REPORT ON THE OPERATION OF THE AUDIT COMMITTEE OF GRENERGY RENOVABLES, S.A. FOR THE FINANCIAL YEAR 2023

I.- INTRODUCTION

In accordance with Recommendation 6 of the Good Governance Code of Listed Companies and Article 31 of the Regulations of the Board of Directors of Grenergy Renovables, S.A. ("**Grenergy**" or the "**Company**"), the Audit Committee (the "**Committee**") prepares this report on its own performance during the financial year 2023 (the "**Report**").

II.- REGULATION OF THE COMMISSION

The Committee is regulated by article 27 of the Articles of Association and article 30 of the Regulations of the Board of Directors of the Company.

Grenergy's corporate rules, including the rules indicated in the previous paragraph, are published on the Company's corporate website at the following link: https://grenergy.eu/normas-corporativas/.

III.- COMPOSITION OF THE COMMISSION

Pursuant to article 30 of the Regulations of the Board of Directors, the Committee must be composed of a minimum of 3 and a maximum of 5 non-executive directors, the majority of whom must be independent. One of the members should be appointed on the basis of their knowledge and experience in accounting and/or auditing. As a whole, the members of the Committee should have the relevant expertise for the performance of their duties. The Chairman of the Committee should be an independent director and should be replaced every four years, and may be re-elected after a period of one year has elapsed since the end of his term of office.

The composition of the Committee as at 31 December 2023 (unchanged between then and the issuance of this report) is as follows:

Councillor	Cargo	Typology	Date of first appointment as director	Date of appointment as a member of the Commission
Ms Ana Peralta Moreno	President	Independent	27.06.2016	15.11.2019
Ms Rocío Hortigüela Esturillo	Vocal	Independent	15.11.2019	15.11.2019
Ms Ana Plaza Arregui	Vocal	Independent	26.09.2023	26.09.2023
Mr. Antonio F. Jiménez Alarcón	Vocal	Sunday	15.11.2019	26.11.2022

Ms. Teresa Quirós tendered her resignation as director and, therefore, as Chairman of the Committee, on 23 May 2023. As a consequence of this resignation, the Board of Directors of the Company agreed on the same date to appoint Ms Ana Peralta as the new Chairman of the Committee. Notwithstanding the foregoing, a new Chairwoman is expected to be appointed in the first half of the financial year 2024.

The professional profiles of the aforementioned directors can be consulted on the corporate website at the following link: https://grenergy.eu/organos-de-gobierno/

The Secretary of the Committee is Ms. Lucía García Clavería, as she is the Secretary of the Board of Directors of the Company.

IV. FUNCTIONS OF THE COMMISSION

The responsibilities and functions assigned to the Committee by virtue of the provisions of article 30 of the Board of Directors' Regulations are as follows:

1. To report to the General Shareholders' Meeting on questions raised by shareholders in relation to matters within the Committee's competence, and in particular on the outcome of the audit, explaining how the audit has contributed to the integrity of the financial information and the role the Committee has played in this process.
2. Supervise the effectiveness of the Company's internal control, internal audit and risk management systems, as well as discuss with the auditor any significant weaknesses in the internal control system detected in the course of the audit, all without infringing its independence. To this end, it may submit recommendations or proposals to the Board of Directors.
3. Submit a report on the risk management and control policy to the Board for approval.
4. Directly supervise the internal risk control and management function exercised by an internal authority or department of the Company, which shall be expressly attributed the following functions: (i) to ensure the proper functioning of the risk control and management systems and, in particular, that all significant risks affecting the Company are identified, managed and adequately quantified and that the risk control and management model is based on different levels of risk; (ii) to participate actively in the preparation of the risk strategy and in significant decisions on its management; and (iii) to ensure that the risk control and management systems mitigate risks adequately within the framework of the policy defined by the Board of Directors. In any event, the risks referred to in the preceding paragraph shall be both financial and non-financial (including operational, technological, legal, social, environmental, political, reputational and corruption-related risks).
5. Supervise the process of preparation and presentation of the financial information and the management report, which shall include, where appropriate, the mandatory non-financial information, and submit recommendations or proposals to the Board of Directors, aimed at safeguarding its integrity.
6. Supervise, in the event that the Board of Directors decides to create such a unit, the unit that assumes the internal audit function to ensure the proper functioning of the information and internal control systems and that functionally reports to the non-executive Chairman of the Board or to the Audit Committee. The head of the unit assuming the internal audit function shall submit to the Audit Committee for approval its annual work plan, inform it directly of any incidents arising in the course of its implementation and submit an activities report to it at the end of each financial year. The annual internal audit plan shall cover reputational risks.

