting purposes, the fair value of financial liabilities is calculated by discounting contractual future cash flows at the current market interest rate available to the Group for similar financial instruments.

3.10. Inventories

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

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

The photovoltaic assets owned by the Group are initially classified as inventories, given that the directors consider that they will be sold. In those cases in which a decision is initially taken to operate the photovoltaic solar plant, they are classified under PP&E. Should a photovoltaic plant previously classified as inventory not be sold within a year subsequent to finalizing construction, it will be reclassified as PP&E. The average time required to construct a photovoltaic power plant is between 6 and 18 months.

In addition, when the Group considers the cost of inventories, it includes those right-of-use assets corresponding to the lease agreements for the development and construction of certain plants which are still under construction or in their initial design and development stages and that, based on IFRS 16, will be sold by the Group once started up.

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

3.11. Foreign currency transactions and balances

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

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

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

The exchange rates with respect to the euro of the main currencies used by the Group companies at December 31, 2023 and 2022 were as follows:

	December 31, 2023		December 31, 2022	
	Closing rate	Average accumulated rate	Closing rate	Average accumulated rate
US dollar (USD)	1.10	1.08	1.07	1.05
Peruvian sol (PEN)	4.17	4.10	4.09	4.02
Chilean peso (CLP)	970.05	910.75	915.95	913.59
Mexican peso (MXN)	18.69	19.08	20.72	21.07
Pound sterling (GBP)	0.87	0.87	0.86	0.85
Colombian peso (COP)	4,248.52	4,628.76	5,147.88	4,487.87
Polish zloty (PLN)	4.35	4.53	4.68	4.69

3.12. Corporate income tax

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

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

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

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

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

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

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

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

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

3.13. Recognition of income and expenses

a) General

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

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

A five-step model is established for recognizing revenue:

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

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

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

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

b) Income from construction contracts

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

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

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

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

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

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

- if it is negative, such as "Advance collections" (early invoicing), under "Accruals."

c) Income from the sale of solar parks

Revenue from the sale of solar parks is recognized at the moment when control over the underlying goods and services related to performance of the contractual terms is transferred to the buyer. The sale of the project to third parties can be carried out in different phases, that is, either at the end of the development stage or at the end of the development, construction and start-up stage. When accounting for income related to the different contractual performance obligations in each of the stages, they are considered separately identifiable performance obligations, fulfilled in accordance with the conditions for transfer of ownership, and are recognized at fair value (Note 3.1.3).

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

The Group generally recognizes income from this type of contract when control of the shares corresponding to the companies sold is transferred and once the parties have fulfilled all the previously established conditions.

In addition, the Group analyzes those cases in which more than one contract is arranged for the same project and client to determine whether they correspond to a contract combination in accordance with IFRS 15. In certain cases, the Group may enter into development and construction contracts or operation and maintenance service contracts subsequent to the sale of a renewable energy plant. The Group considers that the performance obligations included in the different contracts are different and do not constitute a single performance obligation. Furthermore, the negotiated prices established in each of the contracts are equivalent to those which would exist with clients with whom a set of contracts had not been signed, and are not linked to execution of the remaining contracts.

Finally, the sale of renewable energy plants cannot be revoked due to circumstances related to the execution of development and construction contracts performed by the Group in prior years or to the execution of operation and maintenance service contracts which the Group maintains with some of the plants sold in prior years.

d) Income from sale of energy

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

e) Income from the rendering of services

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

3.14. Provisions and contingencies

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

- Provisions: existing obligations at the reporting date arising from past events that are uncertain as to amount or timing but for which it is probable that the Group will suffer an outflow of resources which can be reliably estimated (Note 16).

- Contingent liabilities: possible obligations arising as a consequence of past events, materialization of which is conditional upon one or more events occurring in the future not entirely within control of the Group and which do not meet the requirements for recognition as provisions. At 2023 and 2022 year end, there were no contingent liabilities other than those disclosed in Note 16.

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

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

Provisions for dismantling

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

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

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

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

3.15. Environmental assets and liabilities

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

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

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

3.16. Employee benefits expense

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

a) Short-term employee benefits

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

b) Termination benefits

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

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

3.17. Share-based payments

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

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

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

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

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

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

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

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

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

At December 31, 2023 and 2022, the Parent had granted various incentive plans to its employees consisting of a share option plan on its shares. Said plan establishes that the transactions shall be settled via delivery of equity instruments (Note 13.5).

3.18. Related-party transactions

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

3.19. Earnings per share

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

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

4. Segmented financial reporting

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

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

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

- Energy: this division deals with revenue obtained from the sale of energy in each of the markets in which the Group has or will have its own operational projects as Independent Power Producer ("IPP").

- Commercialization: this division deals with revenue arising from the commercialization of energy. At present, this revenue is only generated in the Chilean market.

- Services: this division includes the services rendered for projects once the start-up date has been reached (Commercial Operation Date - "COD") and which are therefore in the operational phase. It encompasses asset management and O&M activities provided for third-party projects.

The distribution of revenue and EBITDA amongst the three business segments at the closing of 2023 and 2022 is as follows:

	Thousands of euros	
Income	**2023**	**2022**
Development and Construction	310,350	232,613
Energy	65,243	46,457
Commercialization	22,094	11,322
Services	2,551	2,615
Total income	**400,238**	**293,007**

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

	Thousands of euros	
	2023	**2022**
EBITDA		
Development and Construction	67,373	22,127
Energy	51,195	37,059
Commercialization	(433)	(995)
Services	469	471
Corporate	(14,095)	(8,508)
Total (*)	**104,509**	**50,154**

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

The income shown in the above table includes the following headings in the accompanying consolidated statement of profit or loss: "Revenue" and "Work performed by the entity and capitalized." Likewise, the income presented in the above table includes an amount of 221,099 thousand euros for 2023 and 182,423 thousand euros for 2022, representing unrealized income from third parties and recognized under "Work performed by the entity and capitalized" in the accompanying consolidated statement of profit or loss.

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

The total amount of income in 2023 and 2022, broken down by geographical location, is as follows:

	2023	2022
Chile	218,151	164,791
Spain	140,770	64,297
Peru	14,331	15,339
Argentina	7,693	8,163
Colombia	11,280	36,566
Mexico	3,342	2,875
Other	4,671	976
Total (thousands of euros)	**400,238**	**293,007**

The Group's assets and liabilities at December 31, 2023 and December 31, 2022 are shown below by geographical location:

Year ended December 31, 2023

ASSETS	Spain	Chile	Mexico	Peru	Colombia	Italy	United Kingdom	Poland	USA	Germany	Romania	Argentina	Total 12.31.2023
NON-CURRENT ASSETS	**161,717**	**488,941**	**31,379**	**52,577**	**67,684**	**5,145**	**3,554**	**1,625**	**14,443**	**1,040**	**136**	**49,679**	**877,920**
Intangible assets	71	-	-	-	-	-	-	-	5,698	-	-	-	5,769
Property, plant, and equipment	89,338	438,764	29,997	44,310	65,356	5,132	3,545	1,617	8,745	1,025	124	42,028	729,981
Right-of-use assets	7,841	21,300	582	2,471	1,635	-	-	-	-	-	-	-	33,829
Investments accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial investments	58,593	5,559	4	23	-	13	9	8	-	15	12	-	64,236
Deferred tax assets	5,874	23,318	796	5,773	693	-	-	-	-	-	-	7,651	44,105
CURRENT ASSETS	**218,193**	**90,304**	**6,563**	**53,697**	**12,019**	**597**	**575**	**2,512**	**674**	**325**	**69**	**2,888**	**388,416**
Inventories	100,401	3,078	16	37,192	163	157	-	1,729	-	103	1	7	142,847
Trade and other receivables	46,691	43,512	4,688	8,813	5,556	363	77	599	2	113	42	1,678	112,134
Financial investments	8,727	1,118	-	-	0	-	-	-	68	-	-	-	9,913
Accruals	1,483	147	3	238	187	(47)	10	(16)	36	18	-	12	2,071
Cash and cash equivalents	60,891	42,449	1,856	7,454	6,113	124	488	200	568	91	26	1,191	121,451
TOTAL ASSETS (*)	**379,910**	**579,245**	**37,942**	**106,274**	**79,703**	**5,742**	**4,129**	**4,137**	**15,117**	**1,365**	**205**	**52,567**	**1,266,336**

EQUITY AND LIABILITIES	Spain	Chile	Mexico	Peru	Colombia	Italy	United Kingdom	Poland	USA	Germany	Romania	Argentina	Total 12.31.2023
EQUITY	**353,389**	**11,745**	**(2,660)**	**(7,988)**	**(4,722)**	**(591)**	**(501)**	**(448)**	**(875)**	**(374)**	**(38)**	**(3,207)**	**343,730**
Share capital	10,714	-	-	-	-	-	-	-				-	10,714
Share premium	198,912	-	-	-	-	-	-	-				-	198,912
Reserves	87,126	7,199	(4,641)	(10,295)	(5,320)	(159)	(196)	(155)				(2,924)	70,635
Profit (loss)	45,110	(265)	2,546	5,001	1,182	(432)	(294)	(280)	(601)	(374)	(38)	(488)	51,067
Treasury shares	(32,988)	-	-	-	-	-	-	-				-	(32,988)
Unrealized gains (losses) reserve	44,679	4,812	(516)	(2,666)	(584)		(11)	(13)	(274)			205	45,632
Minority interests	(164)	(1)	(49)	(28)	-	-	-	-				-	(242)
NON-CURRENT LIABILITIES	**267,502**	**248,718**	**1,000**	**7,927**	**29,237**	**-**	**-**	**-**	**-**	**-**	**-**	**30,212**	**584,596**
Provisions	1,428	3,620	396	3,205	460	-	-	-	-	-	-	5,199	14,308
Borrowings	251,117	235,674	591	1,052	27,684	-	-	-	-	-	-	20,432	536,550
Deferred tax liabilities	14,957	9,424	13	3,670	1,093	-	-	-	-	-	-	4,581	33,738
CURRENT LIABILITIES	**291,942**	**34,081**	**2,315**	**2,121**	**2,303**	**296**	**330**	**(64)**	**757**	**164**	**15**	**3,750**	**338,010**
Provisions	-	452	-	-	-	-	-	-	-	-	-	155	607
Borrowings	196,842	18,977	58	95	652	-	-	-	905	-	-	2,967	220,496
Trade and other payables	95,100	14,652	2,257	2,026	1,651	296	330	(64)	(148)	164	15	628	116,907
TOTAL EQUITY AND LIABILITIES (*)	**912,833**	**294,544**	**655**	**2,060**	**26,818**	**(295)**	**(171)**	**(512)**	**(118)**	**(210)**	**(23)**	**30,755**	**1,266,336**

(*) The amounts in the above table include the eliminations of balances in the consolidation process, so that total assets and total net equity by country are not the same.

The Group initiated its activity in the USA and Romania during 2023.

Year ended December 31, 2022

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

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

(*) The amounts in the above table include the eliminations of balances in the consolidation process, so that total assets and total net equity by country are not the same.

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

5. Goodwill and business combinations

On February 3, 2023, the Group acquired 60% of ownership interest in the US solar project developer Sofos Harbert Renewable Energy, LLC, thereby obtaining control over said entity. At December 31, 2022, the Group held 40% of the company's share capital.

The amount corresponding to this transaction (60%) totaled 5,400 thousand US dollars, which was settled in shares, while the total balance settled by the Group in the transaction (100%) amounted to 9,571 thousand euros (10,400 thousand US dollars).

The Group measured the identifiable assets acquired and liabilities assumed at their fair values as of the effective acquisition date, as disclosed below:

(In thousands of euros)	**Fair value**
Assets	**3,921**
Property, plant, and equipment	2,821
Current financial investments	142
Accruals	36
Cash and cash equivalents	922
Liabilities	**49**
Trade and other payables	49
Total net identifiable assets at fair value	**3,872**

The fair value of the assets received amounts to 3,872 thousand euros, while goodwill generated in the business combination amounts to 5,698 thousand euros, as disclosed below:

Cost of the business combination	9,570
Net assets acquired	3,872
Difference = Goodwill	**5,698**

Goodwill recognized at the acquisition date in connection with this business combination amounted to 5,698 thousand euros, corresponding to the total excess price paid. No assets were identified in the business combination whose fair value differed from their carrying amounts. Likewise, no gain or loss was recognized in the current year in connection with the identifiable assets acquired and liabilities assumed in the business combination.

The goodwill acquired through the business combination was attributed to the cash-generating unit for projects in the USA.

The Grenergy Group did not record any ordinary income in the consolidated financial statements for 2023 subsequent to the date of obtaining control, recognizing the contribution of a loss amounting to 601 thousand euros before tax.

Given that the 12-month period following acquisition has elapsed, recognition of this business combination is considered final.

The costs associated with this transaction (business combinations) amount to 335 thousand euros and are recognized under "Other operating expenses" in the accompanying consolidated statement of profit or loss.

The milestones pending payment in connection with this transaction are presented under "Current liabilities - Other financial liabilities" in the consolidated statement of financial position.

Impairment testing of goodwill

The Group performs an impairment test annually, comparing the recoverable value of the cash-generating unit to which goodwill has been allocated with the carrying amount of said cash-generating unit. At any rate, these calculations are performed using cash flow projections for the cash-generating units based on current operating results and existing business plans which cover the useful life of the assets associated with each cash-generating unit. Forecasts are made based on experience and historical results.

Goodwill recognized in the consolidated statement of financial position corresponds entirely to the cash-generating unit related to the United States Geographic Area.

Based on the estimates and projections available to Parent Management, the expected future cash flows attributable to the cash-generating units in the US will enable the Group to recover the carrying amount of goodwill recognized at December 31, 2023.

Key assumptions used to calculate value in use

The following hypotheses are used when calculating value in use:

- Free cash flows from the projects
- Discount rates
- Probability of successful completion of projects based on historical experience.

Discount rates: the weighted average cost of capital (WAAC) obtained from the market was used, taking the specific risks, sector of activity, and time value of money into account.

Probability of successful completion of projects: Management assesses the current status of each of the portfolio projects on a case by case basis and evaluates the probability of successful completion for each of the projects based on historical experience.

The following key assumptions were used when calculating value in use for the CGU to which goodwill was allocated:

2023	USA Cash-generating unit
Gross Margin (% growth rate)	2%
Other operating expenses (% growth rate until 2028)	20%
Other operating expenses (% growth rate after 2029)	2%
Discount rate	5%

No impairment losses on goodwill were recognized in 2023.

Sensitivity analysis of changes in key assumptions

Parent Management performed a sensitivity analysis, especially with regard to the discount and growth rates used, to ensure that any changes in the estimates of these rates do not affect the recoverability of the aforementioned values. The analysis considered the following changes in the key hypotheses individually:

- an increase in the discount rate by 50 basis points would not result in recognition of impairment losses;

- a decrease of 5% in operating income generated would not result in recognition of impairment losses.

With respect to the determination of value in use for the cash-generating unit in the USA, Management considers that none of the changes considered reasonably possible in any of the aforementioned key hypotheses would result in the carrying amount of the cash-generating unit significantly exceeding its recoverable amount.

6. Property, plant, and equipment

The breakdown and movements in this heading of the accompanying consolidated statement of financial position during 2023 and 2022 were as follows:

	Land and buildings	Parks in operation	Other PP&E items	PP&E under construction	TOTAL
COST					
Balance at 12.31.2021	**76**	**202,561**	**4,015**	**194,209**	**400,861**
Currency translation differences	-	11,017	61	958	12,036
Additions	20	5,433	1,332	182,997	189,782
Transfers	-	204,723	-	(204,723)	-
Provision for dismantling	-	4,409	-	-	4,409
Disposals, derecognitions, and reductions	-	-	-	-	-
Balance at 12.31.2022	**96**	**428,143**	**5,408**	**173,441**	**607,088**
Business combination (Note 5)	-	-	-	3,034	3,034
Currency translation differences	-	(5,620)	(104)	8,847	3,123
Additions	-	-	3,075	266,229	269,304
Transfers	-	215,395	-	(325,362)	(109,967)
Provision for dismantling	-	(1,608)	-	-	(1,608)
Disposals, derecognitions, and reductions	(79)	-	-	-	(79)
Balance at 12.31.2023	**17**	**636,310**	**8,379**	**126,189**	**770,895**
DEPRECIATION					
Balance at 12.31.2021	**-**	**(6,065)**	**(2,383)**	**-**	**(8,448)**
Currency translation differences	-	380	-	-	380
Allowance for the year	-	(12,710)	(531)	-	(13,241)
Decreases	-	-	-	-	-
Balance at 12.31.2022	**-**	**(18,395)**	**(2,914)**	**-**	**(21,309)**
Currency translation differences	-		-	-	-
Allowance for the year	-	(14,975)	(1,000)	-	(15,975)
Decreases	-	-	-	-	-
Balance at 12.31.2023	**-**	**(33,370)**	**(3,914)**	**-**	**(37,284)**
IMPAIRMENT					
Balance at 12.31.2021	**-**	**-**	**(50)**	**(1,654)**	**(1,704)**
Allowance for the year	-	-	-	(1,926)	(1,926)
Balance at 12.31.2022	**-**	**-**	**(50)**	**(3,580)**	**(3,630)**
Allowance for the year	-	-	-	-	-
Balance at 12.31.2023	**-**	**-**	**(50)**	**(3,580)**	**(3,630)**
Net carrying amount at 12.31.2022	**96**	**409,748**	**2,444**	**169,861**	**582,149**
Net carrying amount at 12.31.2023	**17**	**602,940**	**4,415**	**122,609**	**729,981**

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

The negative balance recognized under "Provisions for dismantling" is due to the impact of updating the discount rates applied to the initial conditions.

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

PP&E associated with parks

A part of the balances recognized in the table above corresponds to the cost of the assets associated with the solar and wind parks. The breakdown by park at 2023 and 2022 year end is as follows:

			2023	2022
Name of park	**Technology**	**Country**	**Net carrying amount**	**Net carrying amount**
Kosten	Wind	Argentina	47,348	51,524
Duna & Huambos	Wind	Peru	49,142	53,971
Quillagua	Solar	Chile	68,876	72,600
San Miguel de Allende	Solar	Mexico	28,005	26,139
Escuderos	Solar	Spain	118,127	120,197
PMGDs Chile	Solar	Chile	126,672	95,224
PMGs Colombia	Solar	Colombia	61,776	44,990
Belinchón	Solar	Spain	-	42,201
Gran Teno	Solar	Chile	134,855	26,866
Tamango	Solar	Chile	27,200	6,009
Other developments	Solar	Miscellaneous	63,548	39,888
TOTAL			**725,549**	**579,609**

Description of the main movements

Additions

The principal additions during 2023 and 2022 mainly correspond to parks constructed during both years and held for operation in Chile, Spain, and Colombia, as well as projects under development.

In addition, in 2023 the Group acquired a 9.6 MW solar park in Chile for an amount of 9.6 million euros (Note 3.1.6).

Transfers

The transfers in 2023 from "Property, plant, and equipment to "Inventories" (Note 10) correspond to the following:

- The net carrying amount of the Belinchón park (Spain) prior to its sale

- The net carrying amount for the development costs related to the Tabernas, Ayora, José Cabrera (Spain), and Matarani (Peru) parks, which the Group decided to sell and that were recognized under "Property, plant, and equipment" at December 31, 2022.

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

Impairment losses

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

Since all the solar power plants and wind parks which the Group owned at December 31, 2023 were obtaining revenue and reasonably complying with the business plans, the directors consider there are no indications of any impairment except in the case of the Kosten (Argentina), Duna and Huambos (Peru), San Miguel de Allende (Mexico) wind parks and the portfolio in Colombia, all of which the Group evaluated by performing an impairment test given the situation of the respective countries, the increases in interest rates, and the current international environment.

Impairment test for Kosten (Argentina)

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

- Electricity produced: the production performance was estimated based on a study carried out by an independent expert.
- Price of electricity: the energy prices were determined based on the energy sales contract signed with a third party for a duration of 20 years at a fixed price. No additional sales were considered during this period. For subsequent years up to completing the 25 years of useful life, a terminal value was included given the uncertainty of market prices in Argentina in the years following finalization of the contract, which is an habitual market practice, corresponding to 25% of the value of the civil engineering work performed, connection rights and infrastructure (which go beyond 20 years) and the project site, of little significance (approximately 1 million euros).
- Operation and maintenance costs: these were determined based on the contracts signed and experience of the markets where Grenergy operates.
- In addition, the after tax discount rate used was 11.5% (2022: 10.5%).

<u>Test result</u>

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

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

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

Impairment test for Duna & Huambos (Peru)

In the second half of 2023, Grenergy agreed to sell 100% of Duna & Huambos wind park. Given that not all suspensive clauses of the agreement had been fulfilled at December 31, 2023, the sale was not completed and the wind park was not excluded from the consolidation scope. The method used to determine the recoverable amount was that of comparison with the sales price, and since the latter was higher than the carrying amount, no recognition of impairment losses was required.

Impairment test for San Miguel de Allende (Mexico)

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

- Electricity produced: the production performance was estimated based on a study carried out by an independent expert.

- Price of electricity: the energy prices were determined based on a fixed price obtained when the long-term energy sales contract was awarded and on the price projections provided by independent experts for the last years in which contracts were awarded.

- Operation and maintenance costs: these were determined based on the contracts signed and experience of the markets where Grenergy operates.

- In addition, the after tax discount rate used was 7.37% (2022: 7.25%).

<u>Test result</u>

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

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

- an increase in the discount rate by 100 basis points would not result in recognition of impairment losses;

- a decrease of 5% in electricity produced would not result in recognition of impairment losses;

- a 5% increase in operating and maintenance costs would not result in any impairment losses being recognized.

Impairment test for Colombia portfolio

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

- Electricity produced: the production performance was estimated based on a study carried out by an independent expert.

- Price of electricity: the energy prices were determined based on a fixed price obtained when the long-term energy sales contract was awarded.

- Operation and maintenance costs: these were determined based on the contracts signed and experience of the markets where Grenergy operates.

- In addition, the after tax discount rate used was 14.00%.

<u>Test result</u>

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

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

- an increase in the discount rate by 100 basis points would not result in recognition of impairment losses;

- a decrease of 5% in electricity produced would not result in recognition of impairment losses;

- a 5% increase in operating and maintenance costs would not result in any impairment losses being recognized.

For the remainder of the Group's assets recognized under PP&E, there are no indications of impairment other than that already recognized at December 31, 2023 and 2022.

<u>Fully depreciated assets</u>

At 2023 year end, the Group held fully depreciated assets still in use under "Property, plant, and equipment" totaling 241 thousand euros (2022: 192 thousand euros).

Firm purchase and sale commitments

In 2022, the Group made an advance payment amounting to 2,492 thousand euros (Note 9.2) when purchasing 11 companies in Chile for the construction of 11 solar plants. Since at December 31, 2022 the suspensive contractual conditions had not been fulfilled, they were not included in the consolidation scope. Of said companies, 8 of them joined the Group in 2023, with the remaining 3 yet to fulfill the suspensive clauses in an amount of 223 thousand euros.

Guarantees

At December 31, 2023, the Kosten, Duna & Huambos, Quillagua, Escuderos and other parks under construction were guaranteeing "Project finance" debts with financial institutions, the pending balance of which amounts to 384,367 thousand euros at said date (2022: 270,669 thousand euros) (Note 17.2).

PP&E - Items not used in operations

At December 31, 2023 and 2022, the Group did not have any significant PP&E items not being used in its operations.

Insurance

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

7. Intangible assets

The breakdown and movements in this heading of the accompanying consolidated statement of financial position during 2023 and 2022 were as follows:

	Goodwill on consolidation (Note 5)	Patents, licenses, trademarks, et al.	Software	TOTAL
COST				
Balance at 12.31.2021	**-**	**12**	**137**	**149**
Additions	-	-	195	195
Balance at 12.31.2022	**-**	**12**	**332**	**344**
Additions	-	-	339	339
Transfers	-	-	(494)	(494)
Business Combinations	5,698	-	-	5,698
Balance at 12.31.2023	**5,698**	**12**	**177**	**5,887**
AMORTIZATION				
Balance at 12.31.2021	**-**	**(1)**	**(67)**	**(68)**
Allowance for the year	-	(1)	(27)	(28)
Balance at 12.31.2022	**-**	**(2)**	**(94)**	**(96)**
Allowance for the year	-	-	(22)	(22)
Balance at 12.31.2023	**-**	**(2)**	**(116)**	**(118)**
Balance at 12.31.2022	**-**	**10**	**238**	**248**
Balance at 12.31.2023	**5,698**	**10**	**61**	**5,769**

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

The transfers in 2023 correspond to the fair value of the energy storage developments acquired from third parties, a balance which is transferred to "Property, plant, and equipment" (Note 6).

Impairment losses

The directors of the Group consider that there are no indications of any impairment losses on its intangible assets at 2023 and 2022 year end, consequently not recognizing any impairment loss allowances for either year.

Fully amortized intangible assets

At 2023 and 2022 year end, the Group's intangible assets included fully amortized assets still in use amounting to 8 thousand euros for both years.

Firm sale and purchase commitments

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

8. Leases

The breakdown for right-of-use assets as well as their movements for the years ended December 31, 2023 and 2022 are as follows:

Year ended December 31, 2023

	Land	Offices	Other	Total
Balance at 12.31.2022	**25,394**	**1,596**	**1,185**	**28,175**
Additions	7,606	-	308	**7,914**
Currency translation differences	(271)	(39)	-	**(310)**
Depreciation allowance	(874)	(864)	(212)	**(1,950)**
Balance at 12.31.2023	**31,855**	**693**	**1,281**	**33,829**

Year ended December 31, 2022

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

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

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

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

The main characteristics and hypotheses employed by the Group when accounting for these rights of use are as follows:

- The average lease terms for the Group's main lease contracts are presented below:

	12.31.2023	12.31.2022
Buildings	5-8 years	5-8 years
Vehicles	5 years	5 years
Land for renewable energy plants	30-25 years	30-25 years

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

The Group's only lease agreement which includes variable payments during 2023 and 2022 corresponds to the Kosten wind park. A period of two years was considered initially, counting from the commercial operations date (June 2021). From the second year, future payments will be variable depending entirely on the fluctuations in energy produced, and are not included in the capitalization model but are instead recognized in profit or loss since said cash flows cannot be reliably estimated in light of the energy production estimates by independent experts varying by more than 20% annually, concluding that the cash flows from production cannot be estimated reliably and thus the lease for the Kosten wind park from the second year onwards will not fall within the scope of IFRS 16.

The Group did not recognize any impairment losses relating to right-of-use assets in either 2023 or 2022.

As indicated in Note 3.10, based on IFRS 16, the Group includes the following items under "Inventories": the right-of-use assets for certain plants that are still under construction, in their initial design, development and construction phases, and that will be offered for sale by the Group once they are started up (Note 10).

The main liabilities recognized at December 31, 2023 and 2022 under this heading in the consolidated statement of financial position are as follows:

Year ended December 31, 2023

	Land	Offices	Other	Total
Non-current lease liabilities	49,522	539	783	50,844
Current lease liabilities	2,392	303	348	3,043
TOTAL (thousands of euros)	**51,914**	**842**	**1,131**	**53,887**

Year ended December 31, 2022

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

The breakdown by maturity of the undiscounted lease liabilities based on the contracted time schedule is presented below:

2023

	2024	2025	2026	2027	2028 and beyond	Total
Finance lease liabilities	3,043	3,306	2,537	2,337	42,664	53,887

2022

	2024	2025	2026	2027	2028 and beyond	Total
Finance lease liabilities	1,505	1,692	1,298	1,196	21,887	27,578

At December 31, 2023 and 2022, there were no significant lease commitments.

9. Financial assets

9.1 Financial investments

The breakdown of financial investments based on their nature and characteristics is as follows:

Year ended December 31, 2023

	Equity instruments	Loans and other financial assets	Derivatives	Total
Non-current investments				
Financial assets at amortized cost	-	701	-	701
Hedging derivatives	-	-	63,467	63,467
At cost	40	28	-	68
	40	**729**	**63,467**	**64,236**
Current investments				
Financial assets at amortized cost	-	66	-	66
Hedging derivatives	-	-	1,220	1,220
At cost	-	8,627	-	8,627
	-	**8,693**	**1,220**	**9,913**
Total	**40**	**9,422**	**64,687**	**74,149**

Year ended December 31, 2022

	Equity instruments	Loans and other financial assets	Derivatives	Total
Non-current investments				
Financial assets at amortized cost	-	136	-	136
Hedging derivatives	-	-	16,444	16,444
At cost	40	2,808	-	2,848
	40	**2,944**	**16,444**	**19,428**
Current investments				
Financial assets at amortized cost	-	727	-	727
Hedging derivatives	-	-	1,501	1,501
At cost	-	9,744	-	9,744
	-	**10,471**	**1,501**	**11,972**
Total	**40**	**13,415**	**17,945**	**31,400**

The Group did not reclassify any financial assets amongst different categories nor did it assign or transfer any financial assets during 2023 or 2022.

The movements during 2023 and 2022 in the different balances recognized under the headings for financial investments in the accompanying statement of financial position are as follows:

	Balance at 12.31.2021	Additions	Decreases	Balance at 12.31.2022	Additions	Decreases	Balance at 12.31.2023
Non-current investments							
Equity instruments	-	40	-	40	-	-	40
Hedging derivatives (Note 17.4)	-	16,444	-	16,444	47,023	-	63,467
Other financial assets	974	2,504	(670)	2,808	-	(2,780)	28
Security deposits and guarantees	99	37	-	136	565	-	701
	1,073	**19,025**	**(670)**	**19,428**	**47,588**	**(2,780)**	**64,236**
Current investments							
Loans to companies	1,539	-	(812)	727	-	(661)	66
Hedging derivatives (Note 17.4)	-	1,501	-	1,501	-	(281)	1,220
Other financial assets	6,422	8,641	(5,319)	9,744	-	(1,117)	8,627
	7,961	**10,142**	**(6,131)**	**11,972**	**-**	**(2,059)**	**9,913**
Total	**9,034**	**29,167**	**(6,801)**	**31,400**	**47,588**	**(4,839)**	**74,149**

Non-current equity instruments

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

Other non-current financial assets

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

Other current financial assets

The breakdown for this item is as follows:

	Thousands of euros	
	2023	**2022**
Arbitration PPA Escuderos	7,892	7,892
Fixed-term deposits	151	640
Bank guarantees	516	1,125
Other	68	87
Total	**8,627**	**9,744**

- The balance recognized in connection with PPA Escuderos corresponds to a part of the payment made to the counterparty in a long-term purchase-sale contract for energy (PPA) which at December 31, 2023 was being disputed in the amount of 7,892 thousand euros (Note 17.5). At December 31, 2023, recovery of this amount is considered probable.

- Fixed-term deposits at financial entities which bear interest at market rates.

- Bank guarantees for obtaining the permits required for carrying out different projects in Chile.

At December 31, 2023 and 2022, the maturities of financial assets that are fixed or determinable by residual amounts have a duration of more than five years.

At December 31, 2023 and 2022, the Group had not delivered or accepted any financial assets as guarantees for transactions.

10. Inventories

The breakdown of inventories at December 31, 2023 and 2022 is as follows:

	12.31.2023			12.31.2022		
	Cost	**Impairment losses**	**Balance**	**Cost**	**Impairment losses**	**Balance**
Raw materials and other consumables	20	-	20	2,157	-	2,157
Plant under construction	114,145	-	114,145	100	-	100
Right-of-use assets (IFRS 16)	21,798	-	21,798	-	-	-
Prepayments to suppliers	6,884	-	6,884	4,354	-	4,354
Total	**142,847**	**-**	**142,847**	**6,611**	**-**	**6,611**

At December 31, 2023 and 2022, the Group recognized materials yet to be used in the solar parks under "Raw materials and other consumables.”

"Plant under construction" includes a balance of 111,383 thousand euros at December 31, 2023 which corresponds to the development or construction costs for various parks in Spain which will subsequently be sold to third parties (Note 3.1.6).

The movements in "Raw materials and other consumables" and "Plant under construction" during 2023 and 2022 are broken down as follows:

	12.31.2023	12.31.2022
Opening balance	**2,257**	**6,049**
Changes in inventory of plant under construction	97,424	(3,792)
Derecognitions	(95,483)	-
Transfers (Note 6)	109,967	-
Closing balance	**114,165**	**2,257**

The transfers in 2023 relate to the construction costs for various parks in Spain and Peru which are going to be sold to third parties (Notes 3.1.6 and 6).

The derecognitions during 2023 correspond to the sale of the Belinchón park (Note 3.1.6).

At December 31, 2023, the Group includes the right-of-use relating to the parks in Spain which are intended for sale to third parties, and whose construction costs are recognized as inventories, under "Right-of-use assets (IFRS16)."

At December 31, 2023 and 2022, the Group did not intend to sell any of its renewable energy plants that were already connected.

The Group's directors and Management consider that the net realizable value of the park developments recognized under inventories at December 31, 2023 is higher than the net carrying amount at which they are recognized.

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

At December 31, 2023 and 2022, there were no inventories encumbered in guarantee of debts.

11. Trade receivables

"Trade receivables" in the accompanying consolidated statement of financial position presents receivable balances from construction and sales of photovoltaic solar plants, sales of energy, as well as income from operating and maintenance services rendered for photovoltaic solar plants. The breakdown of this item at December 31, 2023 and 2022 is as follows:

	Thousands of euros	
	12.31.2023	**12.31.2022**
Receivable from sale of energy	13,885	7,976
Receivable from sales of developments and construction	29,730	38,929
Receivable from operation & maintenance services	902	975
Total	**44,517**	**47,880**

"Receivable from sale of energy" includes an amount of 9,609 thousand euros corresponding to "energy produced pending invoice" (December 31, 2022: 3,481 thousand euros) (Note 3.13).

Information on main clients

The breakdown of sales to external clients who were invoiced amounts equal to or greater than 10% of net turnover for the years ended December 31, 2023 and 2022 is the following:

	Thousands of euros	
Client	**2023**	**2022**
NEXTENERGY CAPITAL GROUP	-	14,107
SOLARPACK (*)	59,942	-
Total	**59,942**	**14,107**

(*) The amount invoiced is higher than "Revenue" in the consolidated statement of profit or loss since said heading reflects the capital gain generated by the sale amounting to 68 million euros and the income recognized under "Works performed by the entity and capitalized" is not taken into account.

Impairment loss allowances

The movements in impairment loss allowances for trade receivables recognized by reducing the balance for "Trade receivables" in the consolidated statement of financial position were as follows:

	Opening balance	Allowances / (Reversals)	Closing balance
Impairment losses on trade receivables	-	3,447	3,447

A provision in the amount of 3,447 thousand euros was recognized in 2023 for trade receivables past due by more than a year. This provision was recognized in the consolidated statement of profit or loss under "Other gains or losses."

At 2023 and 2022 year end, no other receivable balances were considered doubtful.

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

	Thousands of euros	
	2023	2022
Euros	10,211	1,079
US dollars	23,622	39,703
Chilean pesos	7,081	3,816
Mexican pesos	624	208
Peruvian soles	389	1,094
Colombian pesos	1,243	750
Argentinean pesos	1,347	1,230
Total	**44,517**	**47,880**

The Group continually monitors and analyzes the performance of all balances pending collection. Subsequent to analysis of the current situation, the directors considered that credit risk is not significant.

12. Cash and cash equivalents

The breakdown for this heading at 2023 and 2022 year end is as follows:

	12.31.2023				12.31.2022			
	Corporate treasury	Project treasury		TOTAL	Corporate treasury	Project treasury		TOTAL
		Recourse	Unsecured			Recourse	Unsecured	
Cash in hand	76,952	3,096	41,403	**121,451**	61,142	3,652	40,876	**105,670**
Total	**76,952**	**3,096**	**41,403**	**121,451**	**61,142**	**3,652**	**40,876**	**105,670**

"Project treasury" corresponds to the treasury of the Group companies who own the parks. "Recourse project treasury" corresponds to the treasury of those parks which hold secured debt with respect to the Parent (Note 17.2).

At December 31, 2023 and 2022, none of the balances relating to "Corporate treasury" or "Recourse project treasury" are subject to restrictions.

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

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

Year ended December 31, 2023

	12.31.2023										
	Equivalent value in thousands of euros										
	Euros	US Dollars	Chilean pesos	Peruvian soles	Mexican pesos	Argentinean pesos	Pound Sterling	Polish zloty	Colombian pesos	Romanian leu	Total
Cash in hand	53,723	48,921	8,301	1,859	1,821	-	488	200	6,113	25	**121,451**

Year ended December 31, 2022

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

13. Capital and reserves

13.1. Share capital

At December 31, 2023, the Parent's share capital amounted to 10,714 thousand euros, corresponding to 30,611,911 shares with a nominal value of 0.35 euros each.

On June 28, 2022, the Parent carried out a capital increase amounting to 90,001 thousand euros via the issue of 2,685,000 new shares at a nominal value of 0.35 euros each and a share premium of 33.17 euros each. The costs incurred for carrying out the capital increase amounted to 1,075 thousand euros (net of the tax effect), recognized as a decrease in voluntary reserves.

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

At December 31, 2023 and 2022 the following shareholders of the Parent held a direct stake of more than 10% of share capital:

Shareholder	2023	2022
Daruan Group Holding, S.L.U.	54%	54%

13.2. Share Premium

The share premium amounts to 198,912 thousand euros at December 31, 2023 (2022: 198,912 thousand euros). This balance can be used for the same purposes as the voluntary reserves of the Parent, including conversion to capital.

13.3. Reserves

The consolidated statement of changes in equity which forms a part of these consolidated financial statements provides the breakdown for aggregate balances and movements during 2023 and 2022. The breakdown and movements of the different balances comprising reserves are shown below:

	Balance at 12.31.21	Increase	Decrease	Balance at 12.31.22	Increase	Decrease	Balance at 12.31.23
Parent company reserves:							
Restricted reserves							
Legal reserve	1,701	254	-	1,955	188	-	2,143
Capitalization reserve	1,521	-	-	1,521	-	-	1,521
Unrestricted reserves:							
Voluntary reserves	53,827	25,996	(1,075)	78,748	5,749	(86)	84,411
Total reserves of the Parent	**57,049**	**26,250**	**(1,075)**	**82,224**	**5,937**	**(86)**	**88,075**
Reserves in consolidated companies	**(4,739)**	**-**	**(9,429)**	**(14,168)**		**(3,272)**	**(17,440)**
Total	**52,310**	**26,250**	**(10,504)**	**68,056**	**5,937**	**(3,358)**	**70,635**

Legal reserve

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

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

Voluntary reserves

These reserves are freely distributable.

The gains or losses obtained on the purchase-sale of treasury shares are recognized directly under voluntary reserves. The decrease in voluntary reserves in connection with this item recognized in 2023 totals 7,168 thousand euros (2022: an increase of 1,410 thousand euros).

Capitalization reserve

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

This reserve will be restricted for a period of 5 years. There were no movements in this reserve during either 2023 or 2022.

13.4. Own equity instruments

At 2023 and 2022 year end, the portfolio of own equity instruments is broken down as follows:

	Balance at 12.31.2023	Balance at 12.31.2022
Number of shares in treasury share portfolio	**1,200,222**	**611,148**
Total treasury share portfolio	**32,989**	**19,728**
Liquidity Accounts	952	540
Fixed Own Portfolio Account	32,037	19,188

In November 2022, the Parent launched a share buyback program in order to remunerate its key personnel via share option plans. This program finalized in March 2023 once the maximum number of shares allowed for under the share buyback program had been reached (400,000).

In October 2023, the Parent launched a share buyback program to reduce its share capital and remunerate Grenergy's shareholder with increased earnings per share. This program was not complete at December 31, 2023, with the number of shares acquired at said date totaling 560,339.

During 2023 and 2022, the movements in the treasury share portfolio of the Parent were as follows:

Year ended December 31, 2023

	Treasury shares		
	Number of shares	Nominal amount	Average acquisition price
Balance at 12.31.2022	**611,148**	**19,728**	**32.28**
Acquisitions	1,273,202	34,407	27.02
Disposals	(684,128)	(21,146)	30.91
Balance at 12.31.2023	**1,200,222**	**32,989**	**27.49**

Year ended December 31, 2022

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

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

At December 31, 2023 treasury shares represent 3.9% (December 31, 2022: 2.0%) of all the Parent's shares.

13.5. Incentive plans for employees

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

Incentive plan	Grant date	Date of approval	Number of shares designated at 12/31/2023	Exercise price per share (euros)
Incentive Plan I	Options granted 4	3/29/2019	42,000	6.90
Incentive Plan II	Options granted 1	10/2/2019	56,165	7.73
Incentive Plan II	Options granted 2	9/28/2020	131,451	15.28
Incentive Plan II	Options granted 3	12/10/2021	94,414	30.45
Incentive Plan II	Options granted 4	11/16/2022	226,086	29.18
Incentive Plan II	Options granted 5	11/14/2023	262,643	24.48

The beneficiary of Incentive Plan I will be able to acquire:

- A third of the shares granted for the option from the date on which two years have elapsed counting from the grant date.

- A third of the shares granted for the option from the date on which three years have elapsed counting from the grant date.

- A third of the shares granted for the option from the date on which four years have elapsed counting from the grant date.

In Incentive Plan II, each year the beneficiary will have the right to exercise up to 25% of the options granted. The right to exercise shall be approved by the Commission for Appointments and Remuneration based on the beneficiary's compliance with the objectives established in the Remuneration Policy for Senior Management. The beneficiary can exercise the share options starting two years from their grant date and for a period of three years.

Said incentive plans establish that their settlement will be carried out by delivery of equity instruments to the employees should they exercise the options granted. The exercise prices of the options on shares were established by reference to the fair value of the corresponding equity instruments at the grant date.

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

As a consequence of accruals with respect to the estimated fair value of the equity instruments granted during the lifetime of the plan, a balance of 410 thousand euros was recognized under "Employee benefits expense" in the 2023 consolidated statement of profit or loss with a credit to "Reserves" in the consolidated statement of financial position.

13.6. Earnings (losses) per share

Basic

The basic earnings (losses) per share from continuing operations corresponding to the years ended December 31, 2023 and 2022 were as follows:

	12.31.2023	**12.31.2022**
Profit attributable to the shareholders of the Parent (thousands of euros)	51,067	10,303
Weighted average number of ordinary shares outstanding	29,706,226	30,016,043
Basic earnings (losses) per share (euros)	**1.72**	**0.34**

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

Diluted

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

14. Unrealized gains (losses) reserve

Hedging transactions

These transactions correspond to the fair value at December 31, 2023 and 2022 of hedging instruments contracted by the Group to cover changes in interest rates and energy prices (Note 17.4).

Currency translation differences

The breakdown of this heading by company in the accompanying consolidated statement of financial position is as follows:

Country	12.31.23	12.31.22
Argentina	205	368
Chile	2,915	1,252
Colombia	(866)	669
Mexico	(516)	(248)
Peru	(2,666)	372
Poland	(13)	(2)
UK	(11)	2
USA	(274)	-
Total	**(1,226)**	**2,413**

15. Minority interests

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

Year ended December 31, 2023

	12.31.2022	Transfers	Profit (loss)	Currency translation differences	12.31.2023
GR. Renovables Mexico, S.A.	(46)	-	5	3	(38)
Grenergy Perú SAC	(14)	-	(13)	(1)	(28)
Grenergy Pacific Ovalle	-	-	-	(1)	(1)
Failo 3, Ltda.	(11)	-	(3)	7	(7)
Level Fotovoltaica S.L.	(164)	-	-	-	(164)
Meso 4 Solar	(1)	-	-	-	(1)
Astilo 1 Solar	(2)	-	(1)	-	(3)
Total	**(238)**	**-**	**(12)**	**8**	**(242)**

Year ended December 31, 2022

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

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

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

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

16. Provisions and contingencies

The movements in this heading during 2023 and 2022 were as follows:

	Provision for penalties	Provision for guarantees	Provision for dismantling	Total
Balance at 12.31.2021	**5,007**	**373**	**8,933**	**14,313**
Amounts provisioned	6,054	126	4,410	**10,590**
Currency translation differences	286	21	510	**817**
Finance costs	-	-	284	**284**
Amounts applied	(1,497)	-	-	**(1,497)**
Balance at 12.31.2022	**9,850**	**520**	**14,137**	**24,507**
Amounts provisioned	-	-	612	**612**
Currency translation differences	(185)	(57)	(91)	**(333)**
Finance costs	-	-	621	**621**
Amounts applied	(7,373)	-	(3,119)	**(10,492)**
Balance at 12.31.2023	**2,292**	**463**	**12,160**	**14,915**

Provision for penalties

Kosten (Argentina)

This provision corresponds to the penalties in connection with the commercial start-up of the Kosten wind park, which arose from its electricity supply contract with Compañía Administradora del Mercado Mayorista Eléctrico S.A. (CAMMESA). In accordance with the aforementioned contract, the Group was committed to ensuring that the wind park would be finished and start commercial operations on August 13, 2019. However, due to different circumstances and events, mainly the bankruptcy of its most significant subcontractor, the wind park could not be completed. The final amount payable for the penalty in accordance with the supply contract totaled 5,508 thousand euros. The Group reached an agreement with CAMMESA in 2021 to settle the penalty in 48 monthly installments of equal amounts. A balance of 1,410 thousand euros was applied in 2023 via payment thereof (2022: 1,497 thousand euros), with a balance of 2,292 thousand euros thus pending application at December 31, 2023.

Duna and Huambos (Peru)

The Group recognized penalties in 2022 in connection with the commercial start-up of the Duna and Huambos wind park, amounting to 5,963 thousand euros and applied in 2023 subsequent to payment.

Provision for delays and guarantees

At the end of each reporting period the Group evaluates the need to recognize a provision for guaranteeing and covering any inconsistencies that may arise with respect to materials, supplies, and spare parts delivered as well as penalties due to delays in connecting solar plants. At December 31, 2023 and 2022 the Group recognized provisions with respect to these items, based on its historical experience in the case of the guarantees and the contractual clauses in the case of delays.

Provision for dismantling costs

The Group recognizes a provision for dismantling costs when the construction period for the solar and wind energy plants ends. This provision is calculated by estimating the present value of the obligations assumed in connection with dismantling or retirement and other associated obligations, such as restoration costs for the location on which the solar plants were constructed. At December 31, 2023 and 2022 this provision corresponds to the operational parks (Note 6).

Legal proceedings and/or claim litigation underway

During 2023 and 2022, with the exception of the arbitration proceedings disclosed in Note 24.2, the Group was not party to any legal proceedings involving significant amounts for which the risk qualification regarding an outflow of resources was considered either probable or possible. Both the Group's legal advisers as well as the Parent's directors believe that the finalization of said proceedings and claim litigation will not have a significant effect on the consolidated financial statements and notes thereto for the year ended December 31, 2023.

Consequently, no provision was allocated in this respect.

17. Non-current and current borrowings

The breakdown of these headings in the consolidated statement of financial position at December 31, 2023 and 2022 is as follows:

	Non-current borrowings	Current borrowings	Total at 12.31.22	Non-current borrowings	Current borrowings	Total at 12.31.23
Bonds and other marketable debt securities	**83,231**	**34,529**	**117,760**	**51,915**	**68,430**	**120,345**
Bank borrowings	**254,229**	**46,307**	**300,536**	**433,791**	**144,186**	**577,977**
Loans	254,229	44,101	298,330	433,791	75,775	509,566
Credit lines	-	-	-	-	7,003	7,003
Reverse factoring line and Comex line	-	2,206	2,206	-	61,408	61,408
Other financial liabilities (Note 5)	**-**	**130**	**130**	**-**	**905**	**905**
Derivatives	**20,586**	**36,141**	**56,727**	**-**	**3,932**	**3,932**
Lease liabilities (Note 8)	**26,073**	**1,505**	**27,578**	**50,844**	**3,043**	**53,887**
Total	**384,119**	**118,612**	**502,731**	**536,550**	**220,496**	**757,046**

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

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

At December 31, 2023 and 2022 the breakdown of borrowings by type of guarantee is as follows:

Year ended December 31, 2023

	2023						Total
	Corporate debt		Project debt				
			Secured		Unsecured		
	Non-current	Current	Non-current	Current	Non-current	Current	
Bonds and other marketable debt securities	**51,915**	**68,430**	**-**	**-**	**-**	**-**	**120,345**
Bank borrowings	**80,346**	**113,264**	-	-	**353,445**	**30,922**	**577,977**
Loans	80,346	44,853	-	-	353,445	30,922	509,566
Credit lines	-	7,003	-	-	-	-	7,003
Reverse factoring line and Comex line	-	61,408	-	-	-	-	61,408
Other financial liabilities	**-**	**905**	**-**	**-**	**-**	**-**	**905**
Derivatives	**-**	**-**	**-**	**-**	**-**	**3,932**	**3,932**
Lease liabilities	**50,844**	**3,043**	**-**	**-**	**-**	**-**	**53,887**
Total	**183,105**	**185,642**	**-**	**0**	**353,445**	**34,854**	**757,046**

Year ended December 31, 2022

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

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

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

At December 31, 2023 and 2022 the breakdown of borrowings by residual maturities is as follows:

Year ended December 31, 2023

	Bonds and other marketable debt securities	Bank borrowings	Other borrowings	Derivatives	Leases	Total
Until 12.31.2024	68,430	144,186	905	3,932	3,043	**220,496**
Until 12.31.2025	-	81,763	-	-	2,574	**84,337**
Until 12.31.2026	51,915	79,964	-	-	2,574	**134,453**
Until 12.31.2027	-	79,385	-	-	2,118	**81,503**
Until 12.31.2028	-	63,178	-	-	2,118	**65,296**
More than 5 periods	-	129,501	-	-	41,460	**170,961**
Total	**120,345**	**577,977**	**905**	**3,932**	**53,887**	**757,046**

Year ended December 31, 2022

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

During 2023 and 2022, the Group complied with the payment of all its financial debt at maturity. Likewise, at the date of authorization of these consolidated financial statements the Group was in compliance with all its corresponding obligations.

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

	Balance at 12.31.2023	Balance at 12.31.2022
Euros	155,905	118,223
US dollars	395,406	157,627
Colombian pesos	26,666	24,686
Total	**577,977**	**300,536**

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

	Balance	One year	More than one year
At December 31, 2023			
Borrowings from credit entities at variable interest rates	92,155	5,267	86,888
At December 31, 2022			
Borrowings from credit entities at variable interest rates	108,045	23,885	84,160

The movement in financial debt during 2023 and 2022, presenting the changes which generate cash flows separately from those which do not, is as follows:

Year ended December 31, 2023

	12.31.2022	Generate cash flows		Do not generate cash flows		12.31.2023
		Increase	Decrease	Currency translation differences	Other	
Bonds and other marketable debt securities	**117,760**	**216,544**	**(213,959)**	**-**	**-**	**120,345**
Bank borrowings	**300,536**	**308,718**	**(31,014)**	**(263)**	**-**	**577,977**
Loans	298,330	242,513	(31,014)	(263)		509,566
Credit lines	-	7,003	-	-	-	7,003
Reverse factoring line and Comex line	2,206	59,202	-	-	-	61,408
Other financial liabilities	**130**	**775**	**-**	**-**	**-**	**905**
Derivatives	**56,727**	**-**	**-**	**-**	**(52,795)**	**3,932**
Lease liabilities	**27,578**	**-**	**(1,505)**	**-**	**27,814**	**53,887**
TOTAL	**502,731**	**526,037**	**(246,478)**	**(263)**	**(24,981)**	**757,046**

Year ended December 31, 2022

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

17.1. Bonds and other marketable debt securities

The breakdown for this heading is as follows:

							Balance at 12.31.2023		Balance at 12.31.2022		2023	2022
Program	**Date of program**	**Nominal amount**	**Amount issued**	**Issue date**	**Interest rate**	**Maturity date**	**Non-current**	**Current**	**Non-current**	**Current**	**Finance costs**	**Finance costs**
Green Bond program (MARF) (*)	Mar-22	100,000	52,500	April-22	4%	5 years	-	21,860	21,415	445	1,197	1,288
Green commercial paper program (MARF)	Sept-21	100,000	60,916	Sept-21	0.7%-2.5%	5 years	-	44,988	9,846	32,539	2,273	758
Green Bond program (MARF) (*)	Oct-19	50,000	22,000	Nov-19	4.75%	5 years	51,915	1,582	51,970	1,545	2,100	1,546
TOTAL							**51,915**	**68,430**	**83,231**	**34,529**	**5,570**	**3,592**

(*) Subject to fulfillment of a series of covenants, which had all been fulfilled at December 31, 2023 and 2022.

The issue of the Green Bond programs was validated by Vigeo Eiris in terms of environmental, social, and governance (ESG) criteria, in accordance with the directives contained in the Green Bond Principles.

<u>Issuance of green commercial paper program</u>

At December 31, 2023, the outstanding debt corresponding to this item amounts to 44,988 thousand euros. The drawdowns carried out in 2022 which mature in 2023 amount to a total of 32,600 thousand euros.

The commercial paper program uses a financing framework aligned with the Green Loan Principles 2021 of the Loan Market Association (LMA) and with the Green Bond Principles 2021 of the International Capital Markets Association (ICMA). It is the first such program in Spain.

The Company's green financing framework was subjected to a Second Party Opinion (SPO) issued by the rating agency ESG Sustainalytics. The report considers the positive impact on the environment of the funds used and evaluates the credibility of the green financing framework used by Grenergy, as well as its alignment with international standards.

17.2. Bank borrowings

The breakdown of loans subscribed and their main contractual conditions at December 31, 2023 and December 31, 2022 is as follows:

Year ended December 31, 2023

				Thousands of euros		
Financial entity	**Maturity date**	**Type of guarantee**	**Installments**	**Non-current liabilities**	**Current liabilities**	**Total**
KFW Bank	7/31/2034	Project guarantee	Semi-annual	20,431	2,968	23,399
Banco Security, Banco del Estado de Chile, and Penta Vida Compañía de Seguros de Vida	11/8/2036	Project guarantee	Semi-annual	42,624	3,685	46,309
Sinia Renovables	11/8/2036	Project guarantee	Semi-annual	-	-	-
Banco Sabadell (ICO)	4/30/2025	Corporate	Monthly	259	767	1,026
Bankinter (ICO)	4/30/2025	Corporate	Monthly	805	1,840	2,645
BBVA (ICO)	5/13/2025	Corporate	Monthly	45	130	175
Bankia (ICO)	4/30/2025	Corporate	Monthly	237	559	796
Banco Santander (ICO)	4/30/2025	Corporate	Monthly	129	306	435
Caixabank (ICO)	4/30/2025	Corporate	Monthly	131	256	387
Banco Santander (ICO)	9/1/2025	Corporate	Monthly	193	253	446
Abanca	2/28/2027	Corporate	Monthly	1,647	742	2,389
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	19,756	1,694	21,450
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	19,714	1,691	21,405
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	19,723	1,691	21,414
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	19,737	1,693	21,430
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	3,119	606	3,725
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	3,119	606	3,725
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	3,119	606	3,725
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	3,119	606	3,725
Natixis	12/31/2027	Project guarantee	Semi-annual	66,371	7,743	74,114
Bancolombia	12/31/2036	Project guarantee	Semi-annual	26,016	654	26,670
Toesca	5/1/2025	Project guarantee	Held to maturity	-		-
NordLB and Bankinter	12/31/2042	Project guarantee	Semi-annual	-	-	-
NordLB and Bankinter	12/31/2042	Project guarantee	Semi-annual	-	-	-
NordLB and Bankinter	12/31/2042	Project guarantee	Semi-annual	-	-	-
BNP and Socialite	6/22/2028	Project guarantee	Semi-annual	20,194	819	21,013
BNP and Socialite	6/22/2028	Project guarantee	Semi-annual	86,403	5,860	92,263
BNP	6/21/2024	Corporate	Monthly	-	40,000	40,000
CESCE - Santander	6/22/2031	Corporate	Semi-annual	76,900	-	76,900
Total				**433,791**	**75,775**	**509,566**

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

Year ended December 31, 2022

				Thousands of euros		
Financial entity	**Maturity date**	**Type of guarantee**	**Installments**	**Non-current liabilities**	**Current liabilities**	**Total**
KFW Bank	7/31/2034	Project guarantee	Semi-annual	24,055	2,880	26,935
Banco Security, Banco del Estado de Chile, and Penta Vida Compañía de Seguros de Vida	11/8/2036	Project guarantee	Semi-annual	46,202	3,362	49,564
Sinia Renovables	11/8/2036	Project guarantee	Semi-annual	8,604	4,923	13,527
Banco Sabadell (ICO)	4/30/2025	Corporate	Monthly	1,027	752	1,779
Bankinter (ICO)	4/30/2025	Corporate	Monthly	2,615	1,793	4,408
BBVA (ICO)	5/13/2025	Corporate	Monthly	174	124	298
Bankia (ICO)	4/30/2025	Corporate	Monthly	795	544	1,339
Banco Santander (ICO)	4/30/2025	Corporate	Monthly	435	301	736
Caixabank (ICO)	4/30/2025	Corporate	Monthly	387	250	637
Banco Santander (ICO)	9/1/2025	Corporate	Monthly	446	249	695
Abanca	2/28/2027	Corporate	Monthly	2,388	610	2,998
CIFI Latam	12/30/2021	Project guarantee	Semi-annual	-	16,352	16,352
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	21,022	1,843	22,865
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	21,100	1,663	22,763
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	21,017	1,810	22,827
KFW Bank and Bankinter	8/31/2038	Project guarantee	Semi-annual	21,001	1,841	22,842
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,978	531	3,509
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,978	531	3,509
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,978	531	3,509
FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. (AXIS)	10/31/2038	Project guarantee	Semi-annual	2,978	531	3,509
Natixis	12/31/2027	Project guarantee	Semi-annual	32,012	2,260	34,272
Bancolombia	12/31/2036	Project guarantee	Semi-annual	24,266	420	24,686
Toesca	5/1/2025	Project guarantee	Held to maturity	14,771	-	14,771
NordLB and Bankinter	12/31/2042	Project guarantee	Semi-annual	-	-	-
NordLB and Bankinter	12/31/2042	Project guarantee	Semi-annual	-	-	-
NordLB and Bankinter	12/31/2042	Project guarantee	Semi-annual	-	-	-
Total				**254,229**	**44,101**	**298,330**

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

Project finance

At December 31, 2023, the Group had subscribed 14 project finance arrangements:

(i) a project finance arrangement granted by KFW Bank to the subsidiary GR Kosten, S.A.U. for construction and operation of the Kosten wind park (24 MW) in Argentina;

(ii) a project finance arrangement granted by Banco Security, Banco del Estado de Chile, Penta Vida Compañía de Seguros de Vida, and Sinia Renovables, S.A.U. to the subsidiary Parque Eólico Quillagua, SpA for construction and operation of the Quillagua solar park in Chile with a capacity of 103 MW;

(iii) 4 project finance arrangements granted by KFW Bank, Bankinter, and FOND-ICO INFRAESTRUCTURAS II, F.I.C.C. to the subsidiaries GR Aitana, S.L., GR Bañuela, S.L., GR Aspe, S.L., and GR Turbón, S.L. for construction and operation of the Escuderos solar park in Spain with a capacity of 200 MW;

(iv) a project finance arrangement granted by Natixis for the construction and operation of 14 solar parks in Chile, corresponding to PMGDs and PMGs;

(v) a project finance arrangement granted by Bancolombia for the construction and operation of 6 solar parks in Colombia with a capacity of 72 MW;

(vi) 3 project finance arrangements granted by NordLB and Bankinter (Axis) to the subsidiaries GR Eugaba, S.L., GR Take, S.L., and GR Eugaba, S.L. for the construction and operation of the Belinchón solar park in Spain with a capacity of 150 MW.

(vii) a project finance arrangement granted by BNP and Socialite to the subsidiary GR GR Liun SpA for construction and operation of the Tamango solar park (48 MW) in Chile;

(viii) a project finance arrangement granted by BNP and Socialite to the subsidiary GR GR ALGARROBO S.P.A. for construction and operation of the Teno solar park (240 MW) in Chile;

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

Each project finance arrangement has a series of positive/negative obligations, standard for this type of financing, amongst which the fulfillment of a series of financial ratios is noteworthy.

At December 31, 2023 and 2022, the directors of the Group consider that the companies related to the project finance arrangements were complying with their contractual obligations.

