



# Audax Renovables, S.A.

**Auditor's Report on the "Internal Control over  
Financial Reporting (ICOFR) Information" of  
Audax Renovables, S.A. for 2023**

*(Translation from the original in Spanish. In the  
event of discrepancy, the Spanish-language  
version prevails.)*



KPMG Auditores, S.L.  
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(Barcelona)

## **Auditor's Report on the "Internal Control over Financial Reporting (ICOFR) Information" of Audax Renovables, S.A. for 2023**

*(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)*

To the Directors of Audax Renovables, S.A.

As requested by the Board of Directors of Audax Renovables, S.A. (the "Company") and in accordance with our proposal letter dated 2 November 2023, we have applied certain procedures to the "ICOFR information" attached hereto in section F of the Annual Corporate Governance Report (ACGR) of Audax Renovables, S.A. for 2023, which summarises the Entity's internal control procedures for annual financial reporting.

The Board of Directors is responsible for adopting appropriate measures to reasonably ensure the implementation, maintenance and oversight of an adequate system of internal control, the development of improvements to that system and the preparation and definition of the content of the ICOFR information attached hereto.

In this respect, it should be borne in mind that irrespective of the quality of the design and operation of the internal control system adopted by the Entity in relation to annual financial reporting, the system may only provide reasonable, but not absolute assurance in relation to the objectives pursued, due to the limitations inherent in any internal control system.

In the course of our audit work on the annual accounts and in accordance with Technical Auditing Standards, our evaluation of the Entity's internal control was solely aimed at enabling us to establish the scope, nature and timing of the audit procedures on the Entity's annual accounts. Consequently, the scope of our evaluation of internal control, performed for the purposes of the audit of accounts, was not sufficient to enable us to issue a specific opinion on the effectiveness of this internal control over regulated annual financial reporting.



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For the purposes of issuing this report, we have applied only the specific procedures described below and set out in the Guidelines for preparing the auditor's report on the information concerning the system of Internal Control over Financial Reporting in Listed Companies, published on the website of the Spanish National Securities Market Commission (CNMV), which define the work to be performed, the minimum scope thereof and the content of this report. As the scope of the work resulting from these procedures is in any event limited and substantially less than that of an audit or review of the internal control system, we do not express an opinion on the effectiveness thereof, nor on its design or operating effectiveness, with respect to the Entity's annual financial reporting for 2023 described in the ICOFR information attached hereto. Consequently, had additional procedures been applied other than those established in the aforementioned Guidelines, or had an audit or a review been performed of the internal control system in relation to regulated annual financial reporting, other events or matters could have been identified, which would have been reported to you.

As this special work did not constitute an audit of accounts and is not subject to current legislation regulating the audit of accounts in Spain, we do not express an audit opinion under the terms provided in such legislation.

The procedures applied were as follows:

1. Reading and understanding of the information prepared by the entity regarding ICOFR – disclosures included in the directors' report – and an evaluation of whether this information meets all the minimum reporting requirements, taking into account the minimum content described in section F, regarding the description of ICOFR, of the ACGR template provided in Spanish National Securities Market Commission (CNMV) Circular 5/2013 of 12 June 2013 and subsequent amendments, the most recent of these being CNMV Circular 3/2021 of 28 September 2021 (hereinafter the CNMV Circulars).
2. Inquiries of the personnel responsible for drawing up the information detailed in point 1 above in order to: (i) obtain an understanding of the preparation process; (ii) obtain information that allows us to assess whether the terminology used conforms to the definitions contained in the reference framework; (iii) obtain information on whether the control procedures described are in place and operational in the entity.
3. Review of the explanatory documentation supporting the information detailed in point 1 above, primarily including documents made directly available to those responsible for preparing the description of the ICOFR system. This documentation includes reports prepared by internal audit, senior management and other internal or external specialists supporting the audit committee.
4. Comparison of the information detailed in point 1 above with the understanding of the entity's ICOFR obtained as a result of the procedures performed within the framework of the audit work on the annual accounts.
5. Reading of the minutes taken at meetings of the board of directors, audit committee and other committees of the entity for the purpose of assessing the consistency of the matters discussed at those meetings in relation to the ICOFR with the information detailed in point 1 above.
6. Procurement of a representation letter concerning the work performed, duly signed by those responsible for preparing and authorising the information detailed in point 1 above.



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As a result of the procedures applied to the ICOFR information, no inconsistencies or incidents have been detected that could affect it.

This report has been prepared exclusively within the context of the requirements laid down in article 540 of the Revised Spanish Companies Act and in the CNMV Circulars for the purposes of the description of ICOFR in annual corporate governance reports.

KPMG Auditores, S.L.

*(Signed on original in Spanish)*

Alberto Fernández Solar

27 February 2024



## ANNUAL REPORT ON CORPORATE GOVERNANCE OF LISTED COMPANIES

### ISSUER'S PARTICULARS

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Financial year end: 31/12/2023

Tax identification code: A62338827

Registered name:

**AUDAX RENOVABLES, S.A.**

Registered office:

ELECTRÓNICA 19, PLANTA 7, PUERTA C (BADALONA) BARCELONA

**A. OWNERSHIP STRUCTURE**

**A.1.** Complete the following table on the company's share capital and attributed voting rights, including, if applicable, those related to the shares granting loyalty voting rights, at the closing date of the year:

Indicate whether the company's articles of association establish loyalty double voting right:

Yes  
 No

Date of approval at the general meeting	16/06/2022
Minimum uninterrupted period of ownership required by articles of association	2 years

Indicate whether the company has assigned loyalty votes:

Yes  
 No

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
29/04/2019	44,029,105.40	440,291,054	440,291,054

Indicate whether there are different classes of shares with different associated rights:

Yes  
 No

**A.2.** Provide details of the direct and indirect holders of significant shareholdings at the year end, including directors who hold significant share:

Name or company name of the shareholder	% of voting rights attributed to shares		% of voting rights through financial instruments		total % of voting rights
	Direct	Indirect	Direct	Indirect	
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	0.00	65.82	0.00	9.08	74.90
GLOBAL PORTFOLIO INVESTMENTS, S.L.	7.12	0.00	0.00	0.00	7.12

Mr Francisco José Elías Navarro is the sole shareholder of Excelsior Times, S.L.U., which, in turn, is the sole shareholder of Eléctrica Nuriel, S.L.U., the company that is the owner of shares representing 64.35% of share capital of Audax Renovables, S.A. and of financial instruments which enable the purchase of 9.08% of the voting rights. Moreover, Excelsior Times, S.L.U. is the direct holder of 1.47% of voting rights attributed to the shares of Audax Renovables, S.A. Consequently, the total percentage of the voting rights of Mr Elías in Audax Renovables, S.A. is of 74.9%.

Details of indirect shareholding:

Name or company name of indirect holder	Name or company name of direct holder	% of voting rights attributed to shares	% of voting rights through financial instruments	total % of voting rights
No data				

Indicate the most significant changes in the shareholding structure occurred during the year:

Most significant changes

N/A.

**A.3.** Specify, whichever the percentage, the shareholding at the year end of the members of the board of directors who hold voting rights attributed to company shares or through financial instruments, excluding the directors identified in section A.2 herein:

Name or company name of the director	% of voting rights attributed to shares (including loyalty votes)		% of voting rights through financial instruments		total % of voting rights	Of the total % of voting rights attributed to shares indicate, if applicable, the % of attributed additional votes, which correspond to the shares with loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr JOSEP MARIA ECHARRI TORRES	0.00	0.62	0.00	0.00	0.62	0.00	0.00

% of total voting rights belonging to the members of the board of directors

75.52

Mr Josep Maria Echarrí Torres holds 51.55% of the share capital of The Nimo's Holding, S.L., which in turn holds 0.62% of the share capital of Audax Renovables, S.A.

Details of indirect shareholding:

Name or company name of the director	Name or company name of direct holder	% of voting rights attributed to shares (including loyalty votes)	% of voting rights through financial instruments	total % of voting rights	Of the total % of voting rights attributed to shares indicate, if applicable, the % of attributed additional votes, which correspond to the shares with loyalty vote
No data					

Specify the total percentage of voting rights represented within the board:

% of total voting rights represented within the board of directors

75.52

**A.4.** Where applicable, indicate any family, commercial, contractual or corporate relationships between the owners of significant shareholdings, insofar as they are known to the company, unless they are irrelevant or arise from normal business activities, except for those detailed in section A.6:

Related-party name or company name	Type of relationship	Short description
No data		

**A.5.** Where applicable, indicate any commercial, contractual or corporate relationships between the owners of significant shareholdings and the company and/or its group, unless they are irrelevant or arise from normal business activities:

Related-party name or company name	Type of relationship	Short description
No data		



**A.6.** Describe the relationships, unless insignificant for both parties, existing between significant shareholders or shareholders represented in the board and directors or their representatives in the case of corporate directors.

Explain, where applicable, how the significant shareholders are represented. Specifically, indicate the directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders and/or companies of their group, specifying the nature of such relationships. In particular, mention the possible existence, identity and post of directors or their representatives of the listed company, who are, in turn, members of the governing body or representatives of companies that hold significant shareholdings in the listed company or in group companies of those significant shareholders:

Name or company name of the related director or representative	Name or company name of the related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
Ms ANA ISABEL LÓPEZ PORTA	ELECTRICA NURIEL, S.L.U.	EXCELSIOR TIMES, S.L.U.	Ms Ana Isabel López Porta is member of the Board of Directors of Audax Renovables, S.A., which belongs to the group of companies of which Excelsior Times, S.L.U. is the parent company.
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ELECTRICA NURIEL, S.L.U.	EXCELSIOR TIMES, S.L.U.	Mr Francisco José Elías Navarro is direct holder of 100% of shares of Excelsior Times, S.L.U. and, through this company, of 100% of shares of Eléctrica Nuriel, S.L.U.
Ms MARÍA ROSA GONZÁLEZ SANS	EXCELSIOR TIMES, S.L.U.	EXCELSIOR TIMES, S.L.U.	Ms María Rosa González Sans is corporate director of the Excelsior Times, S.L.U. group.

**A.7.** Indicate whether the company has been notified of any shareholders' agreements that affect it pursuant to article 530 and 531 of the Corporate Enterprises Act. Where applicable, give a brief description and list the shareholders bound by the agreement:

Yes  
 No



## ANNUAL REPORT ON CORPORATE GOVERNANCE OF LISTED COMPANIES

Indicate whether the company is aware of the existence of any concerted actions among its shareholders. If so, briefly describe them:

Yes  
 No

Expressly indicate any amendments to, or termination of, such agreements or concerted actions during the year:

N/A.

**A.8.** Indicate whether there is any individual or legal entity that exercises or may exercise control over the company pursuant to article 5 of the Securities Market Act. If so, identify them:

Yes  
 No

Name or company name

FRANCISCO JOSÉ ELÍAS NAVARRO

**A.9.** Fill in the following tables about the company's treasury shares:

As at the year-end date:

Number of direct shares	Number of indirect shares(*)	% of total share capital
800,000		0.18

(\*) Through:

Name or company name of direct shareholder	Number of direct shares
No data	

Explain the significant changes occurred during the year:

**Explain significant changes**

Audax Renovables, S.A. acquired 800,000 own shares as part of the treasury shares repurchase programme of the Company announced on 5 January 2023 through privileged information published in the CNMV, in accordance with the authorisation granted by the general meeting of shareholders held on 16 June 2022.

**A.10.** Give details of the terms and conditions of the general meeting of shareholders' current mandate to the board of directors to issue, buy back or transfer treasury shares:

The General Meeting of Shareholders held on 16 June 2022 resolved to authorise the board of directors to carry out derivative acquisition of own shares by the Company, directly or through any of its subsidiaries and within the period of five (5) years from the date of the resolution, at any time and as many times as convenient, through any legally admissible means, including charging it against the profit for the year and/or unrestricted reserves, always in compliance with the applicable legislation, as well as for the purpose of subsequent alienation of the acquired shares through any legally admissible means.

The derivative acquisition of shares of the Company shall be subject to the terms established by the law and by the internal or external regulations, which may be applicable at any time, as well as to the restrictions which may be established by the competent authorities.

In particular, the nominal value of the own shares acquired directly or indirectly under this authorisation, added to the value of those already held by the Company and its subsidiaries cannot at any time exceed ten percent (10%) of the subscribed share capital of the Company (or any other lower limit established by the applicable legislation at any time). Additionally, the derivative acquisition of shares of the Company shall be subject to the condition that the purchase price of the share cannot exceed its stock price or be lower than the nominal value of the share.

Moreover, it is expressly allowed that the shares acquired by the Company or by its subsidiaries under this authorisation be used entirely or partially to be transferred to the employees or the directors of the Company or its subsidiaries, either directly or as a consequence of the exercise of the right of option belonging to them.

**A.11.** Estimated free float:

	%
Estimated free float	17.80

**A.12.** Indicate whether there is any restriction (stipulated by articles of association, statutory or of any other nature) on the transferability of securities and/or any restriction on voting rights. In particular, state the existence of any kind of restriction which may hinder a takeover of the company by means of acquisition of shares on the market, as well as any authorisation or notification systems that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes  
 No

**A.13.** Specify whether the general meeting has agreed to take up neutralisation measures against a takeover bid by virtue of provisions of Law 6/2007.

- Yes  
 No

If applicable, explain the measures approved and terms under which the restrictions would not be enforceable:

**A.14.** Indicate whether the company has issued securities that are not traded on a regulated market of the European Union.

- Yes  
 No

If applicable, indicate the different classes of shares and, for each class of shares, the rights and obligations it confers:

## **B. GENERAL MEETING OF SHAREHOLDERS**

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**B.1.** Indicate and, if applicable, explain whether the minimum quorum requirements for constitution of the general meeting of shareholders differ from those specified in the Corporate Enterprises Act (LSC):

- Yes  
 No

**B.2.** Indicate and, if applicable, explain whether the company's system of adopting corporate resolutions differs from the one set forth in the Corporate Enterprises Act (LSC):

- Yes  
 No

**B.3.** Indicate the rules governing amendments to the company's articles of association. In particular, indicate the majorities required to amend the articles of association, as well as the rules for protecting the shareholders' rights when modifying the articles of association.

In this respect, article 14, second paragraph of the company's articles of association states the following:

«(...) for the General Shareholders' Meeting to be able to adopt a resolution on capital increases or decreases and any other modification of the company's Articles of Association (...), shall require that, at the first summons, shareholders attend, present or represented by proxy, holding at least 50% of the subscribed capital with voting rights. At the second summons, 25% of such capital attending the meeting shall be deemed sufficient. When shareholders attend the meeting representing less than 50% of the subscribed capital with voting rights, the aforementioned resolutions may only be adopted with votes in favour of 2/3 of the share capital present or represented by proxy at the General Shareholders' Meeting.»