7. In relation to information systems and internal control: (i) supervise the process of preparation and the integrity of the financial and non-financial information relating to the Company and, where appropriate, its Group, reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria and that the information relating to risks includes both financial and non-financial risks (including operational, technological, legal, social, environmental, political, reputational and corruption-related risks); (ii) to ensure the independence and effectiveness of the internal audit function, proposing, if deemed appropriate, the selection, appointment, re-election and removal of the head of the internal audit service, as well as proposing the budget of the internal audit service, approving its orientation and work plans, ensuring that its activity is mainly focused on the Company's relevant risks, receiving regular information on its activities and verifying that senior management takes into account the conclusions and recommendations of its reports; and (iii) establish and supervise a mechanism to enable employees to report confidentially and, if possible and appropriate, anonymously, potentially significant irregularities, especially financial and accounting irregularities, that they notice within the company.

8. Serve as a channel of communication between the Board of Directors and the Company's external auditor, evaluating the results of each audit, and in relation to the external auditor: (i) submit to the Board of Directors proposals for the selection, appointment, re-election and replacement of the auditor, taking responsibility for the selection process in accordance with current legislation, as well as the terms of his engagement; (ii) regularly obtain information from the auditor on the audit plan and its execution; and (iii) preserve the independence of the external auditor in the performance of his duties.

   The Audit Committee is also responsible for: (i) in the event of resignation of the external auditor, to examine the circumstances giving rise thereto; (ii) to ensure that the external auditor's remuneration for its work does not compromise its integrity or independence; (iii) to supervise that the Company notifies the National Securities Market Commission (CNMV) of the change of auditor as a significant event, accompanied by a statement on the possible existence of disagreements with the outgoing auditor and, if any, the content thereof; and (iv) ensure that the Company and the external auditor comply with current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other regulations on auditor independence.

9. Establish the appropriate relations with the external auditors in order to receive information on those matters that may threaten their independence, for examination by the Committee, and any other matters related to the process of auditing the accounts, and, where appropriate, authorisation of services other than those prohibited, on the terms contemplated in current legislation on the independence regime, as well as those other communications contemplated in legislation on auditing the accounts and in auditing standards. In any event, they must receive annually from the external auditors a declaration of their independence in relation to the Company or entities directly or indirectly related to it, as well as detailed and individualised information on additional services of any kind rendered and the corresponding fees received from these entities by the external auditor or entities related to it in accordance with the provisions of the regulations governing the auditing of accounts.

10. Annually issue, prior to the issuance of the audit report, a report expressing an opinion as to whether the independence of the auditors or audit firms is compromised. This report must contain, in any case, a reasoned assessment of the provision of each and every one of the additional services referred to in the previous point, individually considered and as a whole, other than the statutory audit and in relation to the independence regime or to the regulations governing the activity of auditing accounts.
11. To report, in advance, to the Board of Directors on all matters provided for in the Law, the Articles of Association and the Regulations and, in particular, on:
    a) The financial information that the Company is required to make public from time to time;
    b) The creation or acquisition of interests in special purpose vehicles or entities domiciled in countries or territories that are considered tax havens; and
    c) Related party transactions.
12. Supervise compliance with the rules of the internal codes of conduct and the corporate social responsibility policy.

    For these purposes, the Audit Committee shall be specifically assigned the following minimum functions: (i) supervision of compliance with internal codes of conduct; (ii) assessment of all matters relating to the Company's non-financial risks, including operational, technological, legal, social, environmental, political and reputational risks; and (iii) coordination of the process of reporting non-financial and diversity information, in accordance with applicable regulations and international benchmark standards.
13. Analyse and issue a report to the Board of Directors on the economic conditions and accounting impact and, in particular, on the proposed exchange ratio, of the structural and corporate modification operations that the Company plans to carry out.
14. To issue the reports and proposals on its sphere of competence requested by the Board of Directors or its Chairman and those it deems appropriate for the better performance of its functions, in particular reports on proposals to amend the Regulations of the Board of Directors.
15. In any case, report on the business relationships established by the company or its subsidiaries with its parent company or its subsidiaries and ensure that these are publicly disclosed, at least in the Annual Corporate Governance Report.
16. Ensure that internal control policies and systems are effectively implemented.
17. Supervision of the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, proxy advisors and other stakeholders. The way in which the entity communicates and relates to small and medium-sized shareholders will also be monitored.
18. Report on related-party transactions to be approved by the general meeting or the board of directors and supervise the internal procedure established by the company for those whose approval has been delegated.
19. Propose to the Board of Directors any other matters it deems appropriate in matters within its sphere of competence.

The following section VI of this Report describes the most significant activities carried out by the Commission during the financial year 2023 in relation to the functions and tasks described above.