17.3. Credit facilities and discount lines

At December 31, 2023 and 2022 the Group had subscribed credit facilities and credit financing for foreign operations with various financial entities. The breakdown of the credit drawn at said dates together with the corresponding contractual terms is as follows:

Year ended December 31, 2023

	Thousands of euros		
Financial entity	**Credit limit granted**	**Amount drawn**	**Amount available**
SANTANDER	5,000	5,000	-
BANKINTER	1,000	-	1,000
BBVA	500	-	500
CAJAMAR	5,000	-	5,000
ABANCA	2,003	2,003	-
Total credit facilities	**13,503**	**7,003**	**6,500**
BBVA	15,000	14,618	382
SANTANDER	10,000	10,327	(327)
BANKINTER	10,000	-	10,000
UNICAJA	10,000		10,000
Total reverse factoring	**35,000**	**24,945**	**10,055**
BBVA	39,500	2,375	37,125
CAJAMAR	22,000	6,885	15,115
ABANCA	9,000	2,655	5,389
CAJA RURAL DEL SUR	-	-	196
SABADELL	9,000	4,157	8,307
SANTANDER	25,000	1,998	15,385
CAIXABANK	40,000	13,778	16,412
BANKINTER	12,000	-	10,921
NATIXIS	30,000	-	27,851
CAJAMAR	22,000	-	5,746
CAJA RURAL DEL SUR	5,500	-	196
UNICAJA	10,000	4,615	76
BANCO COOPERATIVO ESPAÑOL	20,000	-	1,511
SCOTIBANK	50,000	-	2,466
BNP	20,000	-	17,149
Total Comex Lines	**324,500**	**36,463**	**163,845**
Total	**373,003**	**68,411**	**180,400**

Year ended December 31, 2022

	Thousands of euros		
Financial entity	**Credit limit granted**	**Amount drawn**	**Amount available**
SANTANDER	650	-	650
BANKINTER	500	-	500
BBVA	500	-	500
BANCO SABADELL (VISA)	119	-	119
Total credit facilities	**1,769**	**-**	**1,769**
SABADELL	11,500	-	4,588
SANTANDER	30,000	-	-
CAIXABANK	25,000	-	4,702
BANKINTER	15,500	-	1,149
BBVA	40,000	2,206	1,217
ABANCA	6,000	-	411
CAJAMAR	30,000	-	30,000
CAJA RURAL DEL SUR	5,500	-	5,500
UNICAJA	11,000	-	10,000
BANCO COOPERATIVO ESPAÑOL	10,000	-	7,725
SCOTIABANK	25,000	-	23,660
Total foreign financing	**209,500**	**2,206**	**88,952**
Total	**211,269**	**2,206**	**90,721**

The credit facilities accrue interest at market rates.

17.4. Other borrowings

There were no other debts for the year ended December 31, 2023.

The breakdown for other borrowings held by the Group at December 31, 2022 was as follows:

					Thousands of euros		
Lender	**Maturity date**	**Interest rate**	**Type of guarantee**	**Installments**	**Non-current liabilities**	**Current liabilities**	**Total**
Spanish Center for the Development of Industrial Technology (CDTI)	5/12/2022	Zero interest	No	Monthly	-	130	130
Total					**-**	**130**	**130**

This balance corresponds to the amount pending repayment at 2022 year end on a zero interest loan granted by the CDTI on October 13, 2011 in the amount of 521 thousand euros in order to help financing the necessary investments for the project known as "Design and Modeling of a forecasting system for performance and integral control at energy distribution installations."

17.5. Derivative financial instruments

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

	Non-current	Current	Total at 12.31.23	Non-current	Current	Total at 12.31.22
Derivative financial assets						
IRS Escuderos	8,391	617	9,008	12,059	843	12,902
IRS Quillagua	1,807	603	2,410	1,973	658	2,631
IRS Las Palmas	1,354	-	1,354	-	-	-
IRS Liun	400	-	400	-	-	-
IRS Algarrobo	1,707	-	1,707	-	-	-
IRS Santander	2,491	-	2,491			
Total interest rate hedges	**16,150**	**1,220**	**17,370**	**14,032**	**1,501**	**15,533**
PPA Belinchón	-	-	-	2,412	-	2,412
PPA Escuderos	21,959	-	21,959	-	-	-
PPA Tabernas	8,122	-	8,122	-	-	-
PPA José Cabrera	2,169	-	2,169	-	-	-
PPA Ayora	6,564	-	6,564	-	-	-
PPA La Ceral	8,503	-	8,503	-	-	-
Total energy price hedges	**47,317**	**-**	**47,317**	**2,412**	**-**	**2,412**
Total	**63,467**	**1,220**	**64,687**	**16,444**	**1,501**	**17,945**
Financial liabilities - derivatives						
IRS Quillagua	-	-	-	-	-	-
IRS PMGDs Chile		-	-	1,941	-	1,941
Total interest rate hedges	**-**	**-**	**-**	**1,941**	**-**	**1,941**
PPA Escuderos	-	(3,932)	(3,932)	18,645	36,141	54,786
Total energy price hedges	**-**	**(3,932)**	**(3,932)**	**18,645**	**36,141**	**54,786**
Total	**-**	**(3,932)**	**(3,932)**	**20,586**	**36,141**	**56,727**

Interest rate hedges (IRS)

The Grenergy Group regularly contracts interest rate derivatives which are designated as hedging instruments for accounting purposes. Said instruments are contracted to cover the potential changes in cash flows arising from interest payments associated with non-current financial liabilities at variable rates (Note 17.2).

The derivative financial instruments for hedging interest rates which the Group contracted, in force at December 31, 2023 and 2022, are recognized in the accompanying consolidated statement of financial position at their market value, as per the following breakdown:

	Date granted	Maturity date	Variable rate	Financial entity	Fixed rate
Quilllagua hedge	2020	2036	6-month Libor	Banco Security and Banco del Estado de Chile	6.45%
Escuderos hedge	2021	2038	6-month Euribor	KFW and Bankinter	0.32%
Hedges for 14 PMGDs Chile	2021	2027	6-month Libor	Natixis	1.17%

Hedges for energy sales

In the transactions they carry out, the Group companies seek to arrange long-term energy sales contracts for part or all of the energy produced at their installations so that the risk of fluctuations in market sales prices are partially or completely mitigated. Said contracts, depending on the regulatory framework within which the installations are being operated, can be executed with the physical delivery of energy (the so-called Power Purchase Agreements - PPAs) or via financial derivatives in which the underlying item corresponds to the market price for energy and for which the difference between said market price and the contractually established production price is settled periodically.

Some Group companies have arranged price hedging contracts (financial PPA) with a view to covering fluctuations in energy prices.

Since the Group can demonstrate it has arranged contracts in accordance with the energy sales strategy established for the installation and since the differences that arise are settled, it designates said contracts as hedges and recognizes changes in the market values of the derivatives under "Unrealized gains (losses) reserve" in equity.

	Agreement date	Start date	Maturity date	Notional (MWh)	Price (euros/MW)
Escuderos	2020	8/1/2021	7/30/2033	360,000	30-40
Tabernas	2023	1/1/2025	12/31/2040	343,000	40-50
José Cabrera	2023	7/1/2025	6/30/2040	66,000	40-50
Ayora	2023	11/1/2025	10/31/2040	253,000	40-50
La Cereal	2023	11/1/2025	10/31/2040	327,000	40-50

The power purchase agreements for the Escuderos, Tabernas, José Cabrera, Ayora, and La Cereal projects oblige the parties to settle the differences between the fixed price and the market price for a certain amount of energy starting from August 1, 2021 and January 1, 2025, respectively. Once the parks start producing electricity, monthly settlements are carried out based on the changes in market prices with respect to the price fixed for sales. Further, an annual settlement was agreed upon for the difference between the monthly amount of energy expected in the PPA and the monthly amount produced multiplied by the difference between the average market price for the last 12 months and the fixed price.

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

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

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

On August 4, 2022, Grenergy filed an arbitration request before the International Chamber of Commerce (ICC) to resolve this dispute, alleging that the delay in starting up the wind parks was due to different exceptional circumstances that arose in 2023 and 2022.

Based on the risk assessment performed by the Group's external and internal lawyers, Grenergy Management decided to recognize an expense of 10,690 thousand euros (6,290 thousand euros were recognized in 2021 and the remaining 4,400 thousand euros were recognized at December 31, 2022). The difference between the total estimated amount (18,582 thousand euros) and the total expense recognized (10,690 thousand euros), which amounts to 7,892 thousand euros, was paid to the counterparty of the contract in 2022 and recognized as a recoverable balance under "Other financial assets" in the consolidated statement of financial position (Note 9) given that Grenergy Management decided not to recognize any type of provision as the associated risk was qualified as not probable and consequently there would be no impact on the consolidated financial statements.

18. Joint operations

At December 31, 2023 and 2022, the Group only participates in various joint operations which fulfill the conditions indicated in Note 3.1.2 with a view to constructing an electricity substation for use by the partners in various solar parks.

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

	12.31.2023	12.31.2022
Non-current assets	**6,383**	**5,012**
Property, plant, and equipment	6,383	5,012
Current assets	**1,496**	**844**
Trade and other receivables	303	422
Cash and cash equivalents	1,193	422
Current liabilities	**1,121**	**(2,158)**
Trade and other payables	1,121	(2,158)
Net assets (thousands of euros)	**9,000**	**3,698**

	12.31.2023	12.31.2022
Revenue		
Other operating expenses	(72)	(84)
Depreciation and amortization	(82)	(82)
OPERATING PROFIT (LOSS)	**(154)**	**(166)**
PROFIT (LOSS) BEFORE TAX	**(154)**	**(166)**
CONSOLIDATED PROFIT (thousands of euros)	**(154)**	**(166)**

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

19. Public administrations and tax matters

The breakdown of balances with public administrations at December 31, 2023 and 2022 is as follows:

Receivable from public administrations	Non-current	Current	Balance at 12.31.23	Non-current	Current	Balance at 12.31.22
Deferred tax assets	**44,105**	**-**	**44,105**	**47,327**	**-**	**47,327**
Current income tax assets	**-**	**16,084**	**16,084**	**-**	**2,528**	**2,528**
Other receivables from public administrations	**-**	**50,979**	**50,979**	**-**	**29,476**	**29,476**
Tax refunds receivable from the tax authorities	-	14,438	**14,438**	-	2,839	**2,839**
VAT receivable from the tax authorities	-	36,541	**36,541**	-	26,637	**26,637**
Total	**44,105**	**67,063**	**111,168**	**47,327**	**32,004**	**79,331**

Payable to public administrations	Non-current	Current	Balance at 12.31.23	Non-current	Current	Balance at 12.31.22
Deferred tax liabilities	**33,738**	**-**	**33,738**	**20,423**	**-**	**20,423**
Current income tax liabilities	**-**	**1,843**	**1,843**	**-**	**293**	**293**
Other payables to public administrations	**-**	**2,556**	**2,556**	**-**	**1,484**	**1,484**
VAT payable to the tax authorities	-	322	**322**	-	950	**950**
Payable to the tax authorities for withholdings	-	1,961	**1,961**	-	243	**243**
Social security agencies	-	273	**273**	-	291	**291**
Total	**33,738**	**5,102**	**38,840**	**20,423**	**1,777**	**22,200**

Tax situation

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

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

19.1 Corporate income tax

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

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

Year ended December 31, 2023

	Statement of profit or loss		Total
	Increase	Decrease	
Accounting profit before tax for individual companies	**76,067**	**-**	**76,067**
Margins eliminated in the consolidation process (*)	**-**	**(23,874)**	**(23,874)**
Consolidated accounting profit (loss) before tax			**52,193**
Permanent differences (**)	**29**	**(68,108)**	**(68,079)**
Temporary differences (***)	**10,216**	**(148)**	**10,068**
Taxable income (Tax results)			**(5,818)**

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

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

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

Year ended December 31, 2022

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

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

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

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

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

	2023	2022
Tax payable	851	2,506
Change in deferred taxes	156	(1,739)
Current foreign tax	2,454	4,724
Adjustments to fixed assets - functional currency (IAS 12)	2,931	(2,959)
Tax loss carryforwards	(7,120)	(5,623)
Consolidation adjustments	1,866	90
Income tax expense (refund)	**1,138**	**(3,001)**

While the theoretical tax rates vary depending on the different locations, the main rates applied for both FY 2023 and FY 2022 were as follows:

Country	Tax rate
Spain	25%
Chile	27%
Peru	29.50%
Argentina	35%
Mexico	30%
Colombia	33%
Italy	24%
United Kingdom	19%
USA	25%
Romania	21%
Poland	19%

Deferred tax assets and liabilities

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

The movements in these headings in the accompanying consolidated statement of financial position at December 31, 2023 and 2022 are as follows:

Year ended December 31, 2023

	12.31.2022	Additions	Currency translation differences	Derecognitions	Unrealized gains (losses) reserve	12.31.2023
Deferred tax assets	**47,327**	**13,220**	**(677)**	**(3,214)**	**(12,551)**	**44,105**
Tax loss carryforwards	17,542	7,120	(474)	-	-	24,188
Tax deductions pending application	1,156	-	-	(37)	-	1,119
Unrealized internal margins	6,631	3,836	-	-	-	10,467
Capitalization reserve	735	-	-	-	-	735
Other temporary differences	5,535	2,264	(203)	-	-	7,596
Derivatives	12,551	-	-		(12,551)	-
Adjustments to fixed assets - functional currency (IAS 12)	3,177	-	-	(3,177)	-	-
Deferred tax liabilities	**(20,423)**	**(2,174)**	**338**	**-**	**(11,479)**	**(33,738)**
Temporary differences	(15,387)	(2,420)	338	-	-	(17,469)
Derivatives	(3,827)	-	-	-	(11,479)	(15,306)
Adjustments to fixed assets - functional currency (IAS 12)	(1,209)	246	-	-	-	(963)
Total	**26,904**	**11,046**	**(339)**	**(3,214)**	**(24,030)**	**10,367**

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

Year ended December 31, 2022

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

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

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

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

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

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

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

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

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

Tax loss carryforwards pending offset

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

At 2023 and 2022 year end, the breakdown of tax loss carryforwards recognized but pending offset, by company, is as follows:

Thousands of euros	**12.31.2023**	**12.31.2022**
GR RENOVABLES MÉXICO S.A.	5,566	-
PARQUE EÓLICO QUILLAGUA, SpA	28,796	18,551
KOSTEN SA	17,960	10,909
GRENERGY RENOVABLES PACIFIC	3,166	1,335
GR TARUCA, SAC	4,433	7,010
GR PAINO, SAC	7,257	5,171
GRENERGY RENOVABLES, S.A.	7,280	-
GR LLEUQUE, SPA	-	5,237
GR RUIL, SPA	-	6,119
GRENERGY PALMAS DE COCOLÁN, SPA	11,455	9,210
GR POWER CHILE, SPA	1,077	838
Other	-	662
Total	**86,990**	**65,042**

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

The limits to their application are broken down as follows:

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

Deductions

At 2023 and 2022 year end, there were deductions pending application in the amounts of 1,119 thousand and 1,156 thousand euros, respectively. These deductions mainly correspond to international double taxation relief generated in 2022 in connection with tax borne in Peru. Said amount can be applied in the tax returns filed for the tax periods which conclude during the 15 subsequent and consecutive years following the tax period of generation.

20. Income and expenses

20.1 Cost of sales

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

	12.31.2023			12.31.2022		
	Purchases	Changes in inventories	Total consumption	Purchases	Changes in inventories	Total consumption
Consumption of goods for resale	438,086	(97,424)	340,662	203,125	5,695	208,820
Work performed by third parties	38	-	38	162	-	162
Total	**438,124**	**(97,424)**	**340,700**	**203,287**	**5,695**	**208,983**

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

	12.31.2023	12.31.2022
Spain	120,806	63,785
Imports	317,318	139,502
Total	**438,124**	**203,287**

20.2 Employee benefits expense

The breakdown of this heading in the consolidated statement of profit or loss for 2023 and 2022 is as follows:

	12.31.2023	12.31.2022
Wages and salaries	20,952	12,211
Social security payable by the company	2,978	2,129
Other social security costs	841	432
Total	**24,771**	**14,772**

The average number of employees, by professional category, in 2023 and 2022, was as follows:

Category	2023	2022
Directors and Senior Management (*)	14	13
Managers	11	10
Department heads	49	32
Technical staff	237	150
Laborers	127	98
Total	**438**	**303**

(*) The Group includes the members of its Management Committee as executives.

The breakdown by gender of employees, directors, and senior management at 2023 and 2022 year end, is as follows:

	12.31.2023			12.31.2022		
Category	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Directors and Senior Management	9	6	**15**	7	6	**13**
Managers	11	2	**13**	9	1	**10**
Department heads	33	23	**56**	27	10	**37**
Technical staff	174	118	**292**	104	80	**184**
Laborers	104	25	**129**	95	15	**110**
Total	**331**	**174**	**505**	**242**	**112**	**354**

The Group had no employees under contract with disabilities greater than or equal to 33% during 2023 or 2022.

20.3 Other operating expenses

The breakdown of this heading in the consolidated statement of profit or loss for 2023 and 2022 is as follows:

Type	2023	2022
Leases	860	593
General repairs and maintenance	381	580
Park maintenance	12,323	8,159
Professional services	7,870	4,467
Insurance	543	534
Bank services	230	235
Advertising and publicity	315	250
Supplies	382	366
Other	1,593	113
Other taxes	1,823	303
Losses on, impairment of, and changes in trade provisions	-	71
Total	**26,320**	**15,671**

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

"Park maintenance" at December 31, 2023 presents all the operating costs for the parks which were in operation during 2023 and 2022 (Note 6).

The balance recognized under "Other" at December 31, 2023 includes donations as well as charitable contributions and sponsorships, amongst other items.

20.4 Finance income and expenses

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

	12.31.2023	12.31.2022
Income	**1,806**	**471**
Interest from other financial assets	1,806	471
Expenses	**(34,941)**	**(19,632)**
Interest on borrowings	(34,941)	(19,632)
Exchange gains (losses)	**(1,235)**	**1,191**
Change in fair value of financial instruments	**-**	**(4,400)**
Profit (loss) on investments under the equity method (Note 9.1)	**-**	**(325)**
Impairment of and gains (losses) on disposal of financial instruments	**-**	**187**
Impairment and losses	-	187
Finance cost	**(34,370)**	**(14,256)**

The breakdown for exchange gains (losses) by currency at December 31, 2023 and 2022 is as follows:

	Thousands of euros	
	2023	2022
US dollar (USD)	(8,309)	5,697
Argentine peso (ARS)	(4,239)	(1,425)
Peruvian sol (PEN)	(583)	(4)
Chilean peso (CLP)	(1,815)	(5)
Mexican peso (MXN)	4,386	2,199
Colombian peso (COP)	9,372	(5,271)
Pound Sterling	3	-
Polish zloty	(47)	-
Romanian leu	(3)	-
Total	**(1,235)**	**1,191**

20.5 Other gains or losses

This heading mainly includes a provision in the amount of 3,447 thousand euros for trade receivables past due by more than a year.

21. Foreign currency

The breakdown of transactions carried out in foreign currency during 2023 and 2022 is as follows:

Year ended December 31, 2023

	12.31.2023									
	Equivalent value in thousands of euros									
	US Dollars	Chilean pesos	Peruvian soles	Mexican pesos	Argentinean pesos	Pound Sterling	Polish zloty	Romanian leu	Colombian pesos	Total
Sale of goods	105,076	38,670	13,493	3,049	7,693	-	-	-	6,635	174,616
Services rendered	-	2,034	-	-	-	-	-	-	-	2,034
Total	**105,076**	**40,704**	**13,493**	**3,049**	**7,693**	**-**	**-**	**-**	**6,635**	**176,650**
Purchases	(168,986)	(85,882)	(8,176)	(799)	-	-	-	-	(3,703)	(267,546)
Work performed by third parties	-	(1,025)	-	-	-	-	-	-	-	(1,025)
Receipt of services	(5,227)	(5,198)	(2,232)	(1,512)	(1,642)	(245)	(229)	(35)	(2,300)	(18,620)
Total	**(174,213)**	**(92,105)**	**(10,408)**	**(2,311)**	**(1,642)**	**(245)**	**(229)**	**(35)**	**(6,003)**	**(287,191)**

Year ended December 31, 2022

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

22. Environmental disclosures

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

Once the environmental permits have been obtained from the competent authority in the form of an Environmental Impact Statement and the initial construction phase of the projects has started, the Environmental Monitoring Programs are initiated and continued until the dismantling phase of the projects. These programs constitute the system which guarantees compliance with the protective measures defined and with respect to those incidents which may arise, allowing for detection of deviations from foreseen impacts and detection of new unexpected impacts, as well as recalibrating the proposed measures or adopting new ones.

These programs also permit Management to monitor compliance with the Environmental Impact Statement efficiently and systematically as well as other deviations which are difficult to foresee and may arise over the course of the construction work and functioning of the project.

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

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

23. Related-party transactions

23.1. Balances and transactions with related parties

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

At December 31, 2023, a balance of 15 thousand euros was recognized as payable to the majority shareholder of the Parent as a consequence of the rental contract for offices in Madrid. At December 31, 2022, said payable balance amounts to 71 thousand euros.

The breakdown of transactions performed with related parties in 2023 and 2022 is as follows:

	12.31.2023		12.31.2022	
	Parent company	**Other related parties**	**Parent company**	**Other related parties**
Income	**10**	**-**	**28**	**-**
Other current management income	10	-	28	-
Expenses	**(701)**	**-**	**(658)**	**-**
Leases	(701)	-	(658)	-
Services received	-	-	-	-

The transactions with related parties carried out during 2023 and 2022 relate to the normal course of the Group's business and were generally carried out on an arm's length basis:

- Renting of the offices at Rafael Botí 26 by Daruan Group Holding, S.L.U. for an amount of 701 thousand euros in 2023 (2022: 688 thousand euros).

- Re-invoicing costs to Daruan Group Holding, S.L.U. in the amount of 10 thousand euros in 2023 (2022: 28 thousand euros).

23.2. Disclosures relating to the directors and senior management

During 2023 and 2022, the Parent did not extend any advances or credit to its directors, nor did it assume any obligations on their behalf by way of guarantees extended. Likewise, the Parent has no pension or life insurance commitments for any of its current or former directors.

The amounts accrued by members of the Board of Directors during 2023 and 2022 were as follows:

Type of remuneration	2023	2022
Remuneration for membership of Board and/or Board committees	415	280
Salaries	80	90
Variable remuneration in cash	84	84
Share-based remuneration schemes	-	39
Other	14	42
TOTAL	**593**	**535**

The directors of the Parent company are covered by a civil liability insurance policy for which the Company settled a premium amounting to 52 thousand euros in 2023 (2022: 25 thousand euros).

The amounts accrued by senior management corresponding to fixed remuneration, variable annual remuneration, and other items, amounted to 3,937 thousand euros in 2023 (2022: 742 thousand euros).

23.3. Other disclosures relating to the directors

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

The directors did not carry out any related-party transactions outside the ordinary course of activities or transactions which were not carried out on an arm's length basis with the company or Group companies during the years 2023 and 2022.

24. Other disclosures

24.1. Risk management policy

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

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

Market risk

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

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

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

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

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

Credit risk

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

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

A provision for insolvencies was recognized in 2023 for an amount of 3,447 thousand euros (2022: 0 thousand euros).

Exchange rate risk

The Group performs a large part of its economic activities abroad and outside the European market, specifically, in Chile, Peru, Argentina, Mexico, and Colombia. At December 31, 2023 a large part of Group revenue, realized with respect to third parties, was denominated in currencies other than the euro (mainly the US dollar). Likewise, a large part of the expenses and investments, mainly corresponding to expenses incurred for consumables required in construction activities and investments in development projects, were also denominated in US dollars. Thus, the currency used in the normal course of the Group's corporate activity in LATAM is the local currency or the US dollar.

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

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

If at December 31, 2023 the euro had been devalued/revalued by 10% with respect to all the other functional currencies, with the remaining variables constant, equity would have been 12,070 thousand euros more or 13,280 thousand euros less, respectively (2022: 29,346 thousand euros more or 24,005 thousand euros less, respectively) due to the effect of the equity contributed by the subsidiaries who operate with a functional currency other than the euro. The breakdown by currency is as follows:

	Thousands of euros			
	12.31.2023		12.31.2022	
	10%	-10%	10%	-10%
US dollars (USD)	(13,540)	12,306	(18,432)	22,530
Chilean peso (CLP)	(343)	312	(525)	643
Other	603	(548)	(5,048)	6,173
Total	**(13,280)**	**12,070**	**(24,005)**	**29,346**

If the average exchange rate of the euro during 2023 had been devalued/revalued by 10% with respect to the other functional currencies, with the remaining variables constant, profit before taxes for the period would have been 117 thousand euros less or 143 thousand euros more, respectively (2022: 1,903 thousand euros less or 1,557 thousand euros more, respectively), mainly due to the result of converting the profit or loss statement to euros. The breakdown by currency is as follows:

	Thousands of euros			
	12.31.2023		12.31.2022	
	10%	-10%	10%	-10%
US dollars (USD)	(521)	637	(1,198)	980
Chilean peso (CLP)	97	(119)	165	(135)
Other	541	(661)	(870)	712
Total	**117**	**(143)**	**(1,903)**	**1,557**

Liquidity risk

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

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

However, and with a view to guaranteeing liquidity should there be an additional deterioration in the generation of cash by the businesses, the sources for liquidity were expanded, ensuring that even in an environment of low liquidity the Group would receive support from banking entities and investors. Evidence of this was the capital increase carried out in 2022 for an amount of 90,001 thousand euros (Note 13.1) as well as the issuing of a Green Bond program during 2022 (Note 17.1).

At December 31, 2023 the Group's liquidity position was sound, including sufficient cash and available credit lines to cover its liquidity requirements comfortably even in the case of a major contraction of markets.

Interest rate risk

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

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

Not only Spain experienced a sharp increase in inflation during 2023 but also the remaining countries where the Group operates.

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

If during 2023 and 2022 the average borrowings referenced to variable rates had been 10 basis points higher/lower, with the remaining variables constant, profit after tax for the corresponding period would not have experienced significant changes given that most of the Group's borrowings are referenced to a fixed rate. Thus, the Group considers that exposure to interest rate risk is not great.

Risk of climate change

Grenergy carried out a climate risk assessment in 2023 and intends to update its ESG risk map in 2024 together with the global risk map. The physical climate risk assessment carried out in 2023 was performed for each of the economic activities in accordance with the Environmental Taxonomy. A vulnerability analysis of the projects was carried out based on the climate scenario that best suits Grenergy's economic activities. The purpose of this assessment was to address environmental concerns and promote initiatives to adapt to the impacts of climate change.

24.2. Guarantee commitments to third parties

At 2023 year end, the Group had provided guarantees to third parties in the amount of 109,476 thousand euros (2022: 160,723 thousand euros), mainly corresponding to guarantees extended for acquired connection rights, PPAs for their timely connection, and for presentation in public renewable energy tenders and auctions. Likewise, the Group extended guarantees totaling 138,610 thousand euros to third parties to cover credit and surety risk.

Given that the aforementioned guarantees were basically granted with a view to ensuring compliance with contractual obligations or investment commitments, the events which could lead to their execution, and thus a cash outflow, would be non-compliance on the part of Grenergy with regard to its obligations related to the ordinary course of its activities, which is considered unlikely. Grenergy considers that any unforeseen liabilities at December 31, 2023 that may arise in connection with the aforementioned guarantees would in any case not be significant.

Duna and Huambos wind parks

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

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

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

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

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

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

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

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

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

In January 2023, the Arbitration Court ruled that the RES Supply Contract was void. With respect to execution of the Guarantees, the Arbitration Court decided to execute 50% of said guarantees. The Group recognized a provision for this item in the amount of 6,160 thousand euros, presented under "Impairment and losses" in the accompanying consolidated statement of profit or loss. Said provision was liquidated in 2023 (Note 16).

24.3. Audit fees for the auditors and related entities

The fees accrued for professional services rendered by Ernst & Young, S.L. during 2023 and 2022 are broken down as follows:

	2023		*2022*	
Categories	*Services rendered by the auditor of accounts and related companies*	*Services rendered by other auditors of the Group*	*Services rendered by the auditor of accounts and related companies*	*Services rendered by other auditors of the Group*
Audit services (1)	*174*	*150*	*112*	*111*
Limited review (2)	*50*	*36*	*38*	*25*
Other assurance services (3)	*56*	*7*	*26*	*3*
Total audit and related services	***280***	***193***	***176***	***139***
Other	-	-	-	-
Total other professional services	**-**	**-**	**-**	**-**
Total professional services	***280***	***193***	***176***	***139***

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

(2) Limited review: corresponds to work performed for the limited review of the interim consolidated financial statements.

(3) Other audit-related assurance services: These services mainly correspond to the assurance work performed with respect to the non-financial statement, the report for agreed-upon procedures relating to compliance with financial covenants, and the report for agreed-upon procedures relating to the review of the Internal Control System for Financial Reporting.

In addition, other audit firms rendered audit services amounting to 0 thousand euros to various Group companies in 2023 (2022: 16 thousand euros).

24.4. Information on average payment periods to suppliers

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

	2023	2022
	Days	**Days**
Average supplier payment period	49	57
Ratio of payments made	53	58
Ratio of transactions pending payment	43	49
	Amount	**Amount**
Total payments made	266,563	118,293
Total payments outstanding	85,016	22,814

	2023	2022
(Invoicing volume)		
Total invoices payable during the current year	5,747	3,831
Number of invoices paid within deadline	5,460	3,716
Paid within deadline (%)	95	97
(Thousands of euros)		
Total invoices payable during the current year	133,281	229,993
Total amount of payments within deadline	126,617	223,093
Paid within deadline (%)	95	97

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

25. Events after the reporting date

In 2023, the Group agreed upon the sale of 100% of the Matarani solar park in Peru (97 MW). This sale was subject to fulfillment of certain suspensive clauses which were fulfilled at the date of authorization of the consolidated financial statements.

APPENDIX I

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Equity investments in Group companies and associates at December 31, 2023

			% capital - voting rights			Balances at 12.31.2023			Thousands of euros				
Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee
GREENHOUSE SOLAR FIELDS, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	(1)	-	-	2
GREENHOUSE SOLAR ENERGY, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	(1)	-	-	2
GREENHOUSE RENEWABLE ENERGY, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	(1)	-	-	2
GUIA DE ISORA SOLAR 2, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	2	-	2	3	(7)	-	-	(4)
GR SOLAR 2020, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	8	-	(21)	(10)
GR SUN SPAIN, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(3)	-	-	-
GR EQUITY WIND AND SOLAR, S.L.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	287	-	-	290
LEVEL FOTOVOLTAICA S.L.	Spain	Production of renewable electric energy (Inactive company)	50%	0%	50%	2	-	2	3	(328)	-	-	(325)
GR BAÑUELA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	968	-	968	3	(723)	6,926	453	6,659
GR TURBON RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	968	-	968	3	(487)	6,899	295	6,710
GR AITANA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	968	-	968	3	(420)	6,899	192	6,674
GR ASPE RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	968	-	968	3	(885)	6,927	445	6,490
VIATRES RENEWABLE ENERGY, S.L.	Spain	Production of renewable electric energy (Inactive company)	40%	0%	40%	1	-	1	3	-	-	-	3
EIDEN RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	293	(1)	294
CHAMBO RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	293	(1)	294
MAMBAR RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	293	(1)	294
EL AGUILA RENOVABLES, S.L.	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	(1)	293	(1)	294
GR SISON RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR PORRON RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-		(1)	262	-	261
GR BISBITA RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-		(1)	262	-	261

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Equity investments in Group companies and associates at December 31, 2023

			% capital - voting rights			Balances at 12.31.2023			Thousands of euros				
Company name	**Registered address**	**Activity**	**Direct**	**Indirect**	**Total**	**Cost**	**Impairment**	**Carrying amount**	**Share capital**	**Reserves**	**Other equity items**	**Profit (loss) for the year**	**Total equity of the investee**
GR AVUTARDA RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	(1)	-	(1)	(2)
GR COLIMBO RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	262	(1)	261
GR MANDARIN RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR DANICO RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	(1)	-	(1)	(2)
GR CHARRAN RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR CERCETA RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR CALAMON RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	(1)	262	-	261
GR CORMORAN RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR GARCILLA RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR LAUNICO RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR MALVASIA RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	(1)	-	-	(1)
GR MARTINETA RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	(1)	262		261
GR FAISAN RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	262	(1)	261
GRENERGY OPEX, S.L	Spain	Operation and maintenance of renewable electric energy installations (Inactive company)	100%	0%	100%	3 (3)	-	-	-	(1)	-	230	229
GRENERGY EPC EUROPA, S.L.	Spain	Construction of electric energy installations	100%	0%	100%	3	-	3	3	2,041	-	16,412	18,456
GR POWER COMERCIALIZACION, S.L	Spain	Commercialization of renewable electric energy (Inactive company) (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR LA PARED 2, SL	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	-	-	(1)	2
GR LA PARED 3, SL	Spain	Production of renewable electric energy	100%	0%	100%	3	-	3	3	-	-	(1)	2

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			% capital - voting rights			Balances at 12.31.2023			Thousands of euros				
Company name	**Registered address**	**Activity**	**Direct**	**Indirec t**	**Total**	**Cost**	**Impairmen t**	**Carryin g amount**	**Share capita l**	**Reserve s**	**Other equity items**	**Profit (loss) for the year**	**Total equity of the investe e**
		(Inactive company)											
GR LA PARED 4, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	-	-	(1)	2
GR LA PARED5, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	-	-	(1)	2
GR LA PARED 6, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	-	-	(1)	2
GR LA PARED 7, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	3	-	-	(1)	2
GR ARLANZON RENOVABLES, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	(1)	(1)
GR ANDALUCIA 1 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	(1)	(1)
GR CARIÑEN RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	(1)	(1)
GR CANTABRIA 5 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	(1)	(1)
GR ASTURIAS 1 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	(1)	(1)
GR CANTABRIA 3, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	(1)	(1)
GR VALENCIA 3 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	(1)	(1)
GR MADRID 2 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	(1)	(1)
GR CANTABRIA 4 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	(1)	(1)
GR MADRID 1, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	(1)	(1)
GR VALENCIA 2, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	(1)	(1)
GR VALENCIA 1, SLU	Spain	Production of renewable	100%	0%	100%	3	-	-	-	-	-	(1)	(1)

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			% capital - voting rights			Balances at 12.31.2023			Thousands of euros					
Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
		electric energy (Inactive company)				(3)								
GRENERGY PACIFIC LTDA	Chile	Promotion and construction of electric energy installations	99.9%	0%	100%	43	-	43	38	4,362	-	(643)	3,757	(*) (**)
GR QUEULE, S.P.A.	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR MAITEN, S.P.A.	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR ALGARROBO S.P.A	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	26,739	-	26,739	26,528	(3)	1,706	2,108	30,339	(*)
GR PACIFIC CHILOE SPA	Chile	Production of renewable electric energy (Inactive company)	-	98%	98%	1 (1)	-	-	-	-	-	-	-	(*) (***)
GR PACIFIC OVALLE, SPA	Chile	Production of renewable electric energy (Inactive company)	-	98%	98%	1 (1)	-	-	917	(912)	-	-	5	(*) (***)
GR PIMIENTO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR CHAÑAR, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	2	-	-	42	44	(*)
GR ESTREMERA ENERGIA	Chile	Production of renewable electric energy	100%	0%	100%	-	-	-	3	(84)	-	-	(81)	(*)
GR GUINDO	Chile	Production of renewable electric energy	100%	0%	100%	-	-	-	1	(629)	-	-	(628)	(*)
GR LÚCUMO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR LLEUQUE, SPA	Chile	Production of renewable electric energy	-	100%	100%	1 (1)	-	-	1	771	-	762	1,534	(*) (****)
GR NOTRO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR LENGA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	2	-	-	41	43	(*)
GR TEPÚ, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR PACAMA,S PA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR TEMO, SPA	Chile	Production of renewable	100%	0%	100%	1	-	-	-	-	-	-	-	(*)

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Company name	Registered address	Activity	% capital - voting rights: Direct	Indirect	Total	Balances at 12.31.2023: Cost	Impairment	Carrying amount	Thousands of euros: Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
		electric energy (Inactive company)				(1)								
GR RUIL, SPA	Chile	Production of renewable electric energy	-	100%	100%	1 (1)	-	-	1	464	-	168	633	(*) (****)
GR POLPAICO PACIFIC, SPA	Chile	Production of renewable electric energy (Inactive company)	-	98%	98%	1 (1)	-	-	-	-	-	-	-	(*) (***)
GR Manzano SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Naranjillo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Mañio SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Tara SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Hualo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Corcolén SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Luma SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Fuinque SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Queñoa SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Tayú Spa	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Petra SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Corontillo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Liun SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	5,914	-	5,914	5,869	400	-	61	6,330	(*)
GR Kewiña SpA	Chile	Production of renewable	100%	0%	100%	2	-	-	-	-	-	-	-	(*)

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Company name	Registered address	Activity	% capital - voting rights: Direct	Indirect	Total	Balances at 12.31.2023: Cost	Impairment	Carrying amount	Thousands of euros: Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
		electric energy (Inactive company)				(2)								
GR Frangel SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Maqui SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Petrillo SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR Tepa SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
Grenergy OPEX SpA	Chile	Operation and maintenance of renewable electric energy installations	100%	0%	100%	1	-	1	1	2,267	-	674	2,942	(*) (**)
Parque Fotovoltaico Nuevo Quillagua SpA	Chile	Production of renewable electric energy	100%	0%	100%	15,210	-	15,210	19,935	(1,364)	-	(4,865)	13,706	(*) (**)
GR CORCOVADO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR YENDEGAIA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR KAWESQAR	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR ALARCE ANDINO SPA	Chile	Production of renewable electric energy	0%	100%	100%	2 (2)	-	-	1	117	-	82	200	(*) (****)
GR ALERCE COSTERO SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR TORRES DEL PAINE SPA	Chile	Production of renewable electric energy	0%	100%	100%	1	-	1	1	157	-	307	465	(*) (****)
GRENERGY PALMAS DE COCOLÁN, SPA	Chile	Holding company	100%	0%	100%	18,795	-	18,795	18,627	(1,178)	-	1,017	18,466	(*) (**)
GR LA CAMPANA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR VOLCAN ISLUGA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR LAUCA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR PAN DE AZUCAR, SPA	Chile	Production of renewable electric energy	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)

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Company name	Registered address	Activity	% capital - voting rights: Direct	Indirect	Total	Balances at 12.31.2023: Cost	Impairment	Carrying amount	Thousands of euros: Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
		(Inactive company)												
GR MORRO MORENO, SPA	Chile	Production of renewable electric energy	100%	0%	100%	0	-	-	-	-	-	-	-	(*)
GR NEVADO TRES CRUCES, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR LLULLAILLACO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR SALAR HUASCO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR RAPANUI, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR PUYEHUE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR CABO DE HORNOS, SPA	Chile	Production of renewable electric energy	100%	0%	100%	1 (1)	-	-	1	(6)	-	(1,889)	(1,894)	(*)
GR CERRO CASTILLO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR PALI AIKE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR RADAL SIETE TAZAS, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR ISLA MAGDALENA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GRENERGY LLANOS CHALLE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR LAGUNA SAN RAFAEL, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR POWER CHILE, SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	1	-	1	1	(802)	-	(372)	(1,173)	(*) (**)
CE CENTINELA SOLAR SPA	Chile	Commercialization of renewable electric energy	0%	100%	100%	-	-	-	22	134	-	574	730	(*) (****)
CE URIBE DE ANTOFAGASTA SOLAR SPA	Chile	Commercialization of renewable electric energy	0%	100%	100%	-	-	-	2	384	-	1,418	1,804	(*) (****)
CHAPIQUINA SOLAR SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	0	-	-	1	3	-	(189)	(185)	(*)
MAITE SOLAR SPA	Chile	Commercialization of	100%	0%	100%	1,268	-	1,268	1	(1)	-	(3)	(3)	(*)

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			% capital - voting rights			Balances at 12.31.2023			Thousands of euros					
Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
		renewable electric energy												
MIGUEL SOLAR SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	-	-	-	1	(1)	-	(4)	(4)	(*)
PARQUE SOLAR TANGUA	Chile	Commercialization of renewable electric energy	100%	0%	100%	913	-	913	1,016	(609)	-	133	540	(*)
MANZANO SOLAR SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	20	-	20	22	(22)	-	32	32	(*)
ECOGRENERGY TRANSMISIÓN SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
PLANTA SOLAR LA PAZ II SPA	Chile	Commercialization of renewable electric energy	0%	100%	100%	-	-	-	1	39	-	196	236	(*) (****)
PLANTA SOLAR PEÑAFLOR II SPA	Chile	Commercialization of renewable electric energy	0%	100%	100%	-	-	-	1	(1)	-	108	108	(*) (****)
PLANTA SOLAR LO MIGUEL II SPA	Chile	Commercialization of renewable electric energy	0%	100%	100%	-	-	-	1	38	-	(12)	27	(*) (****)
PLANTA SOLAR SANTA TERESITA II SPA	Chile	Commercialization of renewable electric energy	0%	100%	100%	-	-	-	1	36	-	(34)	3	(*) (****)
PFV EL LORO CHOROY	Chile	Commercialization of renewable electric energy	100%	0%	100%	0	-	-	1	-	-	(3)	(2)	(*)
GRENERGY PERU SAC	Peru	Promotion and construction of electric energy installations	99%	0%	99%	1	-	1	1	(304)		(422)	(725)	(*)
GR JULIACA, S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR HUAMBOS, S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	508	-	508	514	-	-	(1)	513	(*)
GR APORIC, S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	383	-	-	(1)	382	(*)
GR CORTARRAMA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	13,545	-	13,545	13,118	-		(89)	13,029	(*)
GR GUANACO S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR TARUCA S.A.C.	Peru	Production of renewable electric energy	90%	0%	90%	25,855	-	25,855	25,494	(4,623)	-	3,394	24,265	(*) (**)
GR PAINO S.A.C.	Peru	Production of renewable electric energy	90%	0%	90%	25,899	(6,595)	25,899	25,571	(4,965)	-	2,237	22,843	(*) (**)
GR PAICHE S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR LIBLANCA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR ANDINO S.A.C.	Peru	Production of renewable	100%	0%	100%	3,072	-	3,072	3,020	(27)	-	(118)	2,875	(*)

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Company name	Registered address	Activity	% capital - voting rights: Direct	Indirect	Total	Balances at 12.31.2023: Cost	Impairment	Carrying amount	Thousands of euros: Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
		electric energy												
GR CAOBA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR CEIBO S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR CHABARBAMBA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR MITOCONGA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR RENOVABLES MÉXICO	Mexico	Promotion and construction of electric energy installations	98%	0%	98%	3	-	3	3	(939)	-	255	(681)	(*) (**)
GREENHUB S.L. DE C.V.	Mexico	Production of renewable electric energy	20%	80%	100%	20	-	20	120	(2,854)	-	2,345	(389)	(*) (**) (******)
FAILO 3 SACV	Mexico	Production of renewable electric energy (Inactive company)	-	50%	50%	2		2	15	(23)	-	(4)	(12)	(*) (***)
ASTILO 1 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3 (3)	-	-	-	(48)	-	(28)	(76)	(*) (***)
CRISON 2 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3 (3)	-	-	-	(23)	-	(6)	(29)	(*) (***)
MESO 4 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3 (3)	-	-	-	(36)	-	(6)	(42)	(*) (***)
ORSIPO 5 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3 (3)	-	-	-	(33)	-	(7)	(40)	(*) (***)
MIRGACA 6 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3 (3)	-	-	-	(9)	-	(2)	(11)	(*) (***)
GRENERGY COLOMBIA S.A.S.	Colombia	Promotion and construction of electric energy installations	100%	0%	100%	270	-	270	226	(5,835)	-	1,095	(4,514)	(*) (**)
GR PARQUE BRISA SOLAR 2	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE BRISA SOLAR 3	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE PRADO SOLAR 1	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOLAR SANDALO 2	Colombia	Production of renewable	100%	0%	100%	-	-	-	-	-	-	-	-	(*)

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Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
		electric energy (Inactive company)												
SAN AGUSTIN SOLAR S.A.S	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
SANTAMARTA SOLAR S.A.S	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR SOL DE BAYUNCA SAS	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	1	(1,718)	-	156	(1,561)	(*) (**)
CERRITOS SOLAR S.AS	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	1	(116)	-	(141)	(256)	(*) (**)
CENTRO SOLAR, S.A.S	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
MONTELIBANO SOLAR, S.A.S	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	1	(6)	-	385	380	(*) (**)
GRENERGY GESTIÓN E INFRAESTRUCTURA S.A.S.	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOL DE AYAPEL S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE CENTRO SOLAR 2 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE BRISA SOLAR 4 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE GALAPA SOLAR 2 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE CAMPO DE LA CRUZ S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE TUCANES 3 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE NUEVA MONTERIA SOLAR 1 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE NUEVA BARRANQUILLA 2 SOLAR S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SAN JUAN SOLAR 1 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)

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Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2023			Thousands of euros					
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR PARQUE SAN JUAN SOLAR 2 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE BREZO SOLAR 1 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE BREZO SOLAR 2 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE GUACAMAYAL SOLAR S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOL DE ZAWADY S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SINCE SOLAR S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE LOS CABALLEROS 2 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOLAR TUCANES 2 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE NUEVA BARRANQUILLA 1 SOLAR S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR SOL DE SANTANDER S.A.S E.S.P.	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOLAR SOL DEL MAR II S.A.S. E.S.P.	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOLAR SANDALO II S.A.S E.S.P.	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOLAR LA MEDINA SAS	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	1	167	-	(238)	(70)	(*) (**)
GR PETALO DE MAGDALENA SAS	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	1	(92)	-	231	140	(*) (**)
GR PARQUE SOLAR LOS CABALLEROS SAS	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	1	241	-	(307)	(65)	(*) (**)
GRENERGY RINNOVABILI ITALIA SRL	Italy	Promotion and construction of electric energy installations	100%	0%	100%	1,300	-	1,300	1,300	(162)	-	(432)	706	
GR RINNOVABILI 1 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10	

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Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee
GR RINNOVABILI 2 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 3, SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 4 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 5 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 6 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 7 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 8 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 9 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 10 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 11 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 12 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 13 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 14 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 15 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 16 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10
GR RINNOVABILI 17 SRL	Italy	Production of renewable electric energy	100%	0%	100%	10	-	10	10	-	-	-	10

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		(Inactive company)												
GR RINNOVABILI 18 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10	
GR RINNOVABILI 19 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10	
GR RINNOVABILI 20 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10	
GRENERGY RENEWABLES UK LIMITED	UK	Promotion and construction of electric energy installations	100%	0%	100%	-	-	-	-	(206)	-	(294)	(500)	(*)
GR RENEWABLES 1 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR RENEWABLES 2 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR RENEWABLES 3 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR RENEWABLES 4 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR RENEWABLES 5 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GRENERGY POLSKA S.P.Z.O.O	Poland	Promotion and construction of electric energy installations	100%	0%	100%	1,714	-	1,714	1,725	(167)	-	(280)	1,278	
GRENERGY ERNEUERBARE ENERGIEN GMBH	Germany	Promotion and construction of electric energy installations	100%	0%	100%	25	-	25	25	-	-	(374)	(349)	
GRENERGY REGENERABILE BUCURESTI S.R.L.	Romania	Promotion and construction of electric energy installations	100%	0%	100%	1	-	1	1		-	(46)	(45)	
GR KILO SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	
GR LIMA SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	
GR MIKE SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	
GR NOVEMBER SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	
GR OSCAR SRL	Romania	Production of renewable electric energy	100%	0%	100%	-	-	-	-	-	-	-	-	

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Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee
		(Inactive company)											
GR PAPA SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-
GR QUEBEC SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-
GR ROMEO SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-
GR SIERRA SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-
GR TANGO SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-
GR REGENERABILE ALPHA SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-
GR REGENERABILE BRAVO SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-
GR REGENERABILE CHARLIE SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-
GR REGENERABILE DELTA SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-
GR REGENERABILE ECHO SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-
GR REGENERABILE FOXTROT SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-
GR REGENERABILE GOLF SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-
GR REGENERABILE HOTEL SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-
GR REGENERABILE JULIET SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-
GR REGENERABILE INDIA SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-
MARCODAVA TEWOS SRL	Romania	Production of renewable	100%	0%	100%	1	-	1	-	-	-	-	-

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Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
		electric energy (Inactive company)												
SACIDAVA AXIONE SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	1	-	1	-	-	-	-	-	
SACIODAVA AXIMAR EVOLUTION SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	2	-	2	-	-	-	-	-	
THRACIA NOVAE LAND SRL	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	3	-	3	-	-	-	-	-	
MARCODAVA ONE (SPV RUMANIA)	Romania	Production of renewable electric energy (Inactive company)	100%	0%	100%	6	-	6	-	-	-	-	-	
LIRIOS DE CHUMAQUITO SPA	Chile	Production of renewable electric energy	100%	0%	100%	352		352	-	(1)	-	7	6	
ENERGIA EL MANZANO SPA	Chile	Production of renewable electric energy	100%	0%	100%	304		304	-	-	-	-	-	(*)
PLANTA SOLAR SAN JUAN SPA	Chile	Production of renewable electric energy	100%	0%	100%	(9)		(9)	-	-	-	-	-	(*)
PLANTA SOLAR LA GREDA SPA	Chile	Production of renewable electric energy	100%	0%	100%	365		365	-	-	-	-	-	(*)
PLANTA SOLAR LA PUNTILLA SPA	Chile	Production of renewable electric energy	100%	0%	100%	-		-	-	-	-	-	-	(*)
FOTOVOLTAICA FARO I SPA	Chile	Production of renewable electric energy	100%	0%	100%	415		415	-	-	-	-	-	(*)
FOTOVOLTAICA FARO III SPA	Chile	Production of renewable electric energy	100%	0%	100%	274		274	-	-	-	-	-	(*)
VIATRES RENEWABLE ENERGY, S.L.	Chile	Production of renewable electric energy	100%	0%	100%	1,200		1,200	-	-	-	-	-	(*)
JUAN SOLAR SPA	Chile	Production of renewable electric energy	100%	0%	100%	1,141		1,141	-	-	-	-	-	(*)
GR Las Vicuñas SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	-		-	-	-	-	-	-	(*)
GR Las Chinchillas SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	-		-	-	-	-	-	-	(*)
GR Pichasca SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	-		-	-	-	-	-	-	(*)
GR Altos de Lircay SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	-		-	-	-	-	-	-	(*)
GR Niblinto SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	-		-	-	-	-	-	-	(*)

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GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Equity investments in Group companies and associates at December 31, 2023

			% capital - voting rights			Balances at 12.31.2023			Thousands of euros					
Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR Nonguén SpA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	-		-	-	-	-	-	-	(*)
GR RENOVABLES INTL.HOLDCO, S.L	Spain	Holding company (inactive)	100%	0%	100%	3 (3)		-						
GRENERGY RENOVABLES USA LLC	USA	Promotion and construction of electric energy installations	100%	0%	100%	8,695	-	8,695	8,507	-	-	-	8,507	(*)
SOFOS HARBERT RENEWABLE	USA	Promotion and construction of electric energy installations	100%	0%	100%	-	-	-	4,795	(1,057)	-	(601)	3,137	(*) (*****)
GRENERGY ATLANTIC, S.A.U.	Argentina	Promotion and construction of electric energy installations	100%	0%	100%	402	-	402	74	(176)	-	(131)	(233)	(*)
KOSTEN S.A.	Argentina	Operation and maintenance of renewable electric energy installations	100%	0%	100%	8,159	(5,536)	2,623	454	2,695	-	(356)	2,793	(*) (**)

(*) Exchange rate at closing of 12.31.2023 applied, with average rates applied to the 2023 income statement.
(**) Audited financial statements
(***) Indirect ownership via GR Equity Wind and Solar
(****) Indirect ownership via GR Las Palmas de Cocolán
(****) Indirect ownership via GR Renovables México
(*****) Indirect ownership via Grenergy Renovables USA

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Equity investments in Group companies and associates at December 31, 2022

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

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Equity investments in Group companies and associates at December 31, 2022

									Thousands of euros				
			% capital - voting rights			Balances at 12.31.2022							
Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee
GR SISON RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR PORRON RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR BISBITA RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR AVUTARDA RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR COLIMBO RENOVABLES, S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR MANDARIN RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR DANICO RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR CHARRAN RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR CERCETA RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR CALAMON RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR CORMORAN RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR GARCILLA RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR LAUNICO RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR MALVASIA RENOVABLES S.L.U.	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR MARTINETA RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR FAISAN RENOVABLES S.L.U.	Spain	Production of renewable electric energy	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GRENERGY OPEX, S.L	Spain	Operation and maintenance of renewable electric energy installations (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GRENERGY EPC EUROPA, S.L.	Spain	Construction of electric energy installations	100%	0%	100%	3 (3)	-	-	-	-	-	2,245	2,245
GR POWER COMERCIALIZACION, S.L	Spain	Commercialization of renewable electric energy (Inactive company) (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-
GR LA PARED 2, SL	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-

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			% capital - voting rights			Balances at 12.31.2022			Thousands of euros					
Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR LA PARED 3, SL	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	
GR LA PARED 4, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	
GR LA PARED5, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	
GR LA PARED 6, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	
GR LA PARED 7, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	
GR ARLANZON RENOVABLES, S.L	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	
GR ANDALUCIA 1 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	
GR CARIÑEN RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	
GR CANTABRIA 5 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	
GR ASTURIAS 1 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	
GR CANTABRIA 3, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	
GR VALENCIA 3 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	
GR MADRID 2 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	
GR CANTABRIA 4 RENOVABLES, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	
GR MADRID 1, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	
GR VALENCIA 2, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	
GR VALENCIA 1, SLU	Spain	Production of renewable electric energy (Inactive company)	100%	0%	100%	3 (3)	-	-	-	-	-	-	-	
GRENERGY PACIFIC LTDA	Chile	Promotion and construction of electric energy installations	99.9%	0%	100%	43	-	43	39	4,972	-	(476)	4,535	(*) (**)
GR PEUMO, S.P.A.	Chile	Production of renewable electric energy	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)
GR QUEULE, S.P.A.	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	2 (2)	-	-	-	-	-	-	-	(*)

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Equity investments in Group companies and associates at December 31, 2022

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

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Equity investments in Group companies and associates at December 31, 2022

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

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Company name	Registered address	Activity	% capital - voting rights			Balances at 12.31.2022			Thousands of euros					
			Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR TORRES DEL PAINE SPA	Chile	Production of renewable electric energy	0%	100%	100%	-	-	-	1	3	-	183	187	(*) (****)
GRENERGY PALMAS DE COCOLÁN, SPA	Chile	Holding company	100%	0%	100%	12,356	-	12,356	9,903	(180)	(1,456)	(1,105)	7,162	(*) (**)
GR LA CAMPANA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR VOLCAN ISLUGA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR LAUCA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR PAN DE AZUCAR, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR MORRO MORENO, SPA	Chile	Production of renewable electric energy	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR NEVADO TRES CRUCES, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR LLULLAILLACO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR SALAR HUASCO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR RAPANUI, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR PUYEHUE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR CABO DE HORNOS, SPA	Chile	Production of renewable electric energy	100%	0%	100%	1 (1)	-	-	1	-	-	(6)	(5)	(*)
GR CERRO CASTILLO, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR PALI AIKE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR RADAL SIETE TAZAS, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR ISLA MAGDALENA, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GRENERGY LLANOS CHALLE, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR LAGUNA SAN RAFAEL, SPA	Chile	Production of renewable electric energy (Inactive company)	100%	0%	100%	1 (1)	-	-	-	-	-	-	-	(*)
GR POWER CHILE, SPA	Chile	Commercialization of renewable electric energy	100%	0%	100%	1	-	1	1	(191)	-	(648)	(838)	(*) (**)

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

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			% capital - voting rights			Balances at 12.31.2022			Thousands of euros					
Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR PAINO S.A.C.	Peru	Production of renewable electric energy	90%	0%	90%	5,011	(4,080)	931	5,866	(2,329)	-	(2,796)	741	(*) (**)
GR PAICHE S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	278 (278)	-	-	-	-	-	-	-	(*)
GR LIBLANCA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	278 (278)	-	-	-	-	-	-	-	(*)
GR ANDINO S.A.C.	Peru	Production of renewable electric energy	100%	0%	100%	-	-	-	-	-	-	(5)	(5)	(*)
GR CAOBA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR CEIBO S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR CHABARBAMBA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR MITOCONGA S.A.C.	Peru	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR RENOVABLES MÉXICO	Mexico	Promotion and construction of electric energy installations	98%	0%	98%	3	-	3	2	(996)	-	(6)	(1,000)	(*) (**)
GREENHUB S.L. DE C.V.	Mexico	Production of renewable electric energy	20%	80%	100%	20	-	20	109	(2,429)	-	(66)	(2,386)	(*) (**) (******)
FAILO 3 SACV	Mexico	Production of renewable electric energy (Inactive company)	-	50%	50%	-	-	-	2	(18)	-	(3)	(19)	(*) (***)
ASTILO 1 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3 (3)	-	-	2	(31)	-	(12)	(41)	(*) (***)
CRISON 2 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3 (3)	-	-	2	(4)	-	(16)	(18)	(*) (***)
MESO 4 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3 (3)	-	-	2	(28)	-	(4)	(30)	(*) (***)
ORSIPO 5 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3 (3)	-	-	2	(14)	-	(10)	(22)	(*) (***)
MIRGACA 6 SOLAR, SACV	Mexico	Production of renewable electric energy (Inactive company)	-	100%	100%	3 (3)	-	-	2	(2)	-	(5)	(5)	(*) (***)
GRENERGY COLOMBIA S.A.S.	Colombia	Promotion and construction of electric energy installations	100%	0%	100%	270	-	270	187	(686)	-	(4,515)	(5,014)	(*) (**)
GR PARQUE BRISA SOLAR 2	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE BRISA SOLAR 3	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE PRADO SOLAR 1	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)

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			% capital - voting rights			Balances at 12.31.2022			Thousands of euros					
Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR PARQUE SOLAR SANDALO 2	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
SAN AGUSTIN SOLAR S.A.S	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
SANTAMARTA SOLAR S.A.S	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR SOL DE BAYUNCA SAS	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	-	(66)	-	(1,767)	(1,833)	(*) (**)
CERRITOS SOLAR S.AS	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	-	-	-	153	153	(*) (**)
CENTRO SOLAR, S.A.S	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
MONTELIBANO SOLAR, S.A.S	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	-	-	-	(5)	(5)	(*)
GRENERGY GESTIÓN E INFRAESTRUCTURA S.A.S.	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOL DE AYAPEL S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE CENTRO SOLAR 2 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE BRISA SOLAR 4 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE GALAPA SOLAR 2 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE CAMPO DE LA CRUZ S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE TUCANES 3 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE NUEVA MONTERIA SOLAR 1 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE NUEVA BARRANQUILLA 2 SOLAR S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SAN JUAN SOLAR 1 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SAN JUAN SOLAR 2 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE BREZO SOLAR 1 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE BREZO SOLAR 2 S.A.S E.S.P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)

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			% capital - voting rights			Balances at 12.31.2022			Thousands of euros					
Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR PARQUE GUACAMAYAL SOLAR S.A.S E.S. P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOL DE ZAWADY S.A.S E.S. P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SINCE SOLAR S.A.S E.S. P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE LOS CABALLEROS 2 S.A.S E.S. P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOLAR TUCANES 2 S.A.S E.S. P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE NUEVA BARRANQUILLA 1 SOLAR S.A.S E.S. P	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR SOL DE SANTANDER S.A.S E.S.P.	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOLAR SOL DEL MAR II S.A.S. E.S.P.	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOLAR SANDALO II S.A.S E.S.P.	Colombia	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR PARQUE SOLAR LA MEDINA SAS	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	-	-	-	304	304	(*) (**)
GR PARQUE SOLAR LOS CABALLEROS SAS	Colombia	Production of renewable electric energy	100%	0%	100%	-	-	-	-	-	-	382	382	(*) (**)
GRENERGY RINNOVABILI ITALIA SRL	Italy	Promotion and construction of electric energy installations	100%	0%	100%	350	-	350	350	(32)	-	(130)	188	
GR RINNOVABILI 1 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10	
GR RINNOVABILI 2 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10	
GR RINNOVABILI 3, SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10	
GR RINNOVABILI 4 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10	
GR RINNOVABILI 5 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10	
GR RINNOVABILI 6 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10	
GR RINNOVABILI 7 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10	
GR RINNOVABILI 8 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10	

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			% capital - voting rights			Balances at 12.31.2022			Thousands of euros					
Company name	Registered address	Activity	Direct	Indirect	Total	Cost	Impairment	Carrying amount	Share capital	Reserves	Other equity items	Profit (loss) for the year	Total equity of the investee	
GR RINNOVABILI 9 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10	
GR RINNOVABILI 10 SRL	Italy	Production of renewable electric energy (Inactive company)	100%	0%	100%	10	-	10	10	-	-	-	10	
GRENERGY RENEWABLES UK LIMITED	UK	Promotion and construction of electric energy installations	100%	0%	100%	-	-	-	-	(42)	-	(153)	(195)	(*)
GR RENEWABLES 1 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR RENEWABLES 2 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR RENEWABLES 3 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR RENEWABLES 4 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GR RENEWABLES 5 LIMITED	UK	Production of renewable electric energy (Inactive company)	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
GRENERGY POLSKA, S.P.Z.O.O	Poland	Promotion and construction of electric energy installations	100%	0%	100%	3	-	3	1	-	-	(156)	(155)	
GRENERGY ERNEUERBARE ENERGIEN GMBH	Germany	Promotion and construction of electric energy installations	100%	0%	100%	25	-	25	25	-	-	-	-	
GRENERGY RENOVABLES USA LLC	USA	Promotion and construction of electric energy installations	100%	0%	100%	-	-	-	-	-	-	-	-	(*)
SOFOS HARBERT RENEWABLE	USA	Promotion and construction of electric energy installations	0%	40%	40%	-	-	-	6,450	(1,275)	-	(1,018)	4,157	(*) (*****)
GRENERGY ATLANTIC, S.A.U.	Argentina	Promotion and construction of electric energy installations	100%	0%	100%	402	-	402	227	(245)	-	(138)	(156)	(*)
KOSTEN S.A.	Argentina	Operation and maintenance of renewable electric energy installations	100%	0%	100%	8,159	(5,536)	2,623	5,272	(4,788)	-	1,691	2,175	(*) (**)

(*) Exchange rate at closing of 12.31.2022 applied, with average rates applied to the 2022 income statement.
(**) Audited financial statements
(***) Indirect ownership via GR Equity Wind and Solar
(****) Indirect ownership via GR Las Palmas de Cocalán
(****) Indirect ownership via GR Renovables México
(*****) Indirect ownership via Grenergy Renovables USA

APPENDIX II

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Changes in the consolidation scope

The main changes to the consolidation scope corresponding to 2023 were as follows:

New inclusions in the consolidation scope during 2023:

- Acquisitions of Sofos Harbert Renewable Energy, LLC (Note 5) and GR Guindo.
- Incorporation of GR RENOVABLES INTL. HOLDCO., S.L and Grenergy Renewables UK Limited as well as 10 inactive companies in Italy, 22 inactive companies in Romania, 9 inactive companies in the USA, and 21 inactive companies in Chile.