In the cases not considered in the aforementioned article, the relevant resolution shall be adopted by ordinary majority of the votes of the shareholders present or represented by proxy, pursuant to article 201 of the Corporate Enterprises Act.

Furthermore, in accordance with article 286 of the Corporate Enterprises Act, the directors or, if appropriate, the shareholders who introduced the motion to amend the company's articles of association shall formulate the entire text they suggest as well as a written report with the justification of such motion.

Additionally, pursuant to article 287 of the Corporate Enterprises Act, the announcement of the General Meeting summons shall include intelligible information on issues subject to amendment and the right of all the shareholders to examine in the company's headquarters the full text of the suggested amendment and the relevant report, as well as ask for the free delivery of these documents.

**B.4. Give details of attendance at the general shareholders' meetings held in the year of this report and the two previous years:**

Date of general meeting	Attendance				Total
	% of	% in	% remote voting		
	physical presence	representation	Electronic vote	Others	
21/04/2021	65.66	8.62	0.00	0.00	74.28
Of which, free float	0.22	8.62	0.00	0.00	8.84
16/06/2022	66.89	8.83	0.19	0.00	75.91
Of which, free float	0.27	8.83	0.19	0.00	9.29
30/06/2023	65.88	8.90	0.04	0.16	74.98
Of which, free float	0.02	1.78	0.04	0.16	2.00

**B.5. State whether any point on the agenda of the general meetings of shareholders held this year has not been approved by the shareholders for any reason:**

- Yes  
 No

**B.6. Indicate whether there is a restriction based on internal regulations establishing a minimum number of shares necessary to attend the general meeting or to vote remotely:**

- Yes  
 No

**B.7. Indicate whether it has been resolved that certain decisions other than those established by law that entail an acquisition, disposal or contribution to other company of essential assets or other similar corporate transactions must be subject to the approval of the general meeting of shareholders:**

- Yes  
 No

**B.8. Indicate the address and mode of accessing the information on corporate governance on the company's website and other information on general meetings of shareholders which must be made available to shareholders on the Company's website:**

The address of the corporate website of the company is as follows: [www.audaxrenovables.com](http://www.audaxrenovables.com)

The information on corporate governance is available on the section "Shareholders and Investors" and "Corporate Governance".

The information on general meetings that must be provided to the shareholders, as well as the resolutions adopted in those meetings is available on:

<https://www.audaxrenovables.com/en/shareholders-and-investments/general-shareholders-meeting/>

**C. STRUCTURE OF THE MANAGEMENT OF THE COMPANY**

**C.1. Board of directors**

C.1.1 Maximum and minimum number of directors set forth in the company's articles of association and the number agreed by the general meeting:

Maximum number of directors	12
Minimum number of directors	3
Number of directors agreed by the general meeting	6

N/A.

C.1.2 Complete the following table with the members of the board:

Name or company name of the director	Representative	Category of director	Position on the board	Date of first appointment	Date of last appointment	Election procedure
Mr RAMIRO MARTÍNEZ-PARDO DEL VALLE		Independent	MEMBER OF THE BOARD COORDINATOR INDEPENDENT	16/08/2016	30/06/2023	RESOLUTION GENERAL MEETING OF SHAREHOLDERS
Ms ANA ISABEL LÓPEZ PORTA		Proprietary	MEMBER OF THE BOARD	21/04/2021	21/04/2021	RESOLUTION GENERAL MEETING OF SHAREHOLDERS
Mr JOSEP MARIA ECHARRI TORRES		Independent	MEMBER OF THE BOARD	14/11/2016	16/06/2022	RESOLUTION GENERAL MEETING OF SHAREHOLDERS
Mr FRANCISCO JOSÉ ELÍAS NAVARRO		Executive	CHAIRMAN	16/08/2016	16/06/2022	RESOLUTION GENERAL MEETING OF SHAREHOLDERS
Ms MARÍA ROSA GONZÁLEZ SANS		Proprietary	MEMBER OF THE BOARD	21/04/2021	21/04/2021	RESOLUTION GENERAL MEETING OF SHAREHOLDERS
Total number of directors			5			

Indicate the departures from the board of directors which, whether through resignation or upon a decision of the general meeting, took place during the period subject to this report:

Name or company name of the director	Category of the director at the time of departure	Date of last appointment	Date of departure	Membership of special committees	Indicate whether the departure took place before the end of term
Mr EDUARD ROMEU BARCELÓ	Executive	16/06/2022	30/06/2023		NO

Reason for departure if it took place before the end of term, and other observations; information whether the director sent a letter to the rest of the members of the board and, in the case of departure of non-executive directors, explanation or opinion of the director dismissed by the general meeting

In his resignation letter addressed to the Company, Mr Eduard Romeu Barceló informed that the reason for his departure was strictly professional.

C.1.3 Fill in the following tables on board members and their respective categories:

EXECUTIVE DIRECTORS		
Name or company name of the director	Position in the company's structure	Profile
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	Chairman of the Board of Directors	Industrial Technical Engineer specialised in electricity by the Polytechnic University of Catalonia. Founder of several companies in the energy sector and pioneer of the liberalised electricity market. In 1994 begun his professional career at the Town Hall of Rubí, in the area of urban planning and maintenance, in 1996 joined Control Energético JGC, S.L. and in 1997 established his first enterprise operating in the field of integral installations. In 2009 incorporated Orus Energía, S.L. becoming the CEO of the company. In 2012 acquires the retailer Audax and takes the position of sole director of the Company until 23 April 2014, when the administration structure of the Company is reorganised into a board of directors and he is appointed its Chairman and Managing Director. Currently the major shareholder of Audax Renovables, serves as Chairman of the board of directors and holds the majority share of the company. He is also the major shareholder of the listed companies Atrys Health and Ezentis through his financial holding Excelsior Times S.L., of which he is the sole director.

Total number of executive directors	1
% of the board	20.00

EXTERNAL PROPRIETARY DIRECTORS		
Name or company name of the director	Name or company name of the significant shareholder represented or who proposed appointment	Profile
Ms ANA ISABEL LÓPEZ PORTA	ELECTRICA NURIEL, S.L.U.	Master of Laws by the University of Barcelona, postgraduate in Labour Law and PDG by IESE Business School. She began her professional career in Grupo Godó in 1995, in Sales, Finance and, finally, Controlling departments. In 2004 she joined as deputy the General Management of Fersa Energías Renovables and participated in the company's going public in May 2007. Throughout her path in Fersa she participated in the progress of the portfolio of the energy generation projects in its different stages: development, financing, construction and operation, as well as in the completion of the divestment plans of those projects at national as well as international level. Appointed Operations Manager in 2011, she participated directly in all the corporate transactions of the company and assumed the General Management in July 2015, managing integrally the transaction of the sale of the Fersa group, which culminated with the takeover bid (OPA) by Audax Energía, S.A. Subsequently, in 2019, she participated directly in the transaction of the downstream merger between Audax Energía and Fersa Energía Renovables, which gave as a result the Audax Renovables Group, an independent energy group whose activities involve the production of 100% renewable energy as well as the supply of natural gas and 100% renewable energy. Currently she is member of the Board of Directors and of the Audit Committee and Appointments and Remuneration Committee of Audax Renovables, as well as member of the Board of various subsidiaries of the Audax Group. She is, moreover, non-executive chairwoman of the Board of Directors of Grupo Ezentis, as well as member of the Audit Committee and Appointments and Remuneration Committee of Grupo Ezentis. Additionally, she is member of the board of directors and of the Audit Committee of Atrys Health, S.A.
Ms MARÍA ROSA GONZÁLEZ SANS	ELECTRICA NURIEL, S.L.U.	Founding partner of Mediaworks, S.A, an advertising media centre during 11 years, joined the energy group Audax Energía from its beginning in 2008. Throughout her career in the Audax group she has been holding positions of responsibility related to the administration, accounting, treasury and human resources areas, which have provided her with a thorough vision of the business. Reporting directly to the chairman of the Group, she participated in various corporate transactions of the Company, in particular, at international level, leading the development and expansion process of the Audax group in the years 2016 and 2017 in Italy in all its aspects. Subsequently, in 2019, she participated directly in the reverse merger transaction between Audax Energía and Fersa Energía Renovables,



EXTERNAL PROPRIETARY DIRECTORS		
Name or company name of the director	Name or company name of the significant shareholder represented or who proposed appointment	Profile
		which gave as a result the Audax Renovables Group, an independent energy group whose activities involve the production of 100% renewable energy as well as the supply of natural gas and 100% renewable energy. Currently she is member of the Board of Audax Renovables and member of the Board of Directors of various subsidiaries of the Audax Group, as well as Corporate Manager of the Excelsior Times, S.L.U. group. Additionally, she is member of the board of directors of Atrys Health, S.A.

Total number of proprietary directors	2
% of the board	40.00

EXTERNAL INDEPENDENT DIRECTORS	
Name or company name of the director	Profile
Mr RAMIRO MARTÍNEZ-PARDO DEL VALLE	Master of Economics and Business Administration and Law by the Complutense University of Madrid. Chartered Accountant, member of the Spanish Institute of Chartered Accountants. Has served as Development Manager of the Spanish National Securities Market Commission (CNMV), CEO of Gomarq Consulting, Chairman of Nordkapp Gestión and General Secretary and member of the Board of Directors of Fortis Bank and Beta Capital MeesPierson, among others. Formerly member of the board of directors of various companies, such as Eurodeal, S.V., Banco Madrid Gestión de Activos, SGIIC and Sociedad Gestora del Fondo de Garantía de Inversiones. Currently is Chairman of Solventis SGIIC and member of the board of Laboratorios Reig Jofré, S.A. and Desarrollos Especiales de Sistemas de Anclaje, S.A.
Mr JOSEP MARIA ECHARRI TORRES	Master of Economics and of Actuarial and Financial Science, both by the University of Barcelona, and Master of Financial Management by ESADE. Chief Financial Officer of Oryzon from 2003 to 2007. Previously responsible for the first integral programme of creation of technology enterprises developed by a Spanish administrative authority. At present is the Managing Director of Inveready Asset Management, S.G.E.C.R. and Chairman of Grupo Financiero Inveready, the founding partner of both companies and now their major shareholder. Participates as member of the management board of different companies, including Masmóvil Ibercom, S.A, Agile Contents, S.A., Atrys Health, S.A. and Oryzon Genomics, S.A. Member of the Instituto de Consejeros-Administradores (ICA) awarded the good corporate governance diploma for professional managers. From his position in Inveready he has actively participated in dozens of corporate transactions, such as the sale of PasswordBank Technologies, S.L. to Symantec, the sale of Indisys, S.L. to Intel or acquisition of Pepephone by Masmóvil).

Total number of independent directors	2
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% of the board	40.00
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Indicate whether any directors designated as independent receives from the company or its group any amount or profit other than standard remuneration of director, or maintains or has maintained in the last year a business relationship with the company or with any company of its group, either in their own name or as a significant shareholder, director or senior manager of an entity that maintains or has maintained such relationship.

If applicable, include a declaration from the board explaining the reasons why said director is considered to be able to carry out the duties as an independent director.

Name or company name of the director	Description of the relationship	Declaration and reasons
No data		

**OTHER EXTERNAL DIRECTORS**

Indicate the other external directors explaining the reasons why they cannot be considered as proprietary or independent directors as well as their relationship with the company, its executives or shareholders:

Name or company name of the director	Reasons	Company, executive or shareholder with whom the relationship is maintained	Profile
No data			

Total number of other external directors	N.A.
% of the board	N.A.

Indicate the changes, if any, that have taken place in the category of each director during the year:

Name or company name of the director	Date of change	Previous category	Current category
No data			

C.1.4 Fill in the following table with information on the number of female directors at the end of the past 4 years, as well as the category of each of them:

	Number of women directors				% of total number of directors of each category			
	Year 2023	Year 2022	Year 2021	Year 2020	Year 2023	Year 2022	Year 2021	Year 2020
Executive					0.00	0.00	0.00	0.00
Proprietary	2	2	2		40.00	33.33	33.33	0.00

	Number of women directors				% of total number of directors of each category			
	Year 2023	Year 2022	Year 2021	Year 2020	Year 2023	Year 2022	Year 2021	Year 2020
Independent					0.00	0.00	0.00	0.00
Other External					0.00	0.00	0.00	0.00
Total	2	2	2		40.00	33.33	33.33	0.00

C.1.5 Indicate whether the company has diversity policies in relation to the board of directors of the company regarding such matters as age, gender, disability or professional training and experience. Small and medium enterprises, in accordance with the definition provided in the Accounts Audit Act, shall report at least their established policy on gender diversity.

- Yes  
 No  
 Partial policies

If the answer is yes, describe these diversity policies, their objectives, the measures and ways of implementation and their results over the year. Indicate also the specific measures taken by the board of directors and the appointment and remuneration committee in order to attain a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why not.

#### Description of policies, objectives, measures and ways of implementation, and the results attained

The Board of Directors of Audax Renovables, S.A. is committed to the importance of achieving an equilibrated presence of women and men. For years the Company has been striving to achieve this equilibrated presence, and therefore, in 2021 the general meeting of shareholders of the Company appointed Ms Ana Isabel López Porta (also General Manager of Generation) and Ms María Rosa González Sans as directors. Moreover, the non-member secretary is also a woman. Although in 2023 the Company achieved the goal of female members making up 40% of the board of directors, the Company constantly improves its diversity policy in relation to the board of directors.

C.1.6 Describe the measures, if any, adopted by the appointments committee to ensure that the selection procedures are not affected by an implicit bias that prevents female directors from being selected and that the company purposefully seeks and includes among potential candidates women who meet the professional profile, making it possible to attain an equilibrated presence of women and men. Also indicate whether one of those measures is designed to encourage the company to achieve a significant number of female senior managers:

#### Explanation of the measures

As outlined in the previous section, for many years now the Company (and the Appointments and Remunerations Committee in particular) has been making efforts towards including women into the Board of Directors, following the recommendations of the Unified Code of Conduct and Good Governance of Listed Companies and also in line with the current reality of the Company's management team.

Therefore, on 21 April 2021 Ms Ana Isabel López Porta and Ms María Rosa González Sans were appointed directors.