V. FUNCTIONING OF THE COMMISSION

During the financial year 2023, the Committee met 8 times, in accordance with the tentative agenda of meetings approved at the end of the financial year 2022. In addition, a joint meeting was held with the Nomination, Remuneration and Sustainability Committee (the "Nomination, Remuneration and **Sustainability** Committee"). The Committee has therefore complied with the duty to meet as often as necessary to effectively perform its duties. All meetings were held in person and lasted an average of three hours, with members devoting an appropriate number of hours to the study and analysis of the matters to be discussed.

The meetings are planned by the Chairman of the Committee according to an agenda agreed at the end of the previous year by all members of the Committee, taking into account the schedule of meetings of the Board of Directors, the presentation of results and other relevant issues affecting the functioning of the Company.

Attendance is checked at the beginning of each meeting and recorded in the corresponding minutes. During the 2023 financial year, the members of the Committee attended all meetings in person. In addition, the head of internal audit attended all committee meetings. In addition, various members of the Company's team attended as guests when required, in particular the chief financial officer, the head of consolidation, the head of the compliance unit, the head of strategy and capital markets and the head of taxation.

In addition, 5 meetings of the Committee were attended by representatives of Ernst & Young, S.L. ("**EY**"), the external auditor of the Company and its subsidiaries, in connection with the audit of the individual and consolidated annual accounts. One meeting was also attended by representatives of KPMG Asesores, S.L. ("**KPMG**"), in connection with the external verification of the non-financial information statement.

At all meetings of the Committee, the different matters submitted for its deliberation and, where appropriate, approval, have been dealt with in due depth. Prior to each meeting, the members of the Committee were provided with information on the matters to be discussed at the meetings, thus encouraging their participation and the informed adoption of resolutions.

The Secretary has drawn up the corresponding minutes of all the meetings of the Commission held, reflecting their progress, deliberations and agreements adopted.

VI. SIGNIFICANT ACTIVITIES UNDERTAKEN BY THE COMMISSION DURING THE FINANCIAL YEAR 2023

At its meetings, the Committee deals with issues arising from legal requirements and the recommendations of the Good Governance Code of Listed Companies, as well as matters of interest to it that fall within its remit. The most significant activities carried out by the Committee during financial year 2023 are detailed below:

FINANCIAL AND NON-FINANCIAL INFORMATION

During the 2023 financial year, the Committee examined and analysed the process of preparing the Company's financial and non-financial information prior to its presentation to the Board of Directors. Specifically, the Committee analysed and discussed the most relevant aspects relating to:

(i) the individual and consolidated annual accounts and management reports for the financial year 2022 of Grenergy and the companies in its consolidated group, being familiar with aspects of their preparation process and the accounting principles used;

(ii) the statement of non-financial information for the financial year 2022; and

(iii) the Grenergy Group's quarterly (first and third quarters) and half-yearly (first half-year) 2023 periodic financial reporting, exercising its powers in this respect.

With regard to financial reporting, the Committee has carried out a supervisory function throughout the year, monitoring the evolution of the main milestones and magnitudes of the balance sheet and income statement.

EXTERNAL AUDITOR

Financial statements

The Committee has served as a channel of communication between the Board of Directors and the Company's external auditor, evaluating the results of each audit. In particular, it has followed the audit work and received the conclusions thereof, both with regard to the audit of the individual and consolidated annual accounts of Grenergy and its group of companies for the year ended 31 December 2022, and the limited review of the consolidated financial statements of Grenergy's group of companies for the first half of the financial year 2023.

The Committee was also informed by the external auditor of the planning and scope of the audit work on the individual and consolidated annual accounts for the financial year 2023.

Fees of the external auditor

The Committee has been informed of the external auditor's fees for the audit of the annual accounts for the year ended 31 December 2023 and of the limited review report on the consolidated financial statements of the Grenergy group of companies for the first half of the financial year 2023.

Approval of other non-audit work by the auditor

The Committee has ensured the independence of the external auditor and has authorised non-audit work in accordance with the established legal framework.

Report on the independence of the external auditor

In compliance with the provisions of section 4 of article 529 quaterdecies of the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010 of 2 July, the Committee, after receiving the letter of confirmation of independence from EY, concluded that:

(i) there were no objective reasons to question the independence of the external auditor, in accordance with audit regulations, and therefore reported favourably on the independence of EY as auditor of the Company and its subsidiaries in relation to the audit of the individual and consolidated financial statements for the year ended 31 December 2022; and

(ii) in respect of audit-related and additional non-audit services performed by EY during the 2022 financial year: (a) they were not considered to have given rise to conflicts of interest within the meaning of the Audit Act; and (b) the amount invoiced by EY for those services did not represent a material percentage of the total annual revenue paid to the auditor for the purposes of the Audit Act.