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

Exclusions from consolidation scope during 2023:

- Sale of the interest held in GR Morro, SpA; GR Peumo, SpA; Eugaba Renovables, SL; Take Renovables SL; and Negua Renovables SL.

New inclusions in the consolidation scope during 2022:

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

APPENDIX II

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Changes in the consolidation scope

Exclusions from consolidation scope during 2022:

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

APPENDIX III

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Regulatory framework

Sector regulation in Europe

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

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

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

In the framework of said European Green Pact, on July 9, 2021 Regulation (EU) 2021/1119 of the European Parliament and Council, of June 30, 2021, was published, establishing the framework for achieving climate neutrality and modifying the Regulations (EC) 401/2009 and (EU) 2018/1999 ("European climate legislation").

Amongst other matters, it set a new objective for reducing net emissions by 55% in 2030 with respect to 1990 (Fit For 55 - FF55) and an objective of climate neutrality in emissions for 2050, binding across the entire European Union.

Given the need to accelerate the EU's clean energy transition, the Renewable Energy Directive EU/2018/2001 was revised in 2023. The amended Directive EU/2023/2413 (RED III) became effective on November 20, 2023. The EU provides for an 18-month period to transpose most of the directive's provisions into national law, with a shorter deadline until July 2024 for some provisions related to renewable energy permits. It sets an overall renewable energy target of at least 42.5% which is binding at EU level by 2030, but aims at achieving 45%.

<u>Spain</u>

The renewable energies sector is a regulated sector which saw fundamental changes in recent years, receiving a new regulatory framework in 2020. Within this framework, the new regulatory reference is Law 23/2020, of June 2020, which repeals the law of 2013.

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Regulatory framework

This Law enables the Government to establish a specific remuneration framework ("the Economic Regime for Renewable Energies") based on guaranteeing a fixed price for companies which generate renewable energy. To this end, a Contract for Differences (CfD) scheme is employed, with the Government undertaking to pay for the energy generated during 12 years and including the possibility to exit the arrangement starting from the 9th year. This price is awarded through a public auction procedure.

In February 2021 the Strategy for Energy Storage was approved, establishing the objective to reach 20 GW in 2030 and 30 GW in 2050, thereby allowing for the deployment of renewable energies so that they may be key in guaranteeing security in supplies and facilitating lower energy prices.

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

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

On September 20, 2022, Royal Decree Law 17/2022 was approved, creating a new active demand response service, which may be rendered in exchange for economic income granted through annual electricity grid auctions in which all demand units greater than 1 MW may participate, and including measures to promote the processing, commissioning, and evacuation of renewable energy.

The following regulations which became effective during 2023 are worth highlighting:

(i) Royal Decree Law 3/2023, of March 28, which extends the "Iberian mechanism" that allows Spain to set a price cap for the gas with which electricity is produced until December 2023.

(ii) As regards the capacity market, in October 2023, the General Directorate for Energy and Mining Policy published a Resolution Proposal which sets the value of lost load and the reliability standard for the future capacity mechanism.

(iii) On December 27, Royal Decree Law 8/2023 was approved, which extends the deadlines for evidencing the Administrative Building Permit (49 months) and the Administrative Operating Permit (8 years), regulates the access and connection procedure for new large consumers, modifies the criteria for remuneration auctions, and approves the progressive reactivation during 2024 of the tax on the value of electric energy produced until reaching 7%.

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Regulatory framework

<u>Italy</u>

The electricity market in Italy is divided into 7 zones, of which the North zone is the most noteworthy as this is where more than 50% of the country's electricity demand is concentrated.

The country experienced a great expansion of renewable energies between 2010 and 2013, with approximately 20 GW of renewable electricity capacity added in response to significant economic incentives during this period, 75% of which corresponds to photovoltaic technology. However, this pace slowed down in subsequent years due to the decrease in incentives, lengthy permit procedures, and a high administrative burden, so that between 2014 and 2022 Italy only added 8.9 GW of renewable capacity (5.6 GW of photovoltaic).

The 2019 National Integrated Energy and Climate Plan (PNIEC) is the main strategic document guiding Italy's energy policy until 2030.

The government estimates that to achieve the European "fit for 55" target for renewable electricity, 5 GW of new renewable generation capacity must be added annually from 2020 to 2030. Annual additions will have to be even larger to compensate for the few additions during the years up to 2023 as well as in light of the new targets set under the REPowerEU plan. In the longer term, Italy is forecast to achieve 80% renewable generation by 2060, which will require the installation of another 170 GW and for which photovoltaic technology will play a leading role.

The developments in Italy involve clear and transparent electricity regulation, which allows for the market to develop against the speculation of the past. The applicable regulation is established in the document known as TICA (Testo integrato delle connessione attive), in accordance with "deliberazione ARG/elt 99/08" (and all modifications and integrations thereof).

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

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

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

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The following regulations which became effective recently are noteworthy:

(i) Decreto Legge del Piano Nazonale di Ripresa e Resilienza ("D.L. PNRR"), which simplifies the application process for Renewable Energy Permits, raising the upper limits from 10 MW to 12 MW for projects that can be arranged through the simplified processes of the Procedura Abilitativa Semplificata ("PAS"), and from 20 MW to 25 MW for projects that require an environmental permit from the government.

(ii) New tax regulations came into force on January 1, 2024 for landowners who grant surface rights for the land on which renewable energy projects are built. As a result of this amendment, consideration delivered when establishing a surface right for agricultural land will be subject to a tax, ranging from 23% to 43%, plus additional municipal and regional taxes (previously no income tax was applied if the landlord had owned the land for more than 5 years prior to the contract date).

United Kingdom

The remuneration scheme used for large-scale renewable energy generation in the UK (> 5 MW) is the Contract for Difference (CfD). Under this scheme, a generator sells its electricity in the market but receives a complementary amount (above the market price for electricity) corresponding to a "strike price" previously agreed upon within the framework of the CfD for the electricity produced over a 15-year period (or, if the market price for electricity is higher than the exercise price, the generator will pay the difference between the strike price and the market price to the Low Carbon Contract Company).

The first auction for the award of this tariff was held in October 2014, while the second one was held in April 2017.

In terms of the mechanisms implemented to encourage the generation of renewable energy, the Smart Export Guarantee and the Renewable Energy Guarantee of Origin are also noteworthy.

In 2014, the government introduced the Capacity Market to manage electricity supply security and ensure that the UK has sufficient reliable capacity to meet demand at the lowest cost to consumers. The Capacity Market ensures security of electricity supply by providing a payment for reliable sources of capacity with a view to supporting the development of more active demand management. Two auctions are held annually to distribute capacity contracts, with the first one distributing contracts 4 years before delivery and the second one 1 year before delivery (known as T-4 and T-1 auctions, respectively). In recent years, batteries have become the clear winners at the auctions given the low prices offered thanks to lucrative income from ancillary services. Newly built battery capacity totaling 7.1 GW was secured in only two auctions (the 2023/24 T-1 and 2026/27 T-4 auctions).

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Poland

Electricity mix and electricity market in Poland

The electricity mix in Poland is historically dominated by coal and natural gas. In fact, of the total capacity generated domestically in 2022, 70% was based on coal. Poland also exported 1.68 TWh of electricity in 2022, becoming a net exporter of electricity for the first time in years.

Installed capacity in the country is expected to increase by 174 GW up to 2060, of which 150 GW will be based on renewable energy.

In 2019, the Polish government approved PEP2040 (Poland's Energy Policy until 2040), which establishes the framework for the country's energy transformation. This is the first strategic document on the energy sector approved in Poland in the last 12 years. It presents solutions to meet the European Union's climate and energy objectives, such as the construction of offshore wind capacity or the commissioning of the country's first nuclear power plant planned for 2033. Its main premises were recently revised, with one of the key changes involving the adoption of a more ambitious perspective regarding development of Renewable Energies, with the objective that 50% of power generation be based on renewable energies by 2040.

Poland's total allocation under the Recovery and Resilience Facility (NextGenerationEU) amounts to 35.4 billion euros. This funding will allow Poland to boost its economic recovery following the COVID-19 pandemic and to finance its green and digital transitions. In the approved plan, Poland will dedicate 42.7% of the allocation received to measures which underpin the climate targets. Poland's implementation of the plan is expected to contribute significantly to decarbonization of the Polish economy by increasing the share of renewable energy in the energy mix, enhancing energy efficiency in the economy, and ensuring independence in its energy supply.

In addition, the rising costs of CO2 emissions (under the EU ETS scheme), the post-COVID economic situation, and the invasion of Ukraine have led to a sharp increase in electricity prices, with more pronounced growth starting mid-2021. Thus, in October 2022 the government introduced price caps for coal and electricity which had an effect at the merchant level and with respect to PPAs (virtual PPA vs. physical PPA).

Poland offers the CfD scheme after the annual auctions, the stable 15-year duration scheme for operation, supplemented by the PPA/CPPA market which is experiencing very dynamic growth. CfD auctions are granted for a specified volume of generation, instead of capacity, enabling flexible distribution and allowing projects to maintain market exposure, the extent of which can be varied annually, as well as a combination with shorter term PPAs while preserving bankability.

Furthermore, the Capacity Market was approved in Poland in 2018, allowing capacity suppliers to be awarded contracts for which they receive remuneration in exchange for maintaining a specified generation capacity available for each contract year.

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Legislative framework

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

- Law on renewable energy sources of February 20, 2015 / Ustawa o odnawialnych źródłach energii z dnia 20 lutego 2015
  - Definition of renewable sources
  - Guarantee of origin instrument
  - Auction mechanism (CfD)
- Energy law of April 10, 1997 / Prawo energetyczne z dnia 10 kwietnia 1997
  - Regulation of energy policy in Poland
  - National grid system (definition of transportation operators, distribution operators)
  - Energy sales concessions, registries, tariffs
- Law on information related to the environment and its protection, public participation in environmental information and environmental impact studies of October 3, 2008 / Ustawa o udostępnianiu informacji o środowisko i jego ochronie, udziale społeczeństwa w ochronie środowiska oraz ocenach oddziaływania na środowisko z dnia 3 października 2008.
  - Definition of the investments which may have a significant environmental impact
  - The rules and procedures for the administrative processing of environmental matters based on the type of project together with the scope of environmental monitoring
- Law on construction of July 7, 1994 / Ustawa prawo budowlane z dnia 7 lipca 1994
  - Administrative procedure for construction permits
  - Construction work process, participants, and operating permits

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- Law on land-use planning of March 27, 2003 / Ustawa o planowaniu i zagospodarowaniu przestrzennym z dnia 27 marca 2003 / Regulation of urban development process based on category of investments

In terms of legislative matters, the most significant changes approved recently are as follows:

1. Cable pooling - the shared use of interconnection infrastructure amongst various renewable energy installations.

2. Direct wire - the possibility to connect a photovoltaic power plant directly to a consumption point (industrial installation, large warehouses, etc.) without having to make use of the electricity grid.

3. New territorial planning tools and procedures - implementation of new instruments designed to reduce the time required for administrative processing in the development of renewable energy projects.

4. Amendment to the 10H distance rule - the distance between a wind turbine and the nearest housing can now be reduced to 700 meters (previously limited to 10 times the height of the tower), though other additional restrictions apply.

Germany

Electricity mix Germany

Renewable energy generation in Germany reached a record level of 260.7 TWh in 2023, covering approximately 57% of the country's electricity demand.

As the largest CO_2 emitter in the EU, Germany aims to reduce emissions by 65% of 1990 emission levels by 2030 and achieve greenhouse gas neutrality by 2045 (both objectives are defined in Germany's Climate Change Law, "Klimaschutzgesetz").

Legislative framework

On January 1, 2023 the so-called "EEG-Osterpaket" ("Easter package" of the Renewable Energy Source Act or "EEG") came into force, which includes a series of measures to accelerate the implementation of renewable energies in the German electricity sector and thus reduce dependence on natural gas imports from Russia as well as progress in the decarbonization of Germany's energy sector.

The legislative package includes a series of measures designed to increase renewable energy generation via the use of wind, photovoltaic, and hydroelectric technologies up to a level of 80% by 2030. The law grants renewable energy projects the status of public interest projects, thereby simplifying the administrative process required for new solar photovoltaic projects. It eliminates the electricity surcharge ("EEG Umlage") in the electricity tariff.

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In addition, the legislative package also includes both a considerable increase in the objectives set for 2030 and 2035 with respect to installed photovoltaic and wind power capacity as well as the volumes to be assigned under the regular auctions for photovoltaic and wind power capacity. The EEG 2023 includes an objective for installed solar photovoltaic capacity which increases the current level of approximately 66 GW up to 215 GW in 2030. The objectives for annual solar photovoltaic installations gradually increase from 9 GW in 2023 to 22 GW per year in 2026, to be kept constant subsequently until 2030.

Finally, the EEG 2023 eases restrictions on available areas for ground-mounted photovoltaic installations by, for example, increasing the width of available areas adjacent to highways and railway lines from 200 to 500 meters.

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

In 2022, Germany implemented the measures provided for in Regulation (EU) 2022/1854 within its own national legal framework by passing the law known as "Gesetz zur Einführung einer Strompreisbremse- StromPBG" (Electricity Price Cap Regulation) on December 24, 2022. This law establishes a maximum electricity price of 40 euro cents per kWh to be applied to 80% of domestic client consumption. The measures allow for the surplus revenue arising from application of the cap on market revenue for electricity generators to be passed on to the final customers in the electricity market.

Said cap is defined for solar photovoltaic installations not covered by the Renewable Energy Source Act (EEG) as 100 euros per MWh generated plus a supplement of 30 euros per MWh, i.e., a total maximum revenue cap of 130 euros per megawatt hour for this type of installation. Further, 90% of revenue obtained which exceeds the revenue cap will be passed on to the final customers. The "StromPGB" law and resulting market revenue cap will apply from December 1, 2022 until June 30, 2023. The law provides for the possibility of extending the application period until April 30, 2024.

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

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Romania

Electricity mix and electricity market in Romania

In terms of generation and commercialization, the electricity market in Romania has been liberalized since 2021. Transmission and distribution of energy is controlled by the government. Romania's electricity mix is diversified and includes coal and natural gas as well as nuclear, hydroelectric, wind, and solar power together with other renewable sources. In 2022, capacity generated at nuclear, coal and gas-fired thermal power plants accounted for about 60% of the country's total generation, while hydroelectric and wind power generation accounted for the remaining 40%.

The Romanian energy market is expected to undergo significant changes between now and 2030 and 2050 as the country aims to meet its ambitious renewable energy targets and reduce its dependence on fossil fuels.

The traditional incentive scheme for renewable energy was based on a quota system of green certificates, which ended in 2017 but remains in place for projects that were connected before this date. Under the quota system, electricity suppliers and producers are required to submit a certain number of green certificates, which are issued for the electricity generated by renewable sources.

In the summer of 2023, the Ministry of Energy presented two draft laws for public consultation, covering 2 GW of solar photovoltaic and wind power in a CfD auction scheme, as well as a draft law for the development of 3 GW of offshore wind power in the Black Sea by 2035.

Legislative framework

Approval of the CfD mechanism as the main incentive for development of renewable projects (mostly photovoltaic solar and wind power) is expected by the end of 2024 or early 2025. This CfD auction scheme corresponds to the first part of the multi-year national plan that includes incentives for the development of 10 GW of new renewable energy capacity by 2030. In the meantime, new renewable energy projects can apply to a fund for investment aid.

In March 2023, the European Commission approved an incentive scheme amounting to 103 million euros for the development of storage capacity in Romania totaling at least 240 MW until June 2026. New projects will be tendered between February and March 2024 (to be awarded).

Furthermore, the public consultation process was initiated at the beginning of 2024 in connection with the review of two highly relevant issues in the renewable energy sector, described below:

1. Auctions for the allocation of new generation capacity: allocation of generation/connection capacities determined by the TSO through an auction process.
2. Connection permit procedure: the proposal involves introducing the obligation to provide a new fixed guarantee of 5% of the value of the connection tariff in the ATR

application (connection permit) for all projects, irrespective of whether or not reinforcement work is required.

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Sector regulation in Latin America

<u>Chile</u>

Until 2021, the Group operated in Chile via photovoltaic installations subject to the regime for small power producers ("PMGD"). The PMGDs comprise all those means of generation with excess capacity less than or equal to 9 MW, connected via medium voltage networks in the distribution systems. These types of projects make up the short term Grenergy project portfolio in Chile.

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

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

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

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

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

In November 2023, the Ministry of Energy submitted Supreme Decree No. 70/23 to the Comptroller's Office for approval. Said decree amends Supreme Decree No. 62, which established the "Regulation on Power Transfers"; Supreme Decree No. 125, on Coordination and Operation; and Supreme Decree No. 88, on PMGDs and PMGs.

Peru

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

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

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

The Regulatory Agency for Investment in Energy and Mining ("Osinergmin") sets and regulates the prices of electricity, energy, capacity, transmission tolls, and natural gas transportation tariffs in compliance with the responsibilities assigned to it by law.

In order to foster the installation of power plants based on renewable energy, the Peruvian government held public tenders on several occasions between 2010 and 2016 in which it offered long-term contracts (20 years) with fixed prices for energy delivered.

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In August 2019, the Peruvian government published a new regulation acknowledging firm capacity, that is, the maximum power generated by a generation unit with a high level of security, for wind and solar power projects which supply electricity during the peak hours of the System (6 p.m. to 11 p.m). This is a relevant step forward, considering that generation projects must deliver fixed amounts of energy once a supply contract has been signed. Peru's government is working to publish a regulation which also makes it possible to recognize firm capacity for solar energy.

The Law that amends Law No. 28832 to ensure the efficient development of electricity generation is expected to be enacted. Said law, amongst the changes and improvements introduced, seeks to promote greater diversification and cleaner energy generation, thereby benefiting renewable energy resources. It is worth noting that the Peruvian government aims to achieve a 20% share of non-renewable energy resources in its electricity mix by 2030.

Electricity production in 2023 was distributed as follows: 46.6% hydroelectric, 47.7% thermoelectric, 4.03% wind power, and 1.64% solar power. The COES approved 61 non-conventional electric power generation projects during the 2019-2023 period, half (30) of which correspond to wind power plant projects, while the other half (31) correspond to solar power plants, converting Peru into an emerging and attractive market for investment in these types of project.

<u>Colombia</u>

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

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

Considering the system's huge proportion of hydraulic generation, as well as the existence of different climatological phenomena in the country which seriously affect the availability of hydraulic resources, the "reliability charge" was created by virtue of which plants will receive additional income for their firm power, which is that which will likely be distributed during a drought year, with the system guaranteeing there will be installed capacity to satisfy demand in the country in such moments. Renewable energy power plants can receive benefits from this mechanism given that the obligations acquired with the system are liquidated on a daily basis.

To boost the presence of renewable energy in the country, the Colombian government has held renewable energy tenders. The Long-Term Contract Auctions ("SCLP") allowed traders and generators to enter into 15-year contracts, making the generation projects aspiring to join the system bankable. Two such auctions have been held to date, one in 2019 and one in 2021.

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In addition, although the energy generated by Non-Conventional Renewable Energy ("NCRE") projects competes on equal terms in the market, the government promoted the participation of traders with a compulsory purchasing mechanism, which establishes that at least 10% of the purchases they make annually must come from NCRE sources through long-term contracts with a minimum duration of 10 years.

In this context of transforming the electricity market, Law 2099 (the Energy Transition Law) was approved, introducing new provisions to the Colombian legal system in order to boost the utilization of technologies in the energy mix that resort to non-conventional sources of renewable energy. This law maintains and extends the benefits for generation projects provided for in Law 1715 of 2014. On June 10, 2020, articles 11, 12, 13, and 14 of Law 1715, of 2014, were enacted by Decree 289, of 2020, modifying and expanding Decree number 1625, of 2016, the Single Regulatory Framework for Tax Matters, while certain articles of Decree number 1073, the Single Regulatory Framework for the Administrative Sector of Mining and Energy, were repealed, establishing the incentives for generation of electric energy with unconventional sources, assigning competence to the UPME to issue certifications of tax benefits, and defining the steps to be taken for deduction of income tax, VAT exemption, accelerated amortization/depreciation of assets, and exemption from tariffs on the NCRE projects.

Furthermore, this law establishes the legal framework for promoting the development of hydrogen as a clean and sustainable energy source in the country. The law seeks to boost the research, production, commercialization, and use of green hydrogen, as well as to establish economic and tax incentives for its development. In addition, measures are anticipated for creating the necessary infrastructure, promoting investments in hydrogen-related technologies and public-private partnerships to boost their adoption in various sectors, contributing to the reduction of greenhouse gas emissions and progress towards a more sustainable and resilient economy in Colombia.

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

Moreover, the national government is beginning to show interest in battery storage systems, though for the moment only as a measure for solving congestion problems in transmission networks. In this context, the CREG issued Resolution CREG 098 of 2019. As a result, Canadian Solar was the first winner in the auction held by UPME to develop a solution using batteries which strengthens the electrical network on the Caribbean coast. Finally, and in the same spirit, private initiatives are being launched by financial entities such as BID to develop planning methodologies for incorporating energy storage in Colombia.

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Argentina

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

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

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

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

Mexico

Mexico began a process of opening up and liberalizing its economy in the 1990s, which included the introduction of reforms to the electricity sector. In 1992, the Public Electricity Service Law was enacted, allowing for private participation in electricity generation, and in 1999 the first public tender for the construction and operation of power plants by private companies was carried out.

In 2013, the Mexican government enacted a comprehensive energy reform that opened the Mexican electricity market to competition. This reform allowed for the participation of private companies in all stages of the electricity industry, from generation to energy marketing. New procurement mechanisms were established, such as long-term contracts and electricity auctions. Since then, the Mexican electricity market has continued to evolve, with a growing number of private companies participating in the generation and marketing of electricity. However, the sector still faces challenges in areas such as modernizing infrastructure, integrating renewable energy, and ensuring a reliable and accessible electricity supply for all Mexicans.

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

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

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

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

According to data from 2021, combined cycles comprise the main generation technology in the country, corresponding to 57.7% of electricity generation, followed by hydroelectric power plants (10.7%), conventional thermoelectric power plants (6.8%), wind power plants (6.5%), and photovoltaic power plants (5.3%). Overall, generation technologies which make use of fossil fuels produced 72.4% of total electricity by 2021.

<u>United States of America</u>

Federal Regulatory Framework

Although the United States has federal regulations for the electricity sector, regulation of the sector is primarily the responsibility of each state, leading to a variety of regulatory structures across the country. The main federal laws regulating the electricity sector are the Energy Policy Act of 1992, the Energy Policy Act of 2005, and the Energy Independence and Security Act of 2007.

The Public Utility Regulatory Policies Act (PURPA), a federal law, was approved in 1978. It promoted the development of renewable energy by requiring utilities to purchase energy generated from renewable sources at fair prices, thereby incentivizing the decentralized generation of electricity. This contributed to the diversification of electricity supply and the introduction of competition to the electricity market, representing a milestone in promoting a more sustainable energy mix in the United States.

The manner in which PURPA is applied depends on each state given that they enjoy a certain degree of autonomy in regulating their respective electricity sectors. Projects that are eligible for application of this law are called Qualifying Facilities. They must be projects which generate electricity using renewable technologies and present a capacity equal to or less than 80 MW. Should they participate in this scheme, Qualifying Facilities receive a payment for the energy delivered (Avoided Cost) which is established by the state electricity company and the corresponding regulatory commission of each state.

Various tax incentives are available in the United States to promote the use of solar energy and other renewable energies. These include the Federal Solar Investment Tax Credit (ITC), which allows owners of residential and commercial solar energy systems to deduct a percentage of their solar investment cost from their federal income taxes.

The Inflation Reduction Act (IRA) represents the largest investment in climate and energy in the history of the United States, allowing the country to address the climate crisis, promote environmental justice, ensure USA's position as global leader in domestic clean energy production and put the country on track to achieve the Biden-Harris Administration's climate goals, including a net zero economy by 2050.

In November 2023, the IRS (Internal Revenue Service) published an update on guidance regarding monetization of tax credits through sales to third parties. Preliminary guidelines on grant supplements were also published for projects that use domestic content and meet specific criteria for economic development and low income.

Currently, there is a bottleneck in the queue to obtain network access permits in the United States. In light of this situation, on July 28, 2023, the Federal Energy Regulatory Commission (FERC) issued a new regulation to reform the procedures used by electricity transmission suppliers to integrate new generation facilities into the existing transmission system. Designated as Order No. 2023, FERC adopted these reforms to reduce delays in projects seeking to connect to the transmission system, improve certainty in interconnection processes, and ensure access to the transmission system for new technologies.

Southeastern USA

The regulatory framework varies across states in the southeast of the USA, but in general, utilities are subject to state and federal regulation, with regulatory agencies such as the Florida Public Service Commission (PSC) or the North Carolina Utility Commission (NCUC) overseeing the electrical sector in their respective states. Most states in this region are integrated in the eastern power grid (Eastern Interconnection) and are subject to regulation by the Federal Energy Regulatory Commission (FERC). FERC supervises interstate transmission and utility rates, promoting competition and reliability of the electrical system across the region

ERCOT

The Texas electricity market is operated by ERCOT (Electric Reliability Council of Texas) and has an insulated electrical system that is not subject to federal regulation. ERCOT operates under the supervision of the Public Utility Commission of Texas (PUCT), which regulates electricity generation, transmission, and distribution activities in the state.

GRENERGY RENOVABLES, S.A. and Subsidiaries

Consolidated management report
for 2023

1. Main activities of the Group

1.1 Nature of the Group's operations and its main activities

Grenergy is a Spanish company which produces energy based on renewable sources, specialized in the development, construction, and operation of photovoltaic and wind energy projects, the promotion and commercialization of photovoltaic projects, and the commercialization of energy.

Since its incorporation in 2007, the Group has seen rapid growth and changes in the planning, design, development, construction, and financial structuring of projects. It is present in Europe as well as in Latam since the year 2012. Currently, Grenergy has offices in Spain, Italy, the United Kingdom, Poland, Germany, Romania, Chile, Peru, Colombia, Argentina, Mexico and United States. Grenergy's overall pipeline, which includes photovoltaic solar energy installations and wind parks in different stages of development, exceeds 15.7 GW, while its storage pipeline boasts 10.7 GWh.

Its business model encompasses all project phases, from development through construction and financial structuring to plant operation and maintenance. In addition, Grenergy generates income from recurring sales to third parties of non-strategic parks, combined with recurring income from its own parks in operation as well as income from O&M and AM services for plants sold to third parties.

Grenergy performs its activities in each of the phases comprising the value chain of a renewable energy project, prioritizing greenfield projects, that is, those renewable energy projects starting from nothing or those already underway which require a complete modification, as compared to brownfield projects, which require certain occasional modifications, expansions or repowering.

The source of this income is technologically diversified, encompassing project developments in wind and photovoltaic energy as well as the development of storage systems, so that it can operate at highly competitive prices as compared to conventional energy sources. This backdrop is further favored by an emerging market for PPAs (bilateral energy purchase-sale agreements) as well as the end of the fossil fuel era as determined on a political level with a view to closing down nuclear power plants and coal plants within 10 years.

The Parent has been listed on the continuous market since December 16, 2019, with capitalization at 2023 year end totaling 1,048 million euros.

1.2 Pipeline phases

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

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

- Early stage: based on an identified opportunity, the project is approved internally in order to commence the investment phase, presenting the pertinent applications so as to access the electricity network and initiate negotiations for the required land.

- Advanced development: projects in advanced technical and financial stages, since: (i) the land is assured, or there is at least more than a 50% probability of it being obtained; (ii) the appropriate requests to connect to the electricity grid have been filed, with a 90% or higher likelihood of being accepted; and (iii) environmental permits have been requested.

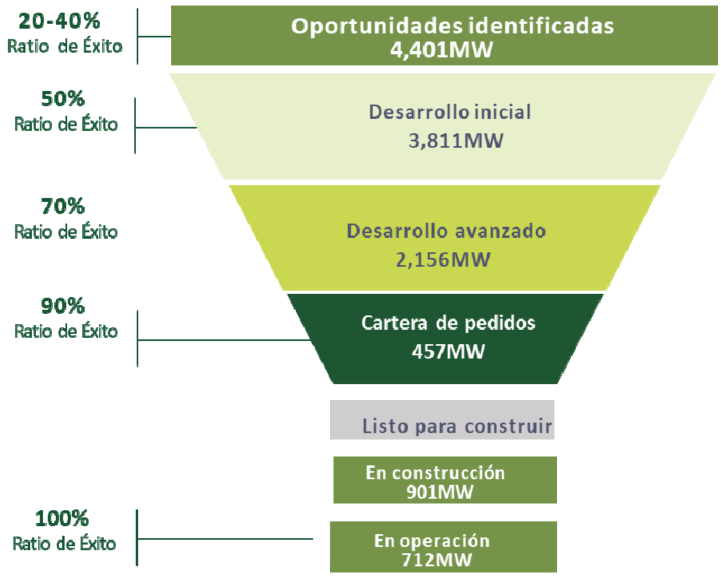
- Backlog: projects in the final phase prior to construction, in which: (i) land and access to the electricity grid are assured; (ii) the likelihood of obtaining environmental permits is over 90%; and (iii) there are PPAs or framework agreements with energy buyers or banks which are ready to be signed, or there is a bankable price stabilization scheme.

- Under construction: EPC projects in which the engineering, construction, and procurement order has been given to commence construction under the corresponding EPC contract.

- In operation: projects for which the acceptance certificate has been signed by the entity that will be the owner of the project in question, and for which responsibility over the asset has been transferred from the entity performing the EPC construction tasks to the Group’s operations team.

The corresponding administrative authorizations may be obtained during any stage of the pipeline, including during the construction phase.

At December 31, 2023, the Group had more than 15.4 GW in different stages of solar and wind energy development, as well as 11.0 GW in pipeline storage projects.



1.3 Operating divisions

The Grenergy Group classifies its different business activities under the following operational divisions:

- **Development and Construction**: this division's activities involve the search for feasible projects, in both financial as well as technical terms, the necessary work for reaching all the milestones for initiating construction, and preparatory work on the land for the construction and starting up of each project.

- **Energy**: this division deals with revenue obtained from the sale of energy in each of the markets in which Grenergy has or will have its own operational projects as Independent Power Producer ("IPP").

- **Commercialization:** this division deals with revenue arising from the commercialization of energy. At present, this revenue is only generated in the Chilean market.

- **Services**: this division includes the services rendered for projects once the start-up date has been reached (Commercial Operation Date - "COD") and which are therefore in the operational phase. It encompasses asset management and O&M activities provided for internal IPP projects as well as for third party projects.

2. 2023 Business Performance

According to Bloomberg New Energy Finance ("BNEF"), 450 GW of solar energy installations were installed globally during 2023. Installing this capacity during the year involves a 48% year on year increase in investments, up to approximately 455 trillion euros.

Though global cost inflation has been putting pressure on costs in the renewable energy industry, increasing the cost of key components for its installations, the cost of other sources of energy, such as gas or petroleum, experienced even more severe inflation, which strengthened the relative competitiveness of renewable energies and evidenced the need for reducing dependency on certain non-renewable energy commodities.

BNEF expects new installed capacity of 565 GW in 2024 for solar energy at a global level, as compared to the 450 GW of installed capacity estimated for 2023.

As far as storage installations are concerned, this activity continues to grow exponentially with an estimated 87 GW installed in 2023 and 656 GW expected by 2030.

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

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

- The income reflected in the consolidated statement of profit or loss for FY 2023 represents the best results achieved by the Group to date. EBITDA totaling 104,109 thousand euros and net results amounting to 51,055 thousand euros evidence the efforts made during recent years in the process of developing and executing portfolio projects in Latin America, especially in Chile and Spain. All these efforts have translated into significant positive results for the Group, setting the foundation for continuing with the pipeline in LATAM and Europe as foreseen.

- Total revenue and EBITDA amounted to 400,238 thousand and 104,509 thousand euros, respectively. Until 2019 all the projects developed and constructed by the Group were sold to third parties. In 2020 the Group started constructing parks in order to hold them in its portfolio and operate them, starting to obtain income from the sale of energy in 2021. In coming years revenue and EBITDA from this division will progressively increase to the extent that the Group connects the projects in the different pipeline stages. The breakdown of income and EBITDA by operational division is as follows:

	Thousands of euros	
Income	**12.31.2023**	**12.31.2022**
Development and Construction	310,350	232,613
Energy	65,243	46,457
Services	2,551	2,615
Commercialization	22,094	11,322
Total income (*)	**400,238**	**293,007**

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

	Thousands of euros	
EBITDA	**12.31.2023**	**12.31.2022**
Development and Construction	67,373	22,127
Energy	51,195	37,059
Services	469	471
Commercialization	(433)	(995)
Corporate	(14,095)	(8,508)
Total	**104,509**	**50,154**

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

Development and Construction: the increase in income and EBITDA corresponds to a greater number of parks under construction in 2023 as compared to 2022 as well as more MW sold to third parties.

Energy: income from the sale of energy increased given the greater number of months during which the parks in Chile and Colombia were operational. Said parks initiated operations in 2022 and were operational throughout 2023.

Services: there were no significant changes with respect to the prior year.

Commercialization: revenue increased as a consequence of obtaining more contracts. This activity is expected to continue growing in coming years.

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

- Amortization/deprecation expenses, amounting to 17,946 thousand euros, experienced an increase of 3,768 thousand euros with respect to the previous year, mainly as a consequence of depreciating the parks which became operational in 2023 as well as those which became operational halfway through the previous year and which in 2023 were depreciated over the entire year.

- Finance cost amounted to a negative balance of 34,370 thousand euros. This item encompasses four large figures:

    - Interest on debt associated with the projects: 19,739 thousand euros of expenses.

    - Interest on corporate debt and guarantees: 15,202 thousand euros of expenses.

    - Exchange losses: 1,235 thousand euros, mainly corresponding to provisions as a consequence of the US dollar depreciating against the euro during 2023.

- In terms of after tax profits, the Group achieved a figure of 51,055 thousand euros.

- With regard to the consolidated statement of financial position, the performance reflected at 2023 year end with respect to 2022 showed changes which confirmed continuity in the Group's growth, with the most important balances being strengthened. The following are especially positive aspects worth highlighting:

  - The 25% increase in PP&E, reaching 729,981 thousand euros as a consequence of parks being constructed which the Group intends to operate, with the corresponding impact on income from the sale of energy.

  - The increase in equity by 98,915 thousand euros, reaching a total of 343,730 thousand euros, mainly as a consequence of results generated for the year and the increased valuation of derivatives contracted to hedge energy sales.

  - Positive working capital, amounting to 31,320 thousand euros, which permits the Group to meet its short-term payment obligations comfortably and continue performing its activities while ensuring its stability and a decrease in its long-term financial debt.

  - The debt ratio remains in line with the previous year: 2.62 in 2022 and 2.68 in 2023. The breakdown of net debt is as follows:

Net debt	**12/31/2023**	**12/31/2022**
Non-current bank borrowings (*)	204,555	117,573
Current bank borrowings (*)	163,287	42,863
Other non-current financial liabilities	-	-
Other current financial liabilities	905	130
Current financial investments - other financial assets	(8,627)	(9,744)
Cash and cash equivalents (*)	(76,952)	(61,142)
Net recourse corporate debt	**283,168**	**89,680**
Recourse project debt (*)	-	16,352
Recourse project treasury (*)	(3,096)	(3,652)
Net recourse project debt	**(3,096)**	**12,700**
Unsecured project debt (*)	384,367	269,086
Unsecured project treasury (*)	(41,403)	(40,876)
Net unsecured project debt	**342,964**	**228,210**
Total net debt	**623,036**	**330,590**

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

3. Privileged information and other relevant information for FY 2023

- On February 3, 2023, Grenergy inaugurated three solar power plants with a capacity of 37 MW in Colombia, which provided light to 40,000 homes and will save 27,000 tons of CO2 per year.

- On February 8, 2023, Grenergy signed a senior financing agreement with Norddeutsche Landesbank - Girozentrale - ("NORD/LB") and Bankinter for a total balance of 89.5 million euros and a duration covering construction of the 150 MW Belinchón solar project located in Belinchón plus an additional 19 years.

- On February 14, 2023, Grenergy announced that it had acquired an additional 60% of interest in Sofos Harbert Renewable Energy, thereby owning 100% of said entity and renaming it Grenergy US.

- On February 21, 2023, Grenergy announced the sale of three PMGD distribution projects in Chile, with a joint capacity of 32.5 MWp, for a total amount of 44.2 million US dollars.

- On March 10, 2023, Grenergy signed a PPA with LyondellBasell for a 259 MW solar project. The agreement provides for annual delivery of 330 GWh from the La Cereal solar park and was arranged for a duration of 15 years. The park is expected to become operational in the first half of 2025.

- On March 29, 2023, Grenergy signed long-term power purchase agreements (PPAs) with a U.S. company for a duration of more than 10 years and covering the sale of approximately 665 GWh/year. This agreement was signed for a package of three photovoltaic solar projects located throughout Spain.

- On June 15, 2023, Grenergy agreed to sell 100% of the 150 MW Belinchón photovoltaic park located in Cuenca (Spain) to a European IPP for proceeds amounting to 83 million euros net of debt (equity value).

- On June 29, 2023, Grenergy signed a long-term power purchase agreement (PPA) with an international energy company, boasting an investment grade credit rating and present in the Chilean market, corresponding to approximately 140 GWh/year for a duration of 12 years counting from the start-up date of the power plant.

- On July 3, 2023, Grenergy signed a senior financing agreement with BNP Paribas and Société Générale for a total balance of 148 million US dollars, to be dedicated to construction of the Gran Teno and Tamango solar projects with a capacity of close to 300 MWp in central Chile. This financing corresponds to a green loan, in line with the Green Loan Principles (GLP).

- On September 11, 2023, Grenergy signed a long-term power purchase agreement (PPA) to supply Enel Generación Perú with green energy from the Matarani solar park, which is located in the Peruvian region of Arequipa and boasts a peak capacity of 97 MW.

- On October 18, 2023, Grenergy agreed to sell 100% of two photovoltaic parks (297 MW) in Spain to Allianz Capital Partners for an enterprise value of 270.6 million euros.

- On October 19, 2023, Grenergy agreed to establish a share buyback program of up to 40 million euros in order to reduce Grenergy's share capital via redemption of treasury shares.

- On June 22, 2023, Grenergy signed a corporate financing facility totaling 157 million US dollars with Banco Santander and covered by CESCE, a Spanish export credit insurance company, in accordance with its Green Investment Policy.

- On November 17, 2023, Grenergy signed its first non-solar PPA to supply the Chilean company EMOAC with green energy for a period of 15 years.

On November 21, 2023, Grenergy held its first Capital Markets Day in Madrid.

4. Strategy and objectives for upcoming years

From the commencement of its activities, the Group has fundamentally based its business model on the development, financing, and construction of solar and wind energy projects. Until 2019 all projects developed and constructed by the Group in Spain and Latam were sold to third parties, permitting Grenergy to use the funds obtained thereby to boost the inclusion of new projects in its pipeline and contribute the necessary capital to finance many of these projects so as to be able to construct and operate the portfolio of projects that have reached the ready-to-build phase.

Thus, the Group's strategy changed from a build-to-sell approach focused entirely on asset rotation to a mixed model in which the Group maintains ownership of a large part of the projects (build-to-own) while also maintaining some rotation of projects (build-to-sell), thereby allowing it to generate cash to be used mainly for the equity of projects it intends to keep in its portfolio.

The projects held in its portfolio generate recurring revenue from the sale of energy, sold under bilateral contracts with buyers of proven solvency, using bankable price stabilization schemes, directly to the market or a combination of these.

As a result of this activity, the Group has been able to connect and maintain 860 MW in its own portfolio up to the date of presentation of this report, thus becoming an IPP and beginning to generate income from the sale of energy.

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

In order to complement the activity of generating solar and wind energy, the Group initiated the process of developing storage equipment, a business based on storing energy from the photovoltaic and wind energy business models in order to engage in market arbitration and obtain income from capacity as well as seek the most efficient way to provide energy when there are no renewable resources. Thus, the Group currently boasts 2,736 MW of pipeline projects under construction and in development, equivalent to a capacity of 10,705 MWh.

The Group's objectives for 2024 are as follows: (i) develop photovoltaic solar and wind energy activity as well as storage activity; (ii) construct and manage a portfolio as IPP which by the end of the period will approximately reach 1.1 GW of aggregate installed capacity in projects, both photovoltaic solar and wind energy, in the different regional platforms where it operates (Europe, Latam, and USA), as well as 1,000 MWh of installed capacity in storage projects.

In addition, as will be defined below in the section on ESG objectives, the Group has a clear road map until 2026, which includes actions for implementing improvements in the area of corporate governance, environment, and social impact. A series of objectives have been considered for 2024, which will be disclosed in the quarterly presentations of results, and which form a part of the objective included in the variable remuneration for executive Board members and executives.

5. Corporate governance

The governance of Grenergy is conducted in accordance with the established principles of efficacy and transparency as per the main recommendations and standards prevailing at an international level.

<u>Board of Directors</u>

Below is a description of Grenergy's Board of Directors at the date of preparation of these consolidated financial statements, indicating the positions filled by each member:

Name/corporate name	Position	Type of director	Date of first appointment	End of appointment
Mr. David Ruiz de Andrés	Chairman / CEO	Executive	5/19/2015	4/24/2027
Mr. Antonio Jiménez Alarcón	Board member	Proprietary	11/15/2019	4/24/2027
Mr. Florentino Vivancos Gasset	Board member	Proprietary	5/19/2015	4/24/2027
Ms. Ana Peralta Moreno	Board member	Independent	6/27/2016	6/29/2024
Mr. Nicolás Bergareche Mendoza	Board member	Independent	6/27/2016	6/29/2024
Ms. María del Rocío Hortigüela Esturillo	Board member	Independent	11/15/2019	4/24/2027
Ms. María Merry del Val Mariátegui	Board member	Proprietary	6/29/2021	6/29/2025
Ms. Ana Plaza Arregui	Board member	Independent	9/26/2023	6/30/2024

The Board of Directors has in turn established the following committees:

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

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

Senior executives

Steering Committee

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

Name	Position
Mr. David Ruiz de Andrés	Chief Executive Officer (CEO)
Mr. Pablo Miguel Otín Pintado	Director of Operations
Mr. Daniel Lozano Herrera	Strategy and Capital Markets Director
Ms. Mercedes Español Soriano	M&A Director
Ms. Emi Takehara	Financial Director
Mr. Álvaro Ruiz Ruiz	Director of Legal Area
Mr. Francisco Quintero Berganza	Generation and Equity Director
Mr. Luis Rivas Álvarez	Director of Human Resources and Director of Digital Transformation and Innovation

Internal Audit

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

Average workforce

The average number of employees during 2023, broken down by professional categories, was the following:

Category	2023
Directors and Senior Management	14
Managers	11
Department heads	49
Technical staff	237
Laborers	127
Total	**438**

Regulatory environment

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

6. Risk management policy

<u>Organizational model</u>

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

In its Policy for Management, Risk Control and Internal Audit, the Group describes the basic principles and general framework for the control and management of the different types of risks which affect the Group in the different countries in which it operates, so that the risks are identified, quantified, and managed at all times. The macroeconomic, regulatory, and business risk factors are identified in said Policy. The Audit Committee is responsible for supervising the efficacy of the Group's internal control and risk management systems, periodically reporting to the Board of Directors on their performance. Risk control and management is carried out at the corporate level with three levels of defense involving executives as well as the compliance and internal audit functions. The latter is independent of the businesses and assesses the risk status, reporting periodically to the Board of Directors thereon.

The starting point for the process is in the definition of the risk concept and identification of the main risk factors that may affect the Group. This was performed by drawing up a risk map which assesses each risk in terms of probability and impact on key management objectives and financial statements. This risk classification allows for prioritization of risks. This risk map is updated annually.

A high level risk analysis was performed with respect to corporate risks during 2023. The main executives of the different areas in Grenergy individually reflected on the risks faced by Grenergy on a daily basis, subsequently aligning and agreeing on the risks identified to rank them in order of priority and relevance. We had the opportunity to discuss the most relevant risks during the year, such as talent management, supply chain risks, or project management risks.

Within the Risk Management System, the business and support units must function as the first line of defense: they are responsible for adequately identifying and quantifying the risks which affect them, as well as implementing the procedures and controls necessary for reasonable mitigation of said risks. These risks include tax risks and risks related to ESG criteria.

Internal Audit, which is independent of the businesses, reviews the functioning of the Group's processes and activities as well as the adequacy and effectiveness of the controls established by the different business units.

The business and support areas which manage risk to achieve organizational objectives:

- They direct and guide actions and resources in order to achieve the organization's objectives, including management of the risks that affect them,
- establish and maintain appropriate structures and processes for management of operations and risk, and
- they are responsible for compliance with legal, regulatory, and ethical expectations in their respective areas.

The Compliance Committee is responsible for carrying out all necessary actions for the correct implementation and functioning of the Crime Prevention System, as well as its monitoring. It must likewise promote and supervise the degree of implementation with regard to regulatory requirements, both internal and external, within the Group, participating in the clarification of potential non-compliance issues that are reported through the established communication channels.

Internal Audit independently assesses the risk status, reporting periodically to the Board of Directors thereon.

7. Environmental disclosures

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

Once the environmental permits have been obtained from the competent authority in the form of an Environmental Impact Statement and the initial construction phase of the projects has started, the Environmental Monitoring Programs are initiated and continued until the dismantling phase of the projects. These programs constitute the system which guarantees compliance with the protective measures defined and with respect to those incidents which may arise, allowing for detection of deviations from foreseen impacts and detection of new unexpected impacts, as well as recalibrating the proposed measures or adopting new ones. These programs also permit Management to monitor compliance with the Environmental Impact Statement efficiently and systematically as well as other deviations which are difficult to foresee and may arise over the course of the construction work and functioning of the project.

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

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

8. ESG analysis

December 2023 saw the successful completion of the ESG Roadmap 2021- 2023, a strategy focused primarily on laying the foundations and a sound basis for ESG performance.

Milestones were achieved during the three years of the plan, such as the issuance of the first green bond program in 2021, the creation of an internal monitoring procedure for ESG indicators in 2022, or the first third-party verification of the Sustainability Report in 2023, amongst others.

<u>Compliance with the ESG Action Plan 2023</u>

In February 2023 the Group published its ESG Action Plan 2023, including the objectives for the last phase of the ESG Roadmap 2023, affirming its commitment to informing the public on its progress every quarter.

During 2023, the main milestones were as follows:

- Verification with a limited assurance scope for the 2022 Sustainability Report was performed for the first time, without any deviation.
- An IT application (Sygris) was acquired for implementation of a collection and validation tool for non-financial information as a support for the future Internal Control System for Non-Financial Information, SCIINF.
- The information security policy was approved and published together with the health and safety policy, while the human rights policy and code of conduct for suppliers were updated.
- The science-based emission reduction targets (medium and long term) were validated by the Science-Based Targets Initiative (SBTi) following the SME pathway.
- The Double Materiality analysis was carried out, from the perspective of both financial impact as well as impact on the environment and people.
- The employee performance evaluation methodology was presented.

- An ESG training session was conducted for Grenergy's Board of Directors, Management Committee, and key personnel.

- Triple recognition was obtained from *Choose My Company* with HappyIndexatWork, ImpactESG, and HappyTrainees certifications.

- A climate change risk and opportunity assessment was performed, aligned with TCFD recommendations.

- The Net Zero by 2040 Strategy was presented

Table: Progress of the ESG Action Plan 2023

<u>Greater coverage of ESG ratings and sustainability indicators</u>

As a consequence of growing investor interest, Grenergy continues to expand its coverage of ESG rating agencies and sustainability indicators. In this regard, Company performance in 2023 improved in terms of assessments carried out by Sustainalytics and the Dow Jones Sustainability Index, demonstrating its leadership position in MSCI ESG and CDP Climate Change, four of the world's most prestigious ESG rating agencies.

- **Sustainalytics**

Grenergy has been acknowledged as one of the 250 most sustainable companies in the world for the third consecutive year, according to the latest analysis carried out by Sustainalytics, one of the main indices in the world that addresses the ESG criteria of companies. Specifically, Grenergy holds the 235th position in the ranking of 15,000 companies analyzed. In addition, the Company obtained first position in its sector in terms of capitalization; fourth place amongst the 95 companies specialized in independent energy production analyzed by Sustainalytics; as well as seventh position amongst the more than 700 utilities of the index.

Sustainalytics measures the exposure of companies to ESG risks and their ESG risk management on a scale of 0 to 100 (the lowest number representing the best rating). In this edition, the international index rated Grenergy with a 9.7, placing it in the negligible ESG risk category (the lowest category).

After thoroughly evaluating the behavior and performance of Grenergy in environmental, social and governance matters, Sustainalytics positively assessed the great efforts made by the Company to improve community relations, invest in human capital as well as health and safety at work, and its governance policies.

Table: Comparison of Grenergy's results provided by Sustainalytics in 2023.

- **S&P Global ESG Score – Dow Jones**

Grenergy has consolidated its noteworthy presence in the S&P Global ESG Score rating subsequent to the S&P Global Corporate Sustainability Assessment (CSA) of the Dow Jones Sustainability Index. Grenergy obtained a remarkable score of 68 out of 100 in the report corresponding to 2023, which represents a significant improvement of 12 points over the previous year. This achievement places Grenergy in the 85% percentile of the electrical utilities industry, positioning it in the TOP 15% of all companies evaluated.

- **MSCI ESG Rating**

In addition, in 2023 Grenergy maintained its leadership position in the MSCI ESG Rating index, obtaining the highest rating (AAA) for the second consecutive year as one of the most sustainable companies in the utilities sector with an overall industry-adjusted score of 9.8/10, a rating which includes only 13% of all participants. According to the MSCI report, the Company leads the sector locally and globally, achieving the highest scores in the following categories: "Carbon emissions"; "Opportunities in Renewable Energy"; and "Corporate Governance.

GRENERGY RENOVABLES, S.A	AAA
PEER 1	AAA
PEER 2	AAA
PEER 3	AA
PEER 4	A
PEER 5	A

MSCI

Table: MSCI ESG rating obtained by Grenergy in 2023 in comparison with its peers.

- **ISS ESG**

Grenergy was assessed by ISS ESG in December 2023 and again received an A- rating with a "very high" level of transparency, thereby distinguishing itself as a Prime company. This result continues to strengthen Grenergy's positioning as an ESG leader, outperforming all of its peers as of the ISS report publication date.

- **Ethifinance ESG**

Finally, the ESG and credit rating agency (formerly Axesor), Ethifinance ESG, evaluated Grenergy in 2023 (based on 2022 information), obtaining a score of 80/100 and improving with respect to 2020 (64/100) and 2021 (75/100). Grenergy's score in Ethifinance's ESG assessment indicates above average performance in all index categories of the Utilities sector out of a total of 50 companies.

9. Investment in research and development

The Group did not capitalize any amounts relating to R&D investments during 2023.

However, the Strategy Department created the New Technologies Division, which will focus on implementing the emerging energy storage technologies in the Group's value chain, taking charge of the design in terms of both engineering and economics as well as the development of such plants in the different markets where the Group operates. Further, in order to make these projects competitive as soon as possible, the Group has also organized its own team which is working with consultancy firms to analyze access to public funds aimed at transforming the energy matrix to renewable energies.

10. Treasury shares

The treasury share portfolio at the closing of FY 2023 is comprised of the following:

	Balance at 12.31.2023
Number of shares in treasury share portfolio	**1,200,222**
Total treasury share portfolio	**32,989**
Liquidity Accounts	952
Fixed Own Portfolio Account	32,037

During FY 2023, the movements in the treasury share portfolio of the Parent were as follows:

	Treasury shares		
	Number of shares	Nominal value	Average acquisition price
Balance at 12.31.2022	**611,148**	**19,728**	**32.28**
Acquisitions	1,273,202	34,407	27.02
Disposals	(684,128)	(21,146)	30.91
Balance at 12.31.2023	**1,200,222**	**33,989**	**27.49**

In November 2022, the Parent launched a share buyback program in order to remunerate its key personnel via share option plans. This program finalized in March 2023 once the maximum number of shares allowed for under the share buyback program had been reached (400,000).

In October 2023, the Parent launched a share buyback program to reduce its share capital and remunerate Grenergy's shareholder with increased earnings per share. This program was not complete at December 31, 2023, with the number of shares acquired at said date totaling 560,339.

At December 31, 2023 treasury shares represent 3.9% of all the Parent's shares.

11. Average supplier payment period

In compliance with Law 31/2014 of December 3, modifying the third additional provision, "Disclosure requirements," of Law 15/2010 of July 5, the Group reports that the average payment period for the Parent, Grenergy Renovables, S.A., to its suppliers was 49 days.

12. Annual Corporate Governance Report

The Annual Corporate Governance Report for 2023 is attached as an appendix to this Management Report and forms an integral part thereof, as required by article 538 of the Spanish Corporate Enterprises Act.

13. Annual Report on Remuneration for Directors

The Annual Report on Remuneration for Directors, which forms a part of this management report as required by article 538 of the Spanish Corporate Enterprises Act, is presented in a separate document that can be accessed at the website of the Spanish National Securities Market Commission (CNMV in its Spanish acronym).

14. Non-financial statement

The statement of non-financial information, referred to in article 262 of the Spanish Corporate Enterprises Act and article 49 of the Commercial Code, is presented in a separate report known as the non-financial statement. The consolidated non-financial statement for Grenergy Renovables, S.A. and its subsidiaries corresponding to FY 2023 expressly states that the information contained therein forms a part of this Consolidated Management Report. Said document will be subject to verification by an independent verification service provider and is subject to the same criteria for approval, filing, and publication as this Consolidated Management Report.

15. Events after the reporting period

In 2023, the Group agreed upon the sale of 100% of the Matarani solar park in Peru (97 MW). This sale was subject to fulfillment of certain suspensive clauses which were fulfilled at the date of authorization of the consolidated financial statements.

16. Final considerations

We would like to take this opportunity to thank our clients for their confidence in us, as well as our suppliers and strategic partners for their constant support; our investors for having believed in Grenergy since its shares were listed, and especially to our Group's collaborators and employees, since without their efforts and dedication, we would find it difficult to achieve the established targets or the results obtained.

Appendix I: Glossary of alternative performance measures (APM)

This consolidated management report includes financial figures considered alternative performance measures (**APM**s), in conformity with the directives published by the *European Securities and Markets Authority* (ESMA) in October, 2015.

APMs are presented to provide a better assessment of the Group's financial performance, cash flows, and financial position, to the extent that Grenergy uses them when making financial, operational, or strategic decisions for the Group. However, these APMs are not audited, nor is it necessary to disclose or present them under IFRS-EU. Therefore, they must not be considered individually but rather as complementary information to the audited financial data or the financial information subject to limited reviews prepared in accordance with IFRS-EU standards. Further, these measures may differ in both definition as well as in their calculation as compared to similar measures used by other companies, and are thus not necessarily comparable.

The following is an explanatory glossary of APMs utilized, including their calculation methods and definitions or relevance, as well as their reconciliation with items recorded in Grenergy's 2023 and 2022 consolidated financial statements.

ALTERNATIVE PERFORMANCE MEASURE (*APM*)	CALCULATION METHOD	DEFINITION/RELEVANCE
Income	"*Revenue*" + "*Work performed by the entity and capitalized.*"	Indicates the total volume of income obtained from the Group's operating activities, regardless of whether it was obtained from projects constructed for third parties or own projects.
EBITDA	"*Operating profit*" - "*Impairment and losses*" - "*Amortization and depreciation of assets.*"	Indicates profitability to evaluate the operational capacity to generate cash flows from the Group's different activities.
Net debt	"*Non-current borrowings*" — "*Non-current derivatives*" + "*Current borrowings*" — "*Current derivatives*" - "*Current financial investments*" — "*Other financial assets*" - "*Cash and cash equivalents.*"	A measure of profitability used by Management which permits assessment of the level of net debt for the assets.
Non-current bank borrowings	"*Non-current: Bonds and other marketable debt securities*" + "*Non-current bank borrowings*" + "*Non-current lease liabilities*" - *"Non-current project bank borrowings."*	The amount of financial debt not associated with a project which the Group must settle within a period exceeding one year. The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of debt.
Current bank borrowings	"*Current liabilities: Bonds and other marketable debt securities*" + "*Current bank borrowings*" + "*Current lease liabilities*" *- Current project bank borrowings.*	The amount of financial debt not associated with a project which the Group must settle within a year. The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of debt.
Cash and cash equivalents	"*Cash and cash equivalents*" — Project cash balance	The balance corresponding to the treasury of the Parent and the remaining subsidiaries which are not SPVs. The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of its treasury.

ALTERNATIVE PERFORMANCE MEASURE (*APM*)	CALCULATION METHOD	DEFINITION/RELEVANCE
Recourse project debt	Non-current recourse project bank borrowings + Current recourse project bank borrowings.	Indicator of project debt secured by the Parent The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of debt.
Recourse project treasury	"*Cash and cash equivalents*" — Cash in hand and equivalents — Unsecured project treasury	The amount held in the treasury of SPVs which owe the Parent secured debt. The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of its treasury.
Unsecured project debt	Non-current unsecured project finance bank borrowings+ Current unsecured project finance bank borrowings	Indicator of project debt not secured by the Parent The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of debt.
Unsecured project treasury	"*Cash and cash equivalents*" - Cash in hand and equivalents and unsecured project treasury	The amount held in the treasury by SPVs who owe debt unsecured by the Parent. The Group issued green bonds in 2019 and 2022 subject to the fulfillment of certain covenants which require this disclosure of its treasury.
Working capital	Current assets — Current liabilities	Indicator of the Group's capacity to continue with the normal performance of its activities in the short term
Debt ratio	(Non-current liabilities + Current liabilities) / Equity	Indicator of the Group's solvency

The following is a reconciliation of the APMs used (in euros):

Income

RECONCILIATION OF INCOME	12/31/2023	12/31/2022
"*Revenue*"	179,139	110,584
+ "*Work performed by the entity and capitalized*"	221,099	182,423
Total income	**400,238**	**293,007**

EBITDA

RECONCILIATION OF EBITDA	12/31/2023	12/31/2022
"*Operating profit*"	86,563	29,816
- "*Impairment and losses*"	-	(6,160)
- "*Depreciation and amortization*"	(17,946)	(14,178)
Total EBITDA	**104,509**	**50,154**

Net debt

RECONCILIATION OF NET DEBT	12/31/2023	12/31/2022
"Non-current borrowings"	536,550	384,119
- *"Non-current derivatives"*	-	20,586
+ *"Current borrowings"*	220,496	118,612
- *"Current derivatives"*	3,932	36,141
- *"Current financial investments"*—*"Other financial assets"*	8,627	9,744
- *"Cash and cash equivalents"*	121,451	105,670
Total Net Debt	**623,036**	**330,590**

Non-current financial debt

RECONCILIATION OF NON-CURRENT FINANCIAL DEBT	12/31/2023	12/31/2022
"Non-current: Bonds and other marketable debt securities"	51,915	83,231
+ *"Non-current bank borrowings"*	433,791	254,229
+ *"Non-current lease liabilities"*	50,844	26,073
- *"Non-current project finance bank borrowings"*	(331,995)	(245,961)
Total non-current financial debt	**204,555**	**117,572**

Current financial debt

RECONCILIATION OF CURRENT FINANCIAL DEBT	12/31/2023	12/31/2022
"Bonds and other marketable debt securities"	68,430	34,529
+ *"Current bank borrowings"*	144,186	46,307
+ *"Current lease liabilities"*	3,043	1,505
- *"Current project finance bank borrowings"*	(52,372)	(39,477)
Total current financial debt	**163,287**	**42,864**

Cash and cash equivalents

RECONCILIATION OF CASH AND CASH EQUIVALENTS	12/31/2023	12/31/2022
"Cash and cash equivalents"	121,451	105,670
- *"Project treasury"*	(44,499)	(44,528)
Total cash and cash equivalents	**76,952**	**61,142**

Recourse project debt

RECONCILIATION OF RECOURSE PROJECT DEBT	12/31/2023	12/31/2022
Non-current recourse project finance bank borrowings	-	-
+ Current recourse project finance bank borrowings	-	16,352
Total recourse project debt	**-**	**16,352**

Unsecured project debt

RECONCILIATION OF UNSECURED PROJECT DEBT	12/31/2023	12/31/2022
Non-current unsecured project finance bank borrowings	353,445	245,961
+ Current unsecured project finance bank borrowings	30,922	23,125
Total unsecured project debt	**384,367**	**269,086**

Recourse project treasury

RECONCILIATION OF RECOURSE PROJECT TREASURY	12/31/2023	12/31/2022
"*Cash and cash equivalents*"	121,451	105,670
- Cash in hand and equivalents	(76,952)	(61,142)
- Unsecured project treasury	(41,403)	(40,876)
Total recourse project treasury	**3,096**	**3,652**

Unsecured project treasury

RECONCILIATION OF UNSECURED PROJECT TREASURY	12/31/2023	12/31/2022
"*Cash and cash equivalents*"	121,451	105,670
- Cash in hand and equivalents	(76,952)	(61,142)
- Recourse project treasury	(3,096)	(3,652)
Total unsecured project treasury	**41,403**	**40,876**

Working capital

RECONCILIATION OF WORKING CAPITAL	12/31/2023	12/31/2022
"Current assets"	388,416	205,139
- Current financial investments, Derivatives	(1,220)	(1,501)
- Current liabilities	(338,010)	(221,270)
+ Current borrowings, Derivatives	3,932	36,141
- Right-of-use assets (Inventories)	(21,798)	-
Total working capital	**31,320**	**18,509**

Debt ratio

RECONCILIATION OF DEBT RATIO	12/31/2023	12/31/2022
Non-current liabilities	584,596	420,896
+ Current liabilities	338,010	221,270
/ Equity	343,730	244,815
Total debt ratio	**2.68**	**2.62**

AUTHORIZATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE CONSOLIDATED MANAGEMENT REPORT FOR THE YEAR ENDED DECEMBER 31, 2023

The consolidated financial statements and consolidated management report for FY 2023 were authorized for issue by the Board of Directors of the Parent, GRENERGY RENOVABLES, S.A., in its meeting on February 27, 2024, for the purpose of submission for verification by the auditors and subsequent approval by the shareholders in general meeting.