When, even after the measures have been adopted, the number of female directors or senior managers is scarce or null, explain the reasons:

Explanation of the reasons

N/A.

C.1.7 Describe the conclusions of the appointments committee regarding the verification of compliance with the policy designed to favour an appropriate composition of the board of directors.

The goal of the year 2023 regarding the number of women directors has been fully accomplished. The current number of women directors of the company comprises 40% of the total number of directors.

C.1.8 Explain, when applicable, the reasons why proprietary directors have been appointed at the request of shareholders who hold less than 3% of the share capital:

Name or company name of the shareholder	Reasons
No data	

Indicate whether formal requests have been rejected for board representation from shareholders whose shareholding is equal to or greater than that of other shareholders at whose request proprietary directors were appointed. If so, explain the reasons for the denial:

- Yes  
 No

C.1.9 Indicate whether there are powers delegated by the board of directors to directors or committees of the board, including those related to the possibility of issuing or repurchasing shares:

Name or company name of the director or committee	Short description
FRANCISCO JOSÉ ELÍAS NAVARRO	General powers.
MARÍA ROSA GONZÁLEZ SANS	Powers which do not include the possibility of issuing or repurchasing shares individually
ANA ISABEL LÓPEZ PORTA	Restricted powers of communication with CNMV. Do not include the possibility of issuing or repurchasing shares individually.

C.1.10 Identify any members of the board who are also directors, representatives or officers in other companies within the group to which the listed company belongs:

Name or company name of the director	Company name of the group entity	Position	Do they have executive duties?
Ms ANA ISABEL LÓPEZ PORTA	PARQUE EÓLICO TOABRÉ, S.A.	Member of the board	NO

Name or company name of the director	Company name of the group entity	Position	Do they have executive duties?
Ms ANA ISABEL LÓPEZ PORTA	EOLIENNES DE BEAUSEMBLANT, S.A.S.	Member of the board	NO
Ms ANA ISABEL LÓPEZ PORTA	EÓLICA POSTOLIN SP	Member of the board	NO
Ms ANA ISABEL LÓPEZ PORTA	ARIANNA SOLAR, S.L.	Member of the board	NO
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX ENERGIA, S.R.L.	Chairman of the Board of Directors	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX ENERGIE, GMBH	Chairman of the Board of Directors	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	PARQUE EÓLICO TOABRÉ, S.A.	Member of the board	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	EOLIENNES DE BEAUSEMBLANT, S.A.S.	Chairman	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX ENERGIA SP. Z O.O.	Chairman of the Board of Directors	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	EÓLICA POSTOLIN SP	Member of the board	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	MAIN ENERGIE B.V.	Non-executive Director	NO
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	UNIELÉCTRICA ENERGÍA, S.A.	Sole Director's Representative 143 RRM	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ENERGÍA ECOLÓGICA ECONÓMICA, S.L.	Chairman of the Board of Directors	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	PASIÓN ENERGÍA, S.L.	Chairman of the Board of Directors	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	TARAKONA SOLAR INVERSIÓN, S.L.	Sole Director's Representative 143 RRM	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ARIANNA SOLAR, S.L.	Chairmen of the Board	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ADS ENERGY 8.0., S.L.	Sole Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ERYX INVESTMENTS 2017, S.L.	Chairman of the Board of Directors	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	BY ENERGYC ENERGÍA EFICIENTE, S.L.	Chairman of the Board of Directors	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	MASQLUZ 2020, S.L.	Chairman of the Board of Directors	YES

Name or company name of the director	Company name of the group entity	Position	Do they have executive duties?
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	COMERCIALIZADORA ADI ESPAÑA, S.L.	Sole Director's Representative 143 RRM	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	CORAL PERKINGS, S.L.	Sole Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	JUNO POWER, S.L.	Sole Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	HERA POWER, S.L.	Sole Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	DIANA POWER, S.L.	Sole Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	EXPLOTACIÓN EÓLICA LA PEDRERA, S.L.	Sole Director's Representative 143 RRM	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	GENERACIÓN IBERIA, S.L.	Sole Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ELOGIA CALAÑAS, S.L.	Sole Director's Representative 143 RRM	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ULISES POWER, S.L.	Sole Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ZEUS POWER, S.L.	Sole Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ATLAS POWER, S.L.	Sole Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	LOVE ENERGY, S.L.	Chairman of the Board of Directors	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	TOHORA SOLAR INVERSIÓN, S.L.	Sole Director's Representative 143 RRM	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	LAS PIEDRAS SOLAR, S.L.	Sole Director's Representative 143 RRM	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	BOTEY SOLAR, S.L.	Sole Director's Representative 143 RRM	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	COROT ENERGÍA, S.L.	Sole Director's Representative 143 RRM	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	DA VINCI ENERGÍA, S.L.U.	Sole Director's Representative 143 RRM	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	CORINTO SOLAR, S.L.	Sole Director's Representative 143 RRM	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	CENTAURO ENERGÍA SOLAR, S.L.	Sole Director's Representative 143 RRM	YES

Name or company name of the director	Company name of the group entity	Position	Do they have executive duties?
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	EÓLICA DEL PINO, S.L.	Sole Director's Representative 143 RRM	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	EÓLICA EL PEDREGOSO, S.L.	Sole Director's Representative 143 RRM	YES
Ms MARÍA ROSA GONZÁLEZ SANS	AUDAX ENERGÍA, S.R.L.	Member of the board	NO
Ms MARÍA ROSA GONZÁLEZ SANS	ENERGÍA ECOLÓGICA ECONÓMICA, S.L.	Member of the board	NO
Ms MARÍA ROSA GONZÁLEZ SANS	PASIÓN ENERGÍA, S.L.	Member of the board	NO
Ms MARÍA ROSA GONZÁLEZ SANS	ERYX INVESTMENTS 2017, S.L.	Member of the board	NO
Ms MARÍA ROSA GONZÁLEZ SANS	BY ENERGYC ENERGÍA EFICIENTE, S.L.	Member of the board	NO
Ms MARÍA ROSA GONZÁLEZ SANS	MASQLUZ 2020, S.L.	Member of the board	NO
Ms MARÍA ROSA GONZÁLEZ SANS	LOVE ENERGY, S.L.	Member of the board	NO
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	GREEN SHOW, LDA	MANAGER	NO
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	CLEVER ROAD, LDA	MANAGER	NO
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ADX FOTOVOLTAICO - SOLAR DA LUZ, LDA	MANAGER	NO
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ADX FOTOVOLTAICO - SOLAR DO CEU, LDA	MANAGER	NO
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	SOLAR BUAYA INVERSIONES, S.L.	Sole Director	NO
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ZURVAN GESTIÓN DE PROYECTOS, S.L.	Sole Director	NO
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AZNALCOLLAR SOLAR, S.A.	Sole Director	NO
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV ITALIA 1, SRL	Sole Director	NO
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV ITALIA 2, SRL	Sole Director	NO
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV ITALIA 3, SRL	Sole Director	NO

Name or company name of the director	Company name of the group entity	Position	Do they have executive duties?
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV ITALIA 4, SRL	Sole Director	NO
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV ITALIA 5, SRL	Sole Director	NO
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV ITALIA 6, SRL	Sole Director	NO
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV IV, S.L.U.	Sole Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV VI, S.L.	Sole Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV IX, S.L.	Sole Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV X, S.L.	Sole Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV VII, S.L.	Sole Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV XXV, S.L.U.	Sole Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV XXIV, S.L.	Sole Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV XXVI, S.L.	Sole Director	YES
Ms MARÍA ROSA GONZÁLEZ SANS	MAIN ENERGIE B.V.	Member of the board	NO
Ms MARÍA ROSA GONZÁLEZ SANS	Comercializadora ADI España S.L.	Member of the board	NO
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV XV, S.L.	Joint Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	MERFONDA SOLAR, S.L.	Sole Director's Representative 143 RRM	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	SARDA SOLAR, S.L.	Sole Director's Representative 143 RRM	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV XXX, S.L.	Joint Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV XXXI, S.L.	Joint Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV XXIX, S.L.	Joint Director	YES



Name or company name of the director	Company name of the group entity	Position	Do they have executive duties?
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV XXVIII, S.L.	Joint Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV XXVII, S.L.	Joint Director	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	VIVO ENERGÍA FUTURA, S.A.	Sole Director's Representative 143 RRM	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ADX RENOVABLES, S.L.	Sole Director's Representative 143 RRM	YES
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ADX SONNE, S.L.	Sole Director	YES

C.1.11 Specify the positions of member of the board, director, or their representative, held by the directors or representatives of directors members of the board of the company in other entities, whether listed or not:

Member of the board or representative	Company name of the entity, listed or not	Position
Mr JOSEP MARIA ECHARRI TORRES	ORYZON GENOMICS, S.A.	MEMBER OF THE BOARD
Mr JOSEP MARIA ECHARRI TORRES	ATRY'S HEALTH, S.A.	MEMBER OF THE BOARD
Mr JOSEP MARIA ECHARRI TORRES	THE NIMO'S HOLDING, S.L.	MEMBER OF THE BOARD
Mr JOSEP MARIA ECHARRI TORRES	INVEREADY ASSET MANAGEMENT S.G.E.I.C., S.A. (as well as all the SCR (venture capital companies) under his	MEMBER OF THE BOARD
Mr JOSEP MARIA ECHARRI TORRES	GAEA INVERSIÓN S.C.R., S.A.	MEMBER OF THE BOARD
Mr JOSEP MARIA ECHARRI TORRES	IM LONG ONLY PRIVATE EQUITY S.C.R., S.A.U.	MEMBER OF THE BOARD
Mr JOSEP MARIA ECHARRI TORRES	STAR PROPERTY MANAGEMENT, S.L.	MEMBER OF THE BOARD
Mr JOSEP MARIA ECHARRI TORRES	TELECOM OPPORTUNITIES F.C.R.E., S.A.	MEMBER OF THE BOARD
Mr JOSEP MARIA ECHARRI TORRES	Copérnico Connections Iberia, S.L.	MEMBER OF THE BOARD
Mr JOSEP MARIA ECHARRI TORRES	VILLA ANDREA PROPERTIES, S.L.	MEMBER OF THE BOARD
Mr JOSEP MARIA ECHARRI TORRES	MÁS MÓVIL IBERCOM, S.A. and LORCA JVCO and some of the companies of the Más Móvil Group, as well as Euska	MEMBER OF THE BOARD
Mr JOSEP MARIA ECHARRI TORRES	EASO VENTURES S.C.R., S.A.	MEMBER OF THE BOARD
Mr JOSEP MARIA ECHARRI TORRES	PALO BIOFARMA, S.L.	MEMBER OF THE BOARD
Mr JOSEP MARIA ECHARRI TORRES	TRUE VALUE INVESTMENTS, SGIIC, S.A.	MEMBER OF THE BOARD
Mr RAMIRO MARTÍNEZ-PARDO DEL VALLE	LABORATORIOS REIG JOFRÉ, S.A.	MEMBER OF THE BOARD

Member of the board or representative	Company name of the entity, listed or not	Position
Mr RAMIRO MARTÍNEZ-PARDO DEL VALLE	DESARROLLOS ESPECIALES DE SISTEMAS DE ANCLAJE, S.A.	MEMBER OF THE BOARD
Mr RAMIRO MARTÍNEZ-PARDO DEL VALLE	SOLVENTIS SGIIC, S.A.	CHAIRMAN
Mr RAMIRO MARTÍNEZ-PARDO DEL VALLE	ANIMA VENTURES, S.L.	MEMBER OF THE BOARD
Mr RAMIRO MARTÍNEZ-PARDO DEL VALLE	GESTORA DEL FONDO GENERAL DE GARANTÍA DE INVERSORES, S.A.	MEMBER OF THE BOARD
Ms MARÍA ROSA GONZÁLEZ SANS	LA SIRENA ALIMENTACIÓN CONGELADA, S.L.	MEMBER OF THE BOARD
Ms MARÍA ROSA GONZÁLEZ SANS	Soy tu voz S.L.	SOLE DIRECTOR
Ms MARÍA ROSA GONZÁLEZ SANS	Atrys Health S.A.	MEMBER OF THE BOARD
Ms MARÍA ROSA GONZÁLEZ SANS	Agro Water Almonds S.A.	MEMBER OF THE BOARD
Ms MARÍA ROSA GONZÁLEZ SANS	Awa Segre S.L.	MEMBER OF THE BOARD
Ms MARÍA ROSA GONZÁLEZ SANS	Healthline Foods S.A.	MEMBER OF THE BOARD
Ms ANA ISABEL LÓPEZ PORTA	GRUPO EZENTIS, S.A.	CHAIRMAN
Ms ANA ISABEL LÓPEZ PORTA	ATRYNS HEALTH, S.A.	MEMBER OF THE BOARD
Ms ANA ISABEL LÓPEZ PORTA	Atelco Soluciones, S.A.	NON-MEMBER SECRETARY
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX GREEN, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ENERGIA ECOLOGICA ECONÓMICA, S.L.	CHAIRMAN
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	SKYKNIGHT HELICOPTERS, S.A.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	TERMEL COGENERACIÓN, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	PASION ENERGÍA, S.L.	MEMBER OF THE BOARD
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AWA SEGRE, S.L.	MEMBER OF THE BOARD
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ARCO NOVA INVEX, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	THE ENERGY HOUSE GROUP, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	SVENDBORG PV VII, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	INICIATIVAS ELECTRICAS Y DE CONTROL, S.L.	SOLE DIRECTOR

Member of the board or representative	Company name of the entity, listed or not	Position
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	HEALTHLINE FOODS, S.A.	CHAIRMAN
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	NEON ENERGIA EFICIENTE, S.L.	CHAIRMAN
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	BADINSA INSTALACIONES, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX HOME, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ATELCO SOLUCIONES, S.A.	DEPUTY CHAIRMAN
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	LOVE ENERGY, S.L.	CHAIRMAN
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	MASQLUZ 2020, S.L.	CHAIRMAN
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	NATUR LOVE 2024, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	MOVITERRES DEL CADÍ, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ASPY GLOBAL SERVICES, S.A.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	COLEVANDA, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AGRO WATER ALMONDS, S.A.	CHAIRMAN
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	MERKAMONTGAT, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ASPY RENTA VITALICIA, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	JEN CONSTRUCCIONES RENOVABLES, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	LA SIRENA ALIMENTACIÓN CONGELADA, S.L.	CHAIRMAN
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	EXCELSIOR TIMES, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	BLV DIGITAL ZONE, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	GENERACION IBERIA, S.L.	SOLE DIRECTOR

Member of the board or representative	Company name of the entity, listed or not	Position
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ROCIO SERVICIOS FOTOVOLTAICOS, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	CENTAURAX EMPRESARIAL 21, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	HOLISTIC GREEN ENEGY, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	ORUS PROPERTIES, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	BAGAX2018, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV XX, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV XXXIV, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV V, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV XXII, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV XIV, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV XI, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV XIII, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV I, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV XVIII, S.L.	SOLE DIRECTOR
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	AUDAX SOLAR SPV III, S.L.	SOLE DIRECTOR

Indicate, if applicable, other remunerated activities of the members of the board or their representatives, whichever the nature of such activities, other than the indicated in the above table.

