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

Building a better working world

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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.

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.

Licenses and trademarks

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.

Software

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.

Issuance of green commercial paper program

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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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 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**	**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 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	% capital - voting rights: Indirect	% capital - voting rights: Total	Balances at 12.31.2023: Cost	Balances at 12.31.2023: Impairment	Balances at 12.31.2023: Carrying amount	Thousands of euros: Share capital	Thousands of euros: Reserves	Thousands of euros: Other equity items	Thousands of euros: Profit (loss) for the year	Thousands of euros: 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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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	
		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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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	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	
		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	% 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)												
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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			% 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 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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			% 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 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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			% 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	
		(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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			% 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
		(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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			% 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)												
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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									Thousands of euros					
			% capital - voting rights			Balances at 12.31.2023								
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

									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	
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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			% 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 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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			% 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 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	(*) (**)

APPENDIX I

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

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

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 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.

APPENDIX III

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%.

APPENDIX III

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Regulatory framework

Italy

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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GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Regulatory framework

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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GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Regulatory framework

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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GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Regulatory framework

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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GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Regulatory framework

- 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 CO2 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.

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Regulatory framework

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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GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Regulatory framework

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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GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Regulatory framework

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.

<u>Peru</u>

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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GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Regulatory framework

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.

GRENERGY RENOVABLES, S.A. AND SUBSIDIARIES

Regulatory framework

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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Regulatory framework

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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Regulatory framework

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.

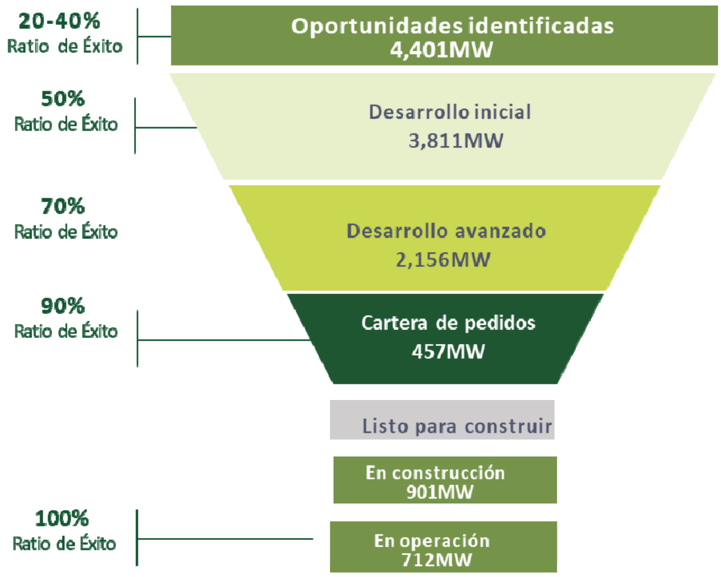
- Backlog: projects in the final phase prior to construction, in which: (i) land and access to the electricity grid are assured; (ii) the likelihood of obtaining environmental permits is over 90%; and (iii) there are PPAs or framework agreements with energy buyers or banks which are ready to be signed, 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 CO_2 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.

Board of Directors

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

Organizational model

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.

Compliance with the ESG Action Plan 2023

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

Greater coverage of ESG ratings and sustainability indicators

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	MSCI
PEER 1	AAA	
PEER 2	AAA	
PEER 3	AA	
PEER 4	A	
PEER 5	A	

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)