Ms. Lucía García Clavería is authorized to sign all pages comprising the consolidated financial statements and consolidated management report for FY 2023.

Mr. David Ruiz de Andrés (Chief Executive Officer)	Mr. Antonio Jiménez Alarcón (Board Member)
Mr. Florentino Vivancos Gasset (Board Member)	Ms. Ana Peralta Moreno (Board Member)
Mr. Nicolás Bergareche Mendoza (Board Member)	Ms. María del Rocío Hortigüela Esturillo (Board Member)
Ms. María Merry del Val Mariátegui (Board Member)	Ms. Ana Plaza Arregui (Board Member)

Grenergy
renovables

THE SKY IS THE LIMIT

SUSTAINABILITY REPORT 2023

Growing to the Next Level

INDEX

CEO INTERVIEW

What is your assessment of Grenergy's performance in 2023?

2023 has been a very positive year for Grenergy. We are very satisfied with the evolution of the business in our three geographic platforms: Latin America, Europe and the United States, through the sale of energy, the increase in our production and the rotation of different assets. Throughout the year we have achieved historical figures in our results, which reflect the consolidation of our business and demonstrate the acceleration and exponential growth of Grenergy.

In this regard, I would like to highlight the Valkyria project, the divestment process of a 1GW project portfolio in Spain that we announced at the beginning of the year, and of which I can say that we have already completed 85%. We have also recently announced the divestment of 174MW of renewable energy in Peru.

Grenergy recently announced its 2024-2026 strategic plan, what are the general objectives?

Our growth plans for the coming years are closely linked to energy storage, a technology that we consider key to making the energy transition a reality. In addition, we have also announced our installed capacity targets for 2026, which amount to 5GW solar and 4.1GWh in batteries.

We have announced a financial plan to address an investment of €2.6 billion through 2026. Our growth will be financed, in addition to the support of our banking pool, with dividends generated on the platform itself and asset rotation. Specifically, we have increased the rotation target to 350 and 450 MW per year of installed solar capacity, with which to generate more than 600 million euros by the end of the period.

Also, in ESG terms, the new sustainability strategy 2024-2026 has been announced, which will focus on improving our performance in environmental, social and governance issues.

Why is Grenergy betting on storage?

Storage is our major commitment between now and 2026 because it is a technology that, on the one hand, provides flexibility in energy management, reducing the risk of solar cannibalization and, on the other hand, provides us with even higher returns than those traditionally obtained from solar energy.

To boost storage in the coming years, we plan to invest EUR 800 million. Our Oasis de Atacama project in Chile, which we presented at the successful Capital Markets Day in November, is the world's largest battery project with a capacity of 4.1 GWh and around 1GW solar. We will invest up to 1,400 million dollars and, once fully operational, will supply energy to more than 145,000 homes and prevent the emission of more than 146,000 tons of CO_2.

Turning to sustainability, what is your assessment of global progress on sustainability in 2023?

Despite the criticisms launched from some quarters and the need expressed by others to accelerate the implementation of measures, the fact is that decisions continue to be taken and commitments made by international institutions. In this regard, it is important to highlight the milestone achieved during the COP28 in Dubai, where all participating countries agreed for the first time to leave behind the use of fossil fuels.

And with this same objective on the horizon, there is the commitment promoted by the International Energy Agency (IEA) and the European Union to no less than triple the installation of renewable energies by 2030. This inevitably entails a firm commitment to energy trans- formation that will entail a qualitative and quantitative leap in investments and infrastructures.

Moreover, at the European level, we must remember that the Green Pact aims to make Europe climate neutral by 2050 and that the planned economic effort is expected to reach one trillion euros of investment over this decade.

The challenge is to reduce greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels, but also to achieve more than 45% share of renewable energy in the energy mix and, also, to reach the photovoltaic target of 740 GW in 2030 and to accelerate the deployment of renewable energy sources to 69% by the same date.

How do these commitments translate into the national context?

The European commitment is of no use if it is not transposed to the national level of each of its members. In this sense, the EU urges each country to design their respective national roadmaps that contribute to the achievement of the common objective.

In the case of Spain, they have been embodied in the Strategic Framework for Energy and Climate, and its subsequent implementation through the National Integrated Energy and Climate Plan (PNIEC) 2021-2030. Its goals are none other than to comply with the pacts assumed by the country within the framework of the European Union and the Paris Agreement on climate change.

What is the sustainability regulatory framework like in other key markets where Grenergy operates?

Very similar levels of commitment are being achieved in all the areas in which Grenergy is present.

The United States, for example, is planning the largest investment in its history to address climate change and accelerate the energy transition, as set out in the Inflation Reduction Act (IRA). Among the objectives, the U.S. government hopes to increase the deployment of solar photovoltaic technology from the current 67GW to 1000GW by 2035, a project that is expected to raise
739 billion and authorize US$369 billion in expenditures associated with energy security and climate change. Chile, a key market for the company, has also shown its concern as a country highly vulnerable to the effects of climate change and, through the law known as Chile's Climate Change Framework, seeks a 45% reduction in greenhouse gas emissions by 2030 and carbon neutrality by 2050.

What is your assessment of the company's sustainability strategy in 2023?

In the specific case of Grenergy, this year marked the successful consolidation of our 2021-2023 plan, which laid the foundations for our performance in this area. During this period, milestones have been achieved, such as the issuance of the first green bond program in 2021, the creation of an internal monitoring procedure for ESG indicators in 2022, or the first third-party verification of the Sustainability Report in 2023. These are just a few examples that highlight our commitment to making sustainability the transversal axis of the entire business. 2023 was also the time to design the company's sustainable future, which is set out in our Sustainability Strategy 2024-2026. With it in hand, we can proudly say that ESG aspects are at the heart of Grenergy.

With what actions have the pillars on which the company's ESG strategy is based materialized in 2023?

In 2023, we have continued to add initiatives -and also achievements- that allow us to advance as a company in our commitment to the environment, society and our own governance. This has also been perceived by the market and we are very proud to have been included in different indexes.

In general terms, as a company we feel responsible for contributing to building a greener future, which is why we have made it a strategic priority to adopt urgent measures to combat climate change and its effects and to promote the sustainable use of terrestrial ecosystems, combat desertification and halt the loss of biodiversity.

And, specifically, with respect to environmental issues?

With respect to climate change mitigation, Grenergy's own business model plays a key role in driving the transition to a fossil-free energy system, with the aim of effectively reducing greenhouse gas emissions into the atmosphere. By 2023, through the generation of renewable electricity from our projects, we will avoid the emission of more than 325,400 tCO2e. This amount translates into the annual emissions associated with the energy consumption of more than 333,200 households.

But we are going further, and have joined the SBTi initiative, which validates emission reduction targets based on science. Along these lines, we have validated our near-term targets for Scope 1 and 2 in 2030, taking 2021 as the base year.

During this fiscal year, we will work on a new validation for the most ambitious reduction targets, aligned with our net zero to 2040 strategy, with which we are ten years ahead of European and national commitments such as the EU Green Deal and PNIEC.

Regarding the restoration of natural habitats and the minimization of impacts on biodiversity, Grenergy conducts comprehensive environmental assessments prior to any project definition and design. In addition, in 2023 we have implemented several notable concrete measures such as the rescue and relocation of wildlife at the Gran Teno solar plant in Chile, the compensation plan at the Tucanes solar park in Colombia, and the rescue and relocation of Violets at the Condor photovoltaic project in Chile. We also carried out lizard rescue and relocation efforts, as well as the cultivation of aromatic plants and soil improvement at the San Miguel de Allende solar park in Mexico.

What about social issues?

In the social sphere, we are fully aware of the impact we leave in the communities where we carry out our operations, and we strive to generate a positive social impact. In 2023, Grenergy's commitment to local communities has been manifested through concrete initiatives that seek to generate shared value and contribute to improving people's quality of life. In fact, in the last year we have generated a total of 3,500 direct and indirect jobs, contributing to the creation of wealth.

The main lines of work have been: environmental education and awareness, training and generation of local employment, and the provision of affordable, non-polluting energy. The latter includes the Quillagua solar plant in Chile, built specifically so that the local community, which did not have access to the grid, could have electricity 24 hours a day; or Gran Teno, our 240 MW solar plant located in the Chilean commune of Teno, which has contributed to strengthening the electrical stability of the health center not only in that community, but also in neighboring towns such as San Rafael, El Quelmén, Villa Los Robles, Villa San Ramón and Eucalipto. Also in Chile, this time in the Maule region, the Tamango photovoltaic park generated employment opportunities for 100 people, thus contributing to local economic development. In the field of education, although also linked to the objectives of raising awareness and mitigating the effects of climate change, the Kosten scholarship has been created in Argentina to promote the study of careers related to renewable energies.

What about governance issues?

Corporate governance is the cornerstone on which the implementation of the sustainability strategy is based. Grenergy is firmly committed to the establishment of a transparent and efficient corporate governance system, aimed at creating long-term value and safeguarding the interests of all parties.

In 2023, we have been working on gender equality policies, both within our company and within our collaborators and local institutions.

Thus, we have maintained parity on the company's Board of Directors, we have increased the number of women in management positions to 39, and we have succeeded in promoting the participation of women in the construction, operation and maintenance of wind farms, traditionally occupied by men.

We cannot fail to mention the demanding sustainability reporting regulations that all companies face, which oblige us to establish a rigorous, homogeneous and transparent reporting system. This is in addition to the high standards of evaluation and management of financial and non-financial risks and opportunities to which we must respond.

Finally, it is worth highlighting the relevant efforts made to improve cybersecurity due to its relevance in view of the possible vulnerabilities it could entail for the company.

Recently, Grenergy has announced its 2024-2026 strategic plan, how does the company approach its ESG-focused growth strategy?

2023 has been the successful culmination of the sustainability roadmap we launched in 2021, focused mainly on laying the foundations and a solid foundation for the company's ESG performance. From this privileged position, Grenergy now faces a new strategic

plan, which focuses on nothing less than perfecting the initiatives carried out in this area and establishing more ambitious commitments. Through six key dimensions for the company, such as climate change, environment, people, value chain, sustainable finance and innovation and corporate governance. Grenergy will carry out more than 100 actions in the 2024-2026 period, with which it will reinforce its leadership in ESG and maintain its position as a benchmark in the sector. Yes, we are leaders in our industry in terms of sustainability. And it's not just me saying, but many global indexes have put us in this position. From the prestigious Dow Jones, which celebrates its 25th anniversary this year, to the CDP or MSCI, and including Sustainalytics, they place us as a benchmark, which fills us with pride and for which we will undoubtedly work to maintain and even, why not, reinforce. In 2023, as a novelty, we have also been included in the IBEX ESG index, as one of the 47 listed companies that promote the best sustainable investments.

What are the biggest challenges of the new ESG 2024-2026 strategy?

Grenergy takes a holistic view of sustainability. In climate change, we want to become a carbon neutral company by 2040, i.e. a decade ahead of the target set by Europe. In the environmental area, we have set ourselves the short- and medium-term goal of achieving a positive biodiversity footprint, while in people we want to reinforce the inclusion of key ESG elements in the variable compensation of all employees. For value-chain issues, efforts will be made to assess the suppliers in terms of ESG prior to contracting. In matters related to sustainable finance and innovation, the company expects to invest more than 90% of capital expenditure in activities aligned with the EU taxonomy.

Finally, in corporate governance, we aim to satisfactorily report on ESG aspects according to the CSRD, while improving the assessment and management of risks and opportunities.

How does Grenergy integrate its employees into its sustainability strategy?

The people who make up Grenergy's workforce are a fundamental part of the company's success. Our sustainability policy places our more than 420 employees at the center, and is committed to guaranteeing equal opportunities, favoring labor flexibility, fostering professional development and promoting a culture of health and safety.

A good place to work is characterized by close communication and collaborative relationships based on respect, credibility and integrity of people, while at the same time promoting fairness and diversity based on impartiality, fostering the feeling and pride of belonging. Grenergy, as a global organization, demonstrates its ability to attract and retain talent, backed by the Choose My Company certification. In 2023, Grenergy was recognized worldwide with the certifications: "HappyAtWork", "WeImpactESG" and "HappyIndexTrainees".

KEY FIGURES 2023

Net zero 2040
NET ZERO Grenergy **Commitment approved** approved for the Scopes 1, 2 and 3

325,408 tCO_2
Emissions avoided

36%
Scope 1 and 2 **emission reductions**

600 Mm^3
Water consumption savings

50%
% of waste for reuse/recycling

18,664 hours
Health and safety training for employees

40%
Audited suppliers

>3,100 employees
Direct employment created

40%
Women's employment at **Grenergy's largest project,** Gran Teno, Chile

295 k€
Donations and investments to the local community

Industry leaders in ESG ratings
SUSTAINALYTICS – **<10** (negligible risk)
MSCI – **AAA**
IBEX Gender Equality Index
IBEX ESG

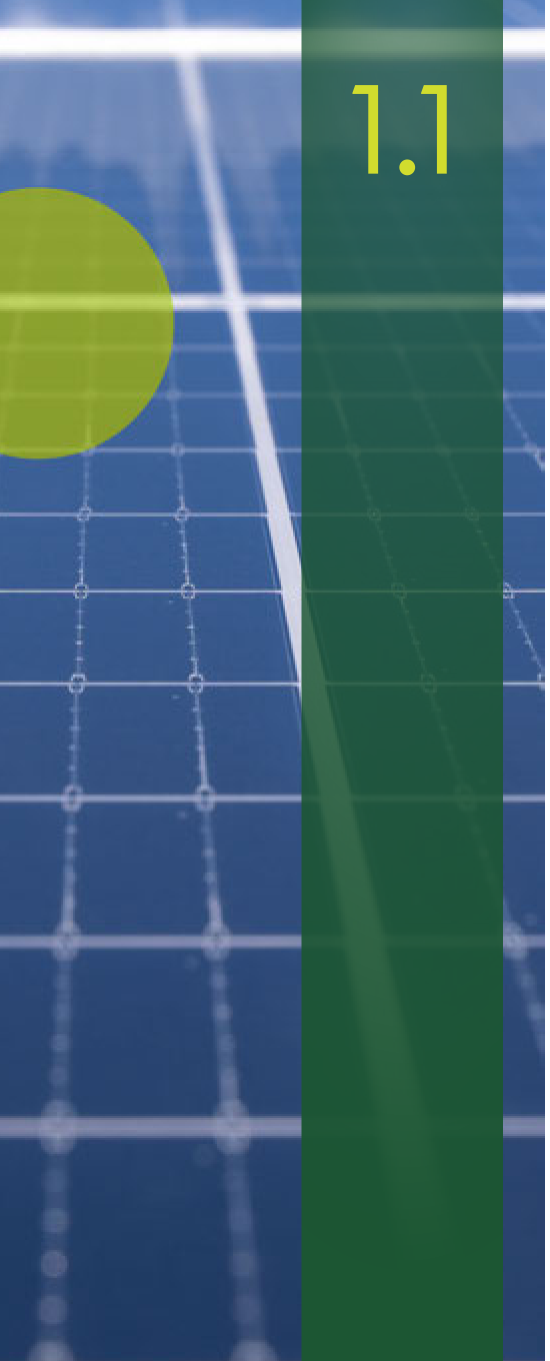
157 M€
Secured green financing with innovative **Green Sustainability Linked Hedge**

99%
CAPEX eligible and aligned with taxonomy

32 %
Employee growth. 4th consecutive year with **double-digit** growth

100 %
Of senior management with variable compensation linked to ESG objectives

01 SUSTAINABLE GROWTH STRATEGY



1.1

REGULATORY FRAMEWORK

1.1.1 ENERGY REGULATORY CONTEXT

SPAIN:

National Energy and Climate Integrated Plan (PNIEC 2021-2030)

Spain's National Integrated Energy and Climate Plan 2021-2030, integrated into the Strategic Energy and Climate Framework, is a comprehensive roadmap that reflects the country's commitment to decarbonization, energy efficiency and the promotion of renewable energies to address the challenges of climate change and move towards a more sustainable future. In this sense, it seeks to integrate at the national level the energy and climate policies determined by the European Union.

In this context, their preparation is a requirement of the European Union regulations, which require the development of a National Plan for each Member State to achieve the agreed energy and climate objectives. The PNIECs submitted by each Member State will help the Commission to determine the degree of joint compliance and the establishment of actions for the correction of possible deviations.

The main objective of the PNIEC is to comply with the commitments assumed by Spain within the framework of the European Union and the Paris Agreement on climate change. These are about:

-23%
Greenhouse gas (GHG) emissions with respect to 1990

42%
Of renewables on energy end use

39.5%
Energy efficiency improvement

74%
Of renewable energy in power generation

Just Transition Strategy

The Just Transition Strategy, also included in the Strategic Energy and Climate Framework, mainly seeks to maximize the social gains of the ecological transformation and mitigate negative impacts, following the guidelines of the International Labor Organization (ILO) and the recommendations of the Paris Agreement.

EUROPE:

REPowerEU

In 2022, the European Commission presented the REPowerEU Plan with the aim of transforming the European energy system, accelerating the transition to clean energy and strengthening energy security. The plan includes measures such as energy savings, supply diversification and rapid substitution of fossil fuels. It is proposed to increase the renewable energy target for 2030 to 45%, with a focus on solar energy. The plan requires an investment of €210 billion and has financial support from the Recovery and Resilience Mechanism.

The package of measures aims to **reduce net greenhouse gas emissions by at least 55 % by 2030 and to achieve climate neutrality by 2050.**

REPowerEU seeks effective coordination between European and national measures, investments, reforms and an interconnected energy network. Collaboration between Member States is essential to make the phasing out of dependence on Russia feasible and affordable.

European Green Deal

The global energy sector is undergoing a profound transformation process, in which renewable energies are a key element to accelerate the energy transition and thus achieve the climate neutrality goals that organizations, countries and regions are setting for themselves. The EU Green Deal (2020) aims to make Europe **climate neutral by 2050, mobilizing at least 1 trillion euros in sustainable investment over the next 10 years**.

Its main objectives are:

-55% Greenhouse gas (GHG) emissions by 2030, 1990 base year

45% 2030 renewable energy target on final consumption among all technologies

100% Zero net GHG emissions by 2050

740 GW Photovoltaic energy in 2030

69% 2030 renewable energy target for electricity generation

To ensure that Europe is a pioneer of industrial innovation and clean technology, the Green Pact Industrial Plan will rest on four pillars: predictable and simplified regulatory framework, faster access to finance, improved skills and open trade for resilient supply chains.

USA:

IRA

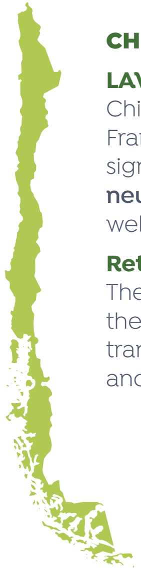
The United States, in its fight against inflation and deficit reduction, also **seeks to reduce its emissions in half by 2030**. In August 2022 it passed the Inflation Reduction Act (IRA) to accelerate the energy transition and boost clean energy. The act represents the largest investment to address climate change in the country's history.

The government's solar PV technology deployment target aims for an increase from the current 67 GW to 1000 GW by 2035.

-45% GHG emissions in 2030

369 MM USD Investment associated with **energy security and climate change**

1000 GW Solar photovoltaic technology in 2035



CHILE:

LAW 21455-framework law on climate change

Chile is a country highly sensitive to climate change and Law 21455, known as Chile's Climate Change Framework, published in 2021, aims to address the climate change challenges it faces. This legislation sets significant targets such as **a 45% reduction in greenhouse gas (GHG) emissions by 2030 and carbon neutrality by 2050**. It also encourages the use of renewable energies and the phasing out of fossil fuels, as well as the protection of biodiversity and ecosystems.

Retirement and/or Conversion Plan for Coal-Fired Units

The plan to retire and reconvert coal units in Chile seeks to reduce dependence on coal energy, replacing these plants with cleaner and renewable sources. It includes the progressive closure of coal plants and the transition to energy sources such as solar, wind and hydroelectric. This process is aligned with sustainability and climate change mitigation objectives, promoting the decarbonization of the Chilean energy sector.

-45% GHG emissions to 2030

100% Achieving zero net GHG emissions by 2050

1.1.2 ESG REGULATORY CONTEXT

Climate Change and Energy Transition Act (PNIEC 2021-2030)

In 2019, the Strategic Energy and Climate Framework was presented, which includes an essential regulatory and legal framework to achieve the decarbonization of the Spanish economy in line with European Union regulations. This framework includes, among others, the Climate Change and Energy Transition Law, explained below, the National Energy and Climate Plan and the Just Transition Strategy explained in the previous section.

The Climate Change and Energy Transition Law was approved in 2021 and its main objective is to reduce greenhouse gas emissions, promote the transition to renewable energies and promote sustainable practices in various economic sectors. Its implementation reflects a governmental commitment to address environmental impacts and promote more sustainable development. It is an essential regulation for the decarbonization of the Spanish economy.

CNMV Recommendations

The CNMV's Recommendations seek to promote transparency and quality in the disclosure of non-financial information, allowing companies to communicate in a transparent and transparent manner.

effectively their performance in environmental, social and corporate governance areas. They mainly affect companies subject to Non-Financial Information Reporting (NFR) in Spain.

These include the importance of a clear definition of the perimeter and scope of the Non-Financial Information Report (NFR), greater detail in the business model, including objectives and relationship with non-financial issues, as well as a double materiality approach. Additionally, it is urged to improve the presentation of environmental impacts and follow TCFD recommendations. Finally, more detail on policies and preventive actions for corruption and bribery and a detailed risk analysis on human rights and society.

Human Rights and Environmental Due Diligence Directive

The Human Rights and Environmental Due Diligence Directive aims to promote sustainable and responsible business behavior by implementing specific measures to identify, prevent and mitigate actual and potential adverse effects on the environment and human rights of their own activities, the activities of their subsidiaries and the activities in the value chain of entities with which they have an established business relationship. This Directive will affect large companies in the European Union, but it also includes supporting provisions for all organizations, including SMEs.

The national administrative authorities designated by the Member States shall be responsible for supervising compliance of these standards, with the ability to impose fines in the event of non-compliance. With this Directive, the requirements will be increased, toughening sanctions and the recognition of damages, bans and limitations. In short, these measures will seek to establish an aligned regulatory basis in all member states to promote ethical and sustainable practices in all business operations.

Environmental taxonomy

The European Green Pact emerged as a growth strategy to transform the European Union into an equitable and prosperous society with an efficient, modern and competitive economy, achieving net zero greenhouse gas emissions by 2050.

To meet these objectives, the European Union established a regulatory framework that incorporates the Sustainable Finance Action Plan. This plan has three main goals: to redirect capital flows toward sustainable investments, to manage financial risks related to climate change and other environmental and social aspects, and to promote transparency and a long-term approach to financial and economic activities.

To achieve the first goal, the Taxonomy Regulation (EU) 2020/852, adopted on June 18, 2020 , was created by the European Parliament and the Council. This initiative is complementary to the Corporate Sustainability Reporting Directive (CSRD) and other regulations that seek to promote more sustainable financial practices. It is a rating system designed to encourage private investment in sustainable growth and contribute to a climate-neutral economy. Grenergy's taxonomic eligibility, alignment and methodology exercise will be addressed in *chapter 2.3*.

[1] Proposal for a Directive on human rights and environmental due diligence- https://eur-lex.europa.eu/legal-content/ES/TXT/HTML/?uri=CELEX:52022PC0071&from=EN

CSRD

The Corporative Sustainability Reporting Directive (CSRD) is the new standard at the international level.

The European Union's Sustainability Reporting Framework Directive (CSRD), which replaces the former Non-Financial Reporting Directive (NFRD) and which will be in force from 2024, with a staggered entry, for the disclosure of information on the sustainability of companies in the European Union. In the national context, the Instituto de Contabilidad y Auditoría de Cuentas (ICAC) is the body in charge of transposing the CSRD in Spain.

The objective of the CSRD is to **strengthen and broaden the scope of sustainability reporting requirements, covering a greater number of companies subject to the reporting obligation**. It seeks to standardize reporting to ensure reliable, comparable and accessible information, responding to current information demands.

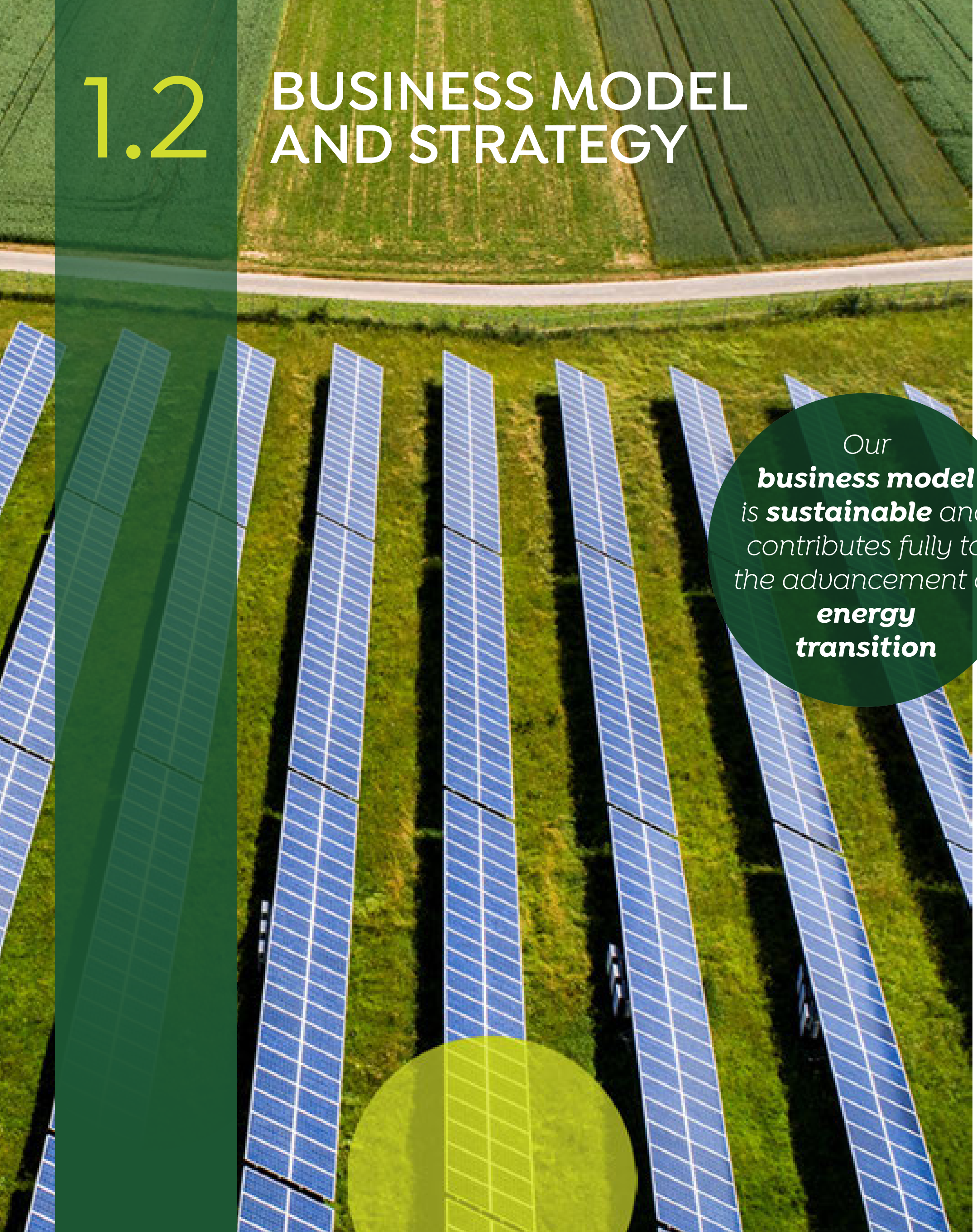
Some of the main new features are double materiality, disclosure of sustainability objectives and targets, impact, risk and opportunity analysis (IRO), new topics, mandatory independent verification and alignment with other European standards (SFDR, Taxonomy, Coporate Due Diligence Directi- ve, GRI and ISSB).

The European Sustainability Reporting Standards (ESRS) are the proposed CSRD standards for corporate reporting.

The results of the EFRAG ("European Financial Reporting Advisory Group") working group have been used as a basis for the preparation of this report.

Through these standards ***The EU is pursuing greater*** *harmonization and efficiency in the dissemination of sustainability information*

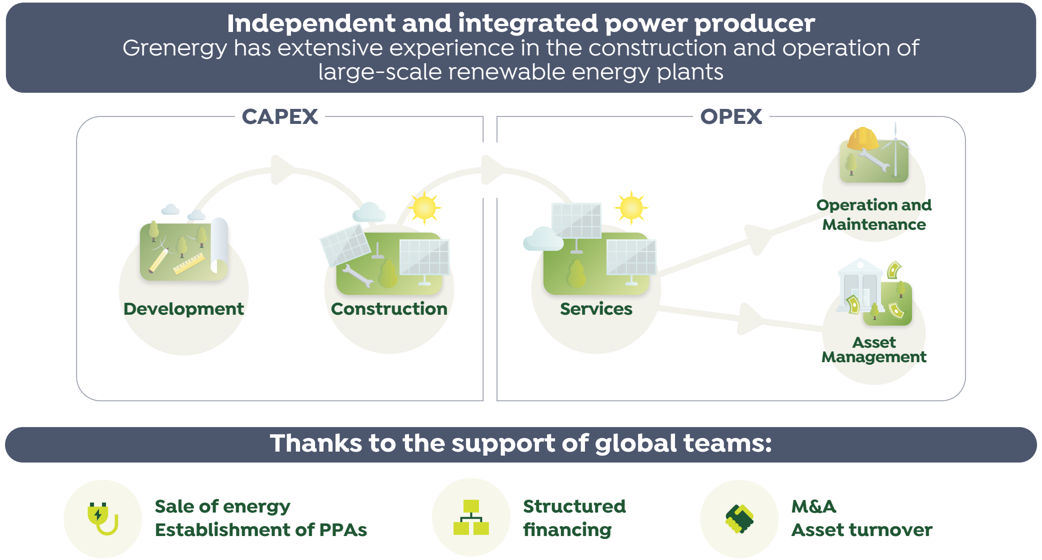
1.2 BUSINESS MODEL AND STRATEGY



Our ***business model*** *is* ***sustainable*** *and contributes fully to the advancement of* ***energy transition***

1.2.1 BUSINESS MODEL

Grenergy is an independent power producer (IPP) that integrates the development, construction, operation and maintenance of large-scale renewable energy plants, achieving, as a consequence of such integration, maximum control over the processes and the reduction of investment costs, operational expenses, project quality, environmental and social impacts of the plants and their mitigation. Our activities consist in the search for viable projects, both financially and technically, construction management and project start-up. In addition, Grenergy performs asset management, operation and maintenance, both for its own projects, as IPP, and for third party projects. In addition, the company incorporates in-house teams dedicated to structured financing, M&A transactions and the negotiation of Power Purchase Agreements (PPAs).[1]



A business model that drives value creation for all:

- **Accelerating the growth of renewable energy generation activities**
- **Diversifying our geographic presence**
- **Betting on new technologies**
- **Meeting the expectations of our stakeholders**
- **Driving sustainability throughout the company**

[1] *Power Purchase Agreement*: is a long-term power purchase agreement or contract between a renewable developer and a consumer.

1.2.2 STRATEGY

Accelerating the growth of renewable activities

Grenergy already has 1.8 GW and 1.0 GWh of projects in operation and under construction, and a pipeline of 15.3 GW of solar projects at different stages of development in 12 countries. In 2023, the company has continued to invest in an additional pipeline of storage projects reaching 11 GWh.

15.3 GW
Pipeline[1] of solar projects

c. 11.3 GWh
Pipeline of storage projects

Grenergy's installed capacity target for 2026 is to achieve ***5GW gross from solar PV*** *and* ***4.1GWh gross from storage*** *in operation and construction*

The key growth strategies for the next three years are as follows:

- **Strengthen growth in the United States and key European markets.**
- **Lead the installation of energy storage projects.**

All this makes it possible to set ambitious targets for 2026:

CAPACITY[2]

3.5GW Net	**3.0GWh** Net
5.0GW Gross	**4.1GWh** Bruto

ASSET TURNOVER

350-450MW p.a.
in 2023-26

c50% closed and advanced

GROSS CAPEX

€2.6bn
in 2023-26

1.5bn PV | 0.8bn BESS

EBITDA ENERGY SALES

€250-300m
in 2026

[1] Sum of projects of all phases (including in operation).
[2] Assets in operation and under construction. The difference between gross and net is the asset turnover.

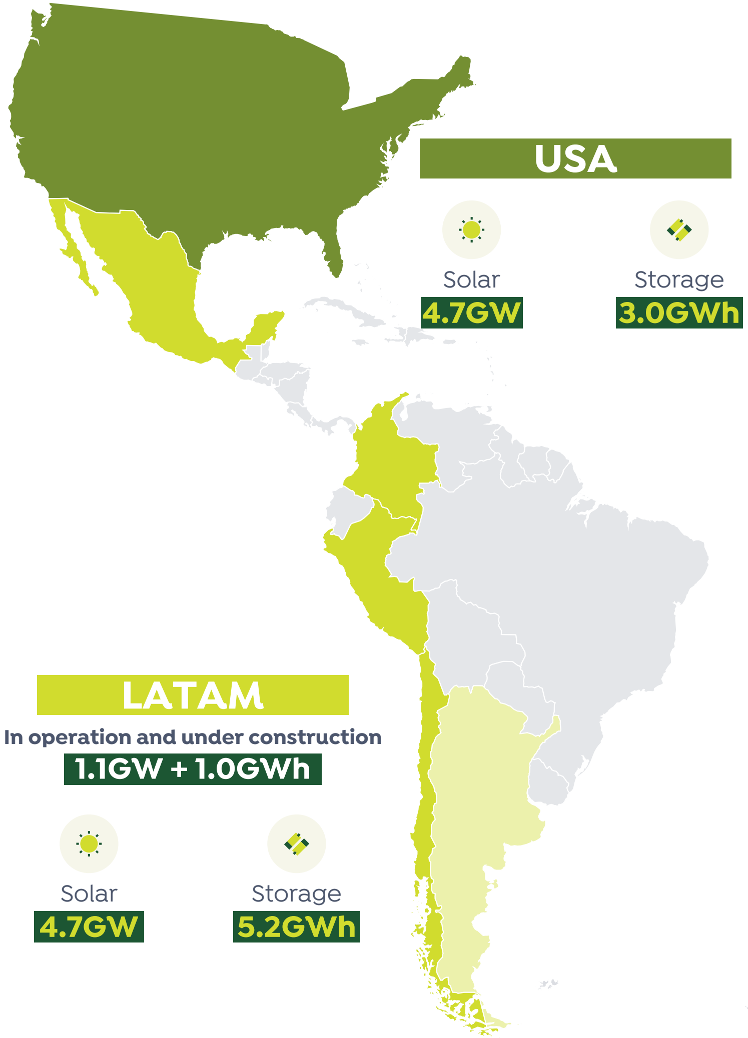
PORTFOLIO BY GEOGRAPHIC PLATFORM

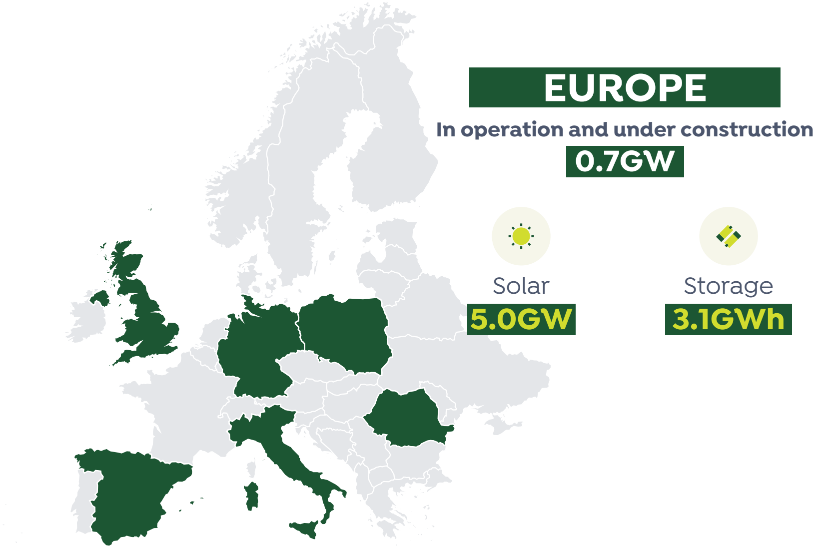
Diversifying our geographic presence

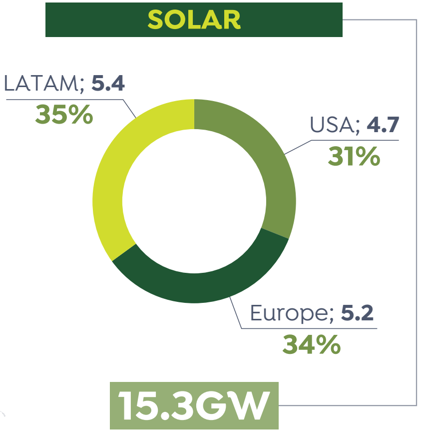
Since its creation in 2007, the company has experienced exponential growth. In 2013, Grenergy shifted its growth strategy to Latin America, becoming a leading company in Chile, and continued its expansion to other countries in the region such as Colombia, Argentina and Peru, among others. In recent years, Grenergy has implemented a strategy of geographic diversification in three platforms, Latam, Europe and the United States.

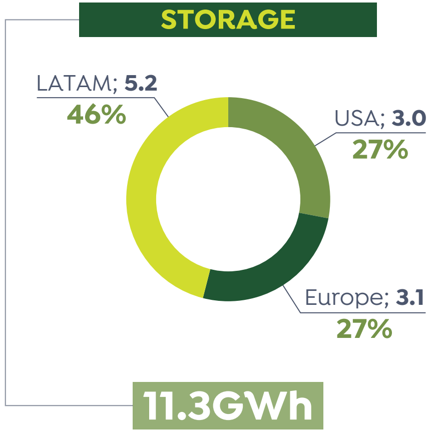
The company is already present in Europe's most strategic markets, such as Italy, the United Kingdom, Poland, Romania and, as of June 2022, also in Germany. In 2022, Grenergy acquired 40% of the U.S. solar developer Sofos Harbert, based in Birmingham (Alabama), and in early 2023 the transaction was completed to reach 100%. This consolidates the company's entry into the world's largest and booming renewable energy market, the United States, which forecasts an increase in solar photovoltaic deployment to 61 GW. to 1,000 GW by 2035. The company already has a presence in 12 countries, maintains its headquarters in Madrid and coordinates Latin American operations from its Santiago de Chile office.

Grenergy continues to implement ***diversification*** *strategy on three platforms:* ***Europe, Latin America and the United States***









Pipeline updated at the end of fiscal year 2023

Betting on new technologies

The company considers the positioning in storage technology as a trend and key factor in the evolution of the business in the coming years and has incorporated specialized senior talent to its team to drive its development.

Grenergy already has a pipeline of 11 GWh of battery projects in Latam, Europe and the United States and has recently updated the publication of its objectives at the Capital Markets Day, announcing its growth plans, closely linked to its strategic commitment to energy storage, which is key to progress in the decarbonization of the energy system for a green and sustainable future. In this regard, an investment of €800 million has been announced in BESS.

Chile will be key to the company's growth in the field of storage, as construction has already begun in the north of the country on the project known as **Oasis Atacama**, the largest battery project in the world with a capacity of 4.1 GWh (and 1GW solar). Grenergy will invest in this initiative, which is divided into five phases, a total of

1.4 billion (Solar + BESS). It is scheduled to come online in phases over the next 36 months, helping to improve grid stability and help the economy achieve 3GWh of storage projects in operation and under construction by 2026.

> *Understanding the expectations of our stakeholders makes it possible for us, within the framework of responsible governance, to* ***assume solid environmental, social and economic commitments***

Meeting the expectations of our stakeholders

Grenergy seeks to maintain a relationship of trust based on the creation of shared value with all its stakeholders. Our Sustainability Policy reflects this commitment with the understanding that this requires fluid and transparent communication. Thus, continuous dialogue is part of our daily work, based on each of the interactions with our stakeholders, for which we have established different communication channels and tools that cover our main stakeholders.

STAKEHOLDERS	MAIN DIALOGUE CHANNELS
Shareholders and investment community	Periodic meetings, conferences, roadshows and presentations of results. In addition, the website contains the procedures for voting at the General Shareholders' Meeting, as well as all the relevant information that is continually being added to keep all the information updated and easily accessible.
Power purchase customers and landowners	Quarterly follow-up meetings, site visits and support through explanatory documents adapted to the peculiarities of each market. The objective is to ensure maximum transparency.
Employees	Development of events to facilitate networking and the transmission of corporate information to all employees. *5.1. Growing with our employees*
Suppliers	Meetings, training sessions, questionnaires, environmental engagement and site visits. *5.3. Responsible supply chain management*

STAKEHOLDERS	MAIN CHANNELS OF DIALOGUE
Local communities and vulnerable groups	Meetings with associations, leaders and local communities, opening of communication channels: web forms, e-mails, telephones and/or suggestion boxes. ***5.2. Building links with our communities***
Public administrations and regulatory agencies	Participation in industry associations, meetings, events and visits
Influence groups (analysts, media, NGOs, etc.)	Presentations, events, meetings, informative videos and interviews with local and national groups, implementation of a communication area within the company with full dedication to maintain a fluid relationship with the media
Society in general	We use all the channels at our disposal in a bidirectional way: web, social networks, events, etc. We communicate our business actions to society, with the aim of being transparent, and to push for a change in social awareness towards the concepts of sustainability. We develop video campaigns as a loudspeaker for local community development initiatives. As well as, local websites adapted to the language and needs in order to expand the information of interest to each market.

Maintaining a fluid relationship with our stakeholders helps us to identify real or potential impacts and to strengthen these links, which in turn is a risk management and mitigation tool.
In addition to the channels, Grenergy reinforces its commitment to stakeholders and to safeguarding two-way communication by establishing a whistleblower channel through which stakeholders can securely submit their reports, concerns, complaints or questions.
Grenergy holds quarterly feedback meetings with its customers to enable them to communicate their complaints, claims or concerns. In addition, access controls and compliance with basic health and safety measures (PPE, instructions and measures to be taken in the event of unforeseen events, etc.) are carried out for visits to our facilities. In terms of customer satisfaction, we hold regular meetings with 100% of our main customers and, through the country's electricity system, we receive satisfactory compliance with the quality of the energy produced.

Sector associations

Grenergy is an active member of various industry associations in the countries in which it operates and, in 2023, contributed **€74,559** for membership, participation in forums and training activities.

Table 1. Grenergy 2023 Sectoral Partnerships

SPAIN	Association of the solar photovoltaic sector in Spain (UNEF)
	Spanish Association of Batteries and Energy Storage (AEPIBAL)
	Secartys (Association for the Promotion of electronics, ICT, energy and applied smart technologies)
	Spanish Hydrogen Association (EAH2)
ITALY	Association of companies in the Italian electricity sector (Electricitta Futura)
	RIP Rivista Italiana Petrolio Srl
	Associazione Italiana Agrivoltaico Sostenibile
MEXICO	AIAS Spanish Chamber of Commerce AC
	Spanish chamber of commerce
GERMANY	Bundesverband Neue Energiewirtschaft e.V.
	Berufsgenossenschaft Energie Textil Elektro Medienerzeugnisse
PERU	Peruvian Renewable Energy Company (SPR)
CHILE	Chilean Association of Renewable Energies and Storage (ACERA)
	Chilean Solar Energy Association (ACESOL)
	ACEN (Association of marketing companies)
	Spanish Chamber of Commerce in Chile
	Chilean Hydrogen Association (H2 Chile)
COLOMBIA	Renewable Energy Association of Colombia (SER Colombia)

In addition, Grenergy has a Political Neutrality Policy in which the company is committed to political neutrality, i.e., donations, sponsorships or other contributions without consideration to political parties, or political offices, or individuals who are members of parties, or organizations related to any of these, are prohibited. In this sense, no direct or indirect political contributions have been made during 2023.

Investment community

Our objective is to continually strengthen our relationship with our investors by seeking opportunities for dialogue to better understand our corporate strategy, challenges and progress toward operational goals. We detail financial, operational and ESG information on a quarterly basis in the company's earnings presentations, explaining it at the various investor events in which we participate.

Grenergy has been recognized in the 2nd edition of the Iberian Equity Awards organized by the the AERI Institution with the ESG and IR awards, "Award for the greatest improvement in ESG strategy (Small Cap category)" and "Award for the best investor relations (Small Cap category)".

Grenergy's executives have been present in different media explaining the company's strategy in interviews, as well as in sectorial tribunes and panels. We also publish all communications to investors and the media on our corporate website.

It should be noted that this year we held our first Capital Markets Day with the aim of conveying to the entire investment community our track record, our 2024-2026 strategic plan and the major company milestones that will take place in the coming months. The event was developed both live and streaming to reach the largest number of people and a platform was created where all the information provided at the event is collected. We have involved all our stakeholders (analysts, investors, banks, suppliers, customers, press and employees) in the strategic event, adapting the information to their needs. In addition, we developed a carbon-neutral event by establishing best practices in sustainability, such as measuring the carbon footprint produced at the event and offsetting the emissions emitted.

Throughout 2023, the company has carried out a detailed analysis of its communication strategy with the launch of new lines of action. The aim is to intensify business-related information, in addition to promoting new topics of great value for the company, such as sustainability, people and innovation. This new framework has resulted in an increase in press appearances because of greater activity both qualitatively (meetings) and quantitatively (dissemination of press releases). Thus, the total number of press releases issued was 26. On the social media side, the growth of the community stands out: in the case of Linkedin, by 22%, reaching almost 125,000 followers. It is worth highlighting the impact of more than 9 videos with content that also focus on stories of social and environmental impact of our projects in Colombia, Argentina, Peru and Spain.

All this contributes significantly to increasing Grenergy's notoriety among its main stakeholders and in society as a whole.

In 2023, the company has implemented an ***audiovisual communication strategy on social networks***

We increased the number of followers in our networks by 22% in relation to 2022 reaching a ***community of almost 125,000 followers***

In 2023 we celebrated our ***First Capital Markets Day***

ACTIVITY WITH INVESTORS	
4	Quarterly virtual presentations of results
158	Meetings with investors
32	Events and roadshows
275	Investors contacted

ACTIVITY IN SOCIAL NETWORKS	
263	Posts on Linkedin and Twitter
125,000	Followers (+22% over the previous year)
+2,000	New followers on average per month
9	Corporate videos

ACTIVITIES WITH THE MEDIA	
26	Press releases
6	Interviews or tribunes with executives
11	Meetings with the media
18	Participation in sector panels

FOLLOW-UP WITH ANALYSTS

Coverage 2023:

RBC, BPI Grupo CaixaBank, JBCapitalMarkets, ODDO BHF, ALANTRA, Kempen, Santander, BARCLAYS, renta4banco, EXANE BNP PARIBAS, SOCIETE GENERALE, BESTINVER acciona

EVENT ORGANIZERS INVESTEES IN 2023

BPI Grupo CaixaBank, EXANE BNP PARIBAS, Santander, BESTINVER acciona, BME X, MEDIOBANCA, UBS, J.P.Morgan, citibank

Driving sustainability in the company

Sustainability Strategy

We are firmly committed to sustainability as a transversal axis of the company. ESG aspects are at the heart of Grenergy.
We are committed to the promotion of ESG aspects as we are confident in:

- A positive impact on both the environment and the communities in the countries where we operate.
- Excellent ESG performance as the foundation of our business, to be a stronger and more reliable company for our stakeholders in the long term.
- Transparent access to green finance, aligned with existing rules and regulations, such as the European taxonomy of sustainable activities.

December 2023 marks the successful completion of the 2021- 2023 ESG Roadmap, a strategy focused primarily on laying the foundations and a solid foundation in ESG performance.
In the three years of the plan, milestones have been achieved such as the issuance of the first green bond program in 2021, the creation of an internal monitoring procedure for ESG indicators in 2022, or the first third-party verification of the Sustainability Report in 2023, among others.

KEY ACHIEVEMENTS ESG ROADMAP 2021-2023

2021	2022	2023
Launch of the 21-23 **ESG Roadmap**	Calculation of the **wage gap**	**Publication of our policy book (Human Rights, Information Security, Cybersecurity...)**
Creation of the **Sustainability Committee**	**Energy efficiency and emission reduction plan**	**Approval of the information security policy**
Adherence to the **United Nations Global Compact**	**Sustainability report verified for the first time**	**First employee performance evaluation process**
Issuance of the first **green bond program**	**ESG Training**	**Double materiality analysis** for a selection of priority topics
Approval of key policies: **procurement, human rights and harassment**	**Approval of ESG KPIs monitoring procedure**	Acquisition of a **tool for the management of non-financial information**
ESG Industry Top Rated by Sustainalytics	**First-time development and verification of carbon footprints**	**Elaboration of the Net Zero Strategy** (Objectives to be validated by SBTi during the next year)

ESG strategy objectives 2023

GOVERNANCE	APPROVAL OF THE INFORMATION SECURITY POLICY PREPARATION OF THE SUSTAINABILITY REPORT 2022 WITH EXTERNAL VERIFICATION DEFINITION OF THE CORPORATE PURPOSE
ESG GOALS IN OUR STRATEGY	IT TOOL FOR MEASUREMENT AND MONITORING OF ESG PERFORMANCE
ESG RISKS MANAGEMENT	ELABORATION OF AN INTERNAL CLIMATE CHANGE RISKS AND OPPORTUNITIES REPORT ACCORDING TO TCFD RECOMMENDATIONS ESG ASSESSMENT PERFORMANCE OF A SELECTION OF SUPPLIERS
ESG IMPACTS	ESTABLISHMENT OF A FORMAL BENEFIT PLAN APPROVAL OF A CORPORATE POLICY FOR DIALOGUE WITH THE COMMUNITIES PRESENTATION OF THE EMPLOYEE PERFORMANCE EVALUATION PROCESS PRESENTATION OF THE RESULTS OF THE WORK ENVIRONMENT SURVEYS
ESG COMMUNICATION	IMPLEMENTATION OF A COMPLIANCE COMMUNICATION AND TRAINING PLAN PRESENTATION OF THE NET ZERO STRATEGY INTERNAL SUSTAINABILITY TRAINING

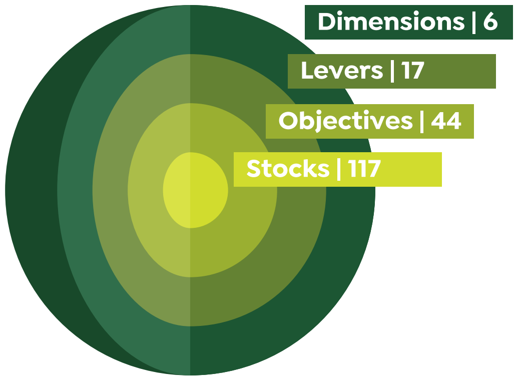
The definition of the **new Sustainability Strategy 2024-2026** has followed a working methodology based on 5 phases:

DESIGN OF THE NEW SUSTAINABILITY STRATEGY 2024- 2026

- **Establishment of dimensions, levers and objectives.** Double materiality analysis and analysis of the sustainability strategies of the main competitors.
- **Establishment of actions. Prioritization and temporality.** Analysis of trends, regulations, standards and areas for improvement detected by rating agencies.
- **Consensus with the management of the different areas of the company.** The design of this strategy would not have been possible without the successful collaboration of all areas of Grenergy in all countries, who have been the veins and arteries that make it possible for the company's heart to beat at the right pace.
- **Definition and approval by committees and the Board of Directors**
- **Communication and training**

The new sustainability roadmap is structured in 4 levels according to the degree of concreteness, distinguishing, from the lowest to the highest level of detail: dimensions, levers, objectives and actions.

STRUCTURE | 4 LEVELS

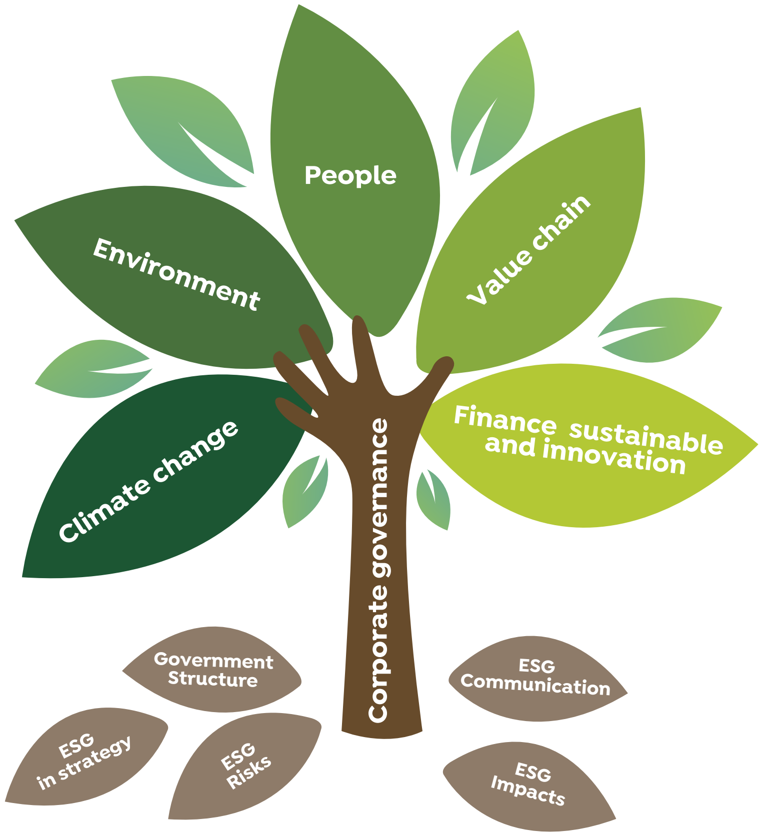


The **6 dimensions** represent the key blocks of ESG aspects, but with a unique approach. Thus, at Grenergy we present ourselves as.

- *Climate change fighters*
- *Protectors of the environment*
- *Promoters pf the best teams and people*
- *Value chain integrators*
- *Meeting the criteria of sustainable financing and driving innovation*
- *Drivers of good corporate governance*

The **9** critical **levers** out of the 17 levers were selected following the double materiality analysis, a methodology mentioned above, which considers a double impact perspective, the impact on the environment and people and the impact on financial aspects. An internal exercise was carried out, as well as an external consultation with the main stakeholders: investors, analysts, board of directors, management committee, etc., and finally resulted in the 9 priorities of the company for the next three years, which are those you can see in bold in the figure on the right: climate neutrality, biodiversity conservation, circular economy, talent retention and attraction, respect for human rights, development of local communities, green finance and global risk management. The other eight issues will also be addressed over the next three years, but those that are critical or material to the company have been prioritized. For more details on the double materiality analysis see chapter 1.3.

DIMENSIONS | 6



LEVERS | 17 (9 REVIEWS)

CLIMATE CHANGE fighters

- **Climate neutrality and energy transition**

Protectors of the ENVIRONMENT

- **Conservation and restoration of biodiversity and ecosystems**
- **Circular economy and efficient resource management**
- Responsible management of water resources

Promoters of the best teams and PEOPLE

- **Attraction, development and retention of human capital**
- **Respect and protection of human rights**

Diversity, equality and inclusion

integrators VALUE CHAIN

- **Contribution to the development and involvement of local communities**
- **Sustainable supply chain**
- Health and safety
- Customer and supplier commitment

Meeting the criteria of SUSTAINABLE FINANCING and driving INNOVATION

- **Economic financial performance and green financing**
- IR&D&I in new markets and technologies

Drivers of good CORPORATE GOVERNANCE

- Transparency and responsible quality
- **Good governance and fair corporate conduct**
- Financial and non-financial risk management
- Cybersecurity and information security

Once the dimensions and levers were established, specific objectives were defined for each lever. To this end, measurable, achievable and quantifiable objectives were set for the short, medium and long term.
Among the **44 objectives** of the 2024-2026 global strategy, the following key objectives stand out:

Climate Change

To become a carbon neutral company (Scopes 1, 2 and 3) by 2040.

Environment

To have a positive biodiversity footprint.

People

Include key ESG aspects in the variable compensation of all employees.

Value Chain

Evaluate more than 90% of our suppliers in ESG matters prior to contracting.

Sustainable Finance and Innovation

Invest more than 90% of our CAPEX in activities aligned with EU taxonomy.

Corporate governance

Report in accordance with the demanding CSRD on ESG aspects.

Finally, to ensure compliance with these objectives, a set **of more than 100 actions** were defined to be carried out over the next three years, some of which must be reported to the ESG department and the Sustainability Committee, while critical actions must also be reported to the Management Committee, the Appointments, Remuneration and Sustainability Committee, the Audit and Control Committee and the Board of Directors.
Like the previous Plan, the new 2024-2026 Sustainability Strategy is perfectly aligned with Grenergy's Sustainability Policy, which was approved by the Board of Directors and revised in 2021. In this way, the actions defined for each of the dimensions respond to the four foundational objectives of the Policy and strengthen the Company's performance in relation to its commitments.
The Sustainability Policy applies to all the Group's companies, including those in which Grenergy has effective control. Likewise, the Policy applies to all geographies where Grenergy develops its operations, of any nature, in any geographic area and at any stage of the corporate value chain.
In order to carry out an adequate periodic control of the implementation of the principles assumed in the Sustainability Policy, the Board relies on the Audit and Control Committee, the Appointments, Remuneration and Sustainability Committee, and the Sustainability Committee, all of which have sustainability functions as described in the relevant regulations.

The company will publicly present its annual ESG action plans, extracted from its three-year Sustainability Strategy 2024-2026, and will report on the progress of the objectives on a quarterly basis, in the corresponding results presentations and at the relevant Committees and Board of Directors.

PUBLIC OBJECTIVES OF THE 2024 SUSTAINABILITY STRATEGY

DIMENSIONS	OBJECTIVES	Q1	Q2	Q3	Q4
Climate change	- Climate change risks and opportunities report in accordance with TCFD recommendations				
Environment	- Positive Biodiversity Footprint Strategy in accordance with TNFD recommendations				
People	- Development plan for the inclusion of ESG criteria in the variable compensation of all employees. Implementation as of 2025				
	- Equality, Diversity and Inclusion Policy				
Value Chain	- Alignment of supplier approval criteria with long-term ESG objectives				
Sustainable finance and innovation	- Update of green financing framework and renewal of promissory note program				
Corporate governance	- Gap analysis to align the reporting of non-financial information with the requirements of the CSRD and update the double materiality analysis				
	- Update of the double materiality analysis in accordance with the CSRD				
	- 2023 Sustainability Report - external verification (includes eligibility and taxonomy alignment)				
	- Corporate Purpose Update				
	- Update of the ESG risk map				

Double materiality:

*In a context increasingly focused on sustainability, Grenergy is aware of the need to update its materiality approach carried out in 2020. As proof of this, in 2023 the **Materiality Analysis** has been updated based on the latest regulatory standards and recommendations, particularly highlighting the recent entry into force of the CSRD. In this way, the concept of "**double materiality"** is integrated to align with the new regulatory requirements and thus lay the **foundations for the 2024-2026 Sustainability Strategy**.*

Regulatory context

The European Commission introduced the term "double materiality" in 2019 in its Guidelines on reporting climate-related information. This change marked a milestone by broadening the classic perspective of materiality, incorporating both the traditional consideration of the company's impacts on the environment and people and the assessment of how material issues affect the company's own financial performance. Numerous regulatory, supervisory and reporting standards bodies are making their approach to double materiality. While the definitions of double materiality in the various initiatives are aligned, the methodologies and reporting requirements differ considerably.