Member of the board or representative	Other remunerated activities
Mr JOSEP MARIA ECHARRI TORRES	Managing director in Inveready Asset Management, SGEIC, S.A. and provision of consulting and advising services agreement in Más Móvil Ibercom.
Mr RAMIRO MARTÍNEZ-PARDO DEL VALLE	Chairman and Managing Director of Solventis SGIC, S.A.
Mr FRANCISCO JOSÉ ELÍAS NAVARRO	CEO of Grupo Empresarial Excelsior Times, S.L.U.

Member of the board or representative	Other remunerated activities
Ms ANA ISABEL LÓPEZ PORTA	Director of the Generation department of Audax Renovables, S.A.   Member of the Audit Committee of Audax Renovables, S.A.   Member of the Appointments and Remuneration Committee of Audax Renovables, S.A.   Member of the Audit Committee of Grupo Ezentis, S.A.   Member of the Appointments and Remuneration Committee of Grupo Ezentis, S.A.   Member of the Audit Committee of Atrys Health, S.A.
Ms MARÍA ROSA GONZÁLEZ SANS	Corporate Manager of Grupo Empresarial Excelsior Times, S.L.U.

C.1.12 State and, if applicable, explain whether the company has established rules on the maximum number of company boards on which its directors may hold seats and, if so, indicate where it is regulated:

- Yes  
 No

C.1.13 Indicate the amounts of the following items comprising total remuneration of the board:

Remuneration accrued for the year by the board of directors (EUR thousands)	1,284
Cumulative amounts accrued by current directors in long-term saving schemes with vested economic rights (EUR thousands)	
Cumulative amounts accrued by current directors in long-term saving schemes with non-vested economic rights (EUR thousands)	
Cumulative amounts accrued by former directors in long-term saving schemes (EUR thousands)	

C.1.14 Identify senior management members who are not executive directors and indicate the total remuneration accrued by them throughout the year:

Name or company name	Position/s
Mr JAVIER CASTAÑO CRUZ	GROUP CHIEF INTERNAL AUDITOR
Mr ÓSCAR SANTOS JUVÉ	GENERAL MANAGER
Ms AINHOA BURGOS MARIÑO	SUSTAINABILITY AND ENVIRONMENT MANAGER

Number of women in senior management	1
Percentage of the total number of members of senior management	33.33

Total remuneration of senior management (EUR thousands)	530
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The former CFO, Laura Martí, departed from the company on 26 November 2023.

C.1.15 Indicate whether any amendment has been made to the regulations of the board during the year:

- Yes  
 No

C.1.16 Indicate the procedures for the selection, appointment, re-election and removal of directors. Provide details of the competent bodies, the procedures to be followed and the criteria applicable in each procedure.

In this respect, the Regulations of the Board of Directors establish the following:

Article 10.- Appointment and disqualification

The General Meeting of Shareholders or, if applicable, the Board of Directors, will be the bodies competent to designate its members, in compliance with the legal and internal regulations.

The proposals for appointment of Directors submitted by the Board of Directors to the consideration of the General Shareholders' Meeting and the resolutions for appointments adopted by the Board by virtue of the co-optation authority legally granted thereto must first be proposed by the Appointments and Remuneration Committee, when independent Directors are involved, and the Board of Directors itself, in other cases.

In any case, the proposal shall be accompanied by a justifying report to the Board about the competence, experience and merits of the nominee proposed, which will be attached to the minutes of the General Meeting or of the Board. Furthermore, the proposal for appointment or reappointment of any non-independent directors must be preceded, moreover, of a report of the Appointments and Remuneration Committee. The provisions of this paragraph shall also apply to natural persons who are designated representatives of a legal entity counsellor. The proposal must be included into the report of the Appointments and Remuneration Committee.

The Directors shall observe the legally specified situation of disqualification.

Article 11.- Term of office

The Directors shall hold office for the term stated in the Articles of Association and may be reappointed according to the provisions of the Articles of Association.

The Directors appointed by co-optation shall hold office until the date of the first General Shareholders' Meeting held, which shall ratify the appointments or appoint the persons that must replace the Directors that are not ratified, unless it is decided to eliminate the vacancies.

Article 12.- Dismissal

The Directors shall step down from office once the period has elapsed for which they were appointed and in any other cases stipulated by law or the Articles of Association.

In any circumstances, they may make their office available to the Board of Directors and formalise their relevant dismissal in the following cases:

- (i) When they step down from executive posts to which their appointment as Director is related. The independent Directors, when they have held office for twelve (12) years.
- (ii) When they are involved in any of the legally specified situations of disqualification or prohibition.
- (iii) When they are accused of an allegedly criminal act or are subject to a disciplinary sanction due to a serious or very serious infringement investigated by the supervisory authorities.
- (iv) When their offices on the Board of Directors jeopardise the Company's interests and when there are no longer any reasons for them to be appointed to such post. It shall be deemed that this situation arises for an external shareholder Director when all its shares owned or interests represented have been assigned and when the reduction of the shareholding requires a reduction of the number of its proprietary Directors.
- (v) When significant changes take place in the professional situation or conditions by virtue of which they have been appointed as Directors.
- (vi) When, due to events caused by a director, their remaining as member of the Board would cause serious harm to the Company's assets or reputation, while having the duty to the Board any criminal cause in which they appear under investigation, as well as the course of the proceedings, at the discretion of the Board.

The moment a director is indicted or tried for any of the offences set forth in corporate law, the board should open an investigation and, taking into account the particularities of the case, decide whether or not the director should be called on to resign. Should such circumstance occur, the board of directors shall give a reasoned account of it in the annual corporate governance report.

**C.1.17 Explain to what extent the annual evaluation of the board of directors has brought about significant changes in the internal organisation of the board and the procedures applicable to its activities:**

#### Description of the changes

The annual evaluation of the Board of Directors has served to discover the areas that need to be improved, however the issues were of rather formal nature which did not require significant changes of the internal organisation of the Board nor of the procedures applicable to its activities.

Describe the evaluation process and the assessed areas, conducted by the board of directors with possible assistance of an external advisor, regarding the performance and composition of the board and its committees as well as any other area or aspect subject to evaluation.

#### Description of the evaluation process and assessed areas

The Board, in collaboration with the non-director Secretary, conducted an evaluation of the organisation and activities, and drew up a report containing their conclusions in this respect. The evaluation concerned, among others, the following matters:

- Regarding the composition – whether or not the Board fulfils the criteria of independence and qualifications of the Directors, required under internal policies.
- Regarding the evaluation of actions and conducting the session – whether the Board was called correctly and efficiently, systematically, with sufficient notice and proper notification.
- Regarding the participation in sessions, involvement and active collaboration of all the directors during the fiscal year – whether or not the following occurred:
  - (i) debates and frequent speeches from the directors;
  - (ii) systematic participation of all the directors, and
  - (iii) effective involvement.
- Analysis of actions and collaborations with the Audit Committee and the Appointments and Remuneration Committee.
- Actions conducted by the Board (in particular, the company's strategy, business analysis, risk control, internal control over financial reporting, etc.).
- Actions conducted by the Chairman of the Board.

**C.1.18 Specify, in those years in which the external advisor participated in the evaluation, the business relationships of the external advisor or any company of their group with the company or any company of its group.**

N/A.

**C.119 Indicate the circumstances in which directors must resign.**

As stated in section C.1.16 of this report, the directors must place their position at the disposal of the board and formalise the resignation in the following circumstances:

- (i) When they step down from executive posts to which their appointment as Director is related. The independent Directors, when they have held office for twelve (12) years.
- (ii) When they are involved in any of the legally specified situations of disqualification or prohibition.
- (iii) When they are accused of an allegedly criminal act or are subject to a disciplinary sanction due to a serious or very serious infringement investigated by the supervisory authorities.
- (iv) When their offices on the Board of Directors jeopardise the Company's interests and when there are no longer any reasons for them to be appointed to such post. It shall be deemed that this situation arises for an external shareholder Director when all its shares owned or interests represented have been assigned and when the reduction of the shareholding requires a reduction of the number of its proprietary Directors.

- (v) When significant changes take place in the professional situation or conditions by virtue of which they have been appointed as Directors.
- (vi) When, due to events caused by a director, their remaining as member of the Board would cause serious harm to the Company's assets or reputation, while having the duty to the Board any criminal cause in which they appear under investigation, as well as the course of the proceedings, at the discretion of the Board.

C.1.20 Are qualified majorities other than those legally established required for any type of decision?:

- Yes  
 No

If applicable, describe the differences.

C.1.21 Indicate whether there are specific requirements other than those relating to directors in order to be appointed as chairman of the board:

- Yes  
 No

C.1.22 Indicate whether the articles of association or the board regulations establish any age limit for directors:

- Yes  
 No

C.1.23 Indicate whether the articles of association or the board regulations establish a limit for the term of officer or other stricter requirements additional to those established by law for the independent directors:

- Yes  
 No

C.1.24 Indicate whether the articles of association or the board regulations establish specific rules for delegating to other directors the rights to vote at the board meetings, how they are to be delegated and, particularly, the maximum number of delegations that a director may have, as well as if there is a limit established as to the categories subject to delegation, beyond the limits established by law. If so, briefly describe the rules.

In conformity with article 9 of the Regulations of the Board of Directors, the meeting of the Board is validly constituted when the majority of its members are present or represented thereat, and also, without the need for a prior call, when all its members are present and unanimously decide to constitute a meeting of the Board. Written ballots without a meeting shall only be permitted when no Director opposes such a procedure.

The power of representation to attend the meetings of the Board shall only be conferred upon another Director, and must be made expressly for each meeting, however non-executive directors can only appoint another non-executive as their representative. Whosoever represents the Chairman shall preside over the meeting in the absence of the Deputy Chairman, and shall not have the right to cast the deciding vote.

Each Director present or represented shall have the right to one vote.

C.1.25 Indicate the number of meetings that the board of directors has held over the year. Also indicate, where applicable, how many times the board has met without the chairman being present. When calculating the number, representations made with specific instructions shall be considered.

Number of meetings of the board	9
Number of board meetings without the attendance of the chairman	0



Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representations of any executive director:

Number of meetings	2
--------------------	---

Indicate the number of meetings held by the board committees over the year:

Number of meetings of the Audit Committee	10
Number of meetings of the Appointments and Remuneration Committee	4

C.1.26 Indicate the number of meetings held by the board of directors during the year and provide information on member attendance:

Number of meetings with the in-person attendance of at least 80% of directors	9
% of in-person attendance over the total number of votes during the year	100.00
Number of meetings with the in-person attendance or proxies with specific instructions, of all directors	9
% of votes issued with in-person attendance and proxies with specific instructions, over the total number of votes during the year	100.00

C.1.27 Indicate whether the individual and consolidated financial statements submitted to the board for drawing up were previously certified:

- Yes  
 No

Identify, if applicable, the person/s who certified the company's individual and consolidated financial statements in order to be drawn up by the board:

C.1.28 Explain, if applicable, the mechanisms established by the board of directors for the annual financial statements presented by the board to the general meeting of shareholders to be formulated in compliance with the accounting standards.

The audit committee created by the board of directors works in support of the latter in its supervisory tasks through periodic review of the financial reporting process, internal control of the Company and the independence of the company's external auditor. With this regard, the audit committee while fulfilling its duties should strive to ensure that the board of directors can present the company's accounts to the general meeting without limitations or qualifications in the auditor's report and, in the case that exceptional circumstances may occur or such qualifications may exist, both the chairman of the audit committee and the auditors should give a clear account to shareholders of their scope and content.

In particular, as a mechanism ensuring that the annual accounts presented by the board to the general meeting of shareholders are prepared in accordance with the accounting standards, the chairmen of the audit committee shall inform the board of directors systematically about the tasks carried out by the audit committee.

C.1.29 Is the secretary of the board a director?

- Yes  
 No

Fill in the following table if the secretary of the board is not a director:

Name or company name of the secretary	Representative
Ms NAIARA BUENO AYBAR	

C.1.30 Indicate the measures taken by the company to ensure the independence of the external auditors, as well as the measures, if any, to ensure the independence of the financial analysts, investments banks and rating agencies, including information on how legal provisions have been implemented in practice.

Article 20 of the Regulations of the Board of Directors stipulates:

Article 20.- Relationship with the Auditors

The Board of Directors shall establish an objective, professional and ongoing relationship of the Audit Committee with the company's external auditors appointed by the General Shareholders' Meeting. In all cases, it shall observe the independence of such auditors and ensure that they are provided with accurate information.

C.1.31 Indicate whether the company has changed its external auditor over the year. If so, identify the incoming and the outgoing auditor:

- Yes  
 No

If there was a disagreement with the outgoing auditor, explain its content:

- Yes  
 No

C.1.32 Indicate if the audit firm provides any non-auditing services to the company and/or its group and, if so, state the amount of the fees received for said services and the percentage, which such fees represent of the fees invoiced to the company and/or its group for auditing services:

- Yes  
 No

	Company	Group companies	Total
Amount of fees for non-auditing services (EUR thousands)	90	104	194
Amount of fees for non-auditing services / Amount of fees for auditing services (%)	48.23	13.75	20.60

C.1.33 Indicate whether the audit report on the previous year's financial statements is qualified. If so, indicate the reasons given by the chairman of the audit committee to the shareholders in the General Meeting to explain the content and the extent of said qualified opinion.

Yes  
 No

C.1.34 Indicate how many years the current audit firm has been auditing, without interruption, the individual and/or consolidated financial statements of the company. Also indicate the percentage of the number of years audited by the current audit firm over the total number of years that the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	7	7
	Individual	Consolidated
No. of years audited by the current audit firm / No. of years when the company or its group have been audited (in %)	33.33	35.00

C.1.35 Indicate and, where applicable, specify the procedures for directors to obtain the information they need in sufficient time to prepare for the meetings of the governing bodies:

Yes  
 No

#### Details of procedure

Article 13 of the Regulations of the Board of Directors states that unless the Board of Directors had been called or had been exceptionally convened for reasons of urgency, the directors must receive the necessary information in advance and with sufficient time to prepare for the debate and the resolutions regarding on matters to be discussed. The Chairman of the Board, with the assistance of the Secretary, shall ensure compliance with this provision.