Evaluation of the role of the external auditor

In accordance with the provisions of the National Securities Market Commission's Technical Guide 3/2017 on Audit Committees of Public Interest Entities, the Committee analysed the results obtained in the evaluation process of the external auditor (EY) and how it has contributed to the quality of the audit and the integrity of the financial information.

Re-election of the external auditor

The Committee, after evaluating the work performed to date by the external auditor, confirmed the re-election of EY as auditor of the Company's annual and consolidated accounts for the financial year 2024, subject to the approval of the next General Meeting.

On the other hand, as 5 years have elapsed since the appointment of the signing partner for the Company's accounts, the Committee analysed the profiles of the candidates proposed by EY and selected one of them as the new signing partner for the accounts as from the financial year 2024.

Review and follow-up of the external auditor's recommendations

The Committee has received, reviewed and analysed the internal control recommendations made by the external auditor and has followed up on their implementation.

STATEMENT OF NON-FINANCIAL INFORMATION

The Commission has followed KPMG's review of the non-financial information statement for the year 2022, and has received the conclusions and recommendations thereon.

In this matter, the Commission, together with the CNRS, has followed up and reported favourably to the Board of Directors on the non-financial information statement for the financial year 2022.

RELATED TRANSACTIONS

The Committee reviewed the related party transactions for the year ended 31 December 2023. It also issued a report on related party transactions for the year ended 31 December 2022, which was submitted to the General Meeting.

INTERNAL AUDIT, RISK MANAGEMENT AND INTERNAL CONTROL

The Committee has monitored the effectiveness of the Company's internal control, internal audit and risk management systems. To this end, the Company carried out the following actions during the financial year 2023:

- It approved and followed up the group's internal audit plan for the year 2023, as well as the recommendations resulting from the various audit assignments.
- Monitored the action plan in relation to the internal control recommendations identified by the external auditor in the course of the audit.
- It has been informed about the internal audit activities and work carried out during the financial year 2023.
- It has monitored the internal audit report on ICFR and promoted the implementation of the recommendations for improvement highlighted therein.
- He supervised the internal risk control and management function and, in particular, compliance with the Company's risk control and management policy.
- He has promoted and supervised the updating of the most relevant risks of the Grenergy Group.
- It has carried out a review of the group's tax position and has been informed of the main financial risks.

COMPLIANCE

During the 2023 financial year, the Committee has been informed at all meetings of the work carried out by the compliance unit in different areas, including training, communication and awareness-raising in compliance matters for Grenergy employees.

The Committee monitored the activities of the compliance function with regard to conflicts of interest, whistleblowing, gifts and hospitality, donations and sponsorships. It was also informed of the Company's data protection situation. Lastly, the Committee monitored compliance with the new provisions introduced by *Law 2/2023 on the protection of persons reporting anti-corruption offences*.

OVERSIGHT OF CORPORATE GOVERNANCE RULES

Within the framework of its duties to supervise compliance with corporate governance rules, the Committee reviewed and agreed to report favourably to the Board of Directors on the Annual Corporate Governance Report for the 2022 financial year.

The Committee also monitored compliance with the Company's internal rules and policies. The Committee also monitored legislative developments.

It also monitored the communication policy and reviewed the information contained on the company's website.

OTHER ISSUES OF INTEREST DISCUSSED BY THE COMMISSION

As part of its functions, the Committee also carried out the following actions during the 2023 financial year:

- Appointment of a new President of the Commission.

- Determination, together with the CNRS, of the degree of compliance with the objectives set for the purpose of making a proposal to the Board of Directors for the variable remuneration of the Chairman and senior management for the financial year 2022.
- Supervision of the renewal of the MARF-registered promissory note issuance programme.
- Preparation of the report on the functioning of the Commission during the financial year 2023.

VII. EVALUATION OF THE FUNCTIONING AND PERFORMANCE OF THE COMMISSION.

During the last four months of the financial year 2023, the Commission has carried out its own evaluation of its functioning, number, frequency and duration of meetings, participation of its members, composition, documentation and exercise of its competences.

From this evaluation, it is clear that the Committee is adequately composed and functions properly, and that it fulfils the functions assigned to it. The Committee has reported to the Board of Directors on the results of the evaluation.

VIII. CONCLUSIONS

As shown above, throughout the 2023 financial year, the Committee has analysed and examined the main issues and aspects within its remit, periodically reporting the most relevant issues to the Company's Board of Directors. For financial year 2024, the Committee plans to continue reviewing and monitoring the situation of all matters within its competence, in accordance with the tentative agenda of meetings approved at the end of financial year 2023.

IX. APPROVAL OF THE REPORT

This Report is issued and approved by the Committee on 23 January 2024 and approved by the Board of Directors of the Company on 30 January 2024.

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