The CSRD drives a fundamental shift towards double materiality. This approach requires companies to report on how sustainability affects their business from the inside out and vice versa. In response, the European Sustainability Reporting Standards (ESRS) standardize indicators, highlighting the criterion of double materiality. The Global Reporting Initiative (GRI) emphasizes the identification of material issues based on significant impacts on the Economy, Environment and People. In addition, the International Financial Reporting Standard (IFRS) and the European Securities and Markets Authority (ESMA) insist on double materiality, evaluating the effect of non-financial issues on the entity and the effect of the entity on the environment.

At the national level, the National Securities Market Commission (CNMV) stresses the importance of considering both the internal and external perspective in materiality.

Overall, this regulatory evolution reflects a shift towards a comprehensive materiality where not only environmental and social impacts are considered, but also their financial impacts on the Company, broadening the scope of simple materiality towards a double materiality and, thus, positioning itself as a critical analysis for companies to build their financial and non-financial strategies, as well as improving transparency by complying with regulations and social expectations.

Concept of double materiality

Thus, an issue is considered material if it meets the criteria of double materiality, i.e. if it is material from the impact perspective, from the financial perspective or from both perspectives.

*Double materiality is the union of **financial materiality** and **impact materiality***

Financial materiality: A matter of sustainability is material from a financial perspective if it causes or may cause significant financial effects on companies, i.e. if it generates or may generate significant risks or opportunities that influence or may influence future cash flows and, therefore, the value of the company in the short, medium or long term.

Impact materiality: A matter of sustainability is material from an impact perspective if it relates to significant actual or potential impacts of the company on people or the environment in the short, medium or long term. This includes impacts directly caused or contributed to by the company in its own operations, products or services, as well as impacts that are directly related to the company's value chain (downstream or upstream).

Grenergy Methodology

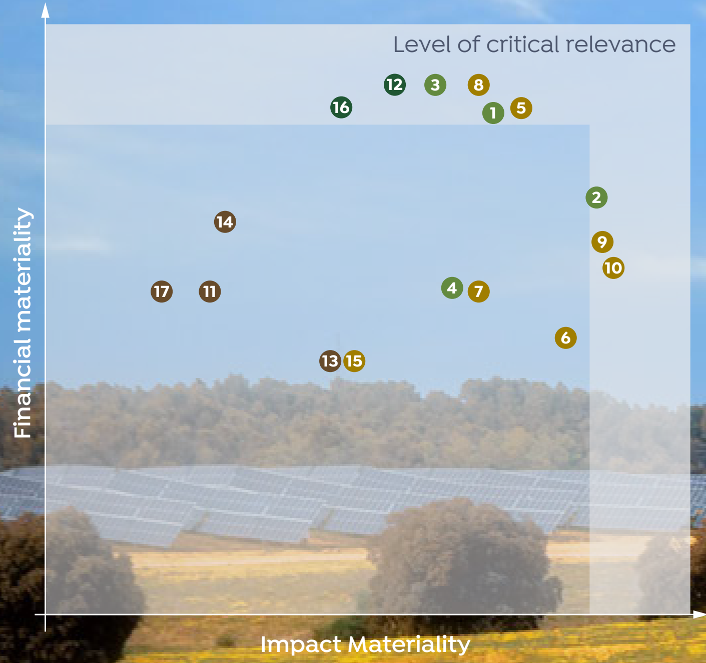
Grenergy has included the dual perspective in the Company's double materiality analysis process where it combines impact materiality and financial materiality taking into consideration the most recent publications of the main international and European standards EFRAG, GRI, SASB and its own internal methodology.

1. **Organizational Context:** An assessment has been carried out prior to the double materiality analysis considering Grenergy's strategy and business model, its business relationships, the sustainability context and the identification of key stakeholder requirements and their impacts
2. **Identification of ESG Impacts:** Identification of the main ESG impacts classified by source typology according to agnostic (GRI standards, ESRS, ratings...), sectorial (benchmark peers, sectorial trend reports) and company (policies, procedures, strategy...) levels
3. **Impact Materiality Analysis:** Evaluation of the impacts generated on people and the environment
4. **Financial Materiality Analysis:** Evaluation of impacts in financial terms
5. **Prioritization of impacts suffered and generated:** Establishment of an impact prioritization methodology based on EFRAG and GRI standards
6. **Preparation of the 2023 Material Topics List:** Obtaining and prioritization of the Company's main material topics based on the categorization and prioritization of impacts. We have tended to a reduction approach of the material topics with respect to the previous materiality analysis highlighting the inclusion of the following material topics: "Responsible management of water resources", "Respect and protection of human rights", "Cybersecurity and information security" and "Commitment with the customer and supplier"
7. **External double materiality Analysis:** Involvement of our main stakeholders (funders, shareholders and investors, employees and Board of Directors, among others) to prioritize the main material issues taking into account the double perspective
8. **Mathematical Weighting:** Mathematical intersection in a matrix to evaluate the importance of material issues according to impact and financial materiality, considering the same weighting for both internal and external analysis. Obtaining the critical material issues

Grenergy's double materiality analysis has been approved by the Board of Directors. For more information on the double materiality analysis please refer to our report on our website.

1	Climate Neutrality and Energy Transition
2	Conservation and restoration of biodiversity and ecosystems
3	Circular economy and efficient consumption and waste management
4	Responsible management of water resources
5	Contribution to the development and involvement of local communities
6	Diversity, equality and inclusion
7	Health and safety
8	Attraction, development and retention of human capital
9	Sustainable supply chain
10	Respect and protection of human rights
11	Transparency and responsible taxation
12	Financial and non-financial risk management system
13	Good governance and fair corporate conduct
14	Cybersecurity and information security
15	Customer and supplier commitment
16	Economic financial performance and green financing
17	R&D&I in new markets and renewable technologies

Environmental · Social · Governance · Financial



1.3 A SUCCESS STORY

2007 CREATION

- Creation of Grenergy as a limited liability company

2008

- First photovoltaic solar energy project in Spain. **Cuenca 3MW**

2009

- **Toledo 1 MW**
- Sale of the first photovoltaic plants
- Licensing and EPC subcontracting

2011

- Construction of the first plants: **2 MW in Murcia and 2.1 MW in Ávila**
- Consolidation of the IPP model (where it assumes the promotion, construction, start-up and operation of the photovoltaic plants, remaining the energy generator in the first phase of the plants' life)

2012 GEOGRAPHIC EXPANSION

- Grenergy Chile Constitution

2013

- Grenergy Mexico Constitution

2014

- Development of the first photovoltaic solar energy project outside Spain. **Coquimbo, Chile. 3MW**

2015

- **1,000 MW** portfolio between Spain and Latin America
- Transformation of Grenergy to a corporation
- Listing on the Spanish Alternative Stock Market (MAB)

[1] EPC (Engineering, Procurement and Construction)

EXPONENTIAL GROWTH

2016

- Numerous plants under construction in Chile and allocation of **two wind farms in Peru**

2017

- Increased number of PMGD plants in operation in Chile and acquisition of **24 MW of wind power in Patagonia**

2018

- Grenergy becomes the most **appreciated listed company on the stock exchange during 2018 (254%)**
- Agreement for the sale and construction of twelve solar power plants (PMGD) of up to **270MW in Chile**

2019

- Closing of financing and start of **construction of wind farms in Peru and Argentina**
- **First issue of green bonds in the Alternative Fixed Income Market 50 MM€**
- **Listing in the continuous market**

2020

- Commissioning of the largest solar plant to date (**100MW, Quillagua, Chile**)
- Signing of the first PPA in Colombia for **120 GWh/year**
- Total construction of **17 parks** in 2020
- Approval and publication of the **first Sustainability Report**
- First ESG rating issued by Sustainalytics with a **score of Low Risk (13.6)**
- **Great Place to Work** Certification

2021

- Pioneer in green finance with the issuance of the **first green notes program in Spain for €100 MM**
- Grenergy is positioned in three platforms, Europe, Latin America and the United States and a total of **10 countries**
- **105 M€ Capital increase**
- Launch of the 3-year Sustainability Strategy: **ESG Roadmap 2021-2023**
- **ESG Industry Top Rated**. ESG distinction among more than 4000 companies awarded by Sustainalytics.

2022

- Presentation of growth targets to 2025: **5GW solar** in construction and operation, and **1 GWh of storage**
- 1.7 GW of installed or under construction capacity and 1**1.7GW of pipeline capacity**
- **Entry into Germany** with development target (3GW)
- **Entry into the U.S.** with the purchase of 100% of solar developer Sofos Harbert
- New **€52.5 million green bond** issue **in the MARF** and signing of the first green commercial risk line in the Spanish market with CaixaBank
- **90M€ capital increase**
- **First time verification of the Sustainability Report**
- **Substantial improvement in ratings:** CDP A- / MSCI AAA / Sustainalytics 10.2

1.4 MAIN MILESTONES IN 2023

JANUARY

- **Presentation of Gran Teno PV in Chile**, Grenergy's largest solar farm (240 MW)
- Obtained nearly **500 MW in environmental permits** for photovoltaic plants in Spain

- Implementation of a tool for collecting and validating non-financial information to support the future Internal Control System for Non-Financial Information, SCIINF

FEBRUARY

- Closing of the financing of the Belinchón solar farm with a **90 million green loan**
- **Consolidation in the U.S.** with the purchase of the remaining 60% of Sofos Harbert Renewable Energy
- Inauguration of **3 solar plants of 37 MW in Colombia**

- Preparation and publication of the first **sustainability report** for 2022 **verified** by an accredited third party according to the ISAE 3000 standard without reservations

MARCH

- Power Purchase Agreement (PPA) signatura with LyondellBasell for **a 259 MW solar project**
- **Doubling of sales and EBITDA** and a 15% increase in net income through March

- Elaboration of a communication and training plan on compliance and associated risks

APRIL

- Validation of science-based **emission reduction** targets (SME Pathway) (medium and long-term) by the Science-Based Targets Initiative (SBTi)
- Renewal as signatory partners of **the UN Global Compact**

MAY

- Preparation of **Grenergy's double materiality** analysis in accordance with GRI standards

JUNE

- Agreement for the **sale of 150 MW of** operating **solar power** in Spain (Belinchón Plant, Valkyria Project)
- Signing of a PPA in Chile for its **241 MW Gran Teno solar plant**

- **ESG training** session for Grenergy's Board of Directors, Management Committee and key personnel
- Approval and publication of the Information Security Policy

Financial milestones

Non-financial milestones

JULY

- Closing of **green financing** for two solar parks i**n Chile for 148 M€**

SEPTEMBER

- Signing of a PPA with Enel for the **Matarani solar plant of 97 MW**
- **Recognized** for the second consecutive year as one of the **most sustainable companies in the sector** by the MSCI ESG Rating (AAA)
- Approval and publication of the **Corporate Policy on Dialogue with Local Communities**

NOVEMBER

- First **Capital Markets Day 2023**. Presentation of the new strategy for the next three years, as well as 2023 objectives and the start of construction of the Oasis de Atacama project, the largest battery project in the world
- Climate change risk and opportunity analysis aligned with TCFD recommendations
- Approval of **Sustainability Strategy 2024-2026**

AUGUST

- Boosting young talent in the company with a **second edition of its scholarship program** for recent graduates (Collaboration with FUE)
- Conducting **on-site ESG audits** of strategic solar panel suppliers

OCTOBER

- Sale of 300MW solar to Allianz Group in Spain for more than €270M marking a new milestone in Valkyria project
- Recognized as **one of the 250 most sustainable companies in the world** by Sustainalytics, with a negligible ESG risk category (9.7)
- **Inclusion of Grenergy in the IBEX ESG Index** as one of the 47 Spanish companies with the highest commitment to sustainability
- **Triple recognition by Choose My Company** with HappyIndexatWork, ImpactESG and HappyTrainees certifications

DECEMBER

- **Presentation of the Net Zero in 2040 Strategy**

Financial milestones

Non-financial milestones

02

SUSTAINABLE FINANCE

2.1 GREEN FINANCING

Grenergy reinforces its commitment to sustainable value creation by boosting green finance. In 2023, the credit rating firm Axesor revised Grenergy's credit rating to 'BBB-'. having assessed the company's competitive positioning and track record, the business model, the project portfolio, the analysis of growth plans, the investment plan and the "positive" situation of its financial structure.
The company already starred in the first MARF Green Bond issuance in 2019, through a green financing framework with verification from Vigeo Eiris on its alignment with the Green Bond Principles. In 2020, obtained a green loan in line with the Green Loan Principles. In 2021, it issued the first green note program in the Spanish market for €100 million, upgraded in 2023 for €150 million.

Sustainable Financing *is booming in both bond and equity markets*

In 2023, the ***credit rating agency, Axesor****, has upgraded* ***Grenergy's*** *credit rating*

During the year, the company has raised a ***total of 305M€ in green financing***

In 2023, the company arranged €157 million of green financing with Banco Santander, secured by Cesce, where a hybrid derivative with an innovative hedging structure (Green Sustainability Linked Hedge) was signed, where the interest rate is linked to ESG criteria. In addition, €148 million of structured financing was negotiated during the year.

First Spanish company to sign *a water derivative with the innovative* ***Green Sustainability Linked Hedge***

Grenergy was the first company in the MARF to issue green bonds and the first in the Spanish market to issue a green notes program

2019

Green bonds[1]
22 M€

Second Party Opinion by Vigeo Elris

V.E

FIRST ISSUE OF THE

marf
mercado alternativo de renta fija

2020

Green loan
96.7 M€

Second Party Opinion by

g-advisory
GRUPO GARRIGUES

2021

Green notes
100 M€

Second Party Opinion by

SUSTAINALYTICS
a Morningstar company

FIRST ISSUES IN THE SPANISH MARKET

BME X
BOLSAS Y MERCADOS ESPAÑOLES

2022

Green bonds[2]
52.5 M€

Green notes[3]
150 M€

Green commercial risk line
25 M€

2023

Green financing with Banco Santander secured by Cesce
157 M€

Grenergy becomes part of the IBEX ESG selective index*, as one of the 47 companies in Spain with the best ESG performance*

In October 2023, the Spanish Bolsas y Mercados Españoles (BME) announced the launch of the IBEX ESG index, which includes the main companies that promote the best sustainable investments. Specifically, the first composition of this index is made up of 47 companies, most of them from the IBEX 35, among which Grenergy is included. This index will be reviewed every September and the main requirements to be part of it include belonging to the IBEX 35 or IBEX Medium cap and having an ESG rating equal to or higher than C+, of the 12 possible levels between A+ and D-. In addition, companies must comply with the United Nations Global Compact Principles.

[1] Green bond issuance in 2019 - [2] Green Bond Program in 2022 - [3] Green Note Program.

2.2 ESG RATINGS

Grenergy consolidates its leadership position in a growing number of ESG ratings that measure its environmental, social and governance performance.

As a result of growing investor interest, Grenergy continues to expand its coverage of ESG ratings agencies and sustainability indicators. In this regard, in 2023, the company has improved its performance in Sustainalytics, Dow Jones Sustainability Index and demonstrates its leadership in MSCI ESG and CDP Climate Change, four of the world's most prestigious ESG rating agencies.

Grenergy has been recognized as one of the 250 most sustainable companies in the world for the third consecutive year, according to the latest analysis conducted by Sustainalytics, one of the world's leading indexes that addresses the ESG criteria of companies. Specifically, Grenergy occupies 235th position in the ranking of 15,000 companies analyzed by this barometer.

In addition, the company **ranked** first in its sector by capitalization rank, **fourth among the 95 companies specializing in independent energy production** analyzed by Sustainalytics, and **seventh among the more than 700 utilities in the index**.

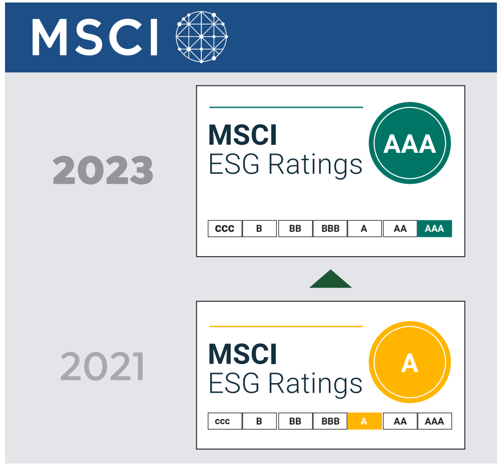
Sustainalytics measures companies' exposure to ESG risks and their ESG risk management on a scale of 0 to 100 (the lowest number being the best rated). In this edition, **the international index has rated Grenergy with a 9.7, placing it in the insignificant ESG risk category, the lowest category**.
After evaluating in detail the behavior and performance of Grenergy in environmental, social and governance matters, Sustainalytics has positively assessed the company's great efforts to improve community relations, investment in human capital, occupational health and safety, as well as its governance policies.

S&P Global

Grenergy has consolidated its presence in the S&P Global ESG Score rating through the S&P Global Corporate Sustainability Assessment (CSA), participating for the third consecutive year and achieving a remarkable score of 68 out of 100 in the report for the year 2023, which represents a significant improvement of 12 points over the previous year. This achievement places Grenergy in the **85 percentile of the "Electrical Utilities" industry**, placing it in the TOP15% of all companies evaluated. In the broader context of the 259 companies in the sector, Grenergy stands out by ranking among the **top 39**, demonstrating its exceptional and consistent commitment to sustainable business practices.
In particular, the environmental dimension has experienced a significant improvement, reaching a score of 75 out of 100 and ranking in the TOP10%, thanks to the new climate strategy approved, as well as net zero commitments and environmental management, including water management. It is also relevant to highlight the improvement in the score of the cybersecurity and information security blocks, as well as in diversity and equality in the Board, reflecting Grenergy's comprehensive approach to sustainability in multiple dimensions of its corporate operation.

Grenergy is in the ***TOP 15% of the "Electrical Utilities"*** *sector, ranking among the* ***39 best companies*** *out of a total of 259 in this sector*

In 2023, Grenergy maintains its leadership in the **MSCI ESG Rating index**, obtaining for the second consecutive year as one of the most sustainable companies in the utilities sector, obtaining the highest rating, AAA, with an overall industry-adjusted score of 9.8/10, which ranks only 13% of all participants.
According to the MSCI report, the company leads the sector locally and globally, achieving the highest scores in the categories of *"Carbon emissions", "Opportunities in Renewable Energy"* and *"Corporate Governance".*



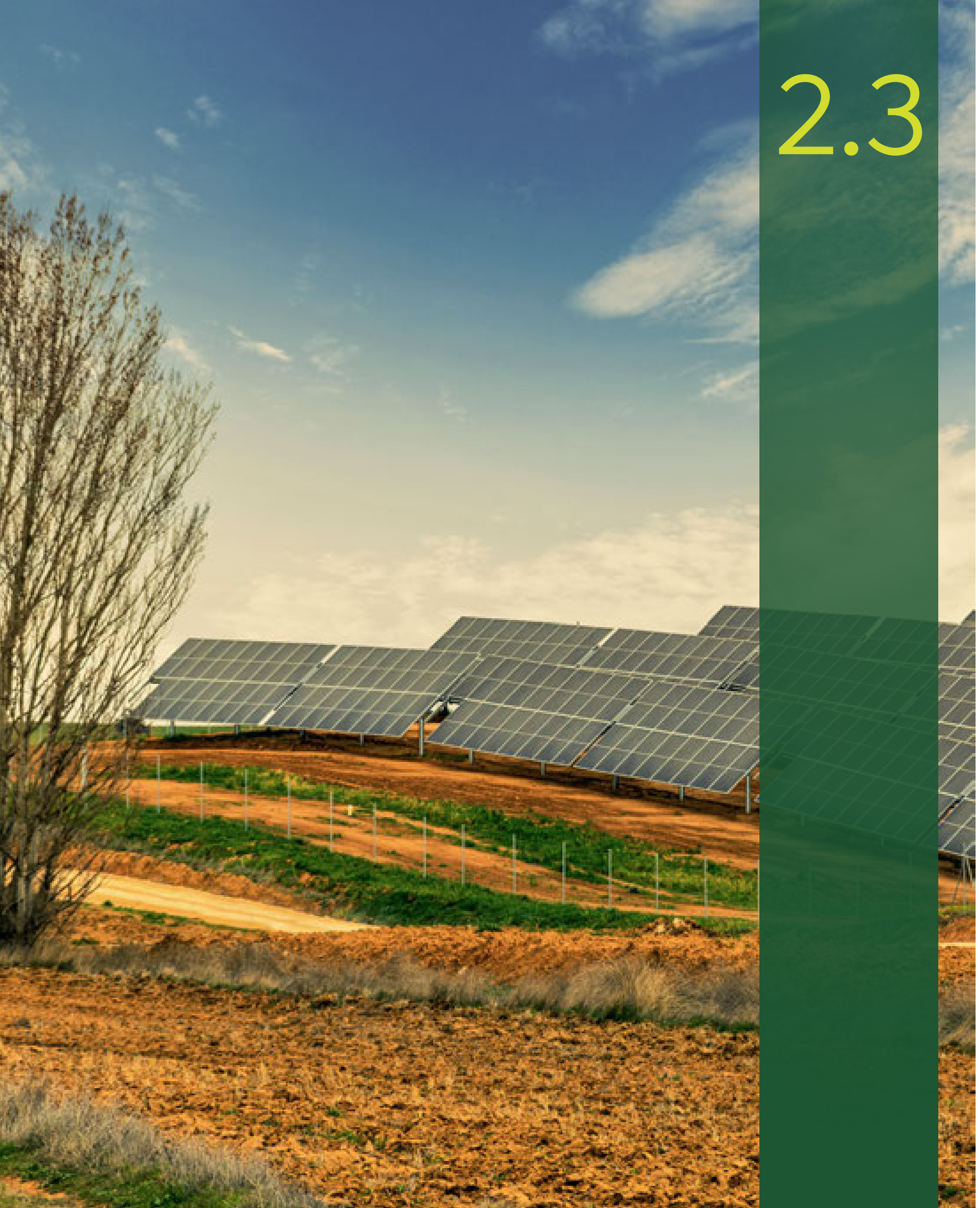
In 2023 the **CDP Climate Index** recognizes the leadership and ambition of the climate strategy. Grenergy's climate strategy with a B-score.

Corporate ESG Performance
RATED BY ISS ESG
Prime

In December 2023, Grenergy was assessed by **ISS ESG** and again received a score of A- with a "very high" level of transparency, enabling its distinction as a Prime company. This result continues to strengthen Grenergy's position as an ESG leader by outperforming all its peers as of the date of publication of the ISS report.

EthiFinance ESG ratings

Finally, the ESG and credit rating agency (formerly Axesor), **Ethifinance ESG** evaluated Grenergy in 2023 (based on 2022 information) obtaining a score of 80/100 and improving on 2020 (64/100) and 2021 (75/100).
Grenergy's score in Ethifinance's ESG assessment indicates a performance in all index categories above the Utilities sector average out of a total of 50 companies.



2.3 ENVIRONMENTAL TAXONOMY

Regulatory Context

According to Regulation (EU) 2020/852 of June 18, 2020, defined in section 1.1.2 ESG Regulatory Context, it establishes the criteria for determining whether an investment can be categorized as sustainable.

Its main objective is to establish a common system to achieve greater transparency in internal management and communication and to determine which activities contribute significantly to the European Union's six environmental objectives associated with climate change mitigation, adaptation to climate change, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

Companies subject to reporting obligations under the Taxonomy are those that have the status of a public interest company, those that exceed an average number of 500 employees or that meet two of the three criteria established in terms of assets, turnover or number of employees, i.e. those with an average workforce of more than 250 employees, more than 40 million euros in turnover, or more than 20 million euros in assets.

This involves assessing the company's sustainability in terms of how our activities contribute significantly to sustainable development and generate value for both society and other stakeholders.

GRENERGY TAXONOMY EVALUATION PROCESS

1. Identification and analysis of eligible economic activities
2. Substantial contribution criteria
3. Do No Significant Harm critera (DNSH)
4. Minimum Social Safeguards criteria
5. Methodology for calculating financial KPIs

The first step of the analysis focuses on determining whether the activity falls within the eligible activities for Taxonomy. Eligible activities are those that can contribute to one or more environmental objectives set by the European Union (EU).
Subsequently, once the eligibility condition has been met, it must be verified whether the activity complies with the Taxonomy. To do so, three specific conditions must be met for each activity of the company:

- Contribute substantially to at least one of six environmental objectives
- Do No *Significant Harm* to the other five environmental objectives established, *"Do No Significant Harm"* (DNSH).
- To have mechanisms to comply with minimum social guarantees.

To verify these steps, it is necessary to evaluate compliance with the technical selection criteria associated with each activity and its respective metrics.
In addition to the previous steps to check eligibility and alignment with the Taxonomy, it is necessary to disclose information on how and to what extent the activities are associated with environmentally sustainable activities from an environmental point of view. For this purpose, different KPIs related to turnover, capital expenditure (CapEX) and operating expenditure (OpEX) that non-financial companies must disclose are specified.

Identification and analysis of eligible activities

Following an analysis of Grenergy's portfolio, in line with Delegated Regulation (EU) 2021/2139, the following taxonomic activities have been identified:

__Grenergy__ not only adheres to European regulations, but also __significantly contributes to environmental objectives__, thus promoting sustainable development and supporting the European Green Pact

Table 2. Grenergy 2023 Taxonomic Activities

Taxonomic activity	Definition RD 2021/2139	Definition of Grenergy's economic activity
4.1. Electricity generation using solar photovoltaic technology	Construction or operation of electricity generation facilities using solar photovoltaic (PV) technology	Generation of solar photovoltaic electricity from the construction and operation of these solar parks
4.3. Electricity generation from wind energy	Construction or operation of facilities for the generation of electricity from wind energy	Generation of wind-powered electricity from the construction and operation of these wind farms
4.10. Electricity storage	Construction and operation of facilities that store electricity and return it later in the form of electricity. The activity includes pumped hydroelectric energy storage	Construction and operation of Storage batteries (BESS)
7.6. Installation, maintenance and repair of renewable energy technologies	Installation, maintenance and repair of renewable energy technologies, on site.	Operation and maintenance of wind farms/photovoltaic parks operated by Grenergy or third parties

Alignment analysis

For the alignment analysis, Grenergy has considered the four activities eligible under the climate change mitigation objective based on the criteria described in Annex I of the Delegated Climate Regulation.

•Substantial contribution criteria

Following the analysis of the eligibility of Grenergy's activities, the verification of compliance with the technical selection criteria for the substantial contribution[1] to the climate change mitigation objective was carried out since Grenergy's economic activity is in line with the Delegated Climate Act.

• Do No Significant Harm critera (DNSH)

DNSH 2: Adaptation to climate change (4.1, 4.3, 4.10, 7.6)

An assessment of eligible activities has been carried out, following the guidelines of Appendix A of the Delegated Regulation (EU) 2021/2139. In 2023, Grenergy has carried out a physical climate risk assessment for each of the activities carried out by the company, as well as adaptation plans covering all activities.

For more information on the analysis of physical climate risks, see the section "Climate risk management" in chapter 4.2 Fight against climate change.

DNSH 3: Sustainable use and protection of water and marine resources – Not Applicable

For more information on water resources management, see chapter 4.3.

DNSH 4: Transition to a circular economy (4.1, 4.3, 4.10)

Grenergy is committed to promoting the circular economy by reusing materials and recycling waste at the plants. Also, through the monitoring of waste generation in all plants under construction and operation, as well as in the offices.

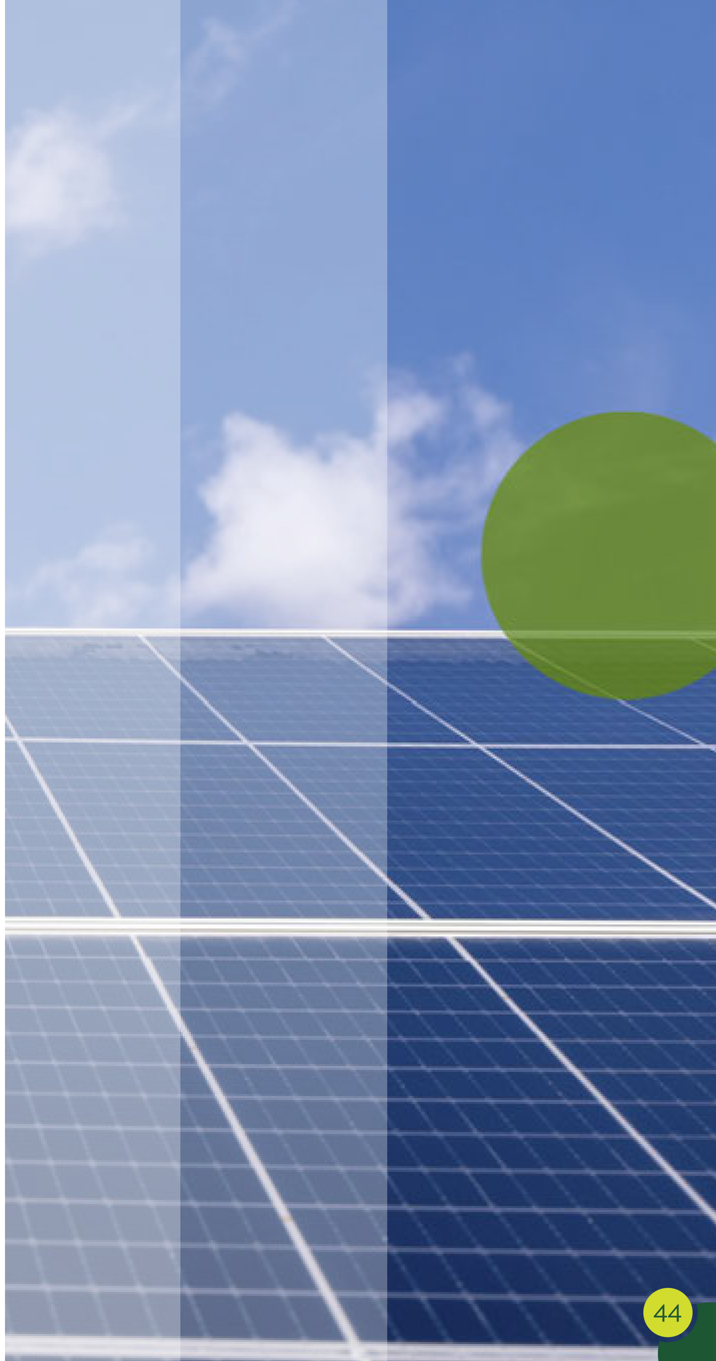
The objective of reducing and optimizing waste management is promoted through a Waste Management Plan. This plan is based on a comprehensive strategy that prioritizes reuse and recycling as the main pillars. The company seeks to minimize waste generation and optimize its management. In addition, the company promotes awareness and training of personnel to foster a culture of environmental responsibility.

DNSH 5: Pollution prevention and control – Not Applicable

For more information, see chapter 4.2 Fight against climate change.

DNSH 6: Biodiversity and Ecosystem Protection and Restoration (4.1, 4.3, 4.10)

Grenergy's eligible and aligned activities meet the criteria set out in Appendix D of Annex I of the Taxonomy. To ensure the protection and restoration of biodiversity and ecosystems, Grenergy conducts environmental impact assessments (EIA) and performs appropriate screening of impacts and risks following a hierarchy of avoidance, minimization, restoration and ultimately compensation. Additionally, a net positive impact target has been set for 2026 for all Grenergy operations.



[1] Grenergy meets the criteria for substantial contribution to climate change mitigation of taxonomic activity 7.6 "a) installation, maintenance and repair of solar photovoltaic systems and ancillary technical equipment".

- **Minimum Social Safeguards Criteria**

For an activity to be aligned with the Taxonomy, in addition to making a substantial contribution and not causing significant harm to the rest of the five objectives, it must meet certain Minimum Social Safeguards.

- **Human Rights:** Grenergy is aligned with the OECD Guidelines for Multinational Enterprises, the Guiding Principles on Business and Human Rights, as well as the International Bill of Human Rights and its subsequent developments. Furthermore, Grenergy already has an updated Human Rights Policy which has been updated following the human rights and environmental due diligence process. Additionally, Grenergy is committed both in its Code of Conduct and in the first Equality Plan to ensure an equal, respectful, safe and non-discriminatory work environment, always respecting human rights. As a preventive measure, there is a whistleblower channel for reporting possible non-compliance. For further details, please refer to chapter 5.4 Commitment to Human Rights.

- **Anti-Corruption and Bribery:** Grenergy has a Compliance Manual and a Code of Conduct which specifies zero tolerance towards any form of corruption, breaches of the principles of fair competition and non-compliance with laws and regulations. During the year 2023, the Compliance Control Framework has been implemented, the objective of which is to provide reasonable assurance that the Compliance Program is being properly implemented globally and therefore Compliance risks are being mitigated. More than 90% of Grenergy employees have been trained in Compliance, excluding employees in the United States, with a total of 471 hours in Anti-Corruption and Bribery training. In addition, the whistleblower channel enabled on the website is aimed at employees, suppliers and other stakeholders who have observed suspicious behavior or actions, possible infractions or non-compliance that contradict the codes of conduct, and internal or external regulations. For further details, please refer to chapter 3.2 Compliance.

- **Taxes:** Grenergy's Tax Policy is based on compliance with the tax regulations applicable in each jurisdiction in which it has a presence. Additionally, the good governance practices implemented by Grenergy allow the identification, anticipation, prevention and control of tax risks to which the Group may be exposed. For further details, please refer to chapter 3.5 Tax Transparency.

- **Fair competition:** Grenergy's Code of Conduct specifies zero tolerance for non-compliance with antitrust laws and violations of fair competition principles. For further details, please refer to chapter 3.2 Compliance.

Methodology for calculating financial KPIs

Grenergy has considered exclusively the objective of climate change mitigation, although it can also contribute to the objective of climate change adaptation. This decision has been taken to avoid any possibility of double counting in the calculation of financial indicators, thus ensuring transparency and consistency in our assessment.
In accordance with the EU Taxonomy and what it establishes, Grenergy reports on the 3 KPIs requested:

- Turnover
- Capital expenditures (CapEX)
- Operating expenses (OpEX)

In accordance with the provisions of Annex 1 of Delegated Regulation 2021/2178 of July 6, 2021, Grenergy reports on the construction of the numerator and denominator of the requested indicators:

Table 3. Methodology for calculating financial KPIs 2023

		Denominator	Numerator
Eligible and aligned activities	TURNOVER	Grenergy's consolidated turnover recognized in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), adopted by Commission Regulation (EC) No. 1126/2008.	Consolidated turnover included in the denominator that meets the substantial contribution, DNSH and Minimum Social Guarantees criteria.
	CAPEX	Includes additions to tangible and intangible assets during the year under review before depreciation and amortization. The Company's financial statements are presented based on the following criteria: (i) the value of the assets, liabilities, depreciation, amortization and any new valuations, including those resulting from revaluations and impairment losses of value, for the relevant period, excluding changes in fair value. The denominator also includes additions to tangible and intangible assets resulting from business combinations. A In this respect, the accounting accounts considered are those corresponding to **"Property, plant and equipment", "Intangible assets", "Payments for investments" and "Right-of-use assets", which come directly from the consolidated statement of cash flows**.	Includes fixed asset investments in the denominator that meet the substantial contribution, DNSH and Minimum Social Guarantees criteria.
	OPEX	Includes non-capitalized direct costs that relate to research and development, research and development measures and building renovation, short-term leases, maintenance and repairs, as well as other direct expenses related to the daily maintenance of tangible fixed assets of the company or a third party to whom activities are subcontracted and which are necessary to ensure the continuous and efficient operation of such assets. In this sense, the accounting accounts considered are those corresponding to **"Other operating expenses" is taken directly from the consolidated income statement**.	Includes operating expenses in the denominator that meet the substantial contribution, DNSH and Minimum Social Guarantees criteria.
Eligible and non-aligned activities	Applies to all 3 KPIS	Same as previous case "Eligible and aligned activities".	Eligible activities that do not meet the substantial contribution and/or DNSH criteria.
Not eligible activities	Applies to all 3 KPIS	Same as previous case "Eligible and aligned activities".	Activities not eligible for Taxonomy as they are corporate activities that do not fit into any taxonomic activity.

Results

Table 4. Taxonomic results 2023						
Summary of Results	**Turnover**	**%**	**CAPEX**	**%**	**OPEX**	**%**
Eligible and aligned (A1)	**179,139**	**100%**	**363,257**	**99%**	**-15,359**	**58%**
4.1 Electricity generation using solar photovoltaic technology	155,428	87%	362,958	99%	-9,513	36%
4.3 Electricity generation from wind power	21,160	12%	0	0%	-4,117	16%
4.10 Electricity storage	0	0%	99	0%	0	0%
7.6 Installation, maintenance and repair of renewable energy technologies	2,551	1%	0	0%	-1,729	7%
(A2) Eligible and non-aligned activities	**0**	**0%**	**0**	**0%**	**0**	**0%**
(B) Activities not eligible	**0**	**0%**	**3,076**	**1%**	**-10,961**	**42%**

TURNOVER	CAPEX	OPEX
100%	**99%**	**58%**
Eligible and aligned	Eligible and aligned	Eligible and aligned

Annex 6.6 provides a breakdown of Grenergy's activities considered sustainable by the Taxonomy, detailing the level of eligibility and alignment of each of them with the objective of climate change mitigation.

03

RESPONSIBLE LEADERSHIP

3.1 GOVERNANCE

Grenergy's Board of Directors is firmly committed to establishing a transparent and efficient corporate governance system aimed at creating long-term value and safeguarding the interests of all stakeholders.

Board of Directors

The regulations outlining the internal operations and functioning of the Board of Directors are detailed in the Board of Directors Regulations. Additionally, the criteria for the selection of new members or the re-election of existing ones are specified in the Board Composition Policy. This policy is designed with the company's best interests in mind, aiming to enhance the effectiveness and professionalism of the Board. It ensures that proposals for Board member appointments align with both the recommendations of the CNMV's Code of Good Governance and the specific requirements of Grenergy. These decisions are subject to scrutiny by shareholders and various stakeholders.

*The Board Composition Policy aims to **promote gender diversity** and skills among its members, based on the **principles of non-discrimination and the prevention of conflicts of interest***

The principles of composition of the Council are:

- **Principle of diversity of knowledge and experience.**
- **Principle of non-discrimination.**
- **Principle of gender diversity.**
- **Principle of absence of permanent conflicts of interest.**
- **Principle of adequate composition of the Board of Directors.**

The Board members are elected individually according to the suitability of their profile and complementarity of competencies. There is a limit of three memberships on other boards, which is not exceeded by any of the board members. In 2021, Grenergy strengthened its Board of Directors and complemented it with the addition of two new profiles that bring extensive experience in industry, finance, risk management and sustainability, increasing the total number of Board members and achieving gender equity. In 2023, the Board of Directors appointed Ana Plaza, as an independent Board member with financial and risk management experience, who will also be a member of the Audit and Control Committee.

BOARD OF DIRECTORS

David Ruiz de Andrés
Chairman of the Board
and Chief Executive Officer

Ana Peralta
Independent Board member Coordinator
President of the CAC

Rocío Hortigüela Esturillo
Independent Board memeber
President of the ARSC

Ana Plaza
Independent Board member

Florentino Vivancos Gasset
Proprietary Board member

María Merry del Val Mariátegui
Proprietary Board member

Nicolás Bergareche Mendoza
Independent Board memeber

Antonio Jiménez Alarcón
Proprietary Board member

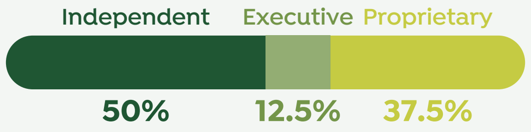
Lucía García Clavería
Secretary of the Board

Audit and Control Committee
Appointments, Remuneration and Sustainability Committee
Financial expert
Industry expert
Risk management expert
Sustainability expert

*Grenergy's Board of Directors has an **equal number of men and women**, incorporating diversity in experience and backgrounds*

GENDER DISTRIBUTION

DISTRIBUTION BY CATEGORY



DISTRIBUTION BY AGE RANGE

Diversity: The presence of women on the Board of Directors is 50%, and both committees are chaired by independent female Board members.

Conflict of interest: Grenergy has an independent coordinating Board member, Ana Peralta, to lead those cases of potential conflict of interest.

Transparency: Grenergy publishes transparent information on all remuneration items received annually by the Board members in the remuneration report, available on its website. In 2023, the average total remuneration of non-executive Board members, including cash remuneration, gross profit from shares, savings schemes and other items, was €54,743 for men and €49,105 for women (in 2022, €31,000 for men and €46,000 for women). Finally, the fixed remuneration of the executive board member is €93,550.

Training: In 2023, Board members received specific training in practical risk management acumen and ESG training.

Performance evaluation: The Board of Directors conducts internal and external performance evaluations, following best practices of good corporate governance. In 2023, the Board underwent an internal evaluation, having carried out an external evaluation in previous years.

Grenergy makes the Remuneration Policy available to the public, which has been prepared with the purpose of regulating the proportion of compensation, promoting profitability, and the achievement of results. It also seeks to attract and retain Board members with the desired profile, without compromising the independence of their judgment.
In addition, the Board of Directors is responsible for approving the company's policies and over the past year has approved some key documents such as the new Codes of Conduct for Grenergy employees and suppliers and the regulatory framework that defines the system for monitoring the implementation of corporate policies. In 2022 the Compliance Manual was defined and approved at the beginning of 2023.

*Grenergy has **an independent coordinating Board member** to lead those cases with a potential conflict of interest*

STEERING COMMITTEE

David Ruiz de Andrés

CEO

Highest authority in the direction and management of Grenergy

Pablo Otín

COO

Responsible for development operations and new technologies in new markets

Emi Takehara

CFO

Responsible for corporate and structured financing of the group, as well as auditing, tax and risk

Daniel Lozano Herrera

Strategy and Capital Markets Director

Responsible for capital markets operations, sustainability, communication and marketing

Mercedes Español Soriano

M&A Director

Responsible for project sale and purchase, mergers and due diligence processes

Francisco Luis Quintero Berganza

Director of Generation and Equity

Responsible for the global management of renewable generation assets

Álvaro Ruiz Ruiz

Director of the legal area

Responsible for corporate legal aspects, as well as contractual aspects

Luis Rivas Álvarez

Director of Human Resources, IT and Innovation

Responsible for Human Resources, Digitalization and Innovation

Management Committee

This is the internal body with the highest authority and its mission is to drive Grenergy's activity, develop its business strategy in a sustainable manner, lead the human team and ensure compliance with financial and operational objectives.

In 2021, Grenergy strengthened its team with the addition of two new members to the Steering Committee, Emi Takehara, through internal promotion to Chief Financial Officer (Master in Management - EDHEC Business School, Master in Finance and Investments – EBS) and the incorporation of Francisco Quintero as Director of Generation and Equity (Civil Engineer and MBA - IE Business School).

Additionally, in 2023, the company's operational structure and the Management Committee were strengthened with the incorporation of Pablo Otín as Grenergy's Chief Operating Officer (Degree in Electronic Engineering - University of Zaragoza and the University of Lancashire, Executive MBA - IEB Madrid) and with the incorporation of Luis Rivas as Director of Human Resources and Director of Digital and Innovation (Degree in Business Administration and Management - University of Santiago de Compostela).

The main governing bodies of sustainability

APPROVAL

Board of Directors

SUPERVISION

Audit and Control Committee

Appointments, Remuneration and Sustainability Committee

APPROVAL AND FOLLOW-UP

Management Committee and Sustainability Committee

LEADERSHIP

Sustainability Management

IMPLEMENTATION

Business Areas (corporate and country)

*Both Commissions have **majority of women**, independent member majority and no executive Board members*

The **Audit and Control Committee** is primarily responsible for supervising the effectiveness of the company's internal control, internal audit, risk management systems and auditor independence, as well as overseeing the process of preparing and presenting financial and non-financial information.

The **Appointments, Remuneration and Sustainability Committee** is mainly responsible for the selection, appointment, re-election and removal of Board members, the report on proposals for the appointment and removal of senior executives; reporting to the Board of Directors and implementation of the remuneration policy for Board members and management; supervision of compliance with the company's corporate governance rules and internal codes of conduct; evaluation and periodic review of the corporate governance system and the company's environmental and social policy; supervision that the company's environmental and social practices are in line with the strategy and policy established.

75% Women[1]

75% Independent[1]

0% Executive Board members[1] in both committees

Both Committees, and specifically the Appointments, Remuneration and Sustainability Committee, in the function of supervising ESG aspects, benefit from the knowledge, experience and extensive relationship that its Board members maintain with various stakeholders, for the identification and management of sustainability-related impacts. It is worth mentioning the professional experience in ESG consulting and the professional links with relevant companies in the electricity sector and financial institutions.

Sustainability Committee: is, together with the Management Committee, in charge of supervising the foundational objectives of Grenergy's Sustainability Policy. The members appointed are the Director of Strategy and Capital Markets as Chairman, the Director of Sustainability as Secretary, the Director of Generation and Equity and the Legal Director, both as members. This composition facilitates greater integration of ESG aspects into corporate strategy.

Among its main functions is to ensure the implementation of the ESG Roadmap defined by the company and the annual action plans derived therefrom, reporting to the Appointments, Remuneration and Sustainability Committee, on its progress at least quarterly. At least once a year, the Sustainability Committee shall report to the Audit and Control Committee regarding sustainability information.

[1] The data reported refer to the Audit and Control Committee (ACC) and Appointments, Remuneration and Sustainability Committee (ARSC).

3.2

COMPLIANCE

***Genergy's Code of Conduct** is the basis for all our decisions and activities and is the key component of our business integrity. It is the way we conduct business in **compliance with the laws** in the countries in which we operate and **respect the dignity, and personal rights** of each individual*

Compliance starts at the highest levels of the organization. In this context, our leaders establish an appropriate "tone from the top", which defines our orientation and commitment to compliance.

Grenergy has zero tolerance for any form of corruption, violations of the principles of fair competition and non-compliance with laws and regulations. The company takes immediate action when these occur.

In addition, it is vitally important for Grenergy to comply with its own Code of Conduct.

Given the importance of compliance issues, the Compliance Director reports at least quarterly to the Audit and Control Committee.

During fiscal year 2023 there have been 4 formal meetings of the Executive Compliance Committee, as the body responsible for Compliance issues in Grenergy, one per quarter in accordance with the established schedule to discuss and debate strategic ideas on Compliance.

Compliance Program

January 2023 saw the formal approval and publication of the new global Compliance Program to support the effective mitigation of compliance risks. More than 90% of Grenergy employees have been trained in Compliance, excluding employees in the United States, following the acquisition of Sofos Harbert, which was acquired in early 2023.

Within the Compliance training, Grenergy's Internal Regulatory Framework, the Code of Conduct, the whistleblower channels as well as the Compliance controls established in the Compliance Manual published. These controls refer, among others, to gifts and hospitality, intermediary assessment, evaluation of donation initiatives, sponsorships and participation in associations.

In addition to the training plan, an internal communication plan has also been approved and implemented, aimed at increasing awareness of compliance issues in the organization, for which Grenergy's managers, establishing the appropriate "tone from the top", have communicated ideas related to the importance of compliance through internal communication channels, the existence of whistleblowing channels, the transparent management of conflicts of interest, risk assessments in our relationships with third parties or the process that each sponsorship, donation, charitable contribution or planned affiliation must follow to properly mitigate compliance risks.

During fiscal year 2023, there were no cases of conflicts of interest.

Regarding the Compliance organization, the Compliance network has been created in the countries where Grenergy is present, consisting of a group of employees from other areas, who assist in the implementation of the Compliance Program in their respective countries and serve as interlocutors with Compliance in the Parent Company. They have contributed with communication and training tasks.

Whistleblower Channel

The whistleblower channel enabled on the website is aimed at employees, suppliers and other stakeholders who have observed suspicious behavior or actions, possible infractions or non-compliances that contradict our codes of conduct, and internal or external regulations. During the year 2023 we have worked on adapting the whistleblower channel to Law 2/2023 and the Compliance Committee has been appointed Head of the Internal Information System as a collegiate body that will delegate to the Compliance Director the functions of the latter as an individual, in accordance with the provisions of the aforementioned law.

Compliance Cases

A compliance case is any violation of criminal and/or administrative law or Grenergy's internal regulations by at least one employee and/or a third party working on behalf of Grenergy. All internal information received is first subjected to a plausibility check by Compliance. If the plausibility check suggests that the allegations are plausible, a mandate is issued to initiate an investigation, which must comply with the fundamental principles of a compliance investigation and the law. All compliance cases reported to the Compliance Organization are dealt by Compliance, which may receive external support and/or be referred to the relevant specialist department within Grenergy.

During the year 2023, 2 reports have been received in the Internal Reporting System that have been processed in accordance with the applicable legislation, from which no Compliance Cases or disciplinary sanctions have been derived.

During fiscal year 2023, numerous relationships with third parties that could generate Compliance risks have been evaluated, in addition to a set of sponsorship, donation and participation in associations activities, thus ensuring that the risk of corruption is appropriately mitigated.

An internal project has also been initiated for the digitalization of the procedure for evaluating business partners generating compliance risks, a project that will be completed in 2024 and will allow for greater efficiency and the possibility of using data analysis to identify patterns that will enable better risk management.

No cases of corruption have occurred in Grenergy during fiscal years 2022 and 2023 and, therefore, no disciplinary action has been taken in this regard. Likewise, no contracts with business partners have been terminated due to corruption-related violations. There have also been no public legal cases related to corruption, nor have there been any significant cases of non-compliance with the law that have resulted in fines or non-monetary sanctions.

Antitrust

Violations of antimonopoly legislation represent a huge risk for the company and its employees. They involve fines, damages, exclusion from public tenders and reputational damage. Therefore, no non-compliance with antimonopoly legislation is tolerated at Grenergy. There are no legal actions pending or completed at Grenergy during the reporting period with respect to unfair competition and violations of applicable antitrust and monopoly legislation.

*The whistleblower channel is open to all interest groups and **it guarantees the confidentiality** of the denouncer*

Anti-money laundering and prohibition of terrorist financing

At Grenergy, we do not tolerate money laundering or terrorist financing. All employees are required to comply with all laws and regulations designed to prevent, detect and report money laundering, terrorist financing and related criminal activities.

Grenergy's Compliance program aims to create a high level of transparency in business conducted with third parties (counterparties) and includes:

- Conducting enhanced due diligence, for those cases in which additional risks arising from the relationship with a third party or from a specific transaction are identified.
- Procedures for monitoring potentially suspicious business relationships and payment methods.
- Reporting suspicious transactions or behavior of any trading counterparty to local authorities.

During fiscal years 2022 and 2023 there have been no cases of money laundering.

Compliance Control Framework

During the year 2023, the Compliance Control Framework has been implemented, the objective of which is to provide reasonable assurance that the Compliance Program is being properly implemented globally and therefore compliance risks are being mitigated.

Criminal Risks

At the date of writing this report, an internal project has been initiated to evaluate the criminal risks in Grenergy Peru, due to the modification of the Peruvian Criminal Code, through which the main criminal risks and the controls that mitigate these risks will be identified, establishing, if necessary, the necessary internal protocols to improve or establish new controls.

3.3 RISK AND OPPORTUNITY MANAGEMENT

The risk management makes it possible to identify the internal and external factors that could impact the company in advance. The company must mitigate those risks to improve, protect its value and its continuity over time

Grenergy's Board of Directors, as provided for in Article 4 of the Board of Directors Regulations, is responsible for determining the Group's risk control and management policy, identifying the Company's main risks and implementing and supervising the internal information and control systems (the "General Risk Control Policy"). Management, Risk Control and Internal Audit"), with the purpose to ensure the future viability and competitiveness of the Company.

In this context, the General Risk Management, Control and Internal Audit Policy aims to establish the basic principles and general framework of action for the control and management of the different types of risks affecting the Group in the different countries in which it operates, so that they are identified, quantified and always managed.

The starting point of the process lies in the definition of the concept of risk, and in the identification of the main risk factors that may affect the company.

This was done by drawing up a risk map that assesses each risk in terms of probability and impact on key management objectives and on the financial statements. This risk classification allows a prioritization of risks.

During the 2023 financial year, a high-level review of corporate risks has been carried out, insofar as the main executives of the different areas of Grenergy have individually analyzed the risks to which Grenergy is exposed daily in order to subsequently and jointly align and reach a consensus on the risks identified and organize them in order of priority and relevance.

In addition, during 2023, training was provided to Board members and senior management by an external expert, in which a practical view of risk management was shared.

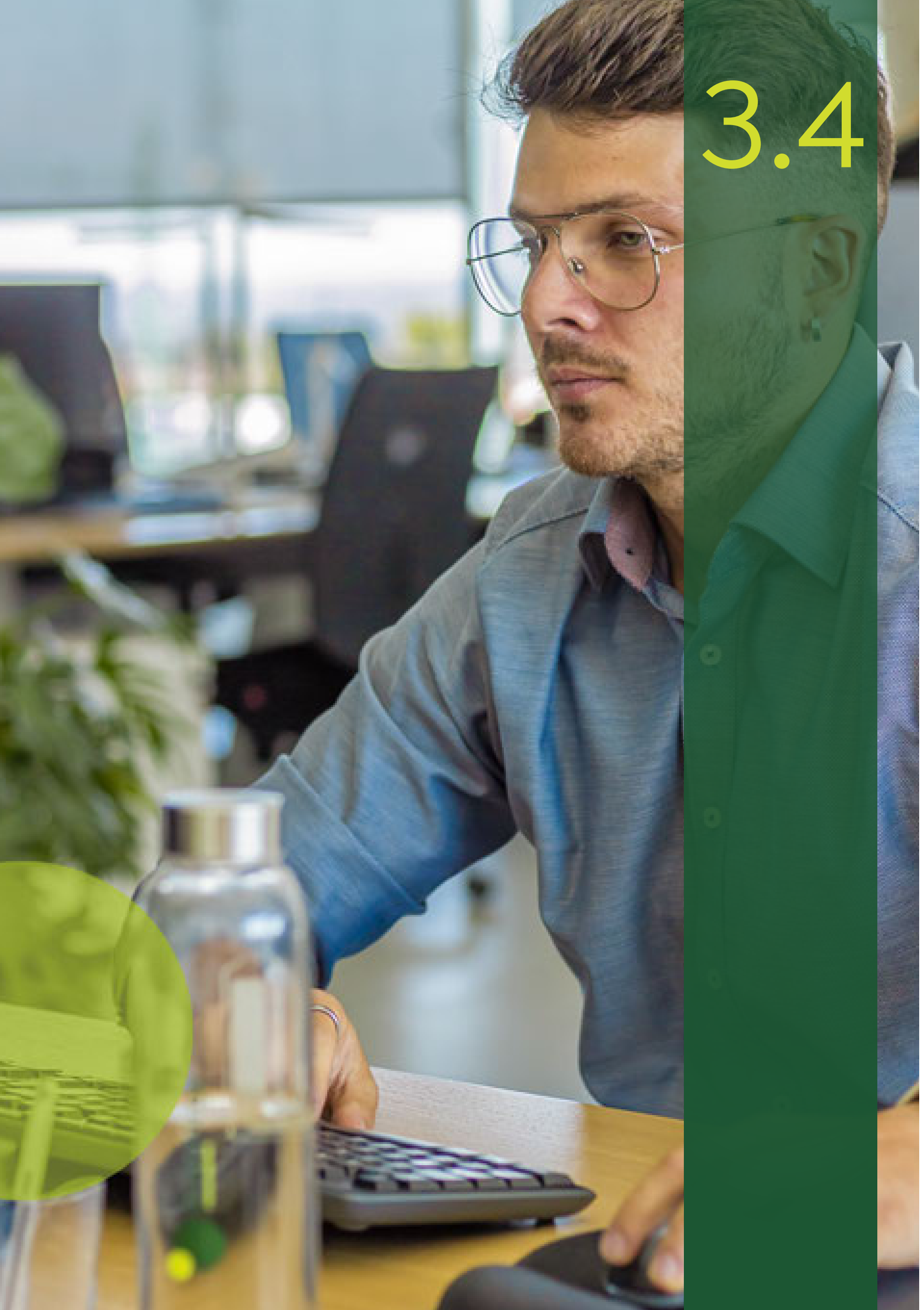
The ESG risks identified by the company have been approved by the Board of Directors and integrated into the ***general risk management system***

The following actors are involved in the risk management system:

- The business and support areas are responsible for managing risk to achieve organizational objectives by: (i) directing and guiding actions and resources to achieve the organization's objectives, including the management of the risks that affect them; (ii) establishing and maintaining adequate structures and processes for managing operations and risks; and (iii) taking responsibility for compliance with legal, regulatory and ethical expectations in their respective areas.

- The Compliance Committee, whose responsibility is to carry out all necessary actions for the correct implementation and operation of the crime prevention system, as well as its monitoring. It must also promote and supervise the degree of implementation of the regulations, both internal and external, within the Group, participating in the clarification of potential non-compliances that are communicated through the established communication channels.

- Internal Audit, which independently evaluates the risk situation and reports periodically to the Board of Directors on these risks.



3.4 CYBERSECURITY, INFORMATION SECURITY AND INNOVATION

3.4.1 CYBERSECURITY AND INFORMATION SECURITY

In an interconnected world, the development and implementation of best practices in cybersecurity and IT security are essential to protect companies and individuals from various dangers on the network. Cybersecurity breaches are a key threat in the short and medium term and reflect the importance of proper management, mitigation and internal expertise to address emerging risks.

As a commitment to face this growing challenge, Grenergy published in 2023 the Information Security Policy, which establishes the basic principles and a general framework for the control and management of the security risks faced by the company, emphasizing the responsibility of all employees and group companies to be aware of and comply with this policy.

This policy is structured around a set of basic principles on which Grenergy's business strategy is based:

- **Protection** of critical assets from potential cybersecurity and physical threats
- **Sensitization** of all employees on risks to protect systems security
- Implementation of risk-based security **mechanisms** based on specific risks
- Promotion of capabilities for **prevention**, **detection**, **reaction**, analysis, recovery, **response**, investigation and coordination of potential threats
- Process of **review and continuous improvement** of the safety management
- **Regulatory compliance assurance**

Grenergy is aware of the growing demand for these challenges and, to this end, has a strategy for cybersecurity and information security.

Grenergy has a cybersecurity governance model integrated as part of the culture that is a strategic component of the company's management.

This governance model has a first level of management, the Information Security Committee, created in October 2023, a second level, the Management Committee, and a third level, represented by the Board of Directors.

The Information Security Committee is responsible for identifying and assessing risks and ensuring that all employees are aware of and comply with the cybersecurity policy and internal rules that develop it. In addition, this Committee is responsible for establishing controls to prevent and mitigate information security risks. The Management Committee promotes the dissemination and awareness of the policy and facilitates compliance with it, and the Board of Directors supervises compliance with the policy and approves policy updates.

This service includes the detection of cybersecurity threats, incident support, vulnerability mitigation, internet threat monitoring, containment and response actions and, continuous service improvement

Prevention, protection and surveillance

One of the fundamental principles of the Cybersecurity and Information Security Policy is the promotion of prevention, detection, reaction, analysis, recovery, response, investigation and coordination capabilities in the face of possible threats. In this sense, Grenergy has an external information security service duly certified to improve the company's comprehensive security and protect its technological assets and business information.

Part of the prevention measures in critical infrastructure includes knowing how our plants are connected. This is why in our Utilities we will be drawing up maps of communications networks that will facilitate the identification of the origin of failures or disconnections.

In addition, this service **allows improving the overall security of the organization, minimizing information theft or hijacking, reduce downtime, avoid negative reputational impacts, comply with regulations, provide monitored security, guarantee uninterrupted operation for users and ensure business satisfaction through an extended service management team.**

Awareness

Grenergy is committed to raising awareness and training all employees on risks to protect system security and to act as the first line of defense against major cyber-attacks. To this end, and in collaboration with an external audit team, a cybersecurity awareness campaign was carried out, including a phishing exercise, running in two batches in December 2022 and March 2023. The objective of these two employee campaigns was to assess employee awareness, train users in threat detection and measure the effectiveness of the campaigns.

In the 2024-2026 Sustainability Strategy update, among the main cybersecurity objectives for the next 3 years are:

- Definition of an Information Security Master Plan.
- Conducting internal and external security audits and vulnerability assessments of systems, products and practices.
- Improved operational measures to monitor and respond to data breaches and cyber-attacks in accordance with ISO 27001.

Data protection

Grenergy has a Data Protection and Privacy Policy for its web in accordance with the provisions of current legislation on the protection of personal data, the RGPD (EU) 2016/679, of April 27, and the LOPD 3/2018, of December 5, and with the provisions of the LSSI-CE 34/2002, of June 11.

The Company, as responsible for the website, has implemented policies, means and procedures to ensure and protect the privacy of the personal data of its users.

For further information or, in case of doubt, there is a contact e-mail address through which you can consult any detailed information about the Data Protection Policy.