The directors are vested with the most wide-embracing authority to obtain information about any aspect affecting the Company, to examine its books, records, documents and other background information about the Company's transactions and to inspect all its facilities.

However, in order not to disrupt the Company's ordinary operations, exercising their rights to information shall be channelled through the Chairperson of the Board, if they are of an executive nature, otherwise through the Chief Executive Officer, who shall deal with the requests made by directors and provide them with information, offering them suitable spokespersons within the scope of the suitable organisation or provide the measures so that the procedures for examination and inspection can be carried out in situ.

C.1.36 Indicate and, where applicable, give details of whether the company has laid down rules that oblige the directors to report and - in situations in which they are involved, connected or not with their own conduct in the company, which might damage the company's name and reputation - to resign:

Yes  
 No

#### Explain the rules

In this respect, article 16.4 of the Regulations of the Board of Directors establishes that the directors must notify any situation that affects them or could affect the name or reputation of the Company, in particular, criminal cases in which they are involved as defendants and any important legal difficulties.

The Board, after examining the situation presented by the director, may require that the director be dismissed and this decision shall be binding for the director.

Furthermore, pursuant to point (iii) and (vi) of article 12 of the Regulations of the Board of Directors, the directors shall make their office available to the Board when they are accused of an allegedly criminal act or are subject to a disciplinary sanction due to a serious or very serious infringement investigated by the supervisory authorities and when, due to events caused by the directors, their remaining as members of the Board would cause serious harm to the Company's equity or reputation, in the opinion of the Board of Directors.

C.1.37 Indicate, except for the concurrence of special circumstances recorded in the minutes, whether the board has been informed or has obtained information in other way about a situation in which a member of the board is involved, connected or not with their conduct within the company, which might damage the company's credit and reputation.

Yes

No

C.1.38 List the significant agreements entered into by the company which come into force, are amended or terminated in the event of a change of control of the company due to a takeover bid, and their effects.

N/A.

C.1.39 Identify individually when referred to directors and otherwise – collectively and provide details of any agreements made between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or unfair dismissal or termination of employment following a takeover bid or any other type of operation.

Number of beneficiaries	1
Type of beneficiary	Description of the agreement
Generation Area Manager	The employment contract with the Manager of Generation Area stipulates that in case of termination of the contract due to certain causes, a compensation will be provided exceeding the legally defined amount. The amount of the compensation is established in Ms López's contract in the case of contract termination due to certain causes is a compensation of 45 days' remuneration per year of services rendered and the relevant proportion by months of periods shorter than a year, which is accrued in the following cases: "in the case when the contract is terminated due to causes attributable to restructuring as a consequence of a merger, absorption, acquisition or other corporate transaction". The amount of this compensation is calculated from 23 June 2004.

Indicate whether – beyond the cases stipulated by law – these contracts need to be communicated and/or approved by the governing bodies of the company or its group. If so, specify the procedures, anticipated events and the nature of the bodies responsible for the approval or communication:

	Board of directors	General Meeting of Shareholders
Body authorising the clauses	V	
	Yes	No
Is the General Meeting of Shareholders informed of the clauses?		V

**C.2. Committees of the board of directors**

C.2.1 Provide details of all the committees of the board of directors and their composition and participation of executive, proprietary, independent and other external directors in the committees:

Audit Committee		
Name	Position	Category
Mr RAMIRO MARTÍNEZ-PARDO DEL VALLE	CHAIRMAN	Independent
Ms ANA ISABEL LÓPEZ PORTA	MEMBER	Proprietary
Mr JOSEP MARIA ECHARRI TORRES	MEMBER	Independent

% of executive directors	0.00
% of proprietary directors	33.33
% of independent directors	66.67
% of other external directors	0.00

Explain the duties attributed to this committee, including any additional duties beyond those stipulated by law, and describe the procedures and rules of organisation and activity of the committee. For each of those duties indicate the most important actions performed by the committee over the year and the way of exercising in practice each of the duties attributed by law, by articles of association or by other resolutions of the company.

Pursuant to article 7.3 of the Regulations of the Board of Directors, the Board has set up an Audit Committee comprised of 3 members, two of them being independent directors, in accordance with the regulations, which stipulate that it should be made up of at least three (3) and at most five (5) directors appointed, based on a motion of the Appointments and Remuneration Committee, by the Board of Directors from among its non-executive members. At least two of the members of the Audit Committee shall be independent, and shall be appointed with regard to their knowledge and experience in accounting, auditing and management of financial and non-financial risk.

The Chairperson of the Audit Committee shall be appointed by the Company's Board of Directors from among the independent directors comprising the Committee. The Audit Committee shall appoint also a Secretary. The duties of the Secretary of the Audit Committee shall be performed by the Secretary of the Board.

The members of the Audit Committee shall hold their posts for a maximum of four (4) years and may be reappointed. The Chairperson shall hold office for maximum term of four (4) years and for their reappointment to such position at least one year must have elapsed since they stepped down from office, notwithstanding their reappointment as a member of the Committee.

The Audit Committee shall, in any circumstances, be competent for the following duties:

- (i) Informing the General Shareholders' Meeting of the issues proposed thereto by the shareholders regarding the matters within its competence.
- (ii) Monitoring the effectiveness of internal control of the company, internal audit and risk management systems, including tax, and discuss with the auditor any significant weaknesses in the internal control system detected during the audit.
- (iii) Supervising the preparation and submission of the required financial information.
- (iv) Proposing the appointment of the company's auditors to the Board of Directors to be submitted for the approval, re-election or replacement by the General Meeting of Shareholders, in accordance with applicable law, and the terms of engagement and regularly gather from them information on the audit plan and its execution while preserving its independence in carrying out their functions.

(v) Establishing appropriate relations with the auditors to receive information that could jeopardise their independence, for consideration by the Audit Committee, and, in general terms, any others that are related to the development process of the audit, as well as other communications included in auditing laws and the technical auditing rules. In any circumstances, it must receive from the auditors written confirmation of their independence from the company or the companies directly or indirectly associated thereto, along with information about additional services of any kind rendered to and remuneration received from these companies by the external auditor or by the persons or entities related to them in accordance with the audit regulations.

(vi) Issuing an annual report, prior to the auditing report being issued, expressing an opinion on the independence of the external auditor. This report shall include, in any case, the assessment of the provision of additional services referred to above, considered individually and collectively, other than the statutory audit and in connection with the regime of independence or the legislation regulatory audit.

(vii) To inform, in advance, the Board of Directors on all matters under the Act, the Articles of Association and the Regulations of the Board and, in particular, (a) the financial information that the Company must periodically disclose; (b) the creation or acquisition of interests in special purpose entities or domiciled in countries or territories considered tax havens; and (c) transactions with related parties.

The Audit Committee shall hold a meeting at least four (4) times a year, one every quarter of the year, and in any circumstances, as often as may be deemed necessary by the Chairperson or when a meeting is requested by half of the Committee's members.

The meeting shall be considered validly held when the majority of the Committee's members attend to it personally or by proxy. In the case of a draw, the Chairperson shall hold the casting vote.

The Audit Committee shall submit a report about its activities during the year for the approval of the Board of Directors, to subsequently be made available to the shareholders and investors.

The Board of Directors may draw up all of the aforementioned rules in an appropriate document of Regulations of the Audit Committee, respecting in any case the independent nature of its activity.

At the discretion of the Chairperson or the majority of members of the Executive Committee, the resolutions of the Audit Committee whose importance so requires, may be submitted for subsequent ratification by the Board of Directors.

In the year 2023 the Audit Committee held ten (10) meetings and duly fulfilled its duties.

Identify the directors, members of the audit committee, who have been appointed bearing in mind their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Names of the directors with experience	Mr RAMIRO MARTÍNEZ-PARDO DEL VALLE / Ms ANA ISABEL LÓPEZ PORTA / Mr JOSEP MARIA ECHARRI TORRES
Date of appointment of the chairman	21/12/2021

Appointments and Remuneration Committee		
Name	Position	Category
Mr RAMIRO MARTÍNEZ-PARDO DEL VALLE	CHAIRMAN	Independent
Ms ANA ISABEL LÓPEZ PORTA	MEMBER	Proprietary
Mr JOSEP MARIA ECHARRI TORRES	MEMBER	Independent

% of executive directors	0.00
% of proprietary directors	33.33
% of independent directors	66.67
% of other external directors	0.00

Explain the duties attributed to this committee, including any additional duties beyond those stipulated by law, and describe the procedures and rules of organisation and activity of the committee. For each of those duties indicate the most important actions performed by the committee over the year and the way of exercising in practice each of the duties attributed by law, by articles of association or by other resolutions of the company.

Pursuant to article 7.4 of the Regulations of the Board of Directors, the Board has established an Appointments and Remuneration Committee, made up of two (2) independent directors and one (1) proprietary director, designated because of their knowledge, abilities and experience, in accordance with the rules governing its composition, which shall have at least three (3) and at most five (5) members appointed by the Board of Directors. Moreover, at least two of the members of the committee shall be independent directors.

The members of the Appointments and Remuneration Committee hold office for a maximum of four (4) years and may be reappointed. The Board of Directors appoints a Chairperson from among the independent members of the Committee. The office of the Chairperson shall be held for a maximum term of four (4) years and at least one (1) year must have elapsed since they stepped down from the office in order to be reappointed, notwithstanding their reappointment as member of the Committee. The office of the Secretary of the Appointments and Remuneration Committee is held by the Secretary of the Board.

Notwithstanding other duties that may be assigned thereto by the Board of Directors, the Appointments and Remuneration Committee shall perform the following basic duties:

- (i) Evaluate the skills, knowledge and experience necessary for the Board of Directors. For this purpose, it will define the roles and capabilities required of the candidates to fill each vacancy, and it will evaluate the time and commitment necessary for them to fulfil their duties effectively.
- (ii) Establish a goal of representation for the underrepresented gender on the Board of Directors and develop guidance on how to achieve that objective.
- (iii) Submit to the Board of Directors the proposals for appointment of independent directors to be appointed by co-optation or for submission to the decision of the General Meeting of Shareholders, as well as proposals for reappointment or removal of such directors by the General Meeting of Shareholders.
- (iv) Report on proposals for appointment of the remaining directors to be appointed by co-optation or for submission to the decision of the General Meeting, as well as proposals for reappointment or removal of such directors by the General Meeting of Shareholders.
- (v) Report on proposals for appointment and removal of senior managers and the basic terms of their contracts.
- (vi) Examine and organise the succession of the Chairperson of the Board of Directors and the Company's Chief Executive Officer and, if appropriate, make suggestions to the Board of Directors in order to perform such succession in an orderly and planned manner.
- (vii) Suggest to the Board of Directors the remuneration policy for the directors and general managers or senior management under direct control of the Board, of the executive committees (if there are any) or of the managing directors, as well as the individual remuneration and other contractual terms of executive directors, ensuring compliance therewith.

The Appointments and Remuneration Committee shall meet whenever the board or its chairman request the presentation of a report or the approval of a proposal and, in any case, whenever its convenient for the purpose of performing its functions. The meeting shall be called by the Chairman of the Board or by two (2) members of the Committee.

The meeting shall be considered validly held when the majority of the Committee's members attend to it personally or by proxy, and the resolutions shall be passed by a majority of votes. In the case of a draw, the Chairperson of the Committee shall hold the casting vote.

As part of its duties, in the year 2023 the Appointments and Remuneration Committee formulated the reports regarding the annual assessment of the Appointments and Remuneration Committee and the Board of Directors. Furthermore, the Appointments and Remuneration Committee approved the proposal of the Annual Report on Remuneration of the Company's directors for the year 2022.

In the year 2023 the Appointments and Remuneration Committee held four (4) meetings and duly fulfilled its duties.

C.2.2 Complete the following table with the information relative to the number of female directors who were members of the board committees at the end of the past four years:

	Number of women directors							
	Year 2023		Year 2022		Year 2021		Year 2020	
	Number	%	Number	%	Number	%	Number	%
Audit Committee	1	33.33	1	33.33	1	33.33	0	0.00
Appointments and Remuneration Committee	1	33.33	1	33.33	1	33.33	0	0.00

C.2.3 Indicate, if applicable, the existence of committee regulations, the place where they are available for consultation and the amendments made during the financial year. Also indicate whether any annual report on each committee's activities has been voluntarily drafted.

The regulations of the Audit Committee and Appointments and Remuneration Committee are included in the Regulations of the Board of Directors (articles 7.3 and 7.4, respectively), available on the company's website:

<https://www.audaxrenovables.com/gobierno-corporativo/reglamentos-de-la-organizacion/>

It should be stated that the Board of Directors carried out an evaluation of the annual activity of each one of the Committees.



## **D. RELATED PARTY AND INTRA-GROUP TRANSACTIONS**

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**D.1.** Explain, if applicable, the procedure and the body competent for the approval of related party and intra-group transactions, indicating the criteria and general internal rules of the entity which regulate the obligation to abstain of the directors or shareholders in question and detailing the internal procedures of periodic reporting and control established by the company with regard to those related party transactions whose approval has been delegated by the board of directors.

Pursuant to article 17 of the Regulations of the Board of Directors of Audax Renovables the Board of Directors, directly or through the Audit Committee, shall ensure that the transactions between the Company or the companies of its group with significant shareholders are carried out according to arm's length principle and observe the principle of equal treatment of the shareholders that are in the same situation.

Moreover, the Board of Directors approved on 27 September 2023 the Conflict of Interest and Related Party Transactions Policy of the Company. In this regard, the goal of the policy in question is to outline the rules to be followed in the current or future transactions carried out within the Company or its subsidiaries, with the directors, significant shareholders or with other related parties.

Consequently, the authority to approve the related party transactions is assigned in the following way:

a) Competence of the General Meeting of Shareholders:

The approval of the related party transactions whose amount or value is equal or in excess of ten per cent (10%) of the total assets according to the last balance sheet approved by the Company lies with the General Meeting of Shareholders. When the General Meeting of Shareholders is called to make a decision regarding a related party transaction, the shareholder involved in such a transaction will not be permitted to vote, except for cases where the proposed resolution has been approved by the Board of Directors without votes against it by the majority of the independent directors. However, when applicable, the rule of reversal of the burden of proof shall be complied with according to article 190.3 LSC.

