GRENERGY RENOVABLES, S.A.

ORDINARY GENERAL MEETING OF SHAREHOLDERS (MAY 2024)

REPORT OF THE BOARD OF DIRECTORS IN RELATION TO THE PROPOSED RESOLUTION TO REDUCE THE SHARE CAPITAL THROUGH THE REDEMPTION OF OWN SHARES (ITEM SIX ON THE AGENDA).

1. Purpose of the report

This report is prepared by the Board of Directors of Grenergy Renovables, S.A. ("**Grenergy**" or the "**Company"**) in connection with the reduction of share capital through the cancellation of treasury shares that is submitted for approval by the General Shareholders' Meeting.

In accordance with the provisions of articles 286 and 318 of the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July (the "**Capital Companies Act**") and concordant provisions of the Regulations of the Mercantile Registry approved by Royal Decree 1784/1996, of 19 July, the aforementioned proposed resolution to the General Shareholders' Meeting requires the preparation by the Board of Directors of this explanatory report.

2. Justification of the proposal

The Board of Directors considers it appropriate to reduce the Company's share capital by redeeming treasury shares in order to contribute to the Company's shareholder remuneration policy by increasing earnings per share.

3. Terms and conditions of the proposed capital reduction

It is proposed to the General Meeting of Shareholders to reduce the share capital of the Company by a maximum nominal amount of 535,708.25 euros, through the redemption of a maximum of 1,530,595 treasury shares of 0.35 euros par value each, representing a maximum of 5% of the share capital based on the number of shares of the Company currently in circulation.

The proposed capital reduction would be carried out through the redemption of the treasury shares acquired under the buy-back programme approved by the Board of Directors on 18 October 2023 pursuant to the authorisation granted by the General Meeting of Shareholders of the Company held on 29 June 2021 and which was notified to the market of its implementation through the insider communication of 19 October 2023 (the "**Buy-back Programme**"). Such Buyback Programme was agreed pursuant to the provisions of Article 5 of *Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council, and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC* (the **"Market Abuse Regulation"**) and in *Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No. 596/2014 of the European Parliament and of the Council (the "Market Abuse* **Regulation").No** *596/2014 of the European Parliament and of the Council as regards regulatory technical standards on conditions for buy-back programmes and stabilisation measures* (the **"Delegated Regulation"**). The establishment of the Buy-Back Programme and the terms and conditions

of the following were communicated to the market through the
corresponding communication of "inside information" (No. 1.985):

"The Repurchase Programme shall have the following characteristics:

1. *Purpose: to reduce Grenergy's share capital through the redemption of treasury shares, with the aim of remunerating Grenergy's shareholders by increasing earnings per share, subject to the agreement of the General Shareholders' Meeting and on such terms as it may decide.*
2. *Maximum monetary amount: the maximum monetary amount allocated to the Repurchase Programme is EUR 40,000,000,000.*
3. *Maximum number of shares: the maximum number of shares to be acquired under the Buyback Programme will depend on the average price at which the purchases take place, but will not exceed*
   3,061,191 shares.
4. *Price and volume conditions: the acquisition of the shares will be carried out in accordance with the price and volume conditions set out in Article 3 of the Delegated Regulation. In particular, as regards price, Grenergy will not purchase shares at a price higher than the higher of: (i) the price of the last independent transaction; and (ii) the highest independent bid at that time on the trading venue where the purchase is made. With respect to trading volume, Grenergy will not purchase more than 25% of the average daily volume of Grenergy shares on the trading venue where the purchase takes place. The average daily volume of the Company's shares for the purposes of the above calculation shall be based on the average daily volume traded in the 20 business days prior to the date of each purchase.*
5. *Duration: the Repurchase Programme will commence on 19 October 2023 and will remain in force until 31 December 2024. However, Grenergy reserves the right to terminate the Repurchase Programme early if, prior to its expiry date, its purpose has been fulfilled and, in particular, if Grenergy has acquired under the Programme the maximum number of shares or shares for an acquisition price reaching the maximum monetary amount, or if any other circumstance so advises or requires.*
6. *Manager: JB Capital Markets, S.A.U. will be the lead manager of the Repurchase Programme.*

Grenergy will inform of the interruption, termination or modification of the Buyback Programme by means of the corresponding communication. Likewise, the Company shall notify all share purchase transactions carried out under the Programme at the intervals stipulated in the Delegated Regulations".

The final amount of the capital reduction would be set by the Board of Directors, with express powers of substitution to the Chairman of the Board of Directors of the Company, depending on the final number of shares acquired under the Buy-Back Programme within the maximum number of 1,530,595 shares referred to above.

If the resolution to reduce the share capital, which is the subject of this report, is approved, article 6 of the Articles of Association relating to share capital would be amended to reflect the new capital figure and the new number of shares in circulation.

The proposed capital reduction would not entail the return of contributions to shareholders since, at the time of implementation of the capital reduction, the Company would be the holder of the shares to be redeemed.

On the other hand, the capital reduction would be charged to unrestricted reserves. A reserve would be set aside for an amount equal to the nominal value of the redeemed shares, which could only be drawn down under the same conditions as for the reduction of share capital. Consequently, in accordance with article 335 c) of the Capital Companies Act, the creditors' right of objection under article 334 of the Capital Companies Act would not apply.

In accordance with the provisions of article 342 of the Capital Companies Act, the treasury shares acquired by the Company must be redeemed no later than one month after the end of the Repurchase Programme (31 December 2024). In this sense, the capital reduction would be executed, at the latest, within the month following the date of termination of the Buyback Programme and, in any case, within the year following the date of adoption of the resolution that is the subject of this report.

However, as provided for in the Repurchase Programme, the Company reserves the right to terminate the Repurchase Programme early if, prior to its expiry date, its purpose has been fulfilled and, in particular, if the maximum number of shares or shares have been acquired under the Programme for a purchase price reaching the maximum monetary amount, or if any other circumstance so advises or requires. In such case, the capital reduction would be executed in the month following the date of early termination of the Repurchase Programme. Therefore, the Board of Directors, with express powers of substitution to the Chairman of the Board of Directors, would execute the capital reduction upon the termination (ordinary or early) of the Buy-back Programme.

The capital reduction resolution that is the subject of this report proposed to the General Meeting of Shareholders empowers the Board of Directors, with express powers of substitution in the members of the Board of Directors, as well as in the Secretary of the Board of Directors, so that any of them, without distinction and with their sole signature, may carry out all the actions necessary or convenient for the execution of the aforementioned resolution.

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This report has been formulated and approved by the Board of Directors at its meeting of 4 April 2024.