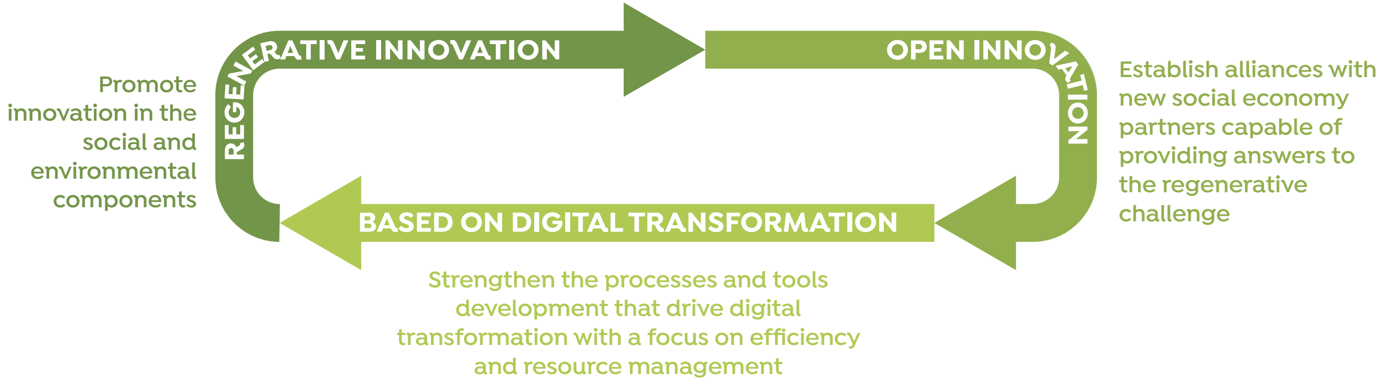
During the year 2023, a data protection audit was carried out, identifying some areas for improvement in the management of risks arising from the processing of personal data.

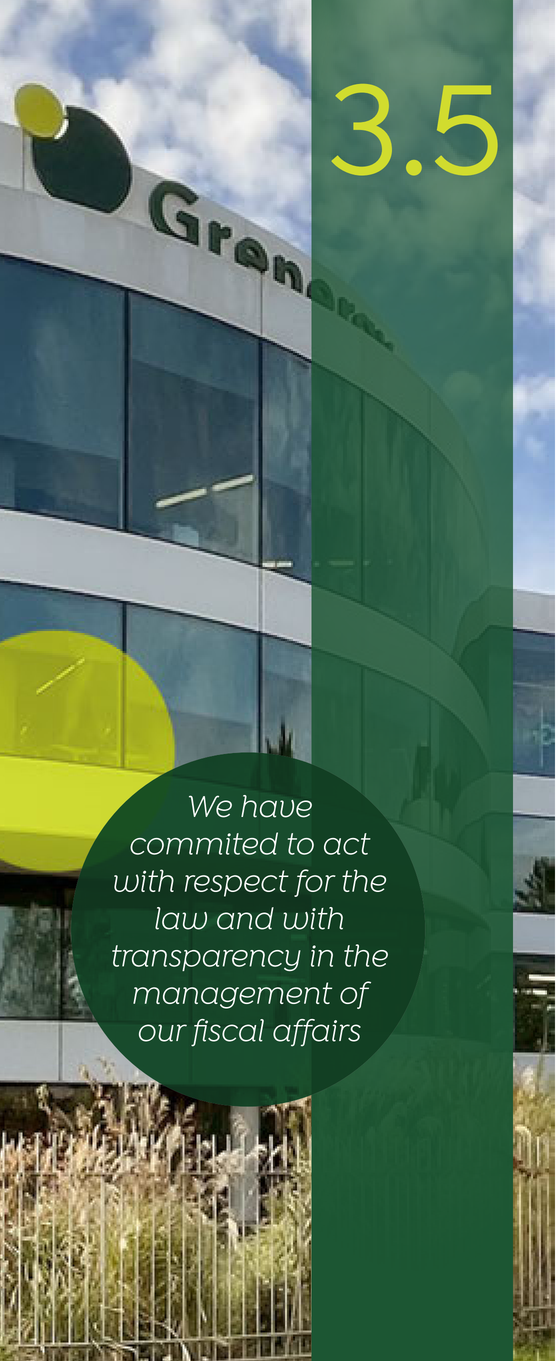
In addition, the decision has been made to focus on the management of risks derived from privacy, appointing the Information Security Committee to be responsible for these risks. The Compliance area has also initiated a project to coordinate the management of these issues in a coordinated manner.

3.4.2 INNOVATION

The BESS innovation team is dedicated to coordinating, advising and managing storage batteries in the various markets in which Grenergy operates. The company's investment in research and development (R&D), mainly storage batteries (BESS), amounted to €299,000 in 2023, including the hiring of consultants to carry out market studies in different countries. These studies are intended to support the development of long-term projects and to identify new opportunities to enter emerging markets.

In addition, the team focuses on the research of emerging technologies such as green hydrogen, as well as on the detailed study of BESS systems, covering aspects such as battery chemistry or storage efficiency methodologies.





3.5 FISCAL TRANSPARENCY

We have commited to act with respect for the law and with transparency in the management of our fiscal affairs

Aware of its responsibility, Grenergy's Tax Policy is based on compliance with the tax regulations applicable in each jurisdiction in which it has a presence, which is materialized in the timely payment of the appropriate taxes and its collaboration with the various Tax Administrations.

The Grenergy Group, through the search for tax efficiency, while being compatible with its tax obligations, seeks to combine the creation of value for shareholders and the development of the different social agents through the tax contributions it makes in each of the jurisdictions in which it is present.

In addition, the good governance practices implemented by Grenergy allow the identification, anticipation, prevention and control of tax risks to which the Group may be exposed by the mere development of its activity, as well as those behaviors that may generate them.

The main instrument with which Grenergy works to achieve the objectives is the implementation of transparent management, which is manifested both in the different phases and processes involved in complying with tax obligations and making decisions that have tax relevance, and in its commitment to collaborate with all levels of the Tax Administrations where the Group carries out its activities.

Table 5. Profits, taxes and subsidies by country 2023 (m€)

	Revenues	BAI	Income tax accrued	Income tax paid	Subsidies
Chile	218,151	3,154	5,478	1,164	-
Spain	140,770	41,600	(5,189)	13,784	-
Peru	14,331	5,656	(1,055)	289	-
Argentina	7,693	641	2,956	646	-
Colombia	11,280	1,413	(2,600)	489	-
Mexico	3,342	1,000	(728)	123	-
Italy	895	(246)	-	-	-
Germany	785	(351)	-	-	-
Romania	8	(35)	-	-	-
United Kingdom	487	(245)	-	-	-
Poland	461	223	-	-	-
USA	2.035	(616)	-	-	-
Total (m€)	**400,238**	**52,193**	**(1,138)**	**16,495**	**-**

Table 6. Economic value generated and distributed (m€)	2021	2022	2023
Revenues	220,837	291,176	401,033
ECONOMIC VALUE GENERATED	**220,837**	**292,055**	**401,033**
Operating costs			-272,988
Depreciation, amortization, impairment and other losses	-9,038	-14,178	-17,946
DISTRIBUTED ECONOMIC VALUE	**43,543**	**50,737**	**110,099**
Personnel expenses	-9,597	-14,772	-24,771
Capital providers			-33,135
Central Public Administration	-2,118	290	-1,138
ECONOMIC RETAINED VALUE (Net Income)	**16,012**	**12,556**	**51,055**

04 BUILDING A SUSTAINABLE FUTURE

4.1 BIODIVERSITY CONSERVATION

4.2 FIGHT AGAINST CLIMATE CHANGE

4.3 EFFICIENT WATER MANAGEMENT

4.4 CIRCULAR ECONOMY PROMOTION

Grenergy's ***Sustainability Policy*** *shows a* ***clear commitment to preserve the environment*** *of the projects carried out*

4.1 BIODIVERSITY CONSERVATION

Biodiversity is a determining factor in the development of our projects. For this reason, our activity includes a clear commitment to conserve the environment in which our plants are located, in accordance with the ISO 14001 Standard. This commitment is materialized in all projects executed through Environmental Impact Studies, and the presentation of the necessary measures to comply with the environmental requirements of the area to the corresponding administration, as well as the Environmental Impact Declaration (DIA) or the Environmental Qualification Resolution (RCA) with the established commitments. These evaluations, in turn, result in actions that neutralize, minimize or, ultimately, compensate for the impacts or risks detected.

Land use is one of the causes of biodiversity loss due to its impact on ecosystems and their species. Renewable energies require land for their installation and, therefore, Grenergy considers the potential impacts that this land use can generate on the habitat and its species.

Nature-related risks and opportunities
Grenergy considers the recommendations of the Task Force on Financial Disclosures with Nature (TNFD) in its management of natural capital risks and opportunities. The guidelines of this expert group indicate that the information should be disclosed in accordance with this structure:

GOVERNANCE

Transparent disclosure of governance practices related to the biodiversity and the integration of environmental criteria in corporate decision making.

STRATEGY

Dissemination of the development of long-term strategies
that consider the impacts and dependencies of biodiversity on power generation operations.

RISK MANAGEMENT

Risk assessment and mitigation associated with biodiversity loss in the areas where Grenergy operates and implementation of practices to avoid or reduce the degradation of local ecosystems.

METRICS

Disclosure of the company's assessment and performance in terms of biodiversity and ecosystem services including the establishment of key performance indicators and the setting of quantitative targets to improve biodiversity conservation.

Quillagua Solar Power Plant - Antofagasta - Chile

Mitigation hierarchy

Biodiversity management requires adequate detection of the potential effects, impacts and risks of each action, followed by planning with a clear hierarchy: avoid, minimize, restore and, ultimately, compensate for biodiversity loss.

The precautionary approach of the hierarchy is reflected in the avoidance of negative impacts through an appropriate selection of project locations where impacts are minimal or non-existent. As a starting point, this selection seeks to avoid areas defined as World Heritage Sites and protected areas in Categories I-IV of the International Union for Conservation of Nature (IUCN). For the implementation of photovoltaic and battery projects, special consideration is given to soils with gentle or low slopes, typically agricultural in nature and with potential for cultivation. The choice of the type of land use varies according to the location of the project, for example, in desert areas of northern Chile, the soil is not agricultural, while in the center-south there is land for agricultural purposes.

During construction, there is minimal impact on the soil, with slight erosion and physical modifications observed mainly during the leveling process for the installation of the piles that support the solar panels. From a chemical and biological perspective, during the operation of the project a fallow period is generated, leading to an increase in the diversity of micro- and macrofauna, highlighting the absence of fertilization of anthropogenic origin.

It is essential to note that, although the soil ceases to be productive during the implementation of the project, its capacity is not altered. As part of a voluntary environmental commitment, soil improvement is sought on land with agricultural potential or water accumulators are built to support agricultural production.

Among the fundamental studies carried out on soils, topography and hydrology stand out, with special emphasis on specific investigations of infiltration and the estimation of flow directions. These analyses allow the modeling of various scenarios with the objective of minimizing intervention in natural watercourses, especially regarding water. The importance of these studies lies in guaranteeing a low intervention in the water sources and their ecosystems, which in turn minimizes the possibilities of torrential floods.

Mitigation of these risks is crucial, as torrential floods could have a significant impact on the construction and operation of the parks. Thus, by implementing preventive measures supported by detailed studies, we seek to ensure the sustainability and safety of both the projects and the surrounding natural environments.

GRENERGY'S IMPACT MITIGATION HIERARCHY

Identification of impacts

Environmental impact assessments, in accordance with Law 21/2013, of December 9, 2013, on environmental assessment, consider all stages of the life cycle of each project, the most relevant being the construction, operation and maintenance stages. In each of the stages and sub-stages, the possible impacts on the atmosphere, soil, water, vegetation, habitats, fauna, historical and archaeological heritage, landscape and socioeconomic aspects of the area are identified and quantified. The assessment of environmental impacts must be carried out from highly specialized perspectives. In this context, our interdisciplinary teams play a crucial role, providing us with the capacity to carry out comprehensive and objective assessments. This diversity of approaches allows us to efficiently prioritize the actions necessary to adequately manage the environmental impacts identified. Among these environmental impact studies are those on the impact on fauna and flora, in which we use various methodologies that include the recording of species to be conserved and propose mitigation and adaptation solutions. During 2023, it should be noted that in Colombia, studies were conducted in four candidate plots for construction. The identification of species and their possible impacts made it possible to draw up mitigation and adaptation plans.

The most efficient management, aimed at carrying out assertive actions with respect to the context of the area, to act in a sustainable manner from the beginning of the projects. This work, which includes assessment, identification of prevention and mitigation measures, and monitoring of actions and their results, involves an investment of €798,160 in 2023.

Thanks to this management, none of our projects are located in protected areas.

0 fines for environmental non-compliance

0 delays on projects for ecological impacts

0 red flags in the environmental field

0 projects in protected areas according to local or international regulations

Once the potential impacts have been identified at each stage of the project, the measures necessary to counteract them are analyzed. These measures are categorized according to the hierarchy: avoid, mitigate, restore and compensate, in such a way that only compensation measures are used once the unfeasibility of implementing other types of measures has been analyzed. The next step consists of monitoring the measures and the results obtained by each one of them, thus guaranteeing the established objectives. During 2023, we reached 3,644 hours of monitoring and, again this year, none of our projects received environmental fines or suffered delays due to unidentified risks or measures.

3,644 Hours Of environmental monitoring

3,250 Hours Of environmental training

Protected species

The company assesses the presence of protected species in all its projects according to the IUCN (International Union for Conservation of Nature) Red List of Threatened Species or national and regional conservation catalogs. No critically endangered IUCN species have been identified in any of the projects.

In each park or project candidate area, we conduct a comprehensive inventory of 100% of the tree individuals present. This approach ensures an accurate impact assessment, with classifications according to IUCN standards and local regulations.

In 2023, monitoring of the status of more than 800 vascular epiphytes was carried out, and initiatives for the restoration of forests intended to host non-vascular epiphytes were promoted.

Habitat restoration

In 2023, Grenergy undertook actions to reforest an area of approximately 144 hectares next year and other habitat improvement activities. The company is working with external experts to implement, follow up and monitor the restoration measures.

Some of the main habitat restoration measures carried out in 2023 are:

- **Wildlife rescue and relocation at the Gran Teno solar plant, Chile.**
- **Compensation plan at the Tucanes solar park, Colombia. The monitoring and follow-up program for non-vascular epiphytes begun the previous year continued.**
- **Rescue and relocation of Violets in the Condor PV (Chile)**
- **Rescue and relocation of lizards, cultivation of aromatic plants and soil improvement in the Lo Miguel PV.**

Table 7. Number of species according to national/regional catalogs and IUCN list 2023

Category type	Number
Number of species in national/regional lists of conservation present in the project area	173
Number of critically endangered IUCN species (CR)	0
Number of IUCN endangered species (EN)	16
Number of vulnerable IUCN species (VU)	182
Number of IUCN Near Threatened species (NT)	107
Number of IUCN Species of Least Concern (LC)	367

Highlighted case:

Gran Teno Reforestation

Watch video

Grenergy, with the Gran Teno project, has committed to the reforestation of 255.57 hectares of native forest, as indicated in the Environmental Management Plans, for which it has relied on the company 'Nativo Maipo'. The main planting has been of native trees such as Quillay, Boldo, Peumo, Espino and Maitén, and has been carried out through an innovative method of planting in clearings and terraces in such a way as to obtain greater survival and adaptation of the plants. These techniques do not use irrigation water but consist of collecting rainwater through planting techniques called Limán, in which the plants are arranged in the shape of a crescent, coinciding with the natural slope of the environment.

In October 2023 took place the Environmental Education Day, in which Grenergy organized a reforestation activity with 20 students of Tourism of the Liceo Politécnico de Rauco, to teach the planting method and raise awareness about the importance of preserving native vegetation.

Highlighted case:

Recovery of vascular epiphytes in Tucanes park, Colombia

Vascular epiphytes emerge as key players in storing gigatons of carbon in forests. In this context, the environmental management plan for the biotic component of Tucanes Park in Colombia has been conceived with a strategic approach. Priority has been given to rescuing the gene pool of mosses and lichens to compensate for the impact on non-vascular epiphytes, thus generating a new area conducive to the colonization of these species.

The activities were carried out in collaboration with a local consultant. The flora experts oversaw site rehabilitation and plant rescue, as well as the subsequent inoculation of the recipient trees. In the initial phase, the rescue of vascular epiphytes, especially orchids and bromeliads, was carried out. Afterwards, an optimal site for planting was carefully selected and, for two years, an inoculation program was carried out.

These evaluations covered crucial variables such as phytosanitary status, growth in diameter and height, with the objective of evidencing the state of the planting and thus ensuring the successful colonization of non-vascular flora species.

The restoration area for non-vascular species in the Tucanes project covers one hectare, with 400 individual trees. These, added to those present in the territory, have converged to constitute a forest ecosystem of crucial relevance for environmental conservation.

Highlighted case:

Promoting biodiversity at the Escuderos and Tabernas solar power plants, Spain

At the Escuderos solar plant (Guadalajara), habitat improvement measures have been established for steppe birds through agricultural extensification techniques and the monitoring and location of the Montagu's harrier has been carried out.

Due to the significant decline in the Montagu's harrier population, the nests of this species have been monitored and identified so that, once located, they can be protected against predators by installing a fence around the nest and compensating the farmers for the protected area.

At the Tabernas solar plant (Almería), preliminary surveys have been carried out to identify protected plant species in the vicinity of the facilities, such as Rosmarinus eriocalyx and Linaria nigricans.

Net Positive Impact on Biodiversity

Biodiversity plays a fundamental role in the proper functioning of ecosystems and the services they provide, such as water regulation, carbon dioxide sequestration, nutrient cycling, and protection against erosion. A diverse ecosystem exhibits greater stability and resilience in the face of adverse events.

In our commitment to achieve a net positive impact on our operations, Grenergy is collaborating with environmental organizations to identify and support voluntary ecosystem restoration and biodiversity enhancement initiatives. These "Nature-Based Solutions, NBS" projects use the power of nature to address major environmental challenges. In 2022, we conducted technical studies near the Ayora, Tabernas and Belinchón plants for the ecological restoration of degraded wetlands, aimed at improving their condition, promoting habitat conservation and enhancing CO capture2 . These initiatives reinforce our commitment to sustainability and environmental preservation in all our operations.

Within the framework of the new sustainability strategy 2024-2026, a catalog of biodiversity and ecosystem protection practices in our plants (Nature-Based Solutions, NBS) will be developed for our main plants in 2024. By 2026, we have set a target of achieving a net positive impact on biodiversity, in line with TNFD recommendations.

Noise and light pollution management

Grenergy avoids noise pollution according to current legislation through the effective maintenance of the machinery used in the construction and operation of all its projects, also favoring the reduction of polluting gases.

In addition, in its commitment to guarantee the minimum impact on the locations it operates, biological stoppages are carried out, normally during established periods in the months of March to June, coinciding with the mating season of species detected in the areas of influence. The limited activities are driving, drilling, earthmoving, etc., since these are the phases with the highest risk of acoustic emissions. In no case is night work carried out to have the least possible influence on the correct development of native biodiversity.

Regarding light pollution management, in order to prevent the dispersion of light into the night sky, as well as to preserve the natural conditions of darkness for the benefit of ecosystems, no outdoor lighting is installed at the photovoltaic plants, except for the lighting associated with the electrical substation for safety reasons (emergency lighting). Plant lighting is avoided as much as possible since there is no optimal solution to avoid harming flora and fauna.

4.2 FIGHT AGAINST CLIMATE CHANGE

Grenergy's business model plays a key role in mitigating and adapting to climate change by moving towards an energy system free of fossil fuels and adapting its processes in the most efficient and predictive manner to the possible effects of climate change.

Climate change is a global phenomenon that manifests itself in an increase in the Earth's average temperature, with effects such as melting glaciers, rising sea levels and the intensification of extreme weather phenomena such as droughts, floods, heat waves and tropical cycles.

In May 2023, the World Meteorological Organization published its *Annual to Decadal Global Climate Outlook*[1], which warns that there is a 66% chance that temperatures will exceed pre-industrial levels by more than 1.5°C between 2023 and 2027. These projections indicate an acceleration of global warming, with devastating consequences. In Spain, the signs of climate change are already apparent.

The country is particularly vulnerable due to water scarcity in several regions. In this regard, the State Meteorological Agency (AEMET) warns of worrying trends such as the decrease in river flows, the expansion of semi-arid areas and the increase in heat waves.

The importance of acting is fundamental to avoid an increasingly adverse scenario at both the national and global levels.

In the context of climate change and actions to address the environmental crisis, Grenergy has established and successfully met the objectives outlined in its ESG Roadmap 2021-2023. The objectives address governance structure, ESG objectives in the Strategy, risk management, ESG impacts and ESG communication.

With the recent update of the 2024-2026 Sustainability Strategy, more ambitious climate objectives have been set, which will be summarized at the end of this chapter.

Having more climate information is key for Grenergy to properly assess its exposure to the various physical and transitional risks and thus be able to correctly design its future business strategy.

[1] https://library.wmo.int/viewer/66224/?offset=4#page=1&viewer=picture&o=&n=0&q=

Climate-related risks and opportunities

Grenergy follows the recommendations of the TCFD[2] , to disclose climate issues. Grenergy has prepared an internal report assessing our alignment with these recommendations.

GOVERNANCE

Disseminate the organization's governance around climate-related risks and opportunities.

STRATEGY

Disclose real impacts and potential risks and opportunities related to the business climate, strategy and financial planning of organizations where such information is material.

RISK MANAGEMENT

Disclose how the organization identifies, assesses, and manages climate-related risks and opportunities.

METRICS

Disclose the objectives and metrics used to assess and manage risks and opportunities relevant climate-related information when such information is material.

[2] The Financial Stability Board (FSB) created in 2015 the Task Force on Climate-related Financial Disclosures (TCFD), a Group of to encourage companies to inform stakeholders about climate change-related risks and how to manage them.

Governance

Climate governance is structured at several levels, starting with the Sustainability Department and ending with the Board of Directors, through the Sustainability Committee, the Management Committee and the Audit and Control Committee (ACC) and the Appointments, Remuneration and Sustainability Committee, (ARSC).

BOARD OF DIRECTORS
Maximum responsible for the approval and follow-up of commitments and climate strategy

AUDIT AND CONTROL COMMITTEE
Monitoring of climate risk management systems as well as climate information

Appointments, Remuneration and Sustainability Committee, (ARSC)
Monitoring of climate strategy and commitments

SUSTAINABILITY COMMITTEE
Monitoring of the climate strategy and action plan

SUSTAINABILITY MANAGEMENT
Implementation and monitoring of climate strategy and action plan

BUSINESS AREAS
(CORPORATE AND BY COUNTRY)
Support in the achievement of the climate action plan

Climate strategy

Grenergy's strategic plan responds directly to climate-related opportunities through its goal of reaching 5 GW in solar PV construction and operation by 2026 in various markets. In 2023, the company has continued to make progress towards its strategic targets with a project pipeline of 15.3 GW at year-end, an increase of 3.6 GW in the last 12 months.

The company is implementing several strategic initiatives, including the introduction of new storage systems, such as battery systems in plants, and the evaluation of green hydrogen projects in the long term. To strengthen its position in the market and respond to emerging opportunities, the company has decided to enter new markets to geographically diversify its operations, and in addition, it plans to implement an evaluation prior to contracting suppliers in its supply chain.

Grenergy's climate change mitigation and adaptation strategy focuses on the complete decarbonization of its business model and the implementation of best adaptation practices. In the definition of its 2024-2026 sustainability strategy, approved by the Board of Directors in November 2023, Grenery sets ambitious mitigation targets such as **carbon neutrality in 2040 for Scopes 1, 2 and 3**.

To this end, absolute emissions are to be reduced by 60% by 2030 in Scopes 1 and 2, and a 50% reduction in relative emissions (relative to sales) in Scope 3 by 2030 (targets to be validated by SBTi during 2024). This will contribute to the energy transition and help to avoid millions of CO_2 tons every year.

In terms of adaptation, the plants of Grenergy makes efforts to adapt to the potential effects of climate change through regular assessment of climate change risks and opportunities. Grenergy identifies, quantifies and manages different types of risks such as those arising from regulatory changes, rising raw material costs and changes in weather and climate patterns, with their associated potential financial impact. Grenergy considers all geographies where it operates and values different time horizons.

In line with the established objectives and the definition of its new Sustainability Strategy 2024-2026, Grenergy also plans to implement new measures, including the development of a decarbonization strategy for scope 3 of the carbon footprint, the development of a climate change action policy, the implementation of a climate change adaptation plan in the business strategy and the development of an emissions compensation strategy for 2040, as well as the establishment of an internal carbon price.

Climate risk management

The control and management of climate change risks is treated in the same way as the company's global risk management. Governance is based on several levels of defense, involving the Management Committee, the Compliance functions, Internal Audit and the Audit and Control Committee. It should be noted that Grenergy plans to incorporate a risk manager, whose functions, among others, will be global risk management and control, who will monitor the risk management process, integrating climate risk management into the system and into his or her responsibility. However, the company ensures that the methodology and criteria used to quantify risks are homogeneous and common to the entire organization. Therefore, the business unit management teams will work in collaboration with the new corporate function in charge of ensuring consistency in risk identification.

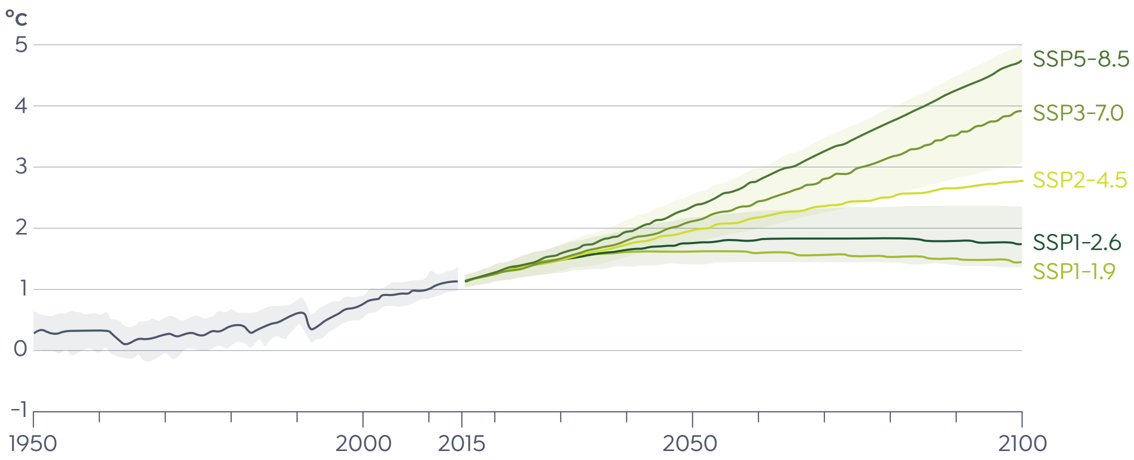
Grenergy has an ESG risk map scheduled to be updated in 2024. The current map was drawn up in collaboration with the different business areas and corporate functions, which identified the main risks and assessed them in terms of probability and impact according to the corporate methodology. Subsequently, specific action plans were established to address each of these risks.

Grenergy assesses, among other things, emerging regulatory risks when planning new projects, considering the energy transition and is exploring markets with emerging legislation in favor of renewable energies, such as Austria, Hungary, the Czech Republic and Romania.

In 2023, Grenergy has conducted a physical climate risk assessment for each of its economic activities according to the Environmental Taxonomy, as well as a vulnerability analysis of projects based on the climate scenario that best suits Grenergy's economic activities. This assessment aims to address environmental concerns and promote initiatives to adapt to the impacts of climate change.

Analysis and identification of climate scenarios for physical climate risk assessment:

The following graph shows a representation of the global surface temperature projection to 2100 with respect to the pre-industrial era (1850-1900) under the 5 IPCC climate scenarios.



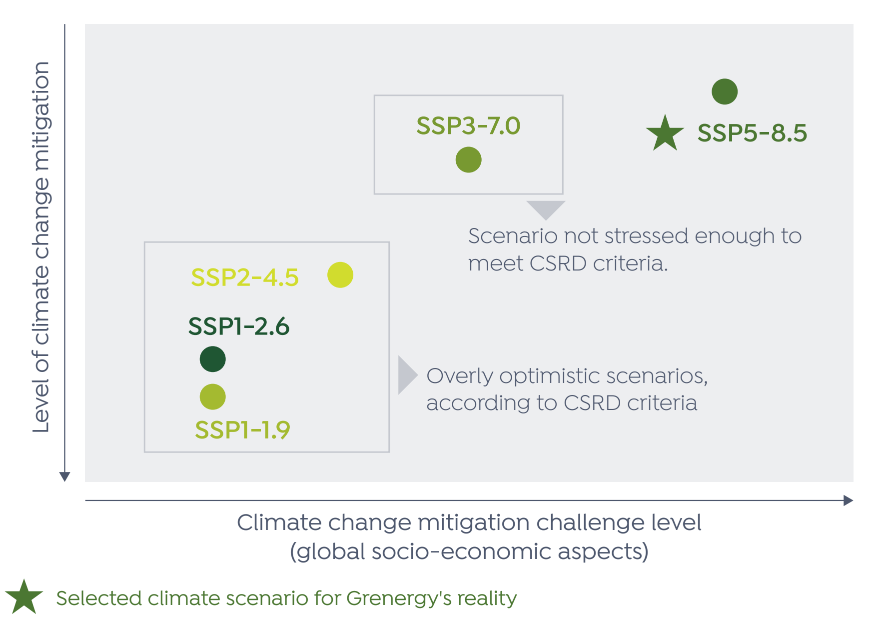
IPCC AR6 Report "Climate Change 2021: The Physical Science basis" IPCC Working Group 1

Grenergy has chosen to use the IPCC SSP5-RCP8.5 stressed climate scenario for physical climate risk analysis. This decision responds to the requirements of the new Corporate Sustainability Reporting Directive (CSRD), which aims to provide a strategic approach to company business. In addition, other reporting frameworks, including the new ISSB (International Sustainability Standards Board) IFRS-S216 disclosure recommendations on compliance with the TCFD guidelines, together with other regulatory frameworks such as the EU Taxonomy and Law 7/2021 on climate change and energy transition, give companies the freedom to select the climate scenario they deem appropriate for their business reality.

Along these lines, Grenergy's physical climate risk analysis selects an SSP5 socioeconomic narrative, satisfying the prudence criterion. This involves the use of a high emissions climate scenario to analyze the exposure and sensitivity of the company's operations to physical climate risks, which has a trajectory of GHG concentrations RCP8.5. The selection of this scenario (SSP5-RCP8.5) allows the company to comply with the CSRD point described above and at the same time satisfy the principle of prudence, since the impacts may fall on both employees and the infrastructure deployed.

Ultimately, the choice of the climate scenario is based on the strategic importance provided by the requirements of the new CSRD, as well as the recommendations of the TCFD framework led by the IFRS Foundation and the requirements of the EU Taxonomy and Law 7/2021 on climate change. This analysis includes possible changes in climate trajectories up to 2050, which provides an adequate time horizon for a full analysis of the impact of potential climate risks on Grenergy's operations.

By selecting the SSP5-8.5 climate scenario, Grenergy aligns with the requirements of the CSRD and complies with Appendix A of the European Taxonomy.



Comparison of SSP-RCP scenarios

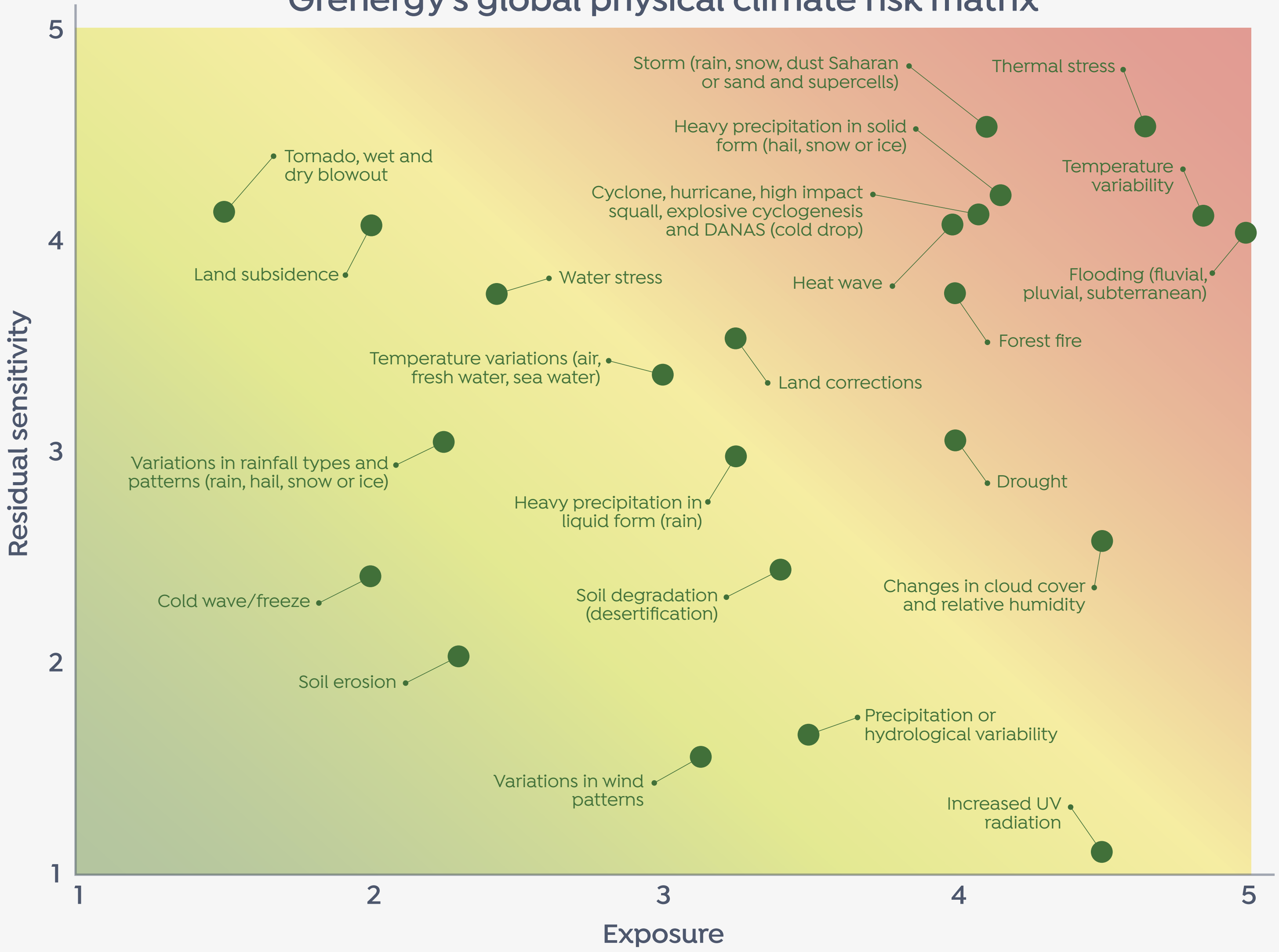
Grenergy has chosen to use the IPCC SSP5-RCP8.5 stressed climate scenario for the analysis of physical climate hazards in accordance with the CSRD

The **critical physical climate change hazards** for Grenergy are **flooding, thermal stress and temperature variability**

Quantitative assessment of physical hazards and climate vulnerability

Through the different sources of climate information analyzed (bibliographic and documentary analysis, cartographic analysis, statistical analysis and internal documentation), it has been possible to identify those risks that have the potential to affect Grenergy's assets in the future.
The analysis considered the exposure, sensitivity, adaptive capacity and finally the climate vulnerability of the activities to physical climate risks applicable to Grenergy's reality.

Grenergy's global physical climate risk matrix



Heat map reflecting the company's overall climate vulnerability or residual risk with respect to each climate risk according to the selected climate scenario (IPCC SSP5-RCP8.5) aligned with EU taxonomic requirements. The exposure reflects the probability of occurrence of the risk and the residual sensitivity the residual impact on the entity's global activity.

Mitigation and adaptation measures for critical climate risks.

Adaptation measures against critical climate risks, designed to specifically address the hazards identified in Grenergy's economic activities, are presented below.

Table 8. Physical climate risk mitigation and adaptation measures 2023

Type of physical risk	Risk description	Magnitude of impact	Impact	Mitigation/adaptation measures
Floods	River and rainfall flooding is a climatic risk to be taken into account. In regions prone to heavy rainfall, such as Colombia and parts of Peru, flooding can cause damage to plant infrastructure, affecting electrical systems and component connectivity. In addition, excess water can cause interruptions in production and, in extreme cases, put the physical integrity of the facilities at risk.	Very high	Damage to solar panels and electrical equipment.	**Location design for new projects:** Selection of elevated and less flood-prone sites. **Sustainable drainage systems incorporation:** Design of green and blue infrastructures[1] for sustainable drainage and natural flood zones or "sponge" spaces including substrate permeabilization and water harvesting.
Thermal stress	Thermal stress can generate an increase in ambient temperature, negatively affecting the efficiency of solar panels and reducing energy generation. This phenomenon can be especially critical in regions with high temperatures, such as parts of Mexico and Spain.	Very high	Reduced efficiency of solar panels, damage to plant installation (inverters/transformers) and increased heat stress on EPC and O&M employees.	**Cooling systems:** Implementation of cooling technologies for solar panels. **Thermal monitoring:** Monitoring of the temperature of the panels to adjust the operation, and generate high temperature warnings for workers.
Temperature variability	Temperature variability is another crucial factor to consider. Extreme fluctuations in temperature can lead to wear and tear on plant equipment and components, which could result in additional maintenance and repair costs. In addition, these thermal variations can influence the efficiency of cooling systems, compromising the ability of the facilities to maintain an optimal operating temperature.	Very high	Abrupt changes affecting production	**Energy storage and management:** Integration of storage systems to compensate for variations in energy production. **Weather forecasting:** Use of weather forecasts to adjust production.

Adaptation solutions to the physical climate risks assessed.

[1] Green and blue infrastructure: planning and design of natural areas and water bodies in or around solar PV projects.

In addition, there are not only critical physical climate risks, but also **transitional risks** that have a significant impact and a high probability of occurrence, as detailed below:

Table 9. Mitigation and adaptation measures climate transition risks 2023

Type of transition risk	Risk description	Magnitude of impact	Impact	Mitigation/adaptation measures
Technological	The Paris Agreement aims to keep the global average temperature increase below 2°C and to continue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. Energy production and use is the largest source of greenhouse gas (GHG) emissions, making the energy sector crucial to achieving this goal. As countries reach very high shares of renewable energy, the need for flexibility will shift to longer periods of time (several days or weeks) during which systems are over- or under-supplied. High adoption of solar energy may pose a challenge for utilities in balancing supply and demand on the grid, due to the increased need for electricity generators to quickly ramp up power production when the sun goes down and the contribution of photovoltaic power decreases. Considering this analysis, the company identified a strategic risk related to energy storage capabilities and interference with medium- and long-term strategic growth objectives.	Very high	Intermittency in power generation Loss of income due to reduced demand for products and services	Grenergy has established a **diversification strategy** to reduce dependence on solar and wind energy production, **evaluating investments in new technologies** linked to energy storage systems, as well as other emerging clean energies such as **green hydrogen**.

The correct management of climate risks, as well as the definition of new opportunities, have allowed Grenergy to increase its resilience, promoting the diversification of its business portfolio, with investments in new technologies such as storage.

Table 10. Opportunities associated with climate change 2023

Type of transition risk	Risk description	Magnitude of impact	Impact	Magnitude of impact
Products and services	The company has a balanced and geographically diversified project portfolio based on an assessment of risks and opportunities. The company benefits from its experience in countries where it has a track record, such as Chile and Spain, which represent around 80% of the company's operating target for 2023, and where there is a growing demand for renewable energy encouraged by the policies in force. In 2025, the geographical distribution (by MW) is expected to be 53% in Latam, 43% in Europe and 4% in the USA.	Very high	Increased revenues because of higher demand for products and services	**Strategic growth plan with an installed capacity target of 5GW in 2026.**
Resilience	Grenergy recognizes the key role that battery innovation is playing in the transition to clean energy technologies. The International Energy Agency (IEA) estimates that by 2040, around 10,000 GWh of batteries across the power system and other forms of energy storage, 50 times the size of the current market. Although this technology is currently not fully on track, both in terms of deployment and cost, Grenergy identifies an opportunity to increase the resilience of its business compared to its peers by incorporating this technology into its strategy to improve the performance of variable, weather-dependent renewable energy sources. Additionally, according to the IEA, about 10,000 GWh of batteries will be needed annually across the energy system and other forms of energy storage by 2040, up from about 200 GWh today.	Very high	Increased revenues as a result of higher demand for products and services	Creation of a **storage division with senior talent** and development of a pipeline of 11.3 GW of projects at different stages of development in 12 countries.
Market	Grenergy proactively seeks opportunities in new markets to diversify its activities and better position itself for the transition to a lower carbon economy. Wind and solar power are expected to account for 30% of global installed capacity by 2040, and electrification and green hydrogen generation will increase global electricity demand. Global installed capacity is projected to increase from about 6.7 TW in 2016 to 12.0 TW in 2040, with 30% of installed capacity renewable (17% solar PV and 14% wind). Opportunities arise in very diverse markets and the company's project portfolio is well balanced geographically across three platforms: Latin America, Europe and the United States. Following an analysis, the company decided to expand its presence into new markets, such as Italy and the UK, and more recently Poland, the US and Germany. In Germany, for example, the company has set a target of developing a 3 GW wind farm by 2025.	Very high	Access to new markets	Agile and scalable business model with the ability to capture opportunities through **public-private partnerships** and innovative financing solutions by **raising green** finance to support expansion and growth in new and existing markets.

FEATURED CASE

9.9 MW SOLAR PROJECT IN CERRITOS, COLOMBIA

Grenergy develops risk management plans for its projects. For example, for the Cerritos solar project, secondary information was obtained from official sources, technical studies previously conducted in the area, and applicable regulations.
The risk management plan established the procedures to be followed to deal with emergency situations of any magnitude, to avoid affecting the physical integrity of people, the environment and the project's infrastructure.
For the formulation of this plan, analyses of the socioeconomic conditions of the area were included to measure the degree of impact on the resources during the construction and operation of the project.
The methodology used for the design of this plan was based on the identification of the most significant risks, an analysis of their impact and probability, and the preparation of specific programs detailing the actions to prevent and address the risks to which the project is subject.

Metrics and objectives

Metrics

The Science Based Targets (SBTi) initiative, led by the Carbon Disclosure Project (CDP), United Nations Global Compact, World Resources Institute (WRI), World Wildlife Fund (WWF) and We Mean Business, aims to guide companies in setting ambitious science-based climate targets for GHG emissions reductions. It focuses on ensuring that businesses contribute to keeping global temperature rise below 2°C compared to the pre-industrial era, a target set in the Paris Agreement. Adherence to this initiative requires prior validation of the proposed targets by companies to ensure alignment with the established objectives.

In 2023, Grenergy joined the SBTI initiative and was able to validate its near-term targets for Scope 1 and 2 with a 42% reduction in 2030, taking 2021 as the base year. These reduction targets were based on the SBTI default reduction trajectory for small and medium-sized enterprises (SMEs). During 2024, work will be carried out on SBTI validation for the new scope 1, 2 and 3 emission reduction targets proposed under the net zero strategy, approved by the Board of Directors in 2023 (for more information, see the Net Zero Strategy section).

THE CARBON FOOTPRINT OF OUR BUSINESS

Grenergy has carried out the verification of its carbon footprint for the year 2023, for the second consecutive year, following the criteria of the international standard ISO 14064, which guarantees the credibility of an organization's greenhouse gas (GHG) emissions reports.

In addition, the Ministry for the Ecological Transition and the Demographic Challenge has revalidated the recognition of the results obtained in Grenergy's Carbon Footprint for the year 2022. For the second consecutive year, the *Calculo* seal has been awarded.

DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS

The period analyzed for the emissions calculation is from January 1 to December 31, 2023, and the GHG inventory boundaries follow the operational control approach[1] . Calculations are presented in tons of CO_2 equivalent and include all GHGs relevant to the company: CO_2 , CH_4 and N_2O. GHG emissions are calculated following the criteria defined in the GHG Protocol.

The conversion factors used are as follows:

- UK Department for Environment, Food and Rural Affairs (DEFRA)
- Intergovernmental Panel on Climate Change (IPCC) 2006 IPCC guidelines for national greenhouse gas inventories
- Spanish National Greenhouse Gas Inventory (GHG)
- Ministries of Energy and Environment of Latin American countries

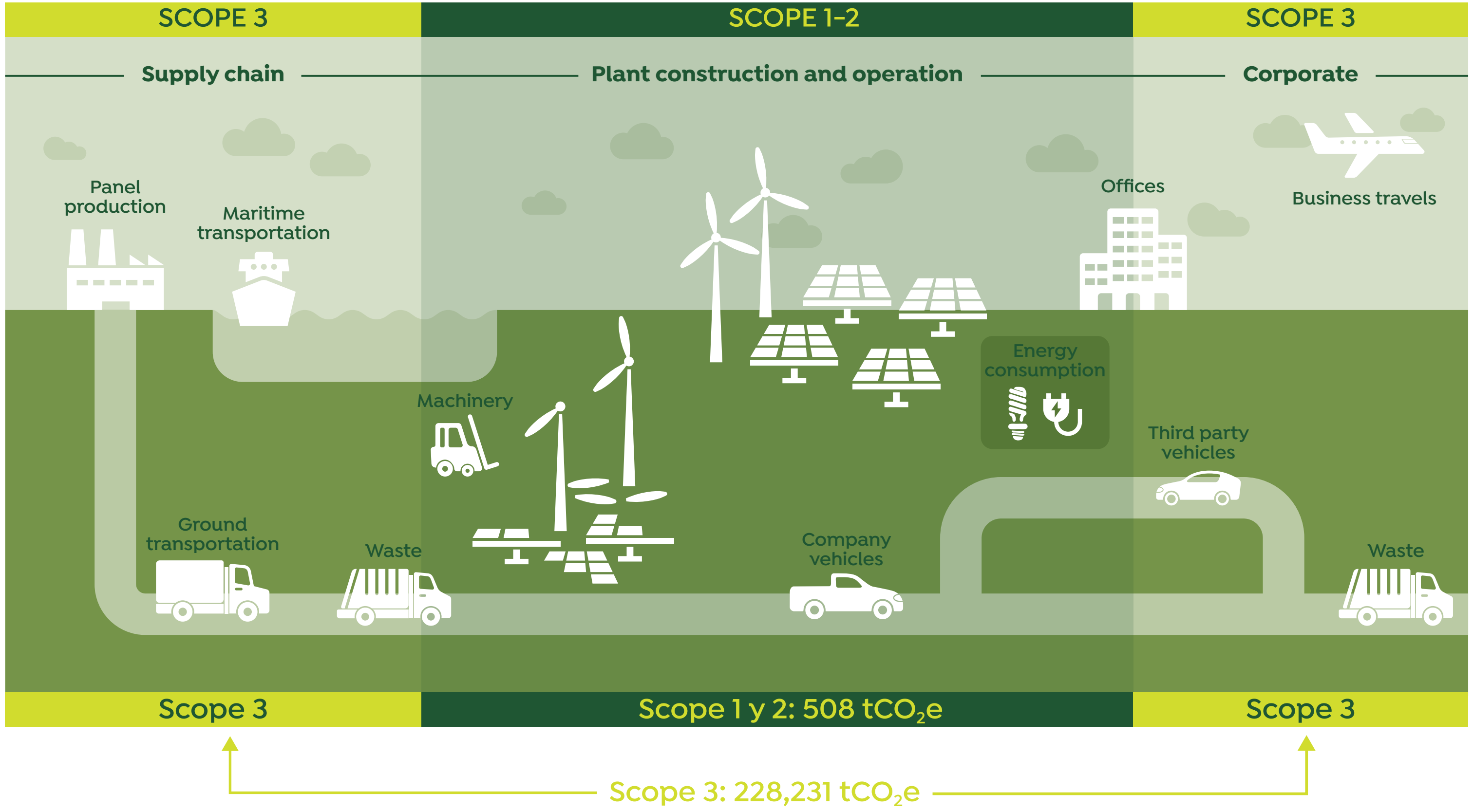
[1] Control approach: Grenergy accounts for 100% of its GHG emissions attributable to operations over which it exercises operational control.

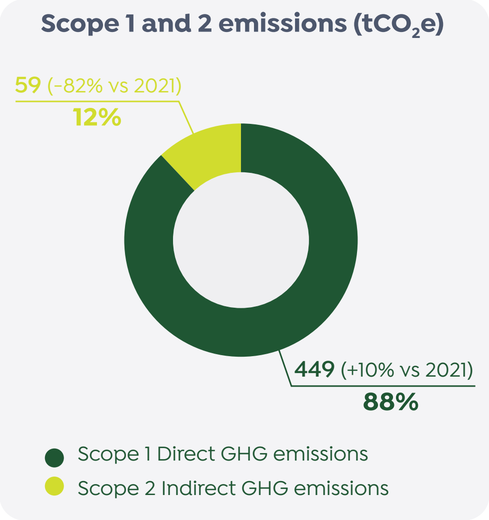
Breakdown of Scope 1 and 2 emissions

In 2023, our activity generated 448.9 tCO_2e of Scope 1 direct emissions which represents a 10% increase of our Scope 1 emissions compared to the base year, 2021. However, with the recent net zero strategy, we expect to replace the diesel/gasoline vehicle fleet with electric vehicles in the coming years (76% of the overall Scope 1).

As for the indirect Scope 2[1] emissions of 58.9 tCO_2e, we made a significant **reduction of 82% regarding the base year**. As part of our net zero strategy, we have acquired International Renewable Energy Certificates (IRECs) to reduce the entire Scope 2 emissions from Chile and México. In this way, we have reduced Scope 2 emissions from 285.4 tCO_2 to 58.90 tCO_2. This initiative aligns with Grenergy's commitment to reduce and neutralize our carbon emissions.

*Grenergy has **reduced** in 2023 **36% of the Scope 1 and 2 emissions compared to 2021** (base year), thus demonstrating its commitment to the emission reduction targets set in the net zero strategy*





[1] Scope 2 - market-based. The Scope 2 location based emissions reached 231 tCO_2 which represent a 41% reduction vs 2021 (base year)

Breakdown of Scope 3 emissions

In 2023, the Scope 3 emissions sources were categorized according to the different categories indicated by the GHG Protocol methodology (4 Scope 3 categories, both upstream and downstream), resulting in total emissions of **228,231.35 tCO_2e**.
The following table shows the most significant greenhouse gas (GHG) emissions according to the categories established by the GHG Protocol.

Table 11. Scope 3 emission breakdown of 2023

	Tm CO_2e 2023	Variation vs 2021 (%)
Category 1: Goods and services purchased		
Purchase of solar panels	221,414.13	18%
Machinery operated by third parties and fuel consumption in vehicles owned by subcontractors	4,010.48	97%
Water supply Offices	0.53	41%
Category 4: Transportation and distribution		
Logistics: land	1,974.74	72%
Category 5: Waste generated in operations		
Water treatment Offices	0.60	6%
Water supply Projects	1.71	37%
Hazardous waste Projects	1.04	-79%
Non-hazardous waste Projects	386.82	78%
Non-hazardous waste Offices	0.0006	-
Hazardous waste Offices	0.00	-
Category 6: Business travel		
Flights	371.27	16%
Trains	2.45	49%
Rental vehicles	67.58	49%
Total	**228,231.35**	**20%**

*In 2023 Grenergy has **reduced** its indirect **scope 3 emissions by 54%** (in relative units, by sales) compared to 2021 (base year),committing to a reduction target of 50% Scope 3 emissions by 2030*

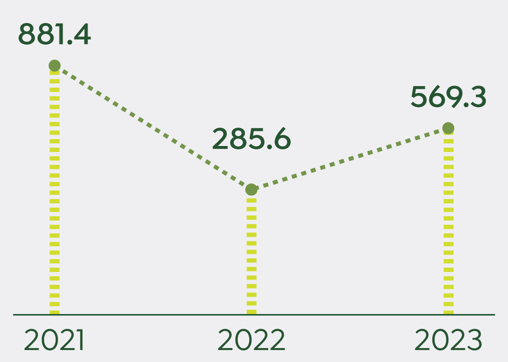
Emissions intensity

Emissions intensity indicates the amount of pollutants or greenhouse gases released in a given period. It is calculated in terms of quantity of emissions per economic unit (sales).

The intensity of Scope 3 emissions, which represent the amount of indirect emissions related to activities outside the direct control of the organization, shows a decreasing trend, reaching 569.5 tCO_2e/M€ .

This represents a **54% decrease vs. 2021** on the pathway agreed with the net zero strategy targets of 50% reduction of relative scope 3 emissions by 2030.

Emissions intensity tCO_2 eq/sales (M€)



Other emissions[1]

In the detailed analysis of carbon emissions, other emissions also need to be addressed.

Such as Nitrogen dioxide (NO_2), Methane (CH_4) and Sulfur Hexafluoride (SF_6) due to their significant climate impact.

In 2023 the total emissions were 563.6 tons of CH_4 and 71.75 tons of NO_2.

Table 13. Avoided Emissions by Country 2022-2023

	2021	2022	2023
Tm CH_4	0.37	0.50	563.60
Tm N_2O	11.14	10.08	73.75
Tm SF_6	-	-	0

The emissions we avoid

Grenergy has played a fundamental role in reducing greenhouse gas emissions into the atmosphere through its renewable energy production activities.

In 2023, through the generation of electricity from our wind farms and solar plants, which amounts to 1,045 GWh (773.3 GWh solar and 271.7 GWh wind), we will avoid the emission of 325,408 tCO_2e, an amount higher than that of the previous year, 245,398 tCO_2e avoided in 2022. This amount translates into the annual emissions associated with the energy consumption of 333,287 households.

Table 13. Avoided Emissions by Country 2022-2023

Countries	TN CO_2 avoided 2022	TN CO_2 avoided 2023
Spain	48,348.95	60,206.36
Chile	87,615.42	99,567.81
Peru	52,845.32	68,106.94
Mexico	32,113.81	33,395.12
Argentina	52,209.11	50,637.42
Colombia	4,346.99	13,494.08

[1] Other emissions refer to direct emissions corresponding to other refrigerant gases. Specifically, in 2023 there has been no recharge of SF_6 gas due to loss of leakage. - [2] Avoided emissions have been calculated using production by country and emission factors of the national electricity mix published by official sources and for equivalence of energy consumption in households (IDAE 2022).

Energy consumption

Energy consumption comes both from the consumption of fuels from generators, machinery and company vehicles and from the consumption of electricity purchased or acquired. In this sense, the following is a breakdown of energy consumption and electricity generation from renewable and non-renewable sources by type of use.

Table 14. Energy consumption 2023

	Renewable consumption	Non-renewable consumption	**Total consumption**
Fuel consumption (generators, machinery and vehicles Grenergy)	0 MWh	1,928 MWh	**1,928 MWh**
Purchased electricity consumption or acquired	339.7 MWh	970,6 MWh	**1,610.3 MWh**
TOTAL ENERGY CONSUMPTION (MWh)	**339.7 MWh**	**2,898.6 MWh**	**3,538.3 MWh**
TOTAL ELECTRICITY GENERATION (MWh)	**1,044,570 MWh**	**0 MWh**	**1,044,570 MWh**

NET ZERO Strategy

Grenergy prepared its Net Zero Strategy at the end of 2023 and in early 2024 it was approved by the Board of Directors. This roadmap established 12 actions to significantly reduce Scope 1, 2 and 3 emissions and, therefore, commit to medium- and long-term emission reduction targets. The strategy arose in response to the current climate emergency and defines a decarbonization pathway aligned with the 1.5C objective, covering the main direct and indirect emissions.

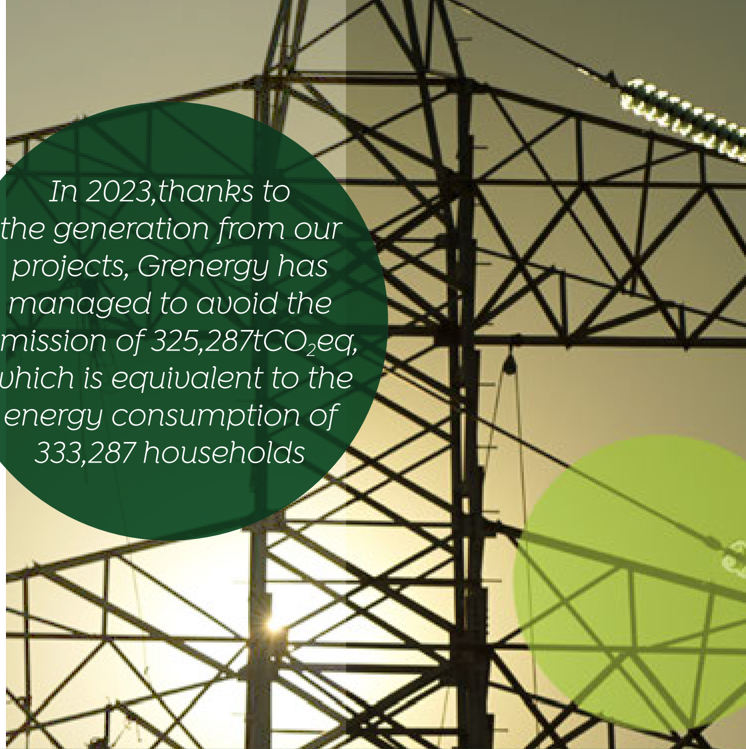
Specifically, a **60% reduction in absolute GHG emissions** was established **for Scopes 1 and 2 by 2030 and a 50% reduction in relative GHG emissions (relative to sales) for Scope 3 by 2030, taking 2021 as the base year**. Grenergy is also committed to achieving **carbon neutrality for Scopes 1, 2 and 3 by 2040**, ten years ahead of European and national commitments such as the EU Green Deal and PNIEC. These ambitious, science-based targets will be validated by SBTi throughout 2024.

For more information on emission reduction and offsetting measures see the Net Zero Report on our website.

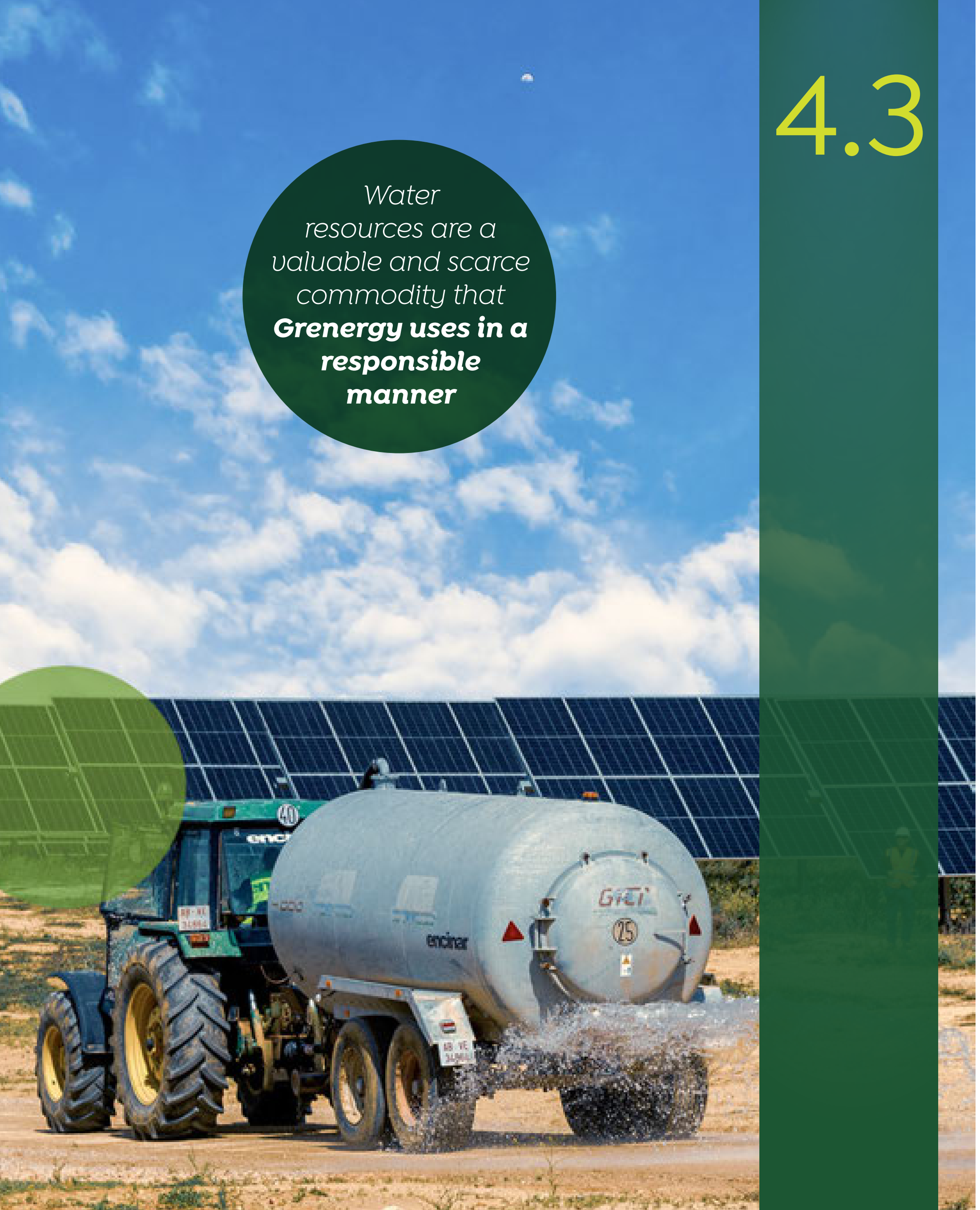
As of today, Grenergy is on the right path to decarbonization, as well as meeting the targets set. The status is summarized below:

Table 15. Grenergy's Net Zero Strategy

	2021	2022	2023	Variation vs. 2021	Target 2030	Target 2040
Scope 1 y 2(t CO_2)	728	793	506	-36%	60%	NET ZERO Grenergy
Scope 3 (t CO_2/M€)	878.1	283.1	569	-54%	50%	
Scope 1 , 2 y 3 (tCO_2)	193,899	83,739	228,231	16%	-	



In 2023,thanks to the generation from our projects, Grenergy has managed to avoid the emission of 325,287tCO_2eq, which is equivalent to the energy consumption of 333,287 households



Water resources are a valuable and scarce commodity that ***Grenergy uses in a responsible manner***

4.3 EFFICIENT WATER MANAGEMENT

The execution of our renewable energy projects, as well as subsequent operations and maintenance tasks, involve the use of water for various activities. These include particulate matter control and road stabilization, solar panel washing, general cleaning, and water supply for employee consumption and hygiene. Despite the need for water in these activities, Grenergy is committed to not discharging harmful waste into the environment. To properly manage this situation, we have implemented chemical toilets managed by specialized companies to avoid any type of harmful discharge. In this way, we ensure responsible water management that safeguards the environment.