For this purpose, the Board of Directors shall approve, subject to a report from the Audit Committee, of the transactions that the Company or the companies of its group perform with directors, on the terms established by article 229 and 230 of the Corporate Enterprises Act, or with shareholders who hold – individually or jointly – a significant stake, including shareholders represented in the Board of Directors of the Company or of other companies belonging to the same group with persons related to them, and the shareholders affected directly or the representatives of related shareholders shall abstain from voting.

b) Competence of the Board of Directors

The competence to approve the rest of the related party transactions, which are not included in the terms specified in paragraph 5.1.1. above, shall lie with the Board of Directors, which cannot delegate it. The director involved or representing or related to the shareholder involved, shall abstain from participating in the discussion and voting of the relevant resolution in accordance with article 228.c) LSC. Notwithstanding, the directors who represent or are related to the parent company in the Board of Directors of Audax Renovables shall not abstain, however in such cases, if their vote has been decisive for the approval of the resolution, the rule of reversal of the burden of proof shall be applicable by analogy on terms of article 190.3 LSC.

The approval by the General Meeting or by the Board of a related party transaction shall be subject to a previous report of the Audit Committee. In such report the Audit Committee shall evaluate whether the transaction is just and reasonable from the point of view of the Company and, if applicable, of the shareholders other than the related party, and give information on the budget on which the evaluation is based and of the methods used for this purpose. The directors involved are barred from taking part in the preparation of the report.

The information on the intended related party transactions shall be communicated to the Internal Audit by the related party or by the persons of the Audax Group aware of such related party transaction, in due form and time, in order for the Internal Audit to notify the Audit Committee in appropriate ways. At all events, the information to be communicated shall include the name and identity of the related party, the details of the relation, operating figures, projected date of the transaction's conclusion and a reasonable explanation as to why it is considered fair and reasonable. After gathering the necessary data, the Internal Audit shall submit it to the Audit Committee, which shall verify the compliance with the current legislation applicable at all times and other internal regulations, including the Policy, and, if appropriate, prepare the mandatory report to be submitted to the Board of Directors or the General Meeting of Shareholders.

With regard to their public nature, all the related party transactions meeting the criteria specified below shall be published, including the Audit Committee report, when applicable, and any other legally required information, at the moment of conclusion of the transaction at the latest, at the electronic office of the CNMV, as well as on the website of the Company:

- When the related party transactions reach or exceed five per cent (5%) of the total assets of the latest consolidated financial statements approved by the General Meeting of Shareholders of the Company; or
- When the related party transactions reach or exceed two and a half per cent (2.5%) of the total annual turnover of the latest consolidated financial statements approved by the General Meeting of Shareholders of the Company.

Consequently, as specified in article 529 services of the LSC, the related party transactions concluded with the same counterparty in the last twelve (12) months shall be added in order to determine the total value for the purpose of applying the provisions of the previous paragraphs.

**D.2.** Specify individually those transactions that are significant because of their amount or important because of their subject matter, carried out by the company or its subsidiaries with the shareholders holding 10% or more of the voting rights or represented in the administrative body of the company, indicating which has been the body competent to approve it and whether any involved shareholder or director abstained. If the competent body was the general meeting, indicate whether the proposed resolution was approved by the board without votes against it by the majority of the independent directors:

	Name or company name of the shareholder or of any of their subsidiaries	% Shareholding	Name or company name of the company or subsidiary	Amount (EUR thousands)	Body which has approved it	Significant shareholder or director who abstained from voting	The resolution proposed to the general meeting has been approved by the board without votes against it by the majority of the independent directors
(1)	ELECTRICA NURIEL, S.L.U.	64.35	AUDAX RENOVABLES, S.A.	1,411	Board of Directors of Audax Renovables S.A.		YES
(2)	EXCELSIOR TIMES, S.L.U.	65.82	AUDAX RENOVABLES, S.A.	9,099	Board of Directors of Audax Renovables S.A.		YES
(3)	LA SIRENA ALIMENTACIÓN CONGELADA, S.L.U	64.35	AUDAX RENOVABLES, S.A.	6,002	N/A.		NO

	Name or company name of the shareholder or of any of their subsidiaries	Nature of the relationship	Type of the transaction and other information necessary to evaluate it
(1)	ELECTRICA NURIEL, S.L.U.	Contractual	Financial income from interest accrued from credit line type of loan
(2)	EXCELSIOR TIMES, S.L.U.	Contractual	Technical and managerial services (of €2,160 thousand). Audax Renovables, S.A. has contributed costs for lease of office space of EUR 980 thousand of Orus Renovables, S.L.U. (a company of the Excelsior Group) - Audax Renovables proceeded to carry out purchase of fixed assets corresponding to the service agreements related to the construction works in the EPC (or "turnkey") modality of solar projects and maintenance services provided by the company JEN Construcciones Renovables, S.L.U. (formerly DJL Renovables, S.L.) to various companies of the Group for the amount of EUR 5,959 thousand (EUR 5,980 thousand in 2022).

	Name or company name of the shareholder or of any of their subsidiaries	Nature of the relationship	Type of the transaction and other information necessary to evaluate it
(3)	LA SIRENA ALIMENTACIÓN CONGELADA, S.L.U	Contractual	Energy supply

**D.3.** Specify individually the transactions that are significant because of their amount, or important because of their subject matter, carried out by the company or its subsidiaries with the directors or managers of the company, including the transactions carried out with entities which the director or manager controls or jointly controls, and indicating which has been the body competent to approve it and whether any involved shareholder or director abstained. If the competent body was the general meeting, indicate whether the proposed resolution was approved by the board without votes against it by the majority of the independent directors:

	Name or company name of the director or manager or the entity controlled or controlled jointly by them	Name or company name of the company or subsidiary	Relationship	Amount (EUR thousands)	Body which has approved it	Significant shareholder or director who abstained from voting	The resolution proposed to the general meeting has been approved by the board without votes against it by the majority of the independent directors
(1)	Mr JOSEP MARIA ECHARRI TORRES	The Nimo's Holding, S.L.	The Nimo's Holding, S.L. is a company controlled by Mr D. Josep Maria Echarri Torres	12,710	Board of Directors	Mr Josep Maria Echarri Torres.	NO

Name or company name of the director or manager or the entity controlled or controlled jointly by them	Nature of the transaction and other information necessary to evaluate it



**ANNUAL REPORT ON CORPORATE GOVERNANCE  
OF LISTED COMPANIES**

(1)	Mr JOSEP MARIA ECHARRI TORRES	Commitment to issue and subscribe promissory notes signed on 21 December 2023 between Audax Renovables, S.A. and The Nimo's Holding, S.L., under which the latter commits to subscribe, directly or indirectly through any of the companies of its group, and as long as certain conditions are met, the promissory notes to be issued by Audax Renovables, S.A. in the MAEF in June 2024 for the nominal amount of EUR 15,500 thousand, at the maximum purchase price of EUR 12,710 thousand and with maturity period of up to 2 years from the issue date. Before the approval of the transaction by the board of directors, the audit committee issued a favourable report on the transaction, establishing that the transaction is considered to be fair and reasonable from the point of view of the Company and the shareholders, and that the terms agreed upon are adequate for the market situation and favourable to the interest of the Company
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- D.4.** Report individually on the intra-group transactions which are significant because of their amount, or important because of their subject matter, carried out between the company and its parent company or other entities belonging to the parent's group, including the subsidiaries of the listed company, except for when no other related party of the listed company has interest in those subsidiaries or the subsidiaries are entirely owned, directly or indirectly, by the listed company.

In any case, report any intra-group transaction carried out with entities established in countries or territories considered to be tax havens:

Company name of the entity belonging to the group	Short description of the transaction and other information necessary to evaluate it	Amount (EUR thousands)
No data		

- D.5.** Specify individually the transactions which are significant because of their amount, or important because of their subject matter, carried out by the company or its subsidiaries with other related parties, as defined in the International Accounting Standards adopted by the EU, that are not reported in previous sections.

Company name of the related party	Short description of the transaction and other information necessary to evaluate it	Amount (EUR thousands)
No data		

**D.6. Detail the mechanisms established to detect, determine and resolve possible conflicts of interest between the company and/or its group and its directors, managers, significant shareholders or other related parties.**

Article 16.2 of the Regulations of the Board of Directors stipulates the following (without prejudice to the exemption rules established in article 16.3 thereof):

In order to avoid conflicts of interest [...] the Directors should abstain from:

- (i) Performing transactions with the Company, except for ordinary transactions carried out under standard conditions for customers and of little importance, defined as those for which information is not required to reflect a fair image of the equity, financial situation and the results of the Company.
- (ii) Using the name of the Company or their position of director to improperly influence the performance of private transactions.
- (iii) Making use of the company's assets, including confidential information of the Company, for private purposes. This obligation includes the duty of each director to avoid using undisclosed information of the Company for their own benefit, either directly or disclosing it to third parties, and to abstain from performing and from suggesting to others to perform transactions on the securities of the Company or of its subsidiaries, associated or related companies about which they may have obtained, by virtue of their position, undisclosed information, all aforementioned without prejudice to the duties incumbent on directors under the regulations of the Securities Market and the rules of conduct stipulated in the Company's Internal Regulations for Conduct.
- (iv) Taking advantage of the business opportunities of the Company. Accordingly, the directors must not perform, for their own benefit or for the benefit of associated persons, investments or transactions related to the Company's assets of which they have obtained information by virtue of their office, when the investment or transaction has been offered to the Company or the Company has interest in it, as long as the Company has not rejected the investment or transaction without the influence of the director and pertinent authorisation of the Board of Directors has been given to perform it. Neither must they perform related party transactions if they are not in compliance with the applicable legislation, and especially if they do not comply with the Conflict of Interest and Related Party Transactions Policy approved by the Board of Directors on 27 September 2023.

For this purpose, business opportunities refer to any possibility of making an investment or commercial transaction which has arisen or has been discovered in connection with holding the position of director or by the use of means and information of the Company or under such circumstances that would reasonably imply the assumption that the third party's offer was in reality addressed to the Company.

- (v) Obtaining advantages or remunerations from third parties other than the Company and its group, associated to holding the office, except for mere courtesy attentions.
- (vi) Carrying out for their own account or as an employee activities involving effective competition, whether actual or potential, with the Company or activities that would put them anyway in permanent conflict with the Company's interests. Directors holding office in subsidiaries or investees of the Company are exempt from this prohibition.

The foregoing provisions shall also apply to the event when the beneficiary of the prohibited activities is a person associated to the director under the terms of article 231 of the Spanish Corporate Enterprises Act.

At all events, the directors must inform the Board of Directors about any situation of direct or indirect conflict of interests between them or the persons associated to them, and the Company, all in accordance with the Conflict of Interest and Related Party Transactions Policy approved by the Board of Directors on 27 September 2023. The conflicts of interest incurred by the directors shall be reported in the notes to the financial statements and in the Annual Corporate Governance Report.

**D.7. Indicate whether the company is controlled by other entity, as defined in article 42 of the Commercial Code, listed or not, and holds directly or through its subsidiaries business relations with said entity or any of its subsidiaries (different from the listed company) or carries out activities connected with the activity of any of them.**

Yes  
 No

Indicate whether precise information has been publicly disclosed about the respective areas of activity and possible business relations between, on the one side, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries:

Yes  
 No

Report on the activity areas and possible business relations between, on the one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries, and indicate where such aspects were publicly disclosed.



## ANNUAL REPORT ON CORPORATE GOVERNANCE OF LISTED COMPANIES

The transactions of the most important amount or nature carried out by the Audax Renovables Group with the Excelsior Group and its subsidiaries, Eléctrica Nuriel S.L.U. among them, were essentially the following:

a) Transactions related to the support and assistance to business management and other external services (provision of diverse intra-group services): Both groups mutually provide technical and corporate management services. By providing these services the Audax Renovables Group endeavours to optimise its resources by centralising the tasks, thus achieving a more operative and efficient cost structure. Moreover, Excelsior Times provided technical and managerial services to the Company for the amount of EUR 2,160 thousand.

Likewise in the year 2023, Audax Renovables, S.A. sustained some costs of Orus Renovables, S.L.U. amounting to EUR 980 thousand (a company of the Excelsior Group) for office rentals. Likewise, Audax Renovables, S.A., the parent company of the Audax Renovables Group, recorded in 2023 net turnover corresponding to energy supply to La Sirena Alimentación Congelada, S.A.U., in the amount of EUR 6,002 thousand.

b) Intra-group financial transactions: among the different intra-group transactions or financial services are included the activities carried out as financing support. The loans that the parent company has granted to the Audax Renovables Group companies, associates, multi-group companies or its controlling shareholder, Eléctrica Nuriel, S.L.U., accrue financial interest based on a market rate. With this regard, the Company during 2023 obtained EUR 1,411 thousand from interests, and has granted a loan to its controlling entity in the amount of EUR 35,425 thousand.

c) Purchase of fixed assets: in 2023 the Audax Renovables Group carried out purchase of fixed assets corresponding to the service agreements related to the construction works in the EPC (or "turnkey") modality of solar projects and maintenance services provided by the related company JEN Construcciones Renovables, S.L.U. (formerly DJL Renovables, S.L.) to various companies of the Group for the amount of EUR 5,959 thousand.

The transactions carried out between the Group and the Excelsior Group and its related entities were objective and non-discriminatory, and all of them were carried out on comparable arm's length terms and supported by verification reports issued by independent experts, if applicable.

Identify the mechanisms designed to resolve possible conflict of interests between the parent company different from the listed company and the other companies of the group:

### Mechanisms to resolve possible conflict of interests

The Audit Committee evaluates that all the related party transactions should be carried out at market value and, when necessary, request valuation reports from independent experts.

## **E. RISK CONTROL AND RISK MANAGEMENT SYSTEMS**

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### **E.1. Explain the company's financial and non-financial Risk Control and Management System, including risks of a tax nature.**

The Group considers risk to be any future event or contingency which could hamper its ability to successfully meet its business objectives. In this regard, the Group is exposed to several risks which are inherent in different countries and markets where it operates and which can prevent it from achieving its objectives. The Board, aware of the importance of this aspect, encourages the implementation of necessary mechanisms for significant risks to be correctly identified, managed and controlled. For this purpose the Group centralises the reviewing of all its risks through the "General Policy of Risk Control and Management of the Group". On the basis of this document the Group's Risk Map is drawn up and allows:

- a) to achieve the defined strategic objectives;
- b) to provide the highest level of guarantees to the shareholders;
- c) to protect the results and the reputation of the Group;
- d) to defend the interests of shareholders (majority and minority), clients and other groups interested in the performance of the Company;
- e) to guarantee business stability and financial strength on a sustained basis throughout time;
- f) to separate the areas that assume risks besides those that control them;
- g) to apply the transparency and good governance practices; and,
- h) to act in compliance with the current legal regulations and the commitments established within the ESG framework;
- i) to ensure constant risk management concerning criminal compliance.

In the fulfilment of this commitment the Board of Directors collaborates with the Audit Committee that supervises and informs about the adequacy of the system of evaluation and internal control of significant risks, with the support of the corporate Internal Audit Department of the Group. Moreover, it has the support of the Appointments and Remuneration Committee, in charge of the area of Sustainability and Environment (ESG) through the implementation of the relevant strategy and roadmap, approved and outlined, with the assistance of the Environment and Sustainability Controller, as indicated before.

According to the above, any activity aimed to control and mitigate the risks (both financial and non-financial) will be subject to the following basic principles of procedure:

- a) Integrate the risk-opportunity vision in the management and strategy of the Company.
- b) Implement an appropriate separation of duties to guarantee an adequate level of independence at all levels.
- c) Guarantee the proper use of hedging instruments related to the identified and, if applicable, relevant risks.
- d) Inform about the risks for the Group and about the implemented systems to mitigate them.
- e) Align the Policy with all the specific policies that need to be developed in the matter of financial and non-financial risk in the parent company as well as in its subsidiaries.
- f) Ensure the adequate compliance with the Corporate Governance rules.

The Policy referred to is carried out through the procedures, methodologies and support tools and includes the following main guidelines:

- a) Identification of the relevant risks through the corporate Risk Map: Market risks, production and retail operating risks, compliance, finance, reputational, ESG and Trade risks.
- b) The analysis of such risks and, in particular, the analysis of the risks associated to the new investments as an essential element in the process of decision making in profitability-risk approach.
- c) The settlement of an internal structure of policies, guidelines and limits.
- d) The implementation and control of the compliance of policies and guidelines through adequate procedures and systems, including the contingency plans necessary in order to mitigate the impact of risk materialisation.
- e) The measurement and control of risks.
- f) The information and internal control systems, which allow to carry out a regular and transparent evaluation and information of the results of monitoring risk control and management, including compliance with the policies and the limits.
- g) The constant evaluation of the suitability and efficiency of the application of the system and of the best practices and recommendations concerning risks from the perspective of their possible incorporation into the model.
- h) The review of the entire control system by the Internal Audit Committee of the Group.

The Policy is developed and complemented by the corporate risk policies that are established in relation to the business lines and companies of the Group, which are set out below, and which are also subject to supervision by the Audit Committee and subsequent approval by the Board of Directors. Depending on the risks identified and control measures to be implemented in order to mitigate them, these policies determine the Annual Plan of Internal Audit.



Corporate Policies and Procedures which have been approved and implemented:

- Corporate Code of Ethics and Conduct.
- Disciplinary Rules and Sanctions.
- Handbook and general principles of criminal risk prevention.
- Criminal Compliance Policy.
- Sustainability Plan.
- Corporate Policy on Internal Information System and Informant Protection.
- Internal Regulations for Conduct in the Securities Markets.
- Policy on communication of financial, non-financial and corporate information, and on communication with shareholders, institutional investors and proxy advisors.
- General policy of risk control and management (including financial risks).
- Guidelines for accounting policies.
- Guidelines of the regulated information to be disclosed to the market.
- Risk Committee (Policies, Procedures and Risk Limits).
- System of Internal Control for Financial Information (ICFR).
- ICFR Organisation and Supervision Model (including separation of duties).

### E.2. Identify the bodies within the company responsible for designing and executing the financial and non-financial Risk Control and Management System, including tax risk.

#### AUDIT COMMITTEE

In order to adequate the impact of the risk, the Audit Committee, as a delegated and advisory Committee of the Board, apart from supervising the proposals of the Management and the Internal Audit Function, has the essential duty to support the Board in their supervisory tasks through periodic review of the economic, financial and non-financial reporting process, the internal controls and the independence of the internal auditor.

The main functions of the Audit Committee, among others, in relation to drawing up the financial and non-financial risk control and management system, including tax risk, are the following:

- To inform the general meeting of shareholders of the questions materialised in relation to the matters which belong to the competence of the committee, in particular on the result of the audit, explaining how it has contributed to the integrity of the financial information and the function carried out by the committee in this process;
- To supervise the effectiveness of internal control of the company audit and risk management systems, and discuss with the auditor any significant weaknesses in the internal control system detected during the audit, internal, and all this without compromising its independence. For this purpose, and if required, they may offer recommendations or suggestions to the administrative body with the corresponding term of implementation.
- To supervise the preparation and submission of the required financial information and offer recommendations or suggestions to the administrative body, aimed to safeguard its integrity.
- To present to the board of directors the proposals of selection, appointment, re-election and replacement of the auditor of accounts, assuming responsibility for the selection process as well as the terms of their engagement, and regularly gather from them information on the audit plan and its execution while preserving their independence in carrying out their functions.
- In relation to the annual accounts, to ensure that the board of directors can present the annual accounts to the general meeting of shareholders without limitations or qualifications in the auditor's report.
- To establish appropriate relations with the auditors to receive information that could jeopardise their independence, for consideration by the Audit Committee, and any others that are related to the audit process. In any circumstances, it must receive annually from the external auditors a declaration of their independence.
- Issuing an annual report, prior to the auditing report being issued, expressing an opinion on the independence of the external auditor.
- Ensure that the policies and systems established in the area of internal control are effectively applied in practice.
- To determine the risk level the company sees as acceptable.
- To identify the measures set up to mitigate the impact of risk events should they occur.
- To establish the internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.
- To ensure that risk control and management systems are functioning correctly and, specifically, that major risks the Company is exposed to are correctly identified, manager and quantified.

The Company has a Function of Internal Audit, which, under the supervision of the Audit Committee, ensures the proper operation of the internal information and control systems, and which functionally reports to its chairman. The Manager of the Internal Audit Department presents an Annual work Programme to the Audit Committee, informs it directly of any incidents arising during its implementation and submits an Activities Report at the end of each year. Moreover, it should be mentioned that the Group's Finance Management analyses, oversees and manages the risks of tax nature which affect various divisions and countries and their possible impact on the consolidated and individual financial statements of Audax Renovables.

## BOARD OF DIRECTORS

Its responsibilities related to the drawing up of the financial and non-financial risk control and management system, including the tax risk, and with the assistance of the Audit Committee, the main functions of the Board in this area involve:

- the determination of the risk control and management policy, including tax issues, and regular monitoring of the internal information and control;
- the approval of the financial information which the Company must regularly publish as a listed company.
- the determination of the tax strategy of the Company.

In addition to the above, to ensure that the necessary mechanisms are introduced to properly identify, measure, manage and monitor relevant risks of any type, establish the Company's risk strategy and profile, and approve the Group's risk policies.

## RISK COMMITTEE

In 2022, due to the market fluctuations resulting from the energy crisis, the Company established a Risk Committee whose objective is to establish and monitor risk policies and strategies, appetite, margins and hedges necessary in order to operate in the electricity and gas market.

### **E.3. Indicate the main financial and non-financial risks, including tax risks, and – insofar as they are significant – the risks deriving from corruption (within the scope determined in the Royal Decree-Law 18/2017), which may affect the achievement of business objectives.**

The Audax Renovables Group has developed adequate procedures to identify, analyse, manage and mitigate all the risks to which it is exposed due to the nature of its activity. Specifically, the Group outlines the risks in the general Policy of Risk Control and Management of the Group and, more particularly, in the Corporate Risk Map of the Group, where the main risk factors are outlined, of which the following should be highlighted:

- A) MARKET RISKS
  - a) Energy price fluctuations.
  - b) Energy laws changes.
- B) OPERATIONAL RISKS
  - c) Inadequate management of the purchase/sale of energy, gas and GDO in the long term.
  - d) Inadequate management of the purchase/sale of energy, gas and GDO in the short term.
  - e) Inadequate management of the guarantees.
  - f) Inadequate management of the volume of the campaign and the operation prices.
  - g) Price risk.
  - h) Inadequate management of the portfolio.
  - i) Failure to perform adequate maintenance of the installations.
  - j) Failure to perform the commitments of the projects.
- C) IT RISKS
  - k) Cyberattack risk.
  - l) Insufficient qualifications of the IT personnel concerning the new ERP to be implemented (SAP).
- D) COMPLIANCE RISKS (criminal and non-criminal risks)
  - m) CNMV/CNMC regulations compliance risk.
  - n) Related party transactions.
    - o) Fraud.
    - p) Public Treasury fraud.
    - q) Influence peddling.
    - r) Corruption in business.
    - s) Stock fraud.
- E) FINANCIAL RISKS
  - t) Liquidity risk.
  - u) Covenant non-compliance risk.
  - v) Financial liabilities inadequate management and accounting.
  - w) Client insolvency risk.
  - x) Inadequate projection of the need for liquidity.
  - y) Error in the formulation and consolidation of the Financial Statements.
  - z) Incorrect invoicing.
- F) REPUTATIONAL RISK
  - aa) Inadequate management of privacy matters and personal data protection.
- G) ESG RISK
  - bb) Talent retention and attraction.
  - cc) Risk of corruption and misconduct in the governing bodies.
- H) TRADE RISKS

- dd) Trade channel fraud risk.
- ee) Recurrent trading with a channel identified as fraudulent.
- ff) Inadequate access to the trade channels.

The Group may as well be affected, in a broader sense, by other risks of a different character, for instance:

- Reputational risks: potential negative impact of the value of the Company as a result of a poorer behaviour of the company compared to the expectations created among and by the different interest groups: shareholders, clients, media, analysts, public administration, employees and people in general;
- Corporate governance risks: the Company assumes the need to secure the public interest and the strategy to boost in sustainable manner the Company's economic value and its good performance in the long term, taking into consideration the legitimate interests, whether public or private, especially among the different interest groups;
- Tax risks: different tax regulations of the countries and possible changes in legislation are also an element which must be taken into account for the purpose of evaluating the risks to which Audax Renovables is exposed.

#### **E.4. Indicate whether the company has levels of risk tolerance, including tax.**

The Group has continued working in 2023 towards determining and quantifying the specific level of risk tolerance, adapting it to the circumstances, taking into account the risk/opportunity and probability /impact combinations. Each risk identified on the corporate Risk Map is handled individually with all the owners of each risk, in order to minimise its possible negative impacts.

Nevertheless, at the quality level, the risk map of Audax Renovables (first approved by the administrative bodies in May 2021, and updated in 2022, introducing in its analysis specifically the risk tolerance and probability of existence) is the valuation and mitigation tool of all risks of the Group.

This corporate Risk Map has been updated and thoroughly worked on in 2023, in order to extend the scope established in previous years and to provide a more powerful tool of risk identification and mitigation. All risks considered are evaluated considering probability and impact indicators, using the specific methodology of best practices of the market, and are constantly monitored.

After quantifying the new Risk Map and introducing the major quantification and parametrisation of risk for each of the identified risks in order to mitigate the risks and obtain a solid scope of control, the risks considered as most important in terms of gravity and/or materiality have been included in the Group's Audit Plan for the purpose of their constant control and monitoring, and are reported periodically to the Audit Committee as well as to the Board of Directors.

#### **E.5. Indicate which of the financial and non-financial risks, including tax risks, have taken place over the year.**

The Group's activities in 2022 continued being conditioned by various risk factors which materialised in the countries and markets where the Group operates, while the Group continued controlling those risks and, consequently, adopting adequate measures to mitigate them.

The Group considers that the impact generated by the COVID-19 and by various armed conflicts, ongoing in 2023 in the Eastern Europe, and in Middle East, is already substantially reduced and of a residual character in comparison to the years when those impacts occurred, and that throughout the year 2023 the world economic recovery has been confirmed and, consequently, the demand as well as the prices of electricity and gas have normalised returning to the pre-pandemic levels.

For reasons referred to in the previous paragraph, the main materialised risk, which the Group encountered in 2023 was the decrease of the electricity prices, and the effect was the impact on the guarantees that need to be deposited with the counterparties of the contracts for the futures market. Faced with a market of lower prices and a situation of commitment to purchase energy at higher prices in the future, in order to avoid defaults, the counterparties required that the Group provide additional guarantees (margin call) for the difference between the market price and the future price, in order to maintain long-term purchase positions given the collapse of the electricity prices, which occurred in 2023.

The consequence of the situation described in the previous paragraph is the impact suffered by the Group because of the obligation to deposit those additional guarantees in order to sustain future trade agreements and the prices agreed on at a time when the market was exposing it to higher prices.

As a consequent and preventive measure for the future, and in order to mitigate such risk, the Group decided to continue trading with various counterparties in order to operate in the futures market, requiring that certain clauses contain mechanisms which would prevent such additional requirement of guarantees in the case when the prices would continue decreasing, or, should it be necessary to establish such guarantees, that the guarantees might be limited according to the terms agreed on.

With regard to the business of renewable energy generation through constant development, construction and implementation of photovoltaic power plants, the evolution of the generation projects has not changed in comparison to the previous year and continues its habitual course. At the national level, geographically speaking, it should be mentioned that the continuously slow pace of the administrative procedures applied to the projects and administrative permits has entailed undesired delays in the final implementation of the projects.

On the other hand, there was no substantial impact whatsoever on the investment and finance strategies of the Group in that period.

Therefore, and even though at the end of 2023 the situation of the markets has become normal, the Group continues monitoring all the risks to which it is exposed. Specifically, with regard to the risks of the financial area, we understand that these did not materialise in the year 2023. However, the Group continues monitoring and implementing, when necessary, certain preventive and detective measures in order to mitigate the risks. These matters are treated with more detail in Note 17 of the Consolidated Annual Accounts.

With regard to tax risk, in 2023 there were no significant impacts which would materialise.

**E.6. Outline the plans of response to and control of the main risks faced by the company, including tax risks, and the procedures implemented by the company to ensure that the board of directors responds to the new and emerging challenges.**

The Group's usual procedures regarding the plans of response to and control of the main risks faced by the company does not differ from its ways of operation used in previous years: supervising the main risks through the functional business and corporate departments affected, as well as various established delegated committees of the Board of Directors.