Sustainable use of resources

The company, aware of the risks associated with water scarcity, is seeking to minimize the enivornmental impact.

The main actions carried out for a more efficient use of sustainable water management are: surface water abstraction carried out with strict authorization and under the control of the competent authority in charge of its administration. As far as possible, low-impact sources are sought, such as desalinated water produced nearby, and no water storage is carried out.

During 2023, we have been implementing the recommendations established in the water footprint analysis in accordance with ISO 14.046 to identify water consumption, opportunities for improvement and associated impacts. These results made it possible to identify the most relevant points on which action should be taken.

As a measure to reduce industrial water consumption, dry panel washing, and the use of dust suppressants continued in 2023.

100% of industrial water used *in the operation of our* ***Quillagua solar plant****, located in Chile's Atacama Desert, is powered by* ***desalinated wáter from the region***

Dry cleaning of panels has permitted ***Savings of 8 million m³*** *of water at the Quillagua plant (Chile)* ***and 592 million m³*** *in the PMGDs subcontracted in O&M*

The total water consumption in 2023 amounts to 10,306 m^3 globally and the proportion of water consumed in areas considered water stressed amounts to 7,932 m^3, according to WRI's Aqueduct. This consumption corresponds to 77% of all projects. In these areas, 8% of the water consumed comes from surface water, subject to limits and controls established by the competent authority, and the remaining 68% is water purchased from third parties.
In addition, each project periodically evaluates potential measures to reduce water consumption and mitigate potential impacts of water use.

Grenergy seeks to ***maximize the use of resources and minimize waste generation****. We believe that all materials should be reused or recycled to the maximum extent possible to prolong their useful life and reduce the need to extract new natural resources*

4.4 CIRCULAR ECONOMY PROMOTION

Grenergy is committed to the circular economy in its operations for several reasons:

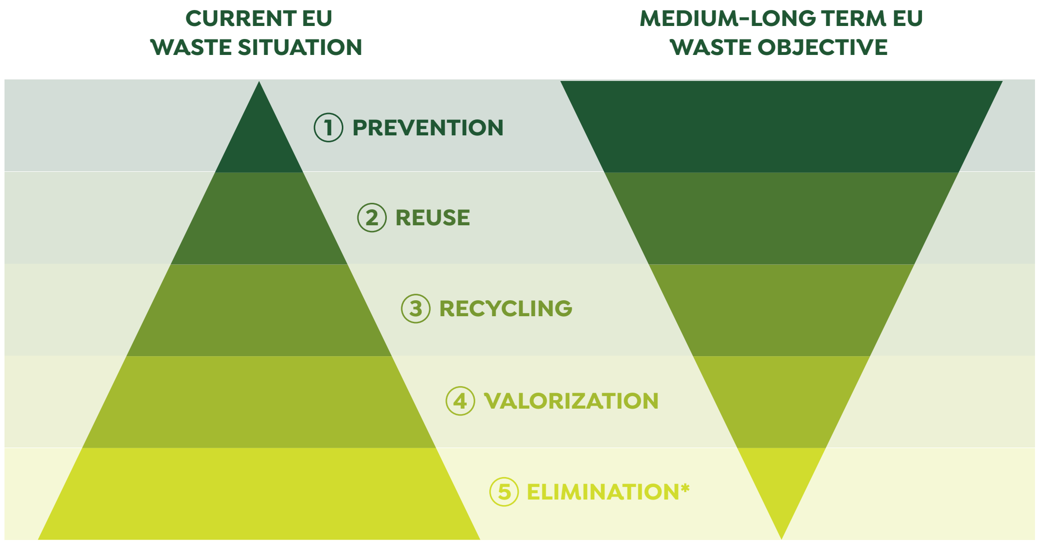
- Reduced dependence on natural resources: by reusing and recycling materials, the need to extract new natural resources is reduced, which can contribute to the **conservation of ecosystems and biodiversity**.
- Energy savings: the reuse of a product or the recycling process usually requires less energy than the production of materials from natural resources. Therefore, the circular economy can contribute to **the reduction of greenhouse gas emissions and energy savings**.
- Waste reduction: the circular economy seeks to minimize the generation of waste and maximize its value, which can contribute to **reducing the amount of waste** sent to landfill.

In our commitment to the circular economy, Grenergy monitors consumption and waste generation at all its plants under construction and operation, as well as at its offices. In this way, we can detect unusual variations that may indicate inefficiencies in the use of resources. GHG emissions during waste management are considered in Scope 3 in the carbon footprint calculation.

Waste management hierarchy

Our objective is to minimize water consumption and its environmental impact, as well as to maximize the reuse and recycling of waste. In this sense, we seek synergies with the local community to promote the circular economy. To this end, a large part of the waste generated during construction is donated to different entities to give it another use and extend its useful life. For example, at the Quillagua PV, some defective panels were reconverted into desks.

Waste that cannot be donated because it has no direct value is mostly sent to recycling plants. Ultimately, the remaining waste is sent for energy recovery or landfilling.



*Towards zero discharge

In 2023, given the increase in plant construction activity, the company has increased the amount of total waste to 1,650.6t, of which 1,596.7t corresponds to non-hazardous waste and 53.9t corresponds to hazardous waste.

Grenergy uses a hierarchy of measures in terms of resource management and waste

Table 16. Total and donated waste 2022-2023

Typology	Units	2022[1]	2023
Hazardous waste	Tn	97.6	53.9
Destined for disposal: Landfill	Tn	97.6	3.6
Destined for disposal: Incineration	Tn	0	0.3
Destined for non-disposal: Preparation for reuse	Tn	0	44.6
Destined for non-disposal: Recycling	Tn	0	5.5
Non-hazardous waste	Tn	644.7	1,596.7
Destined for disposal: Landfill	Tn	637.7	827.3
Destined for disposal: Incineration	Tn	0	0
Destined for non-disposal: Preparation for reuse	Tn	0	761.9
Destined for non-disposal: Recycling	Tn	7.1	7.5
Total waste (hazardous + non-hazardous)	**Tn**	**742.3**	**1,650.6**
Donated waste	**Tn**	**69.2**	**9.769**

50% of the total waste *is destined to* ***reuse and/or recycling and 48.2% of non-hazardous waste*** *is destined for reuse and/or recycling*

[1] The 2022 annual data for hazardous waste and, therefore, for total waste is modified due to erroneous unit conversion in the data.

Solar panels are the main hazardous waste from Grenergy's activity. Following the hierarchy of measures, the first action to be implemented corresponds to the search for actors in the local community or educational institutions that can give a second use to our panels. In this regard, the high level of waste donations, especially of wood, cardboard and copper, is explained by the adoption of a circular economy approach in Latin American countries such as Chile and Colombia. This practice seeks a second life for the useful life for the unused materials on site, thus avoiding their disposal in landfills and promoting their utilizationby local communities. This donation contributes to community development by generating a positive local impact by providing resources for local projects, reducing the environmental footprint and fostering collaboration between companies and communities.

If the condition of the used panels does not permit their reuse, they are sent to recycling plants where 85% to 100% of the materials are recycled.

Non-hazardous waste corresponds to plant construction and consists mainly of packaging, cardboard and wood. These wastes are sent to recycling plants because of their recyclability. The recycling rate depends on the country in which the waste is produced.

This practice is one of many examples that demonstrate the company's commitment to environmental responsibility.

In 2023 Grenergy ***has donated to local communities****, mainly in Chile and Colombia,* ***9,769 tons*** *of wood, cardboard and copper, generating a positive local impact and ensuring a second life for these materials*

Construction of the Pétalo de la Magdalena solar plant, Colombia

During the construction stage of the Pétalo de la Magdalena project in 2023, the strengthening of local enterprises associated with waste utilization continued. On this occasion, 37,976 kg of usable waste valued at approximately €2,100 were optimized. The recyclable waste included cardboard, plastic, wood, scrap metal, cable, PVC pipes, among others.

In addition to the economic benefit, the use of waste contributed to reducing the environmental impact in the area. Recycling and reusing these materials prevented them from ending up in landfills or being burned, which would have caused pollution and damage to the environment.

The recyclable waste in the Pétalo de la Magdalena project was optimized and 100% donated, benefiting 445 people, including workers at the solar park, inhabitants of the communities of influence and local entrepreneurs.

Through technical support from our environmental professionals, local entrepreneurs were able to optimize their recycling processes and find new business opportunities. The circular economy was also encouraged in the region, promoting sustainable resource management and generating employment and local development.

The Pétalo de la Magdalena project demonstrated that it is possible to use waste responsibly and generate a positive impact on the community. This motivates other companies and entrepreneurs to adopt similar practices, thus contributing to the construction of a more sustainable and environmentally friendly future.

37,975	2,100	445
Kg of waste used	Euros	Beneficiaries

FEATURED CASE

ADHESION TO THE "SCRAP" SYSTEM FOR SOLAR PANEL MANAGEMENT:

In 2023, we joined a Collective System of Extended Producer Responsibility (SCRAP) for the proper management of our purchased panels in compliance with Royal Decree 27/2021 and Law 7/2022 on Waste and Contaminated Soils for a Circular Economy.

European Recycling Platform
A Landbell Group Company

Grenergy is committed to the proper management of its waste electrical and electronic equipment (WEEE) by joining the SCRAP European Recycling Platform (ERP), through which we declare all the solar panels we import from third countries to contribute to their control and proper management. In this way, we increase the traceability of photovoltaic panel waste, as it allows us to know the complete route to its destination. In addition, it allows us to increase transparency and contribute to the circular economy through the recyclability of electrical and electronic equipment (EEE) at the end of its useful life.

05 CREATING SHARED VALUE

Grenergy's *workforce* ***maintains its double-digit growth****, with a year-on-year variation of 31% (vs. 2022)*

5.1 GROWING WITH OUR EMPLOYEES

The determination and trust of our team ensures that we meet our objectives and become a reference in the competitive and clean energy sector.

A GROWING TALENT

Our team continues to grow in line with the expansion and development of the business activities that fulfill our strategic plan.

2021	2022	2023		
210 people	**289** people	**425** people	**135** 32% women	**290** 68% men

EFTP (Equivalent workforce) [1]

Grenergy's evolution, both from the perspective of the organization and its people, is based on sustainable development and respect. We value the potential of each person regardless of their origin, characteristics, attributes and preferences.

We always act with people's needs in mind, taking care of each member of the team, day by day, to move steadily towards the goals set by the organization, leaving no one behind. That is why the health and well-being of our employees is our priority.

[1] The personnel included in the calculation of the total number of employees per year (EFTPs) is the personnel with employment contracts, indefinite or temporary, signed with GRENERGY. In this sense, the figures of the CEO, Board members, freelancers and interns have not been considered as computable workforce in this calculation.

GRENERGY PULSE

In addition to the deployment of the **Choose My Company** survey, we have developed an ad hoc live climate measurement questionnaire, under the name of Grenergy Pulse, with the aim of obtaining regular feedback from all employees on various topics that we consider key to success: work experience, mainly happiness, stress and well-being, purpose and work motivation; professional development, mainly merit, career and training; reputation and belonging, mainly culture, brand strength, values and social relationships; and leadership and compensation. This survey allows us to obtain information more frequently, as it measures the pulse of employees on a recurring basis, allowing us to extract data in real time and carry out action plans. This internal climate survey was launched globally in 2023 and has achieved a participation rate of more than 45%. In this regard, among the best performing topics would be Grenergy's reputation and the feeling of belonging, obtaining an average satisfaction rating of 75 and 76 (out of 100) respectively.

Grenergy, from its Sustainability Policy and Strategy, reaffirms its commitment to ensure equal opportunities, promote the participation of women in all phases of the business model and stakeholder representation, favor labor flexibility, encourage professional development and promote a culture of safety and health. In this way, the social actions and goals integrated by Grenergy maintain their alignment with the United Nations Sustainable Development Goals, highlighting the social contribution in goals 5 (Gender equality) and 8 (Decent work and economic growth).

A good place to work is characterized by close communication and collaboration based on respect, credibility and integrity of people, while promoting fairness and diversity based on impartiality, favoring the feeling and pride of belonging. Grenergy is an organization capable of attracting and retaining talent, as evidenced by the ***Choose My Company*** certification, which recognizes Grenergy globally with the following certifications:

choose mycompany® Certified Reviews | ESG

HAPPYATWORK	WEIMPACTESG	HAPPYINDEXTRAINEES
measures employee engagement and motivation	measuring employees' appreciation of the company's social and environmental practices	where we have measured the satisfaction of the first edition of our "Grenergy Talent" internship program

At the end of 2023, 92% of employees (391) have permanent contracts, while the remaining 8% (34) are employees with temporary contracts. This type of contract arose from the need to incorporate technical profiles and field personnel in construction works, adapting to the status of the different projects.

Working time is distributed on a full-time basis according to the regulations in force in each country, with a distribution of 5 days a week. Similarly, all Grenergy employees work under this framework, since the organization does not have employees with shift work distribution.

Table 16. Workday typology by Gender breakdown 2023

	Full-time	Part-time
Women	131	4
Men	285	5
Total	**416**	**9**

Table 17. Workday typology by age 2023

	Full-time	Part-time
Less than 30	112	5
Between 30 and 50	256	4
More than 50	48	0
Total	**416**	**9**

Table 18. Workday typology by category 2023

	Full time	Part-time
Senior Management	6	0
Area Directors	11	0
Middle management	49	0
Technicians	226	5
Site/ground personnel	123	4
Total	**416**	**9**

The tables consider the decimals of each indicator for the global calculation, following the FTE ("Full Time Equivalent") calculation methodology

TABLE 19. EMPLOYEES BY GEOGRAPHIC DISTRIBUTION 2023

	EUROPE						AMERICA						
	Spain	Italy	UK	Poland	Romania	Germany	Chile	Colombia	Peru	Argentina	Mexico	US	**Total**
Number of women	58	6	1	2	0	2	46	11	6	-	1	3	**135**
Number of men	103	9	4	6	0	9	111	26	8	2	1	10	**290**
Total 2023	**161**	**15**	**5**	**8**	**0**	**11**	**157**	**38**	**14**	**2**	**2**	**12**	**425**
Total 2022	113	7	3	6	0	2	115	29	10	3	1	12	**289**

TABLE 20. EMPLOYEES BY CONTRACT TYPE AND GENDER 2023

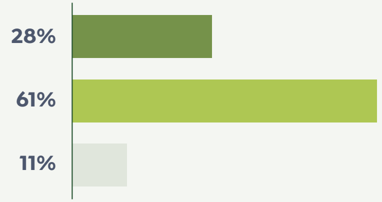
	EUROPE						AMERICA						
	Spain	Italy	UK	Poland	Romania	Germany	Chile	Colombia	Peru	Argentina	Mexico	US	**Total**
% Indefinite-term contract	**100**	**100**	**100**	**100**	**100**	**93**	**88**	**74**	**81**	**100**	**59**	**100**	**92**
% Women	36	40	20	23	100	19	27	40	44	0	0	19	**32**
% Men	64	60	80	77	100	81	73	60	56	100	100	81	**68**
% Temporary contract	**0**	**0**	**0**	**0**	**0**	**7**	**12**	**26**	**19**	**0**	**41**	**0**	**8**
% Women	0	0	0	0	0	0	43	2	29	0	100	0	**31**
% Men	100	0	0	0	0	100	57	98	71	0	0	0	**69**

TABLE 21. EMPLOYEES CATEGORY TYPE 2023

	Senior Management	Area Directors	Middle management	Technicians	Site/ground personnel
Indefinite-term contract	6	11	49	227	96
Temporary contract	0	0	0	4	30
Men	4	9	33	138	106
Women	2	2	16	94	21

TABLE 22. EMPLOYEES BY CONTRACT TYPE AND AGE 2023

Age	Indefinite	Temporary	Total
less than 30	107	10	117
between 30 and 50	243	18	261
more than 50	41	6	47



The tables take into account the decimals of each indicator for the global calculation, following the FTE ("Full Time Equivalent") calculation methodology.

TABLE 23. AVERAGE REMUNERATION (€) BY CATEGORY, GENDER AND AGE 2023

		EUROPE						AMERICA					
Gender	Professional Category	Spain	Italy	UK	Poland	Romania	Germany	Chile	Colombia	Peru	Argentina	Mexico	US
Men	Senior Management and Area Directors	105,577	–	–	–	–	–	101,317	–	–	–	–	–
	Middle management	70,666	90,000	114,265	–	–	105,000	47,069	44,990	72,727	43,645	–	152,523
	Technicians	35,624	40,309	63,176	40,510	–	54,030	27,867	16,083	12,238	–	45,356	126,435
	Site/ground personnel	35,463	–	–	–	–	–	16,761	8,475	21,651	39,252	48,950	–
Woman	Senior Management and Area Directors	84,300	–	–	–	–	–	–	48,258	–	–	–	–
	Middle management	60,471	–	–	–	–	–	55,984	27,748	23,433	–	–	–
	Technicians	34,492	39,722	71,765	36,209	20,500	34,626	29,955	21,084	25,197	–	–	66,297
	Site/ground personnel	25,188	–	–	–	–	–	14,995	8,552	11,313	–	16,987	–

TABLE 24. AVERAGE REMUNERATION (€) BY GENDER 2023

Gender	Average (€) 2023
Male	37,141
Female	34,411

TABLE 25. AVERAGE REMUNERATION (€) BY AGE 2023

	EUROPE						AMERICA						
Age	Spain	Italy	UK	Poland	Romania	Germany	Chile	Colombia	Peru	Argentina	Mexico	US	Average (€)
less than 30	31,626	31,000	62,794	–	20,500	22,377	18,863	10.398	11,329	–	16,258	–	**24,003**
between 30 and 50	50,918	48,508	114,265	37,579	–	60,824	29,539	19,472	27,050	41,449	46,255	149,611	**39,675**
More than 50	42,217	50,000	68,235	44,543	–	66,857	18,188	16,665	12,494	–	–	115,467	**30,320**

The tables take into account the decimals of each indicator for the global calculation, following the FTE ("Full Time Equivalent") calculation methodology.

TALENT ATTRACTION

Grenergy promotes measures to improve the attraction of talent. As a result, a total of **125 new hires** were made in 2023, **27% more than in 2022**. Of the new hires, 86 were men and 39 were women.

In addition, Grenergy is committed to attracting young talent through long-term collaboration with the public business entity ICEX. Grenergy offers the candidates presented by ICEX and selected, a roadmap, supervised by a mentor, allowing them to gain experience in the renewable energy sector and in business development, as well as the opportunity to participate in international projects. In 2023, an ICEX candidate has been selected to join Grenergy as part of our commitment to young talent.

In addition, we promote young talent through initiatives such as the **Grenergy Talent Program**, a project in collaboration with Fundación Universidad Empresa (FUE) that aims to incorporate young recent graduates in a scholarship program. After a rigorous selection process, including group dynamics, language tests and individual interviews, a total of 10 people joined us in various departments in the second edition of this program. All of them are simultaneously pursuing a Master's Degree in Agile Organizations and Digital Transformation, as part of their scholarship program, thus strengthening their skills, while gaining professional experience in different areas of the organization. Regarding the interns who joined the Grenergy Talent Program in 2022, several of them have consolidated their scholarship program and thanks to their good performance, they are currently part of the staff.

In the past year, we reaffirmed our commitment to the well-being of the Grenergy community, highlighting initiatives that promote sports activities, such as subsidies for access to gyms, the organization of events such as the Carrera de las Empresas and the establishment of a corporate soccer league, among others. In addition, we continue to develop strategies to strengthen wellness in all the countries where we operate, prioritizing initiatives that promote the integral health of our teams.

TABLE 26. DISTRIBUTION OF NEW HIRES IN 2023

Total			125	
By gender	women		31%	
	men		31%	
By age	>50 years		16	(13%)
	between 30 and 50 years		59	(47%)
	<30 years		50	(40%)
By country	Europe	Spain	36%	
		Italy	3%	
		UK	1%	
		Poland	2%	
		Romania	0%	
		Germany	8%	
	America	Chile	36%	
		Colombia	8%	
		Peru	3 %	
		Argentina	0%	
		Mexico	1%	
		US	2%	

*Grenergy offers a **diversity of talent** by combining a team of senior professionals with proven experience in the industry and a younger workforce that is given the opportunity to participate in projects international*

The tables take into account the decimals of each indicator for the global calculation, following the FTE ("Full Time Equivalent") calculation methodology.

In 2023, ***12 geographical and departmental internal movements*** *were carried out, highlighting the success of internal mobility in talent management*

Commitment to internal mobility at Grenergy is a key strategy for the company's optimize the availability and the alignment efficient use of talent.

This approach not only seeks to boost employee motivation and professional development, but also to cultivate a shared culture that offers transparent equal opportunities in various sectoral, functional and geographic areas. Internal mobility is conceived as a means of responding to the company's diversification and internationalization strategy, prioritizing internal promotion over external recruitment. The importance of preserving internal knowledge and improving economic and operational efficiency is also stressed.

At Grenergy we are aware of the talent we have and we are committed to their professional development and loyalty.

Employees receive accident coverage, covering disability and major disability commitments assumed in the different collective bargaining agreements that apply, including accident policies, as well as travel assistance for reasons of disability.

The average length of service (in years) has been reduced with respect to 2022, mainly due to the incorporation of 125 new employees, increasing the overall workforce by 31%. On the other hand, the average length of service (in years) has been reduced with respect to 2022, mainly due to the incorporation of 125 new employees, increasing the overall workforce by 31%.

Average length of service

2 Years

While it is true that there is a high labor turnover in the renewable energy sector associated with the shortage of highly qualified professionals and the exponential demand that this sector demands, **we have managed to reduce total turnover rates by 21.4% and voluntarily by 17.8% in 2023 compared to last year's figures**. This achievement, which should increase in a progressive decrease in turnover over the years, reflects Grenergy's continued commitment to talent retention by providing opportunities for professional growth, team stability and quality services.

Table 29. Grenergy turnover 2022-2023

	2022	2023	2022 vs. 2023
Voluntary turnover rate[1]	14%	11%	21.4%
Total turnover rate[2]	16.9%	13.9%	17.8%

In addition, turnover rates by gender and age range are included.

Table 27. Turnover rate by gender

	2023
men[3]	12%
women[4]	10%

Table 28. Turnover rate by age

	2023
<30[5]	13%
between 3 and 50[5]	10%
>50[5]	11%

In 2023, two ex-Genergy employees in Spain opted to rejoin the Group after voluntary redundancy, thus underlining the attractiveness and value that the company represents as an employer.

All employees in Spain and Italy are covered by collective bargaining agreements, representing 41.2% of the total workforce. In the absence of an equivalent framework as in Spain and Italy, in the other countries are governed by the local regulatory framework.

Grenergy is governed by the Collective Bargaining Agreement of the Industry, Services and Metal Installations Sector of the Community of Madrid and Cuenca, respectively. The company has a culture based on transparency and accessibility between the different levels, with the aim of facilitating and opening communication between all, facilitating the flow of information and consultations of workers on an equal basis. There is currently no formal union representation, so agreements with workers are carried out in accordance with current legislation and under a cultural framework of open communication between employee and employer.

Regarding the number of dismissals, the following table is detailed by age, gender and category.

Table 30. Grenergy dismissals by age, gender and professional category 2022-2023

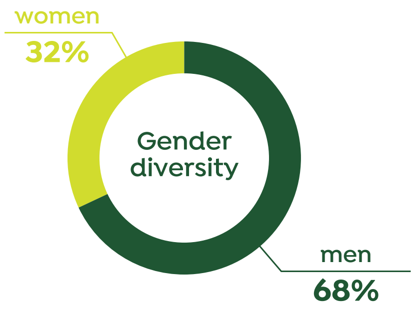
		2022	2023
Sexo	Women	4	1
	Men	5	10
Age	less than 30	2	2
	between 30 and 50	6	8
	More than 50	1	1
Category professional	Senior Management	0	0
	Area managers	0	0
	Middle management	1	1
	Technicians	6	6
	Site/ground personnel	2	4

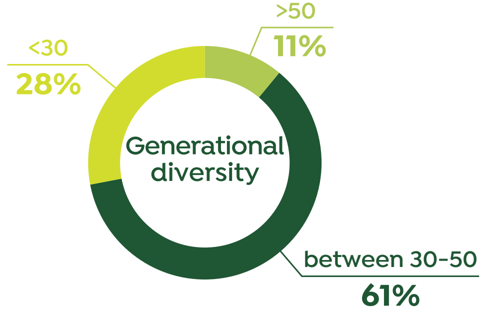
[1] Total turnover rate: No. of voluntary and involuntary male and female departures / Male and female employees at year-end - [2] Voluntary turnover rate: No. of male and female voluntary departures/ Male and female employees at year-end) - [3] Voluntary turnover rate men = No. of voluntary departures men/No. of male employees at year-end - [4] Voluntary turnover rate women = No. of voluntary departures women/No. of female employees at year-end - [5] Turnover rate by age range = No. of voluntary departures of age range / Number of employees of age range from all countries.

EQUALITY, DIVERSITY AND INCLUSION

Grenergy is committed both in its Code of Conduct and in the first Equality Plan to ensure a work environment of equality, respect, safety and non-discrimination based on race, sex, ideology, age, disability, ancestry, sexual orientation, belief or any other type of personal or social condition, specifically monitoring conduct susceptible to any type of harassment of a personal nature. No complaints have been received and no cases of discrimination have been opened during the years 2022 and 2023.

The numbers reflect our commitment:





*At Grenergy, **we believe in the richness and added value** that diversity brings, inclusion and equality. These factors are both a priority management commitment and a competitive advantage*

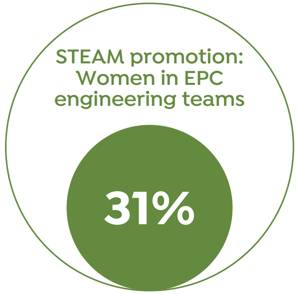


Table 31. Distribution of the workforce by professional category, age and gender

Category	<30	30-50	>50	Women
Senior management (6)	0%	84%	16%	33%
Area Directors (12)	0%	91%	9%	18%
Middle management (49)	5%	82%	13%	33%
Technicians (231)	35%	57%	8%	41%
Site/ground personnel (127)	27%	57%	16%	17%

Women Men

Table 32. Jobs by geographic distribution and category 2023

	EUROPE						AMERICA					
	Spain	Italy	UK	Poland	Romania	Grmany	Chile	Colombia	Peru	Argentina	Mexico	US
Diversity of management positions[1]	12	-	-	-	-	-	4	1	-	-	-	-
Employee diversity[2]	149	15	5	8	0	11	152	37	14	2	2	12
Distribution of jobs by nationality	38%	3%	1%	2%	0%	3%	37%	9%	3%	0%	0%	3%

Diversity of management positions Diversity of jobs Distribution of jobs by nationality

The tables take into account the decimals of each indicator for the global calculation, following the FTE (Full Time Equivalent) calculation methodology.

[1] Diversity of management positions: Senior management + Area Directors - [2] Diversity of employees: Middle management + technicians + Site/ground personnel

In 2023, Grenergy has been recognized alongside 45 Spanish listed companies to be part of ***BME's IBEX Gender Equality Index***, *an index that can only be accessed by companies with a significant female presence in senior management and Board of Directors*

Since the ESG Roadmap, launched in 2021, Grenergy has developed an Equality Roadmap that aims to promote equal opportunities in the professional development of women, from the selection and hiring stages, favoring the reduction of salary differences between both genders for positions of the same responsibility, and, in turn, the achievement of equal pay. In addition, we have implemented work-life balance and labor flexibility initiatives, as well as other measures to ensure a respectful work environment. In 2023, more than 20 actions to be implemented have been agreed and a follow-up meeting was held at the end of this year. The action plans are related to the areas of training, selection, development, culture, among others. However, the equality plan is registered and published in the Registry and Deposit of Collective Bargaining Agreements, Collective Agreements and Equality Plans (REGCON).

As part of our commitment to the society in which we operate, we promote the social and labor inclusion of people with disabilities. Thus, Grenergy, in collaboration with the Adecco Foundation, is committed to diversity through activities such as a testimony on mental health by Javier Martín or training on unconscious bias. This helps to improve the visibility of vulnerable people, facilitate awareness, and promote the development of a more effective and sustainable use of the company's resources.

The initiative helps us to reduce barriers, inequalities and discriminatory attitudes to accessing the labor market. This initiative helps us to comply with the LGD Law.

We meet the legendary co-host of Caiga Quien Caiga, Javi Martín, to talk about mental health.

At Grenergy we have publicly stated our commitment to the principles of diversity, inclusion and equality. To protect the people in our team, the company has a Policy to Prevent and Combat Workplace and Sexual Harassment, in addition to a wide range of sub-policies for each of the countries in which it operates. Also, as a reflection of the company's strong commitment to the fight against situations of workplace and sexual harassment, Grenergy has established a whistleblower channel on its website to ensure employee confidentiality and safety, and has a disciplinary committee in place.

TRAINING AND DEVELOPMENT

Grenergy has structured an improved employee training plan for 2023, based on four transversal dimensions, with the purpose of enhancing professional knowledge, promoting Grenergy's culture and the commitment and development of its employees. In this way, a model adaptable to the necessary capabilities identified for the achievement of business objectives and strategies is promoted, aligning Human Resources policies, people's needs and strategic objectives.

- **Grenergy Soft Skills** — **Management skills linked to organizational effectiveness and improvement such as leadership, communication, diversity and inclusion.**
- **Grenergy Technical Skills** — **Basic and complementary knowledge for the optimal performance of functions (professional social networks, cybersecurity, internal communication and collaborative spaces).**
- **Grenergy Net** — **Dissemination of internal knowledge through talks given by internal experts in the different areas. internal experts in different areas.**
- **Grenergy Growth** — **Ad hoc training in response to identified non-identifiable needs.**

By laying the foundations of a structured, in-depth and tailored training strategy, Grenergy optimizes the performance of technical and managerial functions of the team, diversifying the team in terms of resources and knowledge, and maximizing employee motivation to grow and improve their profiles. Furthermore, in order to support employees in an international environment, Grenergy offers its employees one-to-one language classes with native teachers through several reputable providers.

***Grenergy provides specific training** tailored to the needs of each employee and is creating leadership and development training programs to improve technical and soft skills*

This year we have integrated new initiatives and content. We have started the Leadership Skills Itinerary for managers and, at the same time, a soft skills itinerary for collaborators. The objective of these trainings is to establish a homogeneous basis for team management, effective com- munication and teamwork, among other topics.
Internal knowledge dissemination talks have been consolidated thanks to the Grener- gy Talks, where managers of key areas share their experience with the rest of the organization with the aim of disseminating internal knowledge.

Table 33. Number of training hours 2023

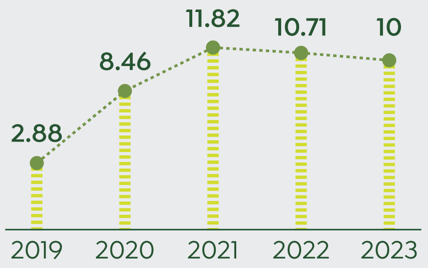
Topic	No. of training hours	Weight of training
Equality, diversity and inclusion	133.5	3%
Cybersecurity, Information Security and IT	145.5	3%
Technical Skills	353.0	8%
Soft skills	1461.3	35%
Languages	1283.0	30%
Compliance, Ethics, Corruption and Bribery	471.0	11%
Sustainability, environment and climate change	203.5	5%
Health and safety	180.0	4%
TOTAL	**4230.8**	**100%**

Thus, we have provided our technicians with an average of **12.91 hours** of training/employee, middle management with **11.57 hours/employee**, area managers with **10.5 hours/employee**, and members of senior management and board members with **9.33 hours/employee**. At Grenergy, we recognize that continuous training is essential for our sustainable growth. The provision of training hours to our entire workforce not only strengthens skills, but is also the ideal tool for transmitting our values, especially our commitment to environmental protection. In our training programs on sustainability and health and safety, we focus, among other objectives, on raise our employees' awareness of the direct impact of their work on the environment. In doing so, we believe that each employee becomes an active advocate of environmentally friendly best practices, contributing to the environment.
to preserve a more sustainable future.
Training for employees to understand the impact of their work activities on the environment.
From a quantitative perspective, the improvement in the management of the team's professional growth is reflec- ted in the increase in the time dedicated to training that
The ratio of training **hours** per employee is **10 hours**. The training hours distributed by gender are 8.5 hours/man and **13 hours/woman**.

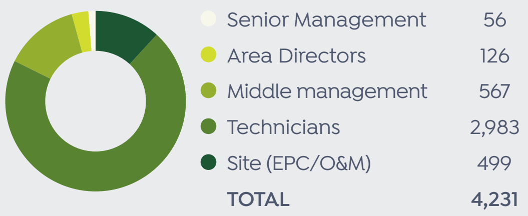
During 2023, we have ***reinforced the training of the team*** *in several areas such as* ***technology, soft skills, internal knowledge****, among others*

134.6€ Investment in training per employee

hours training/employee



Distribution of training received by each professional category



COMPENSATION

The variable compensation of employees is defined based on results and following an annual and continuous performance evaluation process that aligns Grenergy's strategic goals with the objectives of each department. In this way, there is an important link between the variable remuneration of executives and the ESG 2023 objectives integrated into the organization's corporate strategy.

The performance appraisal procedure approaches each review decision objectively, providing fair compensation from the perspective of the employee's level of responsibility and contribution to Grenergy's objectives.

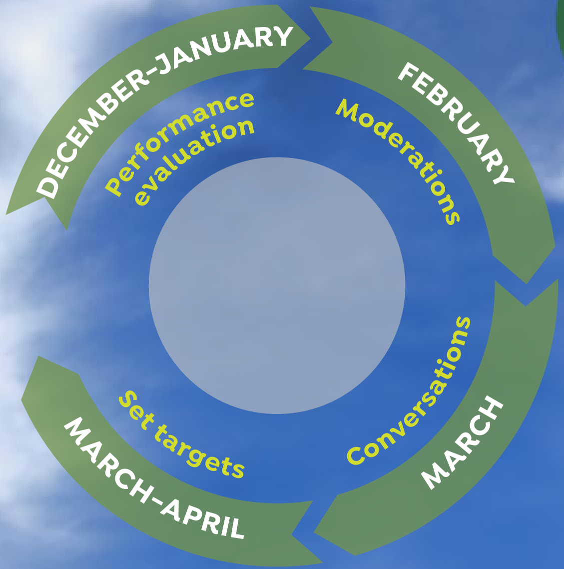
This is a circular process that is restarted each year with a review and assessment of the contribution to the objectives established at the beginning of the previous year and, subsequently, the goals to be achieved in the coming year are prepared and established between the manager and the employee, together with the communication of the incentives received. For the evaluation of these specific, measurable, achievable objectives, aligned with the corporate strategy, the employee carries out a self-evaluation, which, together with an assessment of the progress of the business objectives aligned with those of the department or line of business and an identification of areas for improvement, will contribute to obtaining an efficient and fair balance of the corresponding annual progress.

To guide people to conduct this meeting, specific feedback trainings have been carried out to prepare managers and employees for this moment and that the performance evaluation process is something that will gradually permeate within the organization as a recurring practice, generating organizational culture.

In addition, the company offers its executives a long-term incentive program for senior management and key personnel to strengthen talent retention and align talent with company objectives.

In the March 2023 performance evaluation, it is worth highlighting the achievement of 97% of variable remuneration for all employees compared to fixed remuneration. This demonstrates the setting of clear, achievable and realistic objectives aligned with Grenergy's strategy.

Grenergy promotes the values of transparency and honesty *through the conversations one-to-one, and the feedback processes*



Employees with performance evaluation by gender[1]:

66%	35%

[1] Performance evaluation conducted in March 2023

The 2023 gender pay gap in Grenergy for the 0.29%

PAY GAP ANALYSIS

The methodology used in the calculation of the gender pay gap involved segmenting the information according to specific categories, areas and positions, focusing on employees' fixed salaries at year-end as the primary reference. The analysis has addressed three key markets: Spain, Chile and Colombia, which together represent 80% of Grenergy's workforce (expatriate employees were excluded due to their particular conditions).

Additionally, reduction factors were applied to homologate similar positions, considering aspects such as seniority, experience, training and responsibility, with the purpose of making an accurate calculation of salaries."

34,411 €
Average salary for women

37,141 €
Average salary for men

EMPLOYEE SAFETY, HEALTH AND WELLNESS

Grenergy, for its activities in Spain, with the help of external services (such as our external prevention service and other consulting firms) evaluates the working and environmental conditions and other circumstances present during the development of its activities; establishing in each case the preventive, corrective and emergency measures. In other locations, either with internal personnel or with the help of external services, we guarantee a safe work environment and promote a preventive culture, with actions similar to those already mentioned.

In 2023, the **Occupational Health and Safety Policy** was approved with the aim of promoting and protecting the health and well-being of its employees. In this way, the commitment to provide safe and healthy working conditions for all workers and third parties related to Grenergy is established. In accordance with Grenergy's Code of Conduct, Grenergy protects its employees against the risks of accidents at work and provides a safe working environment to ensure that its employees and collaborators return home safe and sound at the end of the working day. Responsibility for Occupational Safety and Health (OSH) management concerns all company personnel, including all stakeholders, and we are all committed to incorporating its principles into the daily activities carried out at Grenergy. In this sense, Grenergy assumes the following commitments:

- Comply with all legal requirements regarding Risk Prevention, as well as those that Grenergy voluntarily subscribes to.
- Identify Occupational Risk Prevention as an important aspect, present in all the company's activities
- Promote a preventive culture in our collaborators, contractors, suppliers and visitors.
- Integrate safety and health management to all activities carried out in the work centers.
- Promote a culture of zero accidents, encouraging continuous training and the permanent improvement of safety procedures and processes.
- Develop training activities in ORP to ensure the safe behavior of the entire team
- Provide the human and material resources necessary to eliminate hazards and reduce risks within the framework of OSH
- Establish channels of communication and cooperation between Grenergy personnel and interested parties.
- Guarantee the participation and information to Grenergy's personnel, making effective the right to consultation of the workers
- Encourage the promotion of health and wellness among employees.

Throughout the construction phase, Grenergy prepares detailed health and safety plans, emergency and evacuation plans, along with other elements of control and coordination, to ensure safe work by its own personnel and contractors. It is in the operation and maintenance phase where the ORP Manual and self-protection plans underline our preventive culture. Grenergy has personnel specialized in occupational risk prevention in both phases. These are generally in-house and from the local community but are no less competitive in terms of competencies and training.

Grenergy is fully convinced that fostering understanding and knowledge play a crucial role in laying the foundation for healthier habits. During 2023, a total of 18,664 hours of safety and health project training were conducted among Grenergy employees. In our efforts to promote a culture focused on health, safety and well-being in the workplace, and given the significant increase in the number of facilities under construction during fiscal year 2023, there were no fatalities or serious accidents, 16 minor accidents, and 2 occupational illnesses.

As a result of this commitment to the health and safety of both employees and key stakeholders, following the update of the 2024-2026 Sustainability Strategy, some objectives have been set, such as obtaining triple certification in Spain (ISO 14001, ISO 9001 and ISO 45001) by EPC, use of the ISO 45001 standard as a reference for OSH management in work centers and more than 100 hours of training for workers in OHS in the countries in the 2024-2026 period.

Table 34. Health & Safety Indicators Grenergy 2022-2023

	2022			2023			
KPIs	Men	Women	Total	Men	Women	Total	Var. vs 2022
Accidents	4	0	4	9	3	12	67%
Fatal accidents	0	0	0	0	0	0	-
Occupational diseases	0	0	0	0	2	2	100%
Absence hours	144	0	144	304	224	528	73%
Injury Frequency Rate (LTIFR)[1]	4.6	0	4.6	14.1	10.5	12.3	63%
Injury rate (LTIR)[2]	0.9	0	0.9	2.8	2.1	2.5	63%
Absenteeism rate[3]	32.8	0	32.8	95.5	156.2	125.8	74%

[1] (No. of recordable accidents / No. of hours worked) * 1,000,000 (excluding in itinere processes) - [2] (No. of recordable accidents / No. of hours worked) * 200,000 (excluding in itinere processes) - [3] (No. of days lost / Total number of days worked)*200,000

5.2 ESTABLISHING LINKS WITH OUR COMMUNITIES

We are fully aware of the impact we leave in the communities where we operate, and we strive to generate a positive social impact.

Local impact

Since its inception, Grenergy has had an important social role to play through its role in the decarbonization of the Group by reducing its carbon footprint, contributing to an improvement in air quality and, as a consequence, in the improvement of people's health and well-being.

However, during our activity it is essential to build transparent and solid relationships with the local communities near our projects, from the early development phase to the end of their useful life, thus creating a two-way dialogue. Through this initial communication, we identify opportunities to improve the quality of life of these communities during the development phase, and then actively contribute during the construction and operational phases of the plants. Thus, one of our main objectives is to generate collaborative links with the communities, where we work together on projects of social value.

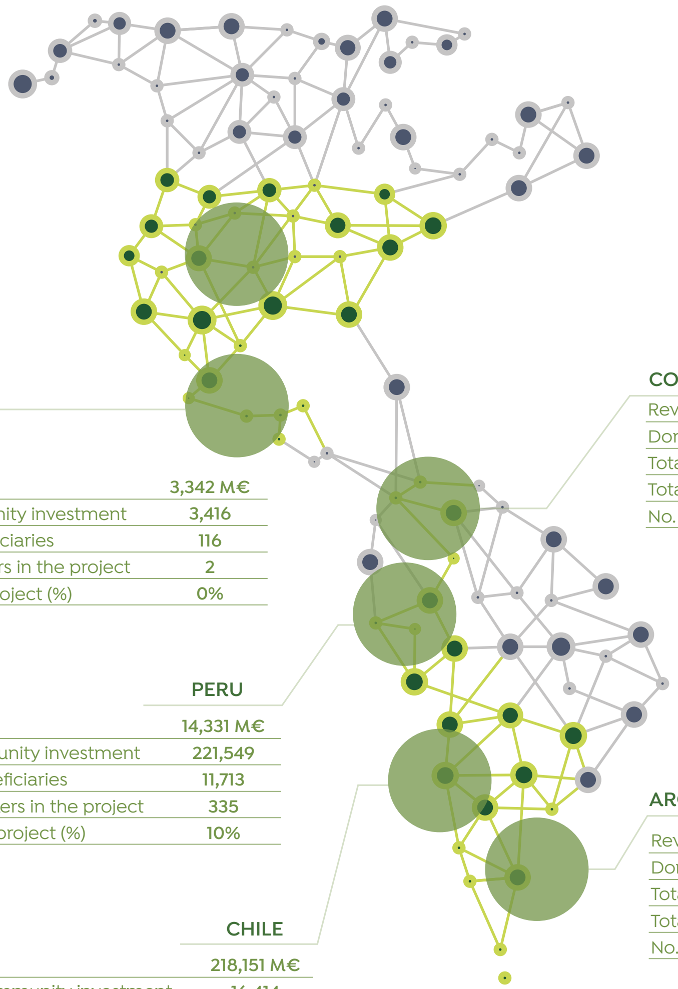
Our objective is that the communities can find in us an ally with to develop and generate new capabilities, in line with our sustainability strategy.

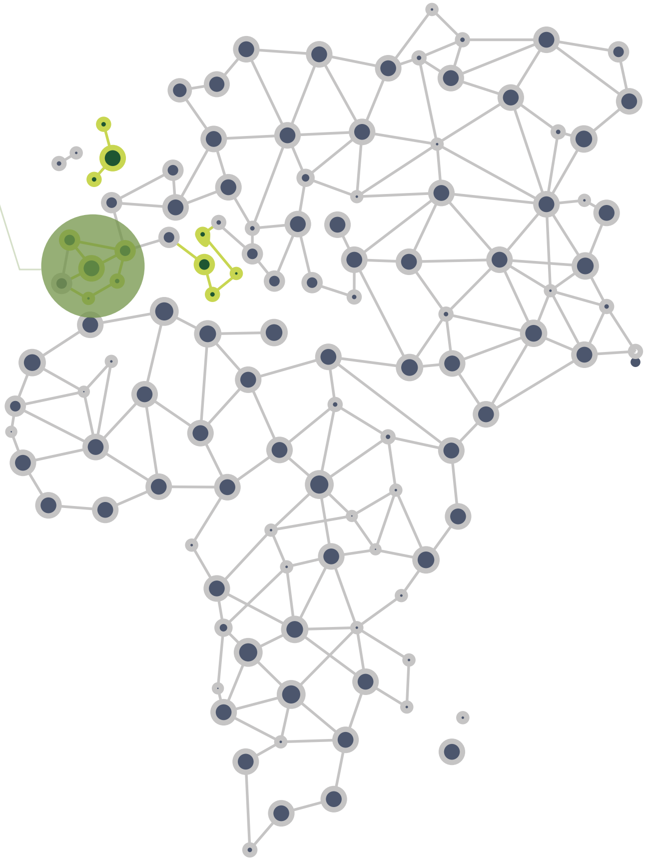
In addition, through environmental impact studies or similar procedures, possible critical points for the correct development or operation of the project in social matters are identified and appropriate measures are established to minimize this impact. During 2023, no fines have been received in relation to social non-compliance. There have also been no delays in projects due to impacts on local communities.

On the other hand, as a result of our commitment to promote local development in the communities near our plants, during 2023 we have established countermeasures to increase local and women's employment. In 2023, the case of Gran Teno, our largest plant to date in Chile, stands out, where female hiring has been boosted to 7.85%. Local hiring has also been boosted, reaching 41.3%.

In addition, another of our plants in Chile, Tamango, has achieved a 5.75% female employment rate and a 39.7% local employment rate by 2023. The improvement of these aspects are taken into account for the achievement of the objectives proposed in our new and ambitious green financing signed with the Santander bank in 2023.

IMPACT OF MAJOR PROJECTS IN 2023





SPAIN

Revenues	140,770 M€
Donation and community investment	2,030
Total number of beneficiaries	30
Total number of workers in the project	659
No. of women in the project (%)	4%

COLOMBIA

Revenues	11,280 M€
Donation and community investment	35,988
Total number of beneficiaries	8,033
Total number of workers in the project	542
No. of women in the project (%)	7%

MEXICO

Revenues	3,342 M€
Donation and community investment	3,416
Total number of beneficiaries	116
Total number of workers in the project	2
No. of women in the project (%)	0%

PERU

Revenues	14,331 M€
Donation and community investment	221,549
Total number of beneficiaries	11,713
Total number of workers in the project	335
No. of women in the project (%)	10%

ARGENTINA

Revenues	7,693 M€
Donation and community investment	1,196
Total number of beneficiaries	6
Total number of workers in the project	24
No. of women in the project (%)	17%

CHILE

Revenues	218,151 M€
Donation and community investment	16,414
Total number of beneficiaries	1,148
Total number of workers in the project	1,545
No. of women in the project (%)	7%

Community relations procedure

It is essential for every company to constantly review its protocols and procedures to respond appropriately to the different realities and needs of its environment. In keeping with our culture of continuous improvement, we have updated our Local Community Relations Procedure, which provides the framework for the actions undertaken by our social managers in each country. In addition, we have published the company's community relations policy on our website.

The Local Community Relations Procedure is in line with Grenergy's Sustainability Policy, its Human Rights Policy and its Code of Conduct. This framework guarantees socially responsible action that respects the cultural diversity and customs of the communities located in the areas where our projects are carried out.

One of the main guidelines provided by the Local Community Relations Procedure is the implementation of communication in the initial stages of the project.

The company maintains records of the dialogue held and disseminates relevant information in a transparent, objective and culturally acceptable manner throughout all phases of the project. This is done through formal and informal meetings, training sessions and consultations, ensuring accessibility and understanding by the communities. Various communication channels are facilitated with the social leaders, distributing telephone numbers and e-mail addresses to address queries and concerns of our neighbors. In addition, mechanisms are implemented to guarantee anonymity, such as physical and/or virtual mailboxes through our web page. This ensures that all communication is addressed through a feedback system, allowing us to evaluate the effectiveness of our actions and make adjustments as necessary.

In this way, we guarantee the opening of a space that favors the direct and transparent participation of the various stakeholders in the projects. In this context, we encourage the communication of their concerns and suggestions, which are managed in accordance with procedures established for this purpose.

Accordingly, a dedicated procedure has been established to address Questions, Complaints, Claims and Suggestions (PQRS). The purpose of this mechanism is to identify and manage responses in a timely, respectful and appropriate manner for each stakeholder of the Projects. The fundamental purpose of this procedure is to ensure that all PQRS submitted to the projects are addressed, recorded and resolved in accordance with the company's corporate standards and policies. This measure enables us to implement improvement plans on an ongoing basis in collaboration with stakeholders.
Through this procedure, and through a process of assessing needs and opportunities in the region, Grenergy activates action plans and supports local impact initiatives that meet criteria aligned with the Sustainable Development Goals identified as a priority or that address fundamental needs detected in the area. For the implementation and development of these local community support initiatives, a transparent and orderly mechanism is applied that requires prior approval of proposed initiatives in ESG and budgetary terms, as well as monitoring of funds to ensure their proper use. This approach translates into a tangible improvement in the quality of life of the community.

Local development

In our aim to create a positive impact through our projects in the local communities, we seek to foster their development by generating employment and raising awareness of the importance of children's education, in line with our sustainability strategy, and by promoting community activities that build capacity in the communities, thus fostering local development.
These actions are based on the basic lines of action in accordance with the sustainable development objectives established for our company.

- We strive to understand the cultural diversity and customs of the communities present in our project areas in order to achieve a respectful approach to the implementation of these initiatives.
- We facilitate training and workshops on topics of interest to the community that can catalyze potential trades, and we promote access to renewable energy education. We are committed to making the process of these initiatives participatory and collaborative.

Our value during 2023

During the period we worked collaboratively on different initiatives with the communities, with the ultimate goal of generating shared value and contributing to the improvement of people's quality of life. The main lines of work were: 1) education and environmental awareness, 2) training and local employment generation, and 3) affordable, non-polluting energy.

In these initiatives, donations and social investments to the local community amounted to €295,404, of which €35,857 are donations in kind, €205,875 are monetary donations and the remaining amount, €53,672 corresponds to community investment, highlighting awareness or environmental education actions.

Basic principles and strategic lines of the social action plan

The creation of positive local impact is guided by the principles and strategic lines of Grenergy's Social Action Plan, following a needs assessment exercise.

BASIC PRINCIPLES

Considering the performance standards of the International Finance Corporation (IFC), any community relations process should include the following steps:

(i) Start communication at an early stage of the project,

(ii) Act on the environmental and social risks and impacts of environmental impact studies,

(iii) Maintain regular communication with the different stakeholder groups to understand how they are affected by the different phases of the project,

(iv) Disclose relevant information at all stages of the project that is transparent, objective, meaningful, in a local language (or languages) and in a format that is culturally acceptable and understandable to the Affected Communities,

(v) Make use of culturally appropriate media

STRATEGIC LINES

The strategic lines delimit the area of definition of the social plans and initiatives and are complemented by the analysis of the needs of the environment of each project and local community, in a context of consideration of the strategic importance of each project. These strategic lines correspond to the following Sustainable Development Goals.

5 GENDER EQUALITY	Promote equal opportunities between men and women.
7 AFFORDABLE AND CLEAN ENERGY	Facilitate access to clean energy and improve energy efficiency.
8 DECENT WORK AND ECONOMIC GROWTH	Promote economic growth and full employment under fair conditions.
13 CLIMATE ACTION	Improve education, awareness and human capacity for climate change mitigation and adaptation.
15 LIFE ON LAND	Stop biodiversity loss.

SUCCESS STORY

GRAN TENO PHOTOVOLTAIC PLANT PROJECT, CHILE

The "Raoul Follerau" rural health post now has a photovoltaic system that improves its electrical stability.

It is the best example of how Grenergy, in addition to promoting the development of clean and renewable energy, seeks to generate a positive social impact on local communities.
Our solar plant Gran Teno (200MW), located about 9 kilometers from the town of Teno, donated and installed photovoltaic panels for the partial supply of a community space in the commune of Teno, which corresponds to the Raoul Follerau rural post.
The reception of this photovoltaic system has strengthened the electrical stability of the health center, which is a point of great relevance for the surrounding communities, such as San Rafael, El Quelmén, Villa Los Robles, Villa San Ramón, Eucalyptus and Aldea Louis Letsch, where it is located.
Thanks to this contribution, the center has been able to find a solution to the historic power outages that hinder the necessary work of its employees, who seek to strengthen the health network in these rural areas, whose users are usually elderly people with little mobility and few public services at their disposal.

In addition, another of the activities supporting the development of the community has been the management of contributions and social investment initiatives for the benefit of the inhabitants of Teno. A concrete example of this direct connection is the donation of 600 food baskets to families affected by heavy floods that caused considerable material losses in the commune.
In addition, we promoted training in home plumbing and organic vegetable gardens, with a high level of female participation. We collaborate with professional technical high schools to promote and strengthen knowledge of solar energy, giving educational talks in the field. This collaboration seeks to awaken interest, raise awareness and disseminate knowledge in local communities.
Ultimately, our activities are not limited to immediate assistance in emergency situations, but also focus on long-term sustainable development. Through these actions, we seek not only to provide material support, but also to foster the autonomy and empowerment of the community, generating a positive impact on the well-being and quality of life of Teno's inhabitants.

The communities near the plant and affected by the floods have received food baskets

SUCCESS STORY

TAMANGO PHOTOVOLTAIC PLANT PROJECT, CHILE

Bringing solar energy closer to children and pre-adolescents.

In 2022, the Tamango photovoltaic park, with a capacity of 40 MW, received environmental approval for its construction in the commune of Retiro, located in the Maule Region. During the construction phase, job opportunities were created for 100 people, thus contributing to local economic development.

With the firm purpose of fostering environmental awareness and promoting education in renewable energies among children and pre-adolescents, the Grenergy team devised the art contest "Imagine and paint a sustainable world". This project was carried out in collaboration with students from the María Ignacia Mena Monroy School, located near the solar park in the El Bonito sector.

Grenergy's engagement with the educational community began with the joint development of a collaborative program. This included activities such as talks on solar energy and non-conventional renewable energies, the organization of the art contest and the planning of an educational visit to the solar park. The aim of the latter activity is to provide children with the opportunity to learn about the operation of the facility up close, thus enriching their understanding of solar energy and its positive impact on the environment.

SUCCESS STORY

COMMUNITY MANAGEMENT, COLOMBIA

Strengthening our actions in the educational field.

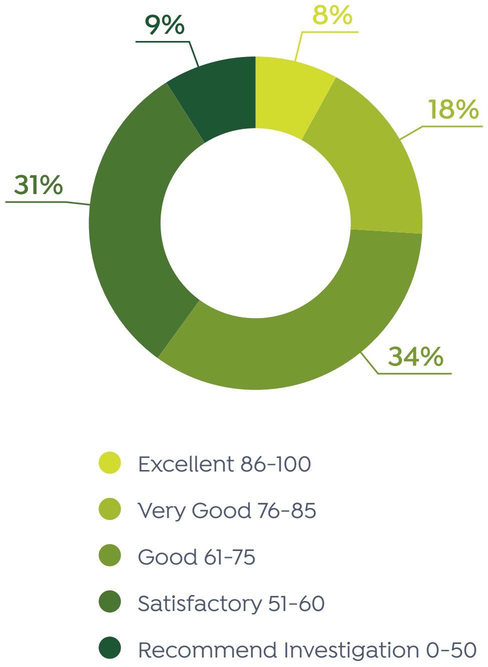
During three years, we have conducted School Campaigns with 13 communities in the areas of influence of eight of the projects located in Colombia, six of which have been in operation since 2022. These campaigns have also been carried out during the construction and development of the projects, contributing positive value from the beginning of our activities.
The objective of these school campaigns is to encourage children to remain in the basic educational processes, giving priority to children between 6 and 10 years of age, for their proper future development.
In these three years, 2,660 school kits have been delivered to the children living in 13 of our communities in the immediate vicinity of our projects.
During the execution of the School Campaign between 2021 and 2023, we have worked closely with four of our contractors and allied consultants during the Development, EPC and O&M stages, generating a greater positive impact on the communities thanks to the joint work of Grenergy and its subcontractors.
In Colombia, the objective has been set to continue strengthening voluntary actions in the educational field and to expand coverage to more communities, with the continued support of subcontractors, in order to achieve a greater social impact.

Watch video

5.3

RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN

Grenergy is committed to the environmental and social management of the companies it hires through the Achilles supplier evaluation tool, where, in 2023, 81% of its evaluated suppliers scored above 51/100 in the ESG score, as shown in the graph below[1]*:*



At Grenergy, the supply chain management strategy is developed jointly by the Purchasing, Compliance and Sustainability departments. The main standards and policies in this regard are:

- **Supplier Code of Conduct**
- **Purchasing Policy**
- **Purchasing Procedure**
- **Sustainability Policy**
- **Human Rights Policy**
- **Corporate Code of Conduct**

In January 2023, the Procurement Procedure associated with the Procurement Policy was approved, establishing the bases for supplier selection, requests for bids, awards and supplier evaluations, for compliance with which a transition year has been established. In addition, the Supplier Code of Conduct has been updated, extending the ESG clauses signed by 100% of the suppliers of all the company's purchasing and contracting activities for equipment, materials, works and services.

[1] Graphs obtained at the date of preparation of this report.

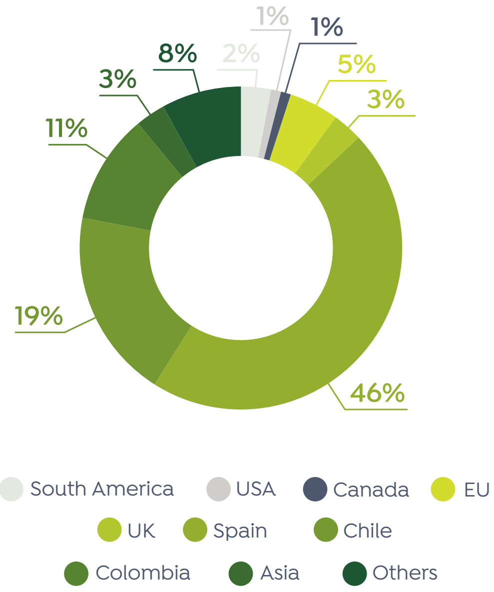
Grenergy's Procurement Policy includes the control, mitigation and reduction, to the extent possible, of risks associated with the quality and sustainability of materials and equipment purchased, and the contracting of works and services. In this policy, the company points out the environmental, social and governance issues that directly contribute to promoting compliance with the commitments identified in its Sustainability Policy and that support the decision-making process for the purchase or contracting of goods or services. It is worth highlighting the commitments to zero tolerance and the express prohibition of forced labor situations by introducing measures, tools and procedures aimed at preventing human rights violations in the environment of suppliers during their operations in the service of Grenergy.

The Purchasing Procedure aims to establish the control and management of the risks of the company's purchasing or contracting activities, so as to minimize the associated risks by following the company's Purchasing Policy and Code of Conduct. This risk management has been carried out since 2022 by means of the Achilles supplier evaluation tool, where the ESG, Legal and Financial criteria of subcontractors are evaluated through the completion of the established questionnaires. The objective is to ensure the integration of third parties in the commitment to regulatory compliance and Grenergy's strategy.

At the end of 2023, Grenergy's supply chain is made up of more than 3,900 suppliers to whom we have awarded more than 385 million euros. Our key suppliers[1] account for 95% of our turnover and mainly supply us with panels, structure, inverters, electrical material, mechanical assembly services, electrical assembly, civil works, transportation, SCADA and security.

The distribution of suppliers evaluated by country for the year 2023 is as follows:

Supplier volume by country

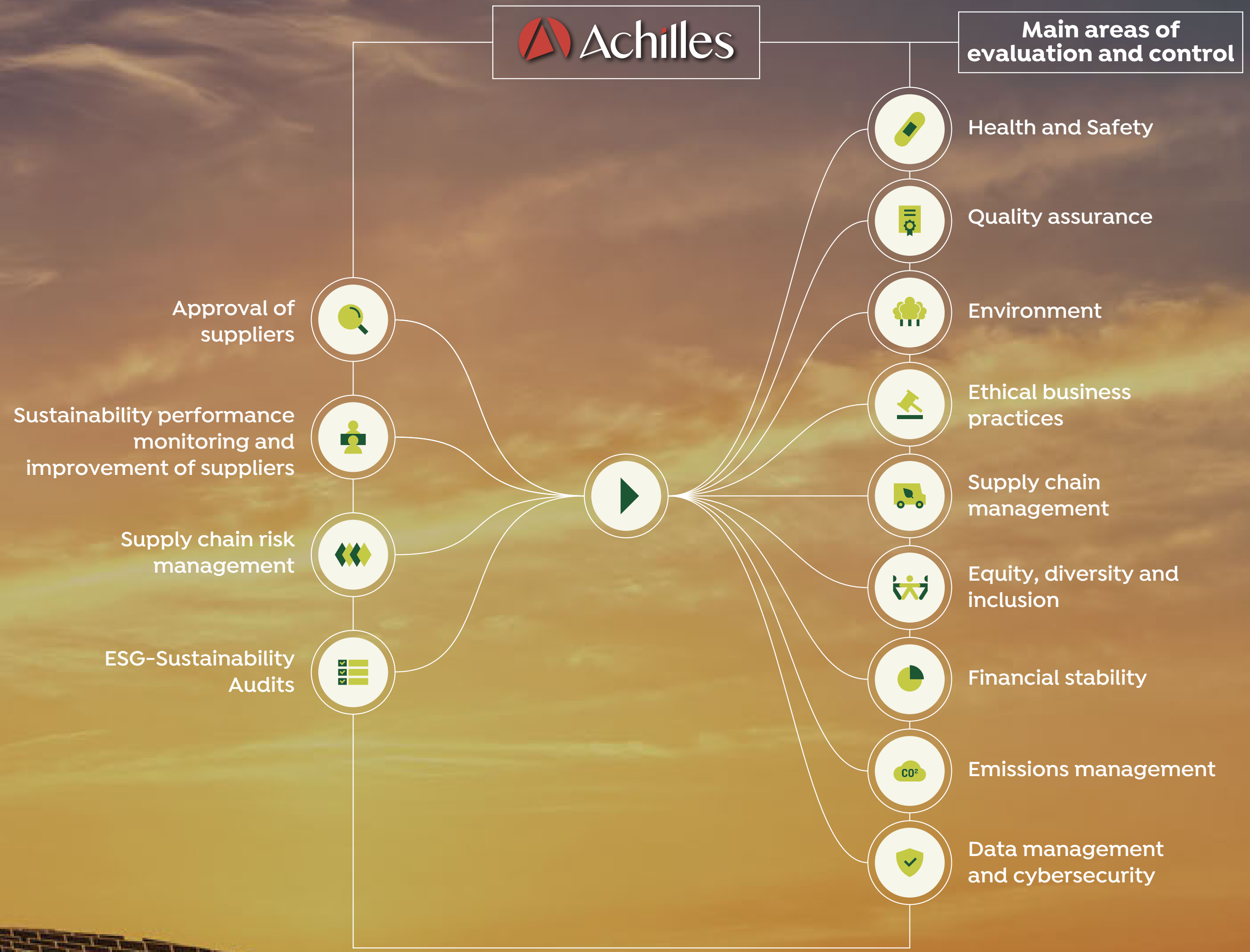


[1] A key supplier is defined as a supplier with an accumulated turnover in the current year of more than 100,000 €.

Supply chain risk management

Grenergy is furthering its commitment to proactively manage the social and environmental impacts, risks and opportunities arising from its supply chain. In 2023, the agreement with Achilles for the approval and risk management of suppliers based on ESG, compliance and financial criteria was continued. In this way, we promote the commitment of subcontractors to their responsibility in these matters. In this regard, and in line with the purchasing procedure, several classes of suppliers have been categorized (member, member plus and silver) based on turnover, differentiating 2 types of approval.

SUPPLIERS < 5,000 €	SUPPLIERS > 5,000 €
Completion of an **internal questionnaire** based on ESG criteria (environmental, social and governance) as well as economic criteria and country, sector and commodity risk.	Completion of an **internal questionnaire and approval in Aquilles** based on ESG criteria (environmental, social and governance) as well as economic criteria and country, sector and raw material risk.



The aspects evaluated for each of the ESG dimensions and the score for each are as follows:

Governance

- Good governance and transparency
- Human rights
- Organizational ethics and integrity
- Leadership
- Structure of CSR/sustainability in the organization

Social aspects and community

- Equality, diversity and work-life balance
- Training and employability promotion
- Health and wellness at work
- Community impact
- Quality
- Dialogue with employee representatives

Environmental aspects

- Environmental management
- Climate change
- Circular economy and waste management
- Sustainable use of resources
- Biodiversity

ESG Score	Valuation
A+	96-100
A	75-95
B	50-74
C	25-49
D	0-24

Grenergy's supply chain management is based on four points:

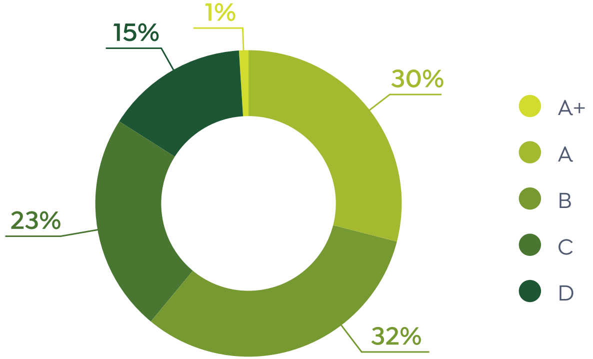
1. **Minimum standards:** 100% of our suppliers are required to carry out their activities in accordance with ethical standards similar to ours, which ensure compliance with current legislation, fundamental human and labor rights, as well as environmental protection.

2. **Identification of strategic suppliers:** based on business relevance (volume of the commercial relationship and criticality of the product and/or service), country risk factors and risk associated with the product and service provided.

3. **Performance evaluation:** our suppliers are invited to register free of charge with Achilles and the ESG evaluation of key suppliers is monitored.

4. **Audits:** Grenergy is part of the Achilles community, which makes it possible to check whether the appropriate protocols are being followed by conducting audits, either independently or in conjunction with other companies in the sector.

At this stage of Achilles' deployment, 43% of the strategic suppliers are already registered and evaluated on the platform, 63% of which have an ESG score above 50/100 (A+, A and B).



As a result of our commitment to managing the regulatory compliance of our supply chain, we evaluate the parent companies of panel suppliers, which are direct suppliers of Grenergy (Tier1) through extensive questionnaires with documentary evidence, as well as investigating which are the suppliers of our suppliers (Tier2), i.e., the panel factories.
By 2023, 100% of our panel supplier factories have been audited[1]. These audits have evaluated Environmental, Social and Governance aspects, both legal and voluntary. They have been carried out on-site by a certified auditor, adding value with positive assessments and recommendations.
The target for 2023 has been 2 on-site audits by Grenergy of strategic suppliers, and this year we have extended the target for 2024 to 10 on-site audits of strategic suppliers. We are also committed to increasing the number of suppliers evaluated through the Achilles tool. In this sense, the objective set for 2023 is to obtain 450 suppliers evaluated through the Achilles platform during 2024.

Grenergy has ***40% of the total number of suppliers*** *for* ***audited*** *turnover in 2023 demonstrating strong ESG commitment to your supply chain*

[1] Note: the audits performed are provided by the Achilles tool for all members of the Audit Community.

Health and safety of subcontractors

Grenergyz is convinced of the importance of transferring the culture and commitment to health and safety throughout the supply chain. The construction of our projects involves the subcontracting of work and therefore the entry of outside workers to the work areas. At this point, Grenergy ensures at all times, from the development phase, through construction, operation and maintenance, a safe working environment with a preventive approach. To this end, Grenergy:

- Performs a risk assessment before starting its projects, resulting in a Health and Safety Plan.
- Ensure that employees of the subcontractors are provided with adequate personal protective equipment.
- It trains external workers so that they are aware of the precautions to be taken during the development of their activity, verifying that this training is put into practice through preventive vigilance.
- Maintains good communication to ensure that subcontractors have a good understanding of the risks and safety measures in the workplace.
- We also maintain good communication with neighboring construction sites and hold a monthly business activity coordination meeting.
- An incident tracking system is in place to report and record any workplace incident or injury. This allows security issues to be identified and addressed on an ongoing basis.

In Spain, a Health and Safety Plan (HSP) is drawn up by a Senior Occupational Risk Prevention Technician before the start of work on a plant, which covers all the risks and preventive measures to be applied throughout the development of the work. The plan is provided to all subcontractors before they start work, and they sign a document indicating that they have studied, understood and adhere to the HSP.

A personalized Emergency and Evacuation Plan is also drawn up for each of the works, which is reviewed periodically as the work progresses, reinforced with evacuation drills in which all site personnel participate. Any new and unforeseen activity not contemplated in the PSS is included in an Annex to the Plan, which must be reviewed and approved in the same way. A self-protection plan is also drawn up before the end of the works, which will be used when the plants and the substation are completely finished and in the operation and maintenance phase.

In Chile, Grenergy has an Internal Regulation of Order, Hygiene and Safety applicable to subcontractors that enter the plants under construction, which regulates the forms and conditions of work, hygiene and safety of the work carried out by subcontractors on behalf of Grenergy.

All the works have the presence of a preventionist on behalf of Grenergy and another one on behalf of each subcontractor.

The company's risk analysis, training and accident record keeping are all related to risk analysis, training and accident recording.

In 2023, Grenergy generated employment to more than 3,100 workers directly involved in the construction and operation of our projects globally, an increase of 12% over the previous year. The workers of these subcontractors received more than 257,920 hours of health and safety training provided by both their companies and Grenergy.

In 2023, Grenergy started the construction of several plants in Spain and Latin America, and 15 accidents were recorded among subcontractors' personnel of our projects in construction and operation, all of them of a minor nature. There were no fatal accidents, serious accidents or occupational illnesses.

We generate ***jobs for more of 3,100 employees*** *external parties involved in the construction and operation of our projects in 2023*

Table 35. Subcontractors' Health and Safety Indicators

	2022 Subcontracts	2023 Subcontracts	Variation vs 2022 (%)
Injury Frequency Rate (LTIFR)[1]	19.0	9.5	-100%
Injury Rate (LTIR)[2]	3.8	1.9	-100%
Absenteeism Rate[3]	105.7	137.0	23%

[1] No. of recordable accidents / No. of hours worked Grenergy) *1,000,000 (excluding in itinere processes) - [2] (No. of recordable accidents / No. of total hours worked Grenergy)*200,000 - [3] (Total number of lost days / Number of days worked)*200,000

5.4 HUMAN RIGHTS COMMITMENT

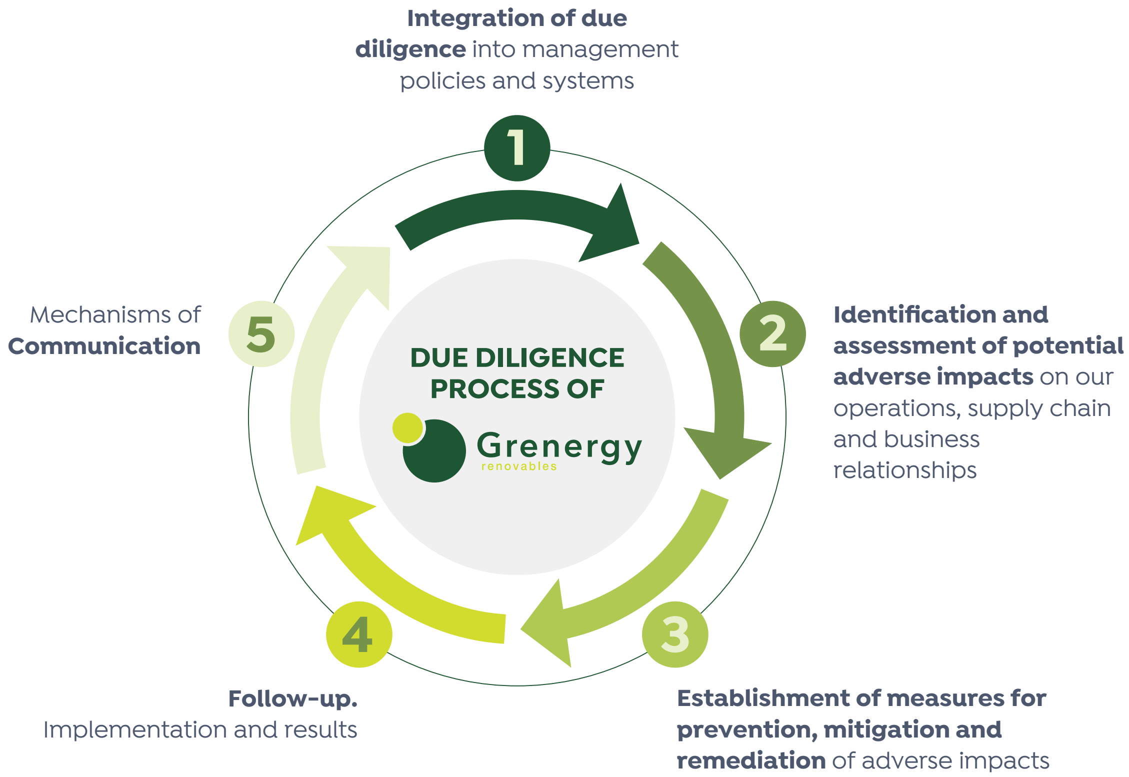
Grenergy bases its actions on the development of sustainable and efficient economic activities, with high quality of service, generating shared value and respecting human rights.

Grenergy's Code of Conduct, which is mandatory for all company employees, embraces respect for internationally recognized human rights, with special attention to vulnerable groups.This commitment is reflected in our internal policies and procedures, extending to our supply chain through the implementation of the Purchasing Policy. In full compliance with our Human Rights Policy, updated in September 2023, we adhere to the Guiding Principles on Business and Human Rights, as well as the International Bill of Human Rights and its subsequent developments. These include the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, which includes its eight core conventions, the United Nations Convention on the Rights of the Child and the European Convention on Human Rights. Additionally, through this policy, Grenergy is committed to support, respect and contribute to the protection of fundamental human rights recognized nationally and internationally. Grenergy defines the principles to be applied in the corporate Due Diligence Process in human rights and environmental matters, whose objective is to avoid abuse or violation of the aforementioned, in the stakeholders with whom Grenergy relates in the context of its own operations, or in the framework of the products or services it provides under its business relationships. The company has carried out an analysis of the different drivers for compliance with the Due Diligence Process, identifying the following the Due Diligence Process, identifying KPIs for each for each phase.

In December 2023, the Sustainability Due Diligence Directive reached a provisional agreement between the Council and the European Parliament. The aim of the agreement is to strengthen the protection of the environment and human rights, both at the level of the European Union and on a global scale. This regulatory framework establishes guidelines for large companies in relation to actual and potential adverse impacts on human rights and the environment.

Grenergy, through its policy The company is committed to the following respect and promote human rights with the purpose of not being complicit in any form of abuse or violation of human rights its stakeholders and the society in general

With regard to the obligations of companies, the Directive addresses the negative effects on the environment and human rights throughout their chain of activities, including upstream business partners and downstream activities such as distribution or recycling. In addition, penalties and civil liability are imposed in the event of non-compliance, requiring companies to adopt a plan to ensure compatibility with the Paris Agreement on Climate Change.
Grenergy has anticipated and aligned itself with the Human Rights and Environmental Due Diligence process set out in the proposed Directive. This process is divided into 5 phases:



REGULATION PHASES	REGULATORY REQUIREMENT	GRENERGY APPLICATION
1 Integration in Policies and Management Systems	The company must design, adopt and disseminate comprehensive Corporate Social Responsibility (CSR) policies, aligned with the OECD guidelines for Multinational Enterprises.	The company has updated its HR Policy to integrate the Due Diligence process into new and existing company policies, as part of the potential actions of the Sustainability Strategy 2024-2026. Indicators such as the number of updates of policies integrated into the Due Diligence Process are taken into account.
2 Identification and evaluation of potential adverse impacts	In addition, the company must incorporate these policies into its supervisory bodies and management systems, integrating them into regular processes. The company should conduct a comprehensive mapping exercise to identify areas with significant Corporate Social Responsibility (CSR) risks, considering factors such as sectoral, geographic and product risks. This exercise will allow prioritization of risk areas for further assessment.	Grenergy has implemented relevant measures to identify and assess actual and potential adverse human rights and environmental impacts. The company uses the Achilles tool to identify and manage supplier impacts. Due diligence assessments at the project level and audits of suppliers with higher ESG risk are also carried out. The preparation of an Annual Human Rights Due Diligence Report in key countries is also contemplated, as well as the creation of a list for the identification and evaluation of human rights risks, together with corrective measures. For this purpose, the company collects various indicators such as approved suppliers, non-conformities, on-site audits, complaints, etc. In 2023, we have 15 strategic suppliers evaluated through the Due Diligence Plan for 3 years, and no complaints have been detected for human rights violations in the communities.
3 Establishment of measures for prevention, mitigation and remediation of adverse impacts.	The company must stop activities that generate negative impacts on Corporate Social Responsibility (CSR) for a subsequent evaluation and implementation of prevention and mitigation plans.	Grenergy has adopted adequate measures to prevent or, if necessary, mitigate adverse effects on human rights and the environment. As a preventive measure, there is a whistleblower channel to report possible non-compliances and a minimum score is planned to be implemented for the contracting of suppliers. In addition, subcontractors are trained in human rights as a mitigation measure, and suppliers with critical ESG impacts are supported as a remediation measure.
4 Implementation and Results Monitoring	The company should track the implementation and effectiveness of due diligence activities, i.e. its measures to identify, prevent, mitigate and, where appropriate, assist with remediation of impacts, including its business relationships and/or linkages. In turn, use lessons learned from monitoring to improve these processes in the future.	Grenergy conducts regular assessments of both its own operations and its supply chain. An annual monitoring of the ESG impact of suppliers is carried out, which is collected through an average score indicator of "Silver" suppliers in Achilles. Finally, the development of a corporate procedure to ensure compliance with the HR policy is planned.
5 Communication	It is necessary to communicate relevant information about the policies, processes and due diligence activities carried out to identify and address actual or potential negative impacts, including the findings and results of those activities.	Grenergy publishes solar sector and Xinjiang region risk reports and project-level Due Diligence reports in Spain, Chile and Colombia, both reports prepared during late 2022/early 2023. Grenergy also prepares and publishes an annual Sustainability Report. Additionally, it has a whistleblower channel, accessible on the website, which aims to facilitate the communication of any violation of the principles established in its Human Rights Policy, ensuring the confidentiality of the informants.

06 ANNEXES

6.1. ABOUT THIS REPORT

This Sustainability Report presents the evolution, results and status of Grenergy's sustainability performance in 2023, as well as its management approach and the challenges it faces. The objective of this Report is to provide, in a clear and rigorous manner, relevant information on the company's most significant positive and negative impacts on its different stakeholders. The report is based on the challenges described in the previous year's sustainability report and focuses on the progress made during the year 2023. The content has been formulated to constitute the Non-Financial Information Statement 2023. Furthermore, this Report describes the company's annual progress in the implementation of the Ten Principles of the United Nations Global Compact in the areas of human and labor rights, environment and anti-corruption, as well as the TCFD recommendations on the risks and opportunities of climate change and, finally, the degree of eligibility and alignment with the Environmental Taxonomy. The information published in this document is complemented by the content of other company reports: the Consolidated Financial Statements and Management Report and the Annual Corporate Governance Report. The company addresses the main sustainability issues of concern to its internal and external stakeholders. The report complies with the principles of comparability, materiality, relevance and reliability:

COMPARABILITY

The Sustainability Report is published annually and has been prepared in accordance with the Principles for the preparation of reports included in GRI 1: Fundamentals 2021, of the Global Reporting Initiative (GRI). The principles - such as comparability, completeness and balance - described in this standard have been followed. This report has been prepared in accordance with the GRI Standards.

MATERIALITY AND RELEVANCE

The materiality analysis has been updated in 2023 following the double materiality approach to align with new regulatory requirements (mainly GRI and ESRS indicators). In this way, the main environmental, social, governance and financial material issues have been established taking into account the dual perspective of financial materiality and impact materiality. This analysis serves to lay the foundations for the new Sustainability Strategy 2024-2026. In the double materiality section, the development process and methodology used to obtain the main material topics is described.

RELIABILITY

This Report has undergone a verification process by an independent third party whose conclusion is expressed in the review report included in it. Grenergy is working on the previous steps to formalize an Internal Control System for Non-Financial Information (SCIINF) with which to advance in the principles of reliability, completeness, accuracy, consistency, traceability and internal control of non-financial information. As proof of this, in 2023 we have been working on the implementation of an IT tool for the collection and validation of non-financial information to support the future SCIINF.

SCOPE

The company describes all its activities, offering an overview by geographical area in which it operates. The scope of the report is the totality of the group's companies, in all their significant aspects, in accordance with the requirements of Law 11/2018, of December 28, regarding non-financial information and diversity. Throughout the report, the scope of each of the indicators shown is specified. Likewise, data from previous years are provided in order to facilitate a better understanding of the evolution of the company's performance. The criterion for the consolidation of environmental information is based on the financial control scheme.

6.2. DEFINITION OF MATERIAL ISSUES

MATERIAL	DEFINITION
Climate neutrality and energy transition	The environmental process of decarbonization through which the objective is the emission of zero net carbon dioxide emissions, which are equal to or lower than the emissions that are eliminated through the planet's natural absorption, resulting in a carbon neutral balance in terms of production, distribution and consumption.
Conservation and restoration of biodiversity and ecosystems	Action measures aimed at the conservation and restoration of ecosystems, in addition to ensuring the protection of biological diversity, generating a sustainable use of natural resources, and an environmentally aligned rural and urban development.
Circular economy and efficient consumption and waste management	Economic model based on sustainable production and consumption through the optimization of resources, reducing the consumption of raw materials, and generating a greater use of waste, extending the life cycle of the latter, reusing them for the generation of new products with a lower environmental impact.
Responsible management of water resources	Process through which a sustainable management of the use and business impacts of these resources is planned and developed, including actions that cover the mitigation of possible negative impacts, focusing on those areas of greatest water stress, producing an approach that promotes a more rational and efficient use of water resources, contributing in turn to greater conservation of ecosystems.
Contribution to the development and involvement of local communities	Commitment to the establishment of relationships based on a prism of cooperation and mutual respect with local communities that maintain constant interactions with the company, encouraging their development and growth, together with the hiring and training of local employees.
Diversity, equality and inclusion	Practice that promotes the presence in the organization of professionals of different age, sex, race or sexual orientation, through mechanisms that guarantee non-discrimination and the involvement of all employees in its fulfillment.
Health and safety	Existence of mechanisms to prevent possible risks that could endanger the safety of employees, with the adoption of tools that regularly monitor the health of the company's employees, including measures to promote a healthy work environment. On the other hand, work scenarios and facilities must be safe and not have elements that may threaten the physical integrity of people.
Attraction, development and retention of human capital	Ability to promote the hiring and attraction of new profiles along with the inclusion of programs that encourage the development and acquisition of new skills by employees. Likewise, it has a system of fair compensation, flexible compensation, labor flexibility and work-life balance, and growth opportunities, thus facilitating the dynamics of retaining human capital.
Sustainable supply chain	Measures to ensure responsible management of the supply chain at the environmental, social and good governance levels, taking into account the company's actions and those of suppliers, thus minimizing the environmental, social and economic impacts of supply chain activities.

MATERIAL	DEFINITION
Respect and protection of human rights	Use of tools that ensure the achievement and respect of human rights, capable of detecting possible impacts and the existence of policies that imply the non-violation of human rights in the company's activities. It also includes the existence of measures to deal with possible negative impacts on human rights.
Transparency and responsible taxation	Legal, ethical and consistent practice of taxation in accordance with the sustainability commitments set, where there is an exhaustive analysis and sufficiently transparent communication of the information and tax strategy published. In addition to establishing a correct relationship with the tax authorities and having the necessary resources to ensure compliance with tax regulations.
Financial and non-financial risk management systems	Implementation of mechanisms for the identification and monitoring of financial risks, i.e. those related to market movements, and non-financial risks, which include climate, biodiversity, social, behavioral or reputational issues, among others. In addition, a contingency plan is established to mitigate and resolve the risks identified.
Good governance and fair corporate conduct	Establishment of policies and rules governing the structure and operation of the company's various governing bodies, from the Board of Directors to the various committees and shareholders. Corporate governance should be based on principles such as shareholder accountability, independence in board decision-making, compliance with ethical and legal behaviour, transparency in published information, and equality of shareholders' rights.
Cybersecurity and information security	A set of measures aimed at the prevention and defense of stored information, and of the different servers and electronic devices through policies that ensure the confidentiality of the data of both the company and its customers. Also avoiding possible malicious attacks and establishing protection mechanisms.
Customer and supplier commitment	An approach that provides quality customer and supplier interactions, with the intention of increasing the degree of satisfaction through concise and continuous communication, generating synergies with the different customers and suppliers, which in turn translate into an indicator of the company's profitability.
Economic financial performance and green financing	A financial strategy that seeks to maximize the value of the company, including cost reduction, increased production, capacity to generate new revenues, and access to financing. In addition, it is aligned with environmental awareness, through the use of instruments such as green bonds and green finance, resulting in the ability to finance sustainable projects and make sustainable and responsible investments.
R&D&I in new markets and renewable technologies	Actions to boost and promote research in renewable technologies, i.e. storage batteries, hybrid renewable systems, H2 projects, etc.

6.3. KEY INDICATORS TABLE

TABLE 36. GOVERNANCE

	2022	2023
Size of the Board of Directors (#)	8	8
Proportion of independents on the Board of Directors (%)	50	50
Women on the Board of Directors (%)	50	50
Women on the Audit and Control Committee (%)	75	75
Women on the Nomination and Compensation Committee (%)	75	75

TABLE 37. EMPLOYEES

Employment		**2022**	**2023**
Gender	Women	81	135
	Men	208	290
Age	Less than 30	76	117
	Between 30 and 50	189	261
	More than 50	24	47
Type of contract	Indefinite	270	391
	Temporary	19	34
Professional category	Senior Management	5	6
	Area Directors	10	11
	Middle management	30	49
	Technicians	147	232
	Site/ground personnel	97	127
Total		**289**	**425**

TABLE 38. EMPLOYEES

Talent attraction and retention		2022	2023
Voluntary turnover rate (%)		14	11
Total turnover rate (%)		16.9	13.9
Average length of service (#)		2,18	2
Women in senior management (%)		40	33
Women in engineering team (%)		39	31
New hires (#)		**79**	**125**
Women		29	39
Men		50	86
New hires by age range (#)		**125**	**125**
Less than 30		29	50
Between 30 and 50		46	59
More than 50		4	16
New hires by region (%)	Europe	50	51
	Latam	48	47
	USA	-	2
No. of scholarship holders (#)		18	11
Employees with performance evaluations by gender (%)	Women	85	66
	Men	59	35
Dismissals by gender (#)	Women	4	1
	Men	5	10
	Total	**9**	**11**

TABLE 39. EMPLOYEES

Employee health and safety		2022	2023
Accidents (#)		4	12
Injury Frequency Rate (LTIFR) (#)		4.6	12.3
Injury rate (LTIR) (#)		0,9	2,5
Absenteeism rate (#)		32.8	125.8

Training	2022	2023
Total training hours (#)	4,162	4,231
Training hours/employee (#)	12,5	10
Investment in training/employee (€)	205.4	134.6

Compensación		2022	2023
Average salary (€)	Women	31,839	37,141
	Man	31,220	34,411
Wage gap (%)		0.27	0.29
Variable vs. fixed compensation achievement (%)		-	97

TABLE 40. ENVIRONMENT

Water	2022	2023
Water consumption (m^3)	5,900	10,306
Water consumption - Water stress zones (%)	71	77
Third-party fresh water from municipal utilities or suppliers (%)	6.8	4
Water consumption - road stabilization (%)	94	80
Total water savings (millions of m^3)	-	600

Circular economy	2022	2023
Total waste (Tn)	742.3	1,650.6
Hazardous waste (%)	13.1	3.3
Total waste for reuse/recycling (%)	-	50
Waste donated to the community (Tn)	69	9,769

Biodiversity	2022	2023
Number of species on national/regional conservation lists present in the project area (#)	33	173
Number of IUCN Critically Endangered (CR) species (#)	0	16
Restoration area (ha)	255	144

TABLE 41. ENVIRONMENT

Greenhouse Gas Emissions	2022	2023
Scope 1 (tCO_2e)	307	448.9
Scope 2 (tCO_2e)	486	58.9
Scope 3 emissions intensity (tCO_2e/M€)	285.6	569.3
Scope 1,2 and 3 (tCO_2e)	83,739	228,231
Emissions avoided by own projects in operation (tCO_2e)	245,398	325,408

Energy consumption	2022	2023
Fuel consumption (generators, machinery and vehicles Grenergy) (MWh)	1,223	1,928
Renewable consumption (MWh)	0	0
Non-renewable consumption (MWh)	1,223	1,928
Purchased or acquired electricity consumption (MWh)	1,883	1,610
Renewable consumption (MWh)	637.6	639.7
Non-renewable consumption (MWh)	1,245.4	970.6
Total energy consumption (MWh)	3,106	3,538
Total electricity generation (MWh)	744,431	1,044,570

Environmental management	2022	2023
Environmental investment (M€)	894,110	798,160
Hours of environmental monitoring	6,618	3,644
Hours of environmental training	8,867	3,250
No. of environmental noncompliances in projects (fines, delays or red flags)	0	0

TABLE 42. COMMUNITY

	2022	2023
Donations and investments in the local community (€)	134,858	295,404
Fines for social non-compliance (#)	0	0
Delays in projects due to community impacts (#)	0	0
Network flags raised in the social area in project evaluation procedures (#)	1	0
Complaints of human rights violations (#)	0	0

TABLE 43. SUPPLY CHAIN

	2022	2023
Number of workers in our projects (#)	2,794	3,100
Accidents of subcontracted company workers (#)	21	15
Injury Frequency Rate (LTIFR) (#)	19	9.5
Injury rate (LTIR) (#)	3.8	1.9
Strategic suppliers evaluated in Achilles (%)	37	43
Suppliers evaluated through the human rights due diligence process (last 3 years) (#)	15	15
No. of ESG audits performed on strategic suppliers	0	2

6.4 NON-FINANCIAL STATEMENT CONTENT TABLE, AS PER ACT 11/2018 AND GRI CONTENT INDEX

TABLE 44. CONTENTS OF LAW 11/2018 AND GRI INDICATORS	GRI CRITERIA RELATED	CHAPTERS	PAGES
BUSINESS MODEL			
DESCRIPTION OF THE GROUP'S BUSINESS MODEL			
Description of the business model	GRI 2-6	1.2. Business model and strategy	14
Geographic presence	GRI 2-1 GRI 2-6		16
Organizational objectives and strategies	GRI 2-6		16
Main factors and trends that may affect its future development	GRI 2-6	Regulatory framework	9-13
POLICIES AND RISK MANAGEMENT			
POLICIES			
Description of the policies that apply	GRI 2-23 GRI 2-24	1. Sustainable growth strategy 2. Sustainable finance 3. Responsible leadership 4. Building a sustainable future 5. Creating shared value	8-126
The results of these policies	GRI 3-3		8-126
The main risks related to these issues are linked to the group's activities	GRI 2-16	3.3. Risk and opportunity management	57
Materiality	GRI GRI 1	1.2. Business model and strategy	29-31

TABLE 44. CONTENTS OF LAW 11/2018 AND GRI INDICATORS	GRI CRITERIA RELATED	CHAPTERS	PAGES
ENVIRONMENTAL ISSUES			
ENVIRONMENTAL MANAGEMENT			
Current and foreseeable effects of the company's activities on the environment and, where applicable, on health and safety	GRI 3-3	4. Building a sustainable future	62-93
Environmental assessment or certification procedures	GRI 3-3	4.1. Biodiversity conservation In 2023 there are no provisions or guarantees for environmental risks. See Note 16 of CCAA	63
Resources dedicated to environmental risk prevention			63-66
Application of the precautionary principle			65
Amount of provisions and guarantees for environmental risks			-
POLLUTION			
Measures to prevent, reduce or remediate carbon emissions that seriously affect the environment (also includes noise and light pollution)	GRI 305-5	4.2. Fight against climate change	70-86
CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT			
Measures for prevention, recycling, reuse, other forms of recovery and disposal of wastes	GRI 306-2	4.4. Circular economy promotion	89-93
Actions to combat food waste	GRI 306-2	Not material for Grenergy's business model	-

TABLE 44. CONTENTS OF LAW 11/2018 AND GRI INDICATORS	GRI CRITERIA RELATED	CHAPTERS	PAGES
SUSTAINABLE USE OF RESOURCES			
Water consumption and water supply in accordance with local constraints	GRI 303-5 (Versión 2018)	4.3. Efficient water management	87-88
Consumption of raw materials	GRI 303-1	Non-material. Grenergy purchases all materials from suppliers and has no material raw material consumption	-
Direct and indirect consumption of energy	GRI 303-1	4.2. Fight against climate change	86
Measures taken to improve energy efficiency	GRI 302-4		86
Use of renewable energies	GRI 302-1		85-86
CLIMATE CHANGE			
Significant elements of greenhouse gas emissions generated as a result of the company's activities	GRI 305-1 GRI 305-2 GRI 305-3	4.2. Fight against climate change	83-85
Measures adopted to adapt to the consequences of climate change;	GRI 201-2		78-81
Voluntary reduction targets established in the medium and long term to reduce greenhouse gas emissions and the means implemented to that end	GRI 305-4 GRI 305-5		78-81
BIODIVERSITY PROTECTION			
Actions taken to preserve or restore biodiversity	GRI 304-3	4.1. Biodiversity conservation	63-70
Impacts caused by activities or operations in protected areas	GRI 304-1		65-66

TABLE 44. CONTENTS OF LAW 11/2018 AND GRI INDICATORS	GRI CRITERIA RELATED	CHAPTERS	PAGES
INFORMATION ON PERSONNEL MATTERS			
POLICIES			
Management approach	-	5. Creating shared value	86
EMPLOYMENT			
Total number and distribution of employees by gender, age and professional category	GRI 2-7 GRI 405-1	5.1. Growing with our employees	95, 98, 102
Total number and distribution of employment contract modalities			97-98
Average annual number of permanent, temporary and part-time contracts by gender, age and professional category			101
Number of dismissals by gender, age and professional category	GRI 401-1		-
Average remunerations by gender, age and professional classification or equal value	GRI 405-2		99, 106
Wage gap			107
Average compensation of directors (including variable compensation, per diems, indemnities, payments to long-term savings plans and any other payments) by gender	GRI 405-2	3.1. Governance	51
Average executive compensation (including variable compensation, per diems, severance payments, payments to long-term savings plans, and any other payments) by gender		5.1. Growing with our employees	51
Work disconnection measures	GRI 103-2	Grenergy does not have a labor disconnection policy	-
Employees with disabilities	GRI 405-1	5.1. Growing with our employees In both 2022 and 2023, Grenergy has one employee with a disability	103

TABLE 44. CONTENTS OF LAW 11/2018 AND GRI INDICATORS	GRI CRITERIA RELATED	CHAPTERS	PAGES
WORK ORGANIZATION			
Organization of working time	GRI 3-3	5.1. Growing with our employees	96, 100
Number of hours of absenteeism	GRI 403-9	5.1. Growing with our employees	109
Measures aimed at facilitating the enjoyment of work-life balance and encouraging the co-responsible exercise of work-life balance by both parents	GRI 401-2	5.1. Growing with our employees	96, 103
HEALTH AND SAFETY			
Occupational health and safety conditions	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-7	5.1. Growing with our employees	108
Accident rate indicators disaggregated by gender	GRI 403-9	5.3. Responsible management of the supply chain	109
Occupational diseases by sex	GRI 403-9	5.3. Responsible management of the supply chain	109
SOCIAL RELATIONS			
Organization of social dialogue, including procedures for informing, consulting and negotiating with personnel	GRI 3-3	5.1. Growing with our employees	95-96
Percentage of employees covered by collective bargaining agreements, by country	GRI 2-30	5.1. Growing with our employees	101
Review of collective bargaining agreements, particularly in the field of occupational safety and health	GRI 403-3	5.1. Growing with our employees	101

TABLE 44. CONTENTS OF LAW 11/2018 AND GRI INDICATORS	GRI CRITERIA RELATED	CHAPTERS	PAGES
TRAINING			
Policies implemented in the field of training	GRI 404-2	5.1. Growing with our employees	104-105
Total number of training hours by professional category	GRI 404-1	5.1. Growing with our employees	105
ACCESSIBILITY			
Universal accessibility for people with disabilities	GRI 3-3	Grenergy has adequate accessibility measures in place for corporate facilities	-
EQUALITY			
Measures taken to promote equal treatment and opportunities for women and men	GRI 3-3	5.1. Growing with our employees	124 103-105
Equality plans (Chapter III of Organic Law 3/2007, of March 22, 2007, for the effective equality of women and men)	GRI 3-3	5.1. Growing with our employees	102
Measures to promote employment	GRI 3-3	5.1. Growing with our employees	100-105
Protocols against sexual and gender-based harassment	GRI 3-3	5.1. Growing with our employees	102-103
Universal accessibility for people with disabilities	GRI 3-3	5.1. Growing with our employees	102-103
Policy against all types of discrimination and, where appropriate, diversity management	GRI 3-3	5.1. Growing with our employees	102

TABLE 44. CONTENTS OF LAW 11/2018 AND GRI INDICATORS	GRI CRITERIA RELATED	CHAPTERS	PAGES
INFORMATION ON RESPECT FOR HUMAN RIGHTS			
POLICIES			
Management approach	GRI 2-25 GRI 412-1	5.4. Human Rights commitment	124-126
HUMAN RIGHTS			
Implementation of human rights due diligence procedures	GRI 2-25 GRI 412-1	5.4. Human Rights commitment	124-126
Measures for prevention and management of possible abuses committed			
Complaints of human rights violations	GRI 406-1	3.2. Compliance 5.4. Human Rights commitment	126
Promotion of and compliance with the provisions of the fundamental conventions of the International Labor Organization (ILO)	GRI 406-1 GRI 409-1	5.4. Human Rights commitment	124
INFORMATION RELATED TO THE FIGHT AGAINST CORRUPTION AND BRIBERY			
POLICIES			
Management approach	GRI 3-3 GRI 205-2	3.2. Compliance	54-56
CORRUPTION AND BRIBERY			
Measures taken to prevent corruption and bribery	GRI 3-3 GRI 205-2	3.2. Compliance	54-55
Measures to combat money laundering			56
Contributions to foundations and nonprofit organizations	GRI 2-28 GRI 201-1	5.2. Building links with our communities	111-114

TABLE 44. CONTENTS OF LAW 11/2018 AND GRI INDICATORS	GRI CRITERIA RELATED	CHAPTERS	PAGES
INFORMATION ABOUT THE COMPANY			
POLICIES			
Management approach	GRI 203-2	5.2. Building links with our communities	110-117
COMPANY COMMITMENTS TO SUSTAINABLE DEVELOPMENT			
Impact of the company's activities on local employment and development	GRI 3-3 GRI 205-2	5.2. Building links with our communities	92, 110-117
Impact of the company's activities on local populations and the territory	GRI 413-1 GRI 413-2		110-117
Relationships maintained with local community stakeholders and the local communities and the modalities of the dialogue with these	GRI 2-29 GRI 413-1		110-117
Partnership or sponsorship actions	GRI 201-1	1.2. Business Model and Strategy	19-20
SUBCONTRACTING AND SUPPLIERS			
Inclusion of social, gender equality and environmental issues in the procurement policy	GRI 308-1 GRI 414-1	5.3 Responsible supply chain management	118-119, 124
Consideration in relations with suppliers and subcontractors of their social and environmental responsibility			118-123
Monitoring and auditing systems and audit results			119-122

TABLE 44. CONTENTS OF LAW 11/2018 AND GRI INDICATORS	GRI CRITERIA RELATED	CHAPTERS	PAGES
CONSUMERS			
Measures for the health and safety of consumers	GRI 416-1	Not material for Grenergy's business model	-
Complaint systems, complaints received and their resolution	GRI 418-1		
TAX INFORMATION			
Benefits obtained on a country-by-country basis	GRI 201-1	3.5 Fiscal transparency In 2023, Grenergy has not received any public subsidies	61
Taxes on profits paid (country by country)	GRI 207-4		61
Public subsidies received			61
INFORMATION RELATED TO ENVIRONMENTAL TAXONOMY			
Eligible and aligned turnover	-	2.3 Environmental taxonomy	46-47 & annex 6.6
Eligible and aligned OpEX	-		46-47 & annex 6.6
Eligible and aligned CapEX	-		46-47 & annex 6.6

6.5. PRINCIPLES OF THE UN GLOBAL COMPACT

TABLE 45. GLOBAL COMPACT TABLE OF CONTENTS		
Global Compact Principles	**Most relevant GRI indicators**	**Related SDGs**
HUMAN RIGHTS		
1. Support and respect the protection of universally recognized human rights	410-1, 412-1, 412-2, 413-1, 413-2	
2. Not to be accomplices in the violation of human rights	414-2	
LABOUR		
3. Support freedom of association and effective recognition of the right to collective bargaining	2-30, 407-1, 402-1	
4. Support the elimination of all forms of forced and compulsory labor	409-1	
5. Support the eradication of child labor	408-1	
6. Support the abolition of discriminatory practices in employment and occupation	2-7, 202-1, 401-1, 401-3, 404-1, 404-3, 405-2, 406-1	

TABLE 45. GLOBAL COMPACT TABLE OF CONTENTS

Global Compact Principles	Most relevant GRI indicators	Related SDGs
ENVIRONMENT		
7. Maintain a preventive approach to environmental challenges	201-2, 301-1, 302-1, 303-1, 305-1 a 305-3, 305-7	2 ZERO HUNGER; 6 CLEAN WATER AND SANITATION; 7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND; 17 PARTNERSHIPS FOR THE GOALS
8. Encourage initiatives that promote greater environmental responsibility	301-1, 2-27, 308-2	
9. Encourage the development and diffusion of environmentally friendly technologie	302-4, 302-5, 305-5	
ANTICORRUPCIÓN		
10. Work against corruption in all its forms, including extortion and bribery	2-23, 2-26 205-2, 205-3, 415-1	3 GOOD HEALTH AND WELL-BEING; 10 REDUCED INEQUALITIES; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS

6.6. ENVIRONMENTAL TAXONOMY

TABLE 46. TAXONOMIC TURNOVER 2023

ECONOMIC ACTIVITIES	Codes	Absolute turnover (thousands of euros)	Share of turnover (%)	Substantial contribution criteria: Climate change mitigation (%)	Substantial contribution criteria: Adaptation to climate change	Substantial contribution criteria: Water	Substantial contribution criteria: Pollution	Substantial contribution criteria: Circular economy	Substantial contribution criteria: Biodiversity and ecosystems	Criteria for no significant harm ("No significant harm"): Climate change mitigation (Y/N)	Criteria for no significant harm ("No significant harm"): Adaptation to climate change (Y/N)	Criteria for no significant harm ("No significant harm"): Water and marine resources (Y/N)	Criteria for no significant harm ("No significant harm"): Circular economy (Y/N)	Criteria for no significant harm ("No significant harm"): Pollution (Y/N)	Criteria for no significant harm ("No significant harm"): Biodiversity and ecosystems (Y/N)	Minimum guarantees (Y/N)	Proportion of business volume that conforms to taxonomy (%) Year 2023	Category (enabling activity) (F)	Category (transition activity) (T)
A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																			
A.1. Environmentally sustainable activities (conforming to the taxonomy)																			
Electricity generation using solar photovoltaic technology	4.1	155,428	87%	S	N	N	N	N	N	S	S	S	S	S	S	S	100%		
Electricity generation from wind power	4.3	21,160	12%	S	N	N	N	N	N	S	S	S	S	S	S	S	100%		
Storage of electricity	4.10	0	0%	S	N	N	N	N	N	S	S	S	S	S	S	S	100%	F	
Installation, maintenance and repair of renewable energy technologies	7.6	2,551	1%	S	N	N	N	N	N	S	S	S	S	S	S	S	100%	F	
Turnover from environmentally sustainable activities (conforming to the taxonomy) (A.1)		**179,139**	**100%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**S**	**S**	**S**	**S**	**S**	**S**	**S**	**100%**		
Of which: enabler		2,551	1%	1%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	100%	F	
Of which: transitional																			T
A.2. Activities eligible under the taxonomy but not environmentally sustainable (activities that do not conform to the taxonomy)																			
Electricity generation using solar photovoltaic technology	4.1	0	0%	S	N	N	N	N	N								0%		
Electricity generation from wind energy	4.3	0	0%	S	N	N	N	N	N								0%		
Storage of electricity	4.10	0	0%	S	N	N	N	N	N								0%		
Installation, maintenance and repair of renewable energy technologies	7.6	0	0%	S	N	N	N	N	N								0%		
Turnover from taxonomy-eligible but not environmentally sustainable activities (activities that do not conform to the taxonomy) (A.2)		**0**	**0%**	**%**	**%**	**%**	**%**	**%**	**%**								**0%**		
Total (A.1 + A.2)		**179,139**	**100%**	**%**	**%**	**%**	**%**	**%**	**%**								**100%**		
B. INELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																			
Turnover from non-taxonomy-eligible activities (B)		**0**	**0%**																
Total (A + B)		179,139	100%																

TABLE 47. TAXONOMIC OPEX 2023				Substantial contribution criteria						Criteria for no significant harm ("No significant harm")									
ECONOMIC ACTIVITIES	Codes	Absolute turnover (thousands of euros)	Share of turnover (%)	Climate change mitigation (%)	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation (Y/N)	Adaptation to climate change (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum guarantees (Y/N)	Proportion of OPEX that complies with taxonomy (%) Year 2023	Category (enabling activity) (F)	Category (transition activity) (T)
A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																			
A.1. Environmentally sustainable activities (conforming to the taxonomy)																			
Electricity generation using solar photovoltaic technology	4.1	9,513	36%	S	N	N	N	N	N	S	S	S	S	S	S	S	36%		
Electricity generation from wind power	4.3	4,117	16%	S	N	N	N	N	N	S	S	S	S	S	S	S	16%		
Storage of electricity	4.10	0	0%	S	N	N	N	N	N	S	S	S	S	S	S	S	0%	F	
Installation, maintenance and repair of renewable energy technologies	7.6	1,729	7%	S	N	N	N	N	N	S	S	S	S	S	S	S	7%	F	
Turnover from environmentally sustainable activities (conforming to the taxonomy) (A.1)		**15,359**	**58%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**S**	**S**	**S**	**S**	**S**	**S**	**S**	**58%**		
Of which: enabler		1,729	7%	7%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	7%	F	
Of which: transitional																			T
A.2. Activities eligible under the taxonomy but not environmentally sustainable (activities that do not conform to the taxonomy)																			
Electricity generation using solar photovoltaic technology	4.1	0	0%	S	N	N	N	N	N								0%		
Electricity generation from wind energy	4.3	0	0%	S	N	N	N	N	N								0%		
Storage of electricity	4.10	0	0%	S	N	N	N	N	N								0%		
Installation, maintenance and repair of renewable energy technologies	7.6	0	0%	S	N	N	N	N	N								0%		
Turnover from taxonomy-eligible but not environmentally sustainable activities (activities that do not conform to the taxonomy) (A.2)		**0**	**0%**	**%**	**%**	**%**	**%**	**%**	**%**								**0%**		
Total (A.1 + A.2)		**15,359**	**58%**	**%**	**%**	**%**	**%**	**%**	**%**								**58%**		
B. INELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																			
Turnover from non-taxonomy-eligible activities (B)		**10,961**	**42%**																
Total (A + B)		26,320	100%																

TABLE 48. TAXONOMIC CAPEX 2023				Substantial contribution criteria						Criteria for no significant harm ("No significant harm")									
ECONOMIC ACTIVITIES	Codes	Absolute turnover (thousands of euros)	Share of turnover (%)	Climate change mitigation (%)	Adaptation to climate change	Water	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation (Y/N)	Adaptation to climate change (Y/N)	Water and marine resources (Y/N)	Circular economy (Y/N)	Pollution (Y/N)	Biodiversity and ecosystems (Y/N)	Minimum guarantees (Y/N)	Proportion of CAPEX that conforms to taxonomy (%) Year 2023	Category (enabling activity) (F)	Category (transition activity) (T)
A. ELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																			
A.1. Environmentally sustainable activities (conforming to the taxonomy)																			
Electricity generation using solar photovoltaic technology	4.1	362,958	99%	S	N	N	N	N	N	S	S	S	S	S	S	S	100%		
Electricity generation from wind power	4.3	0	0%	S	N	N	N	N	N	S	S	S	S	S	S	S	100%		
Storage of electricity	4.10	299	0,1%	S	N	N	N	N	N	S	S	S	S	S	S	S	100%	F	
Installation, maintenance and repair of renewable energy technologies	7.6	0	0%	S	N	N	N	N	N	S	S	S	S	S	S	S	100%	F	
Turnover from environmentally sustainable activities (conforming to the taxonomy) (A.1)		**363,257**	**99%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**S**	**S**	**S**	**S**	**S**	**S**	**S**	**100%**		
Of which: enabler		299	0.1%	0.1%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	0.1%	F	
Of which: transitional																			T
A.2. Activities eligible under the taxonomy but not environmentally sustainable (activities that do not conform to the taxonomy)																			
Electricity generation using solar photovoltaic technology	4.1	0	0%	S	N	N	N	N	N								0%		
Electricity generation from wind energy	4.3	0	0%	S	N	N	N	N	N								0%		
Storage of electricity	4.10	0	0%	S	N	N	N	N	N								0%		
Installation, maintenance and repair of renewable energy technologies	7.6	0	0%	S	N	N	N	N	N								0%		
Turnover from taxonomy-eligible but not environmentally sustainable activities (activities that do not conform to the taxonomy) (A.2)		**0**	**0%**	**%**	**%**	**%**	**%**	**%**	**%**								**0%**		
Total (A.1 + A.2)		**363,257**	**99%**	**%**	**%**	**%**	**%**	**%**	**%**								**99%**		
B. INELIGIBLE ACTIVITIES ACCORDING TO TAXONOMY																			
Turnover from non-taxonomy-eligible activities (B)		**3,076**	**1%**																
Total (A + B)		366,333	100%																

6.7. TCFD RECOMMENDATIONS

Table 49. TCFD Recommendations		Equivalence	
		CSRD - EFRAG Standards E1	Climate Change and Energy Transition Law
Government	Highest governance body for climate monitoring and management (Members of the Board, Committee or Board of Directors)	Categorization of climate change-related risks as climate-related physical risk or transition risk	
	Remuneration plan and performance objectives linked to the CC of the management and management	Variable compensation for management and board members, linked to the achievement of climate objectives, and if so, a description of the compensation	
Business Strategy	How climate-related risks and opportunities influence business strategy	Description of the resilience of the strategy and business model to climate change, including scope and impact on both.	-
	Analysis of climate scenarios, detailing the scenarios used and how they relate to the strategy	Description of the resilience analysis methodology, including the use of climate scenarios and the results of the analysis, including scenario results	The metrics, scenarios and targets used to assess and manage transitional and physical risks, as well as relevant climate-related opportunities
	Inclusion of a transition plan aligned with the scenario of 1.5°C in the strategy	Disclosure of the transition plan for climate change mitigation	-
	CC adaptation and mitigation processes	Incident, risk and opportunity management policies related to climate change	Decisions, commitments, changes in strategy and business model to adapt and mitigate negative impacts of climate risks
	Metrics used to quantify expenses / revenues aligned with the Taxonomy	Dissemination of climate change mitigation and adaptation actions, together with the resources allocated	Decisions, commitments, changes in strategy and business model to adapt and mitigate negative impacts of climate risks
	Policy framework with climate-related requirements and/or exclusionary policies	The company shall indicate its inclusion in or exclusion from the EU benchmarks harmonized with the Paris Agreement	-
	Clauses in financing agreements for the implementation of climate-related policies	The company will be able to explain and quantify its investments and financing to support the implementation of its transition plan	-

Table 49. TCFD Recommendations		Equivalence	
		CSRD - EFRAG E1 Standards	Climate Change and Energy Transition Law
Risks and Opportunities	Classification and description of climate-related physical and/or transitional hazards	Categorization of climate change-related risks as climate-related physical risk or transition risk	
	Process for identifying, assessing and monitoring climate-related R&O	Description of the process for assessing climate impacts, risks and opportunities	Description of processes and resources used to manage climate risks, including materiality analysis and risk prioritization, if available
	Consideration of the substantial strategic/financial impact of CC R&Os	Disclosure of expected financial effects of physical and transitio-nal risks and opportunities related to climate change	Climate-related risks and opportunities that have a material financial impact on the organization at each of these horizons
	Financial impacts associated with R&O, estimation methodology, and breakdown of the estimated figure	The disclosure of these effects depends on the company's internal methodology	Quantitative and qualitative impacts of transition risks, physical risks and climate opportunities on the organization's activities, strategy and financial plannin
	Assessment of business exposure to climate-related risks and opportunities	Exposure and sensitivity of assets and business activities to transition events, considering probability, magnitude and duration	-
	Climate Transition or Adaptation Plans	Climate change mitigation and adaptation policies	Decisions, commitments and changes in strategy and business model to adapt and mitigate negative impacts of climate risks
Metrics and Objectives	Climate-related target(s) (absolute or intensity emissions reduction, consumption reduction)	The company shall disclose the climate-related goals it has established	Climate-related targets, including time period, baseline year, KPIs, and calculation methodologies
	Reporting of Scope 1 and 2 and Scope 3 emissions, including base year, standard and methodology used	Scope 1, 2 and 3 GHG emissions, either separately or combined. As well as the base year, and the value of current benchmarks	
	Consumption of resources such as renewable electricity, water, waste, certified surfaces, etc...	Energy consumption and sources, water consumption and resource management, including waste	Metrics for climate risks and opportunities, including historical data and future projections
	External verification of disclosed information	Verifiable and scientifically sound parameters to improve comparability	-
	Use of internal carbon pricing and other offsetting measures	The use of internal carbon pricing systems and their influence on climate decisions and policies	-

6.8. VERIFICATION REPORT

Independent Limited Assurance Report on the Consolidated Non-Financial Statement for the year ended December 31, 2023

GRENERGY RENOVABLES, S.A

EY
Building a better working world

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INDEPENDENT LIMITED ASSURANCE REPORT ON THE (CONSOLIDATED) NON-FINANCIAL INFORMATION STATEMENT

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

To the Shareholders of GRENERGY RENOVABLES, S.A:

Pursuant to Article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Non-Financial Information Statement (hereinafter NFS) for the year ended December 31, 2023, of GRENERGY RENOVABLES, S.A. and subsidiaries (hereinafter the Group) that forms part of the accompanying Consolidated Directors' report of the Group.

The content of the NFS includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our assignment has been exclusively limited to the verification of the information shown in the "Table of contents as required by Law 11/2018 and GRI indicators" included in the accompanying NFS.

Responsibility of the Board of Directors

The preparation of the NFS included in the Consolidated Directors' report of GRENERGY RENOVABLES, S.A and its content, is the responsibility of the Board of Directors of GRENERGY RENOVABLES, S.A The NFS has been prepared in accordance with the content required by current mercantile regulations and in conformity with the criteria outlined in the selected *Sustainability Reporting Standards of Global Reporting Initiative (GRI standards)* selected, as well as other criteria described in accordance with that indicated for each subject in the "Table of contents as required by Law 11/2018 and GRI indicators" included in the accompanying NFS.

The Board of Directors are also responsible for the design, implementation and maintenance of such internal control as they determine as necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

Our independence and quality management

We have complied with independence and other ethical requirements of the International Code of Ethics for Accounting Professionals (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our Firm applies International Standard on Quality Management 1 (ISQM 1), which requires us to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team consisted of experts in the review of non-financial information and, specifically, information on economic, social, and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. Our review has been performed in accordance with the requirements established in the current International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Institute of Chartered Accountants (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower.

Our work consisted in making enquiries of Management and the various Group units participating in the preparation of the NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and selective tests by means of sampling as described below:

- Meetings with the Group's personnel to obtain an understanding of the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- Analysis of the scope, relevance and integrity of the content included in the NFS for the year 2023 based on the materiality analysis made by the Group and described in chapter 1.3 "Doble Materialidad", considering the content required by prevailing mercantile regulations.
- Analysis of the processes for gathering and validating the data included in the 2023 Non-Financial Information Statement.
- Review of the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2023 NFS.
- Check, through tests, based on a selection of a sample, the information related to the content of the 2023 NFS and its correct compilation from the data provided by the information sources.
- Obtaining a representation letter from the Board of Directors and Management.

Based on the limited assurance procedures conducted and the evidence obtained, nothing has come to our attention that causes us to believe that the Group's NFS for the year ended December 31, 2023 has not been prepared, in all material respects, in accordance with the contents required by current commercial regulation and the criteria of the selected GRI standards, as well as other criteria, described as explained for each subject matter in the "Table of contents as required by Law 11/2018 and GRI indicators" included in the accompanying NFS.

Use and distribution

This report has been prepared as required by current mercantile regulation in Spain, thus it may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signed in the original version in Spanish)

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Elena Fernández García

28 de febrero de 2024

Agreed-Upon Procedures Report on the "Information regarding the System of Internal Control Over Financial Reporting (ICFR)" for the year 2023

GRENERGY RENOVABLES, S.A.

Building a better
working world

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AGREED-UPON PROCEDURES REPORT ON THE "INFORMATION RELATED TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)"

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

To the Board of Directors of GRENERGY RENOVABLES, S.A.

Purpose of this agreed-upon procedures report

Our agreed-upon procedures report on design and effectiveness of the Internal Control over Financial Reporting (ICFR) system (the "Subject Matter")] of GRENERGY RENOVABLES, S.A (the "Engaging Party") as of December 31, 2023 is intended solely to assist you in the framework of the requirements stipulated in article 540 of the Consolidated text of the Corporate Enterprises Act and CNMV Circulars on ICFR description in Annual Corporate Governance Reports and may not be suitable for another purpose

Responsibilities of the Engaging Party

GRENERGY RENOVABLES, S.A has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

GRENERGY RENOVABLES, S.A is responsible for the Subject Matter on which the agreed-upon procedures are performed.

The intended users of the report are responsible for ensuring that the procedures performed serve the desired purpose.

Responsibilities of the auditor

We have conducted the agreed-upon procedures engagement in accordance with generally accepted professional standards applicable to agreed-upon procedures engagements in Spain, which are based on the international standard ISRS 4400R. In reviewing a report on agreed-upon procedures, the reader reaches his/her own conclusions based on objective findings described therein and obtained through the application of specific procedures established by you for the purpose mentioned above. Thus, we assume no professional liability whatsoever regarding the adequacy of the procedures performed.

This agreed-upon procedures engagement is not an audit, a review or an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion on the information contained in *Section F of the Annual Corporate Governance Report* taken as a whole. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Our ethical requirements and quality management

We complied with the ethical requirements in the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA). We are not required to be independent for the purpose of this engagement.

Our Firm applies International Standard on Quality Management 1, which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and findings

The procedures performed have been the following:

1. Read and understand the information prepared by the Entity in relation to the ICFR - which is provided in the Annual Corporate Governance Report disclosure information included in the Directors' Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the model established by CNMV Circular nº 5/2013 dated June 12, 2013 and subsequent amendments, the most recent one being CNMV Circular 3/2021 of September 28, 2021 (hereinafter, the CNMV Circulars).

2. Make enquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) Obtain an understanding of the process followed in its preparation; (ii) Obtain information which will allow us to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) Obtain information on whether the control procedures described are implemented by the Entity.

3. Review the explanatory documentation supporting the information described in point 1 above, which should basically include that which is provided directly to those responsible for preparing the ICFR descriptive information. In this respect, the aforementioned documentation includes related reports prepared by senior management and other internal and external experts providing support to the Audit and Compliance Committee.

4. Compare the information described in point 1 above with our knowledge of Entity's ICFR obtained as a result of performing the external audit procedures within the framework of the audit of the financial statements.

5. Read the minutes of the meetings held by the Board of Directors and Audit and Compliance Committee in order to assess the consistency between the ICFR issues addressed therein and the information provided in point 1 above.

6. Obtain the representation letter related to the work performed, duly signed by the personnel in charge of preparing the information discussed in point 1 above.

The application of the abovementioned procedures revealed no relevant issues.

ERNST & YOUNG, S.L.

(Signed in the original version in Spanish)

David Ruiz-Roso Moyano

February 28, 2024