This means that the Group identifies which of the existing risks affect the Group directly or indirectly, and which mitigating measures should be put in place in order to ensure the best coverage of that risk and minimise its impact. Furthermore, regarding other risks whose impact currently remains not entirely covered, an executive schedule is being developed together with an action plan and appropriate measures which, where possible, will help avoid any significant impact of these risks on the Group. For this purpose, the Internal Audit Department, together with the rest of functional and corporate Management carry out periodic (at least annual) review and surveillance as well as necessary meetings for Spanish companies and for foreign subsidiaries in order to mitigate identified risks.

All this structure of risk identification is implemented on three levels:

- for the risks identified within the Risk Map first approved in 2020, updated in 2021 and 2022 and amended according to a more holistic and cross-sectional approach in 2023;
- for the risks identified within the framework of the System of Internal Control for Financial Information (ICFR);
- for the risks identified within the regulatory compliance model (Compliance model):

The execution of these measures is carried out by the Management of the Group through various functional areas, the Internal Audit Department, the Sustainability and Natural Environment Area as well as the Criminal Compliance Committee. The Audit Committee and the Appointments and Remuneration Committee and, finally, the Board of Directors are the bodies charged with supervising and approving, respectively, each within their scope, the implemented measures.

## **F. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION WITH THE FINANCIAL REPORTING PROCESS (ICFR)**

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Describe the mechanisms that constitute the risk control and management systems in relation to the financial reporting process (ICFR) of your company.

### **F.1. The entity's control environment.**

Inform, indicating the main features, of at least:

F.1.1 Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

The Internal Control over Financial Reporting System (hereinafter "ICFR") of the Audax Renovables Group (or the "Group") is part of its general system of internal control and is arranged as a set of procedures carried out by the Board of Directors, the Audit Committee, the Management and the employees of the Group, at various levels, in order to provide reasonable security concerning the reliability of the financial information subject to disclosure.

The Board of Directors of the Group is its ultimate decision body, delegating the ordinary management to the executive bodies and the Management team, and thus concentrating its activity on supervising function which can be delegated to the Audit Committee; the Board of Directors has the ultimate responsibility for the existence and maintenance of an adequate and effective ICFR system. It is also important to highlight that, since it cannot be otherwise, the Management of the Group, through the Finance Management, is responsible for the adequate implementation of the ICFR system.

Among the direct responsibilities to be carried out by the Board of Directors, in terms of the internal control over financial reporting, without any prejudice to the effects that the delegations and powers granted may cause to third parties, and according to what is established in its own Regulations (article 4), there are, among others, the following duties:

- The determination of the risk control and management policy, including tax issues, and regular monitoring of the internal information and control systems.
- The determination of the corporate governance policy and of the Company and of the group being its dominant entity; its organization and operation and, in particular, the adoption and amendment of its own regulations.
- The approval of the financial information which the Company must regularly publish as a listed company.

Furthermore, article 7 section 3 of the Regulations of the Board of Directors specifies the activities and competence of the Audit Committee. For this purpose and in connection with the process of preparing and monitoring financial reporting, the Committee, under the Regulations of the Board of Directors, has the following duties:

- To supervise the effectiveness of internal control of the company audit and risk management systems, and discuss with the auditor any significant weaknesses in the internal control system detected during the audit, internal, and all this without compromising its independence. For this purpose, and if required, they may offer recommendations or suggestions to the administrative body with the corresponding term of implementation.
- To supervise the preparation and submission of the required financial information and offer recommendations or suggestions to the administrative body, aimed to safeguard its integrity.
- To inform, ahead of time, the Board of Directors about all the matters outlined in the Lay, the Articles of Association and the Regulations of the Board of Directors and, in particular, about (a) financial information that the Company should publish periodically [...].

It is important to point out that the Audit Committee has available the function of Internal Audit which, together with the monitoring of the former, ensures the proper functioning of the information systems and internal control evaluating periodically the efficiency of the ICFR system and informing regularly the Audit Committee of the weaknesses detected during the performance of its job and the possible infringements of the internal control policy and the timetable for the implementation of the proposed correction measures.

The responsibilities of the Group's Management, supervised by the Audit Committee, include designing, implementing and executing control procedures under consistent criteria and standards, as well as monitoring the correct functioning and sufficiency of the designed controls, as specified in the ICFR Organisation and Supervision Model. In this respect, the Management of the Group is responsible for performing the following functions in relation with the ICFR system:

- Revising and approving the policies and guidelines referring to the operating management connected with financial reporting;
- Establishing and spreading the necessary procedures for each relevant process in order to maintain and improve the internal control of financial information;
- Establishing and carrying out the internal control over financial reporting in order to ensure its reliability and guarantee that the reports, facts, transactions and other relevant aspects are notified properly within the adequate time frame; and,

- Monitoring and controlling the compliance of the internal control over financial reporting and of the internal controls and procedures aimed at spreading the information outside, as well as analysing and verifying the efficiency of the controls and their effectiveness.
- Carrying out the plans necessary to remedy, improve and correct the deficiencies encountered in audits conducted for the purpose of supervising the implementation of planned internal controls.

F.1.2 If the following elements exist, especially those connected with the financial reporting process:

- The departments and/or mechanisms that are in charge of: (i) design and review of the organisational structure; (ii) clear definition of the lines of responsibility and authority with an adequate distribution of tasks and functions; and (iii) assurance that adequate procedures exist for proper communication throughout the entity:

The Board of Directors of Audax Renovables, upon receiving a report from the Appointments and Remuneration Committee, has the duty to appoint the managers who report directly to that body or to one of its members.

Moreover, the Group's Management together with the Audit Department have developed appropriate guidelines of authority and responsibility for each business unit of the Group, documented in the form of models of dependence which define the relevant tasks and functions for the processes developed: Financial Reporting, energy Purchase and Sales, Treasury, CAPEX of renewable energy generation plants and, finally, during 2023 the Impairment process was formalised.

On the other hand, the "ICFR Organisation and Supervision Model", a document which is always formally approved by the Audit Committee and is periodically reviewed, refers to the functions connected with the ICFR. The document, after completing and implementing the ICFR model in 2020, as well upon incorporating in 2021 new subsidiaries included in the corporate scope of the Group, and with the subsequent extension in 2022 and 2023 of new processes subject to audit, was again updated and approved by the Audit Committee and, subsequently, by the Board of Directors, in September 2023. Additionally, the document defines the process of preparing the financial information, functioning of the reports and the executive reporting (identification of key controls, formats and the persons responsible for conducting the evaluation and supervision) to be performed by the Internal Audit Department and the evaluation and supervision of the overall ICFR system. Therefore, the Group endeavours that the responsibility for the internal control over financial reporting be always formally determined and assigned.

Furthermore, for example, the document of internal organisation of the Accounting Department determines expressly and formally different responsibilities and authorities within the department.

The Group's Internal Audit Department, together with the rest of the affected functional management, is in charge of disseminating information about the organisational structure and its possible variations regarding the activities connected with the process of formulating financial information. Subsequently, these functional units (whether departments or subsidiary companies) are responsible for transmitting the design and functioning of the processes defined of their units or subsidiaries.

- Code of conduct, approving body, degree of dissemination and instruction, principles and values included (stating whether there are specific references to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary actions:

The Audax Renovables Group has a Corporate Code of Ethics and Conduct, approved by the Board of Directors, which explains the ethic commitments and responsibilities in the management of the business and in corporate activities assumed by its professionals, regardless of their post, position within the company, geographical situation or function carried out. Periodic review and update is assigned to the Audit Committee to be carried out with the support of the Internal Audit Department. The last version of the document is dated November 2020, when certain updates were carried out, mainly in connection with the new communication channel implemented by the Group. The Corporate Code of Ethics and Conduct of the Group will be updated and subject to review and approval during the year 2024.

The document is part of the information made available to new incorporations, and its contents include a letter of agreement with the Corporate Code of Ethics and Conduct, among other documents, subject to mandatory acceptance and signature by all the Group employees.

The main principles and values defined in this document are: ethics and trust, customer orientation, innovation, excellence, respect for the environment, professional and personal development and concentration on positive economic results and financial soundness.

Since December 2020, the functions detailed in the previous paragraph are carried out through the Employee Portal put into operation, where, among other sections, the current staff and new employees of the Group are provided with a section on corporate documents (the former "welcome pack") of mandatory acceptance and compliance.

Continuing in the spirit of training, for the year 2024, the Criminal Compliance Committee (CCP) of the Group shall continue drafting, within its Year Plan, a training and communication plan for the purpose of expanding corporate culture through appropriate actions.

The Corporate Code of Ethics and Conduct is comprised of the following principles and rules:

- Respect for and commitment to the human and labour fundamental rights.
- The general principles which regulate the relationship with the involved parties (employees, clients, providers, shareholders, administrations, etc.) and which define the reference values for the Group's activities, as well as respect for the fundamental rights;
- The principles of conduct in the relationship with each type of involved party, providing specific guidelines and standards that the contributors of the Audax Renovables Group must abide by so as to respect the general principles and prevent the risk of non-ethical performance; and
- The implementation mechanisms, which describe the duties of the Audit Committee (concerning dissemination, implementation and control of the Corporate Code of Ethics and Conduct), and of the Internal Audit Department (supervision and issuing of reports as well as improvement proposals), and of the Management (by spreading its communications as well as information to the Group's employees).

Upon request of the Audit Committee, the Board of Directors in its meeting on 10 November 2020 approved the new version of Corporate Code of Ethics and Conduct, first approved on 19 December 2011 and amended at subsequent meetings. The contents of the Code, whose knowledge and acceptance is mandatory, has been communicated and made known to all the employees of the Group.

The Code of Ethics is always available both on the Employee Portal (internal channel for all the Group's employees) and on the corporate website of the Group on [www.audaxrenovables.com](http://www.audaxrenovables.com).

Moreover, it should be noted that the Group applies the Regulation of disciplinary proceedings and sanctions system approved by the Board of Directors to complement the Corporate Code of Ethics in regulating the disciplinary procedures of misdemeanours committed by the employees of the Group. The body in charge of analysing such misconducts and proposing the sanctions and/or corrective measures is, ultimately and when necessary, the Board of Directors, either from the beginning or by request of the Management, through the Human Resources Department.

Complying with the Code is understood without prejudice to the complying with the company's corporate governance and, in particular, of the Internal Regulations for Conduct in the Securities Market (IRC). The document was established for the first time by a resolution of the Board of Directors on 10 February 2004 and later on was subject to several updates and amendments, its current version being in force since 27 July 2017,

• Whistleblower channel that allows the communication to the Audit Committee of irregularities of financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities in the organisation informing, as the case may be, if it is of confidential nature and if it allows to the communication to be anonymous, respecting the rights of the reporting person as well as of the reported person:

In line with the provisions of the Corporate Code of Ethics and applicable internal regulations, the Audax Group strives to develop its professional activity righteously, promoting ethical conduct and respect for human dignity, and upholding legal compliance.

Law 2/2023 of 20 February, on the protection of persons who report breaches of law and on fight against corruption ("Law 2/2023") incorporates to the Spanish law Directive (EU) 2019/1937 of the European Parliament and of the Council, of 23 October 2019, on the protection of persons who report breaches of Union law ("Directive"). The main purpose of aforementioned Law 2/2023 is the protection of persons who, in general, in a work-related or professional context have obtained information about certain breaches of law and have reported it through internal and/or external information channels or, as the case may be, disclosed it publicly, and who shall be granted adequate protection against any type of reprisals.

For this purpose and in compliance with the provisions of Law 2/2023, the Audax Group has implemented in the year 2023 a System of Internal Information and Informant Protection (hereinafter also referred to as either the "System" or "Internal Information System") composed of:

- 1) The Whistleblowing Channel (hereinafter also referred to as the "Channel") available in the Group since 2018, designed as a formal mechanism of query and communication of irregularities and infractions.
- 2) The appointment of the System Manager.
- 3) Corporate Policy on Internal Information System and Informant Protection.
- 4) The Internal System of Information and Management of the Whistleblowing Channel Procedure, which builds on this Policy.

In connection with point 1 above, the Audax Group uses as a formal and secure mechanisms of communication of irregularities the Whistleblowing Channel regulated by the Policy and Procedure outlined in points 3 and 4 above. All these documents were formally approved by the Board of Directors in 2023 and comply with the applicable regulations. The entire System is monitored and supervised by the CCP, the delegated body of the Audit Committee, to which it reports regularly.

The communication channel is an essential element of the criminal compliance Model. The channel allows making complaints regarding irregularities or breaches committed by directors, managers or employees of the Group, as well as inquiries about the application or interpretation of the internal or external regulations. The Group has been scrupulous in meeting all the legal requirements, especially those regarding privacy and data protection, while designing this communication channel. The aim has been to ensure the privacy and confidentiality of the reporting person as well as of the reported person, meeting the requirements of current legislation. Moreover, any form of retaliation against the reporting person acting in good faith is strictly prohibited.



At the start point of the new Channel all employees of the Group were informed about the implementation of such form of communication and about its functions. Likewise, the Group informed all its providers about the implementation of the channel, about its purpose and its Regulations. The Regulations, drawn up for that purpose, set forth the mode of operation of the channel and specify the mechanisms for submitting and processing the inquiries and complaints, and the systems for protecting the reporting person and the reported person.

The communication channel is designed in full compliance with diverse legal requirements concerning data protection in order to duly protect the privacy and secrecy of the persons concerned, and particularly in order to guarantee the confidentiality of the reporting person.

Besides, within their training activities, the CCP used to have and maintains the guideline according to which all the employees of the Group should be informed and reminded about the aims and operating rules of the communication channel.

The corporate Internal Information System Manager shall have the Criminal Compliance Committee as the operating unit for the purpose of managing and processing the complaints received through the Internal Information System. For this purpose, there is only one Manager of the Internal Information System for all the Audax Group, without prejudice to any further coordination with the other companies in order to ensure proper management of the reported irregularities and offences.

The Board of Directors of Audax Renovables, S.A. appoints as Internal Information System and Whistleblowing Channel Manager (hereinafter also referred to as the "Manager") the Internal Audit Manager and member of the Criminal Compliance Committee, who assumes the role. Annually, and always when necessary, the Manager shall report to the Board of Directors of the parent company of the Group all the required information about the activity of the System and of the Whistleblowing Channel, maintaining in any case the guarantees of confidentiality, anonymity and security of the information, as well as all the other guarantees and users' rights established in this Policy and in Law 2/2023.

In 2023 the Company did not receive complaints through the Whistleblowing Channel, which were processed by the Criminal Compliance Committee in accordance with the Channel Regulations. It should be noted that the number of complaints received is still very much below that of other companies of the sector. The Committee's constant endeavour is to encourage the use of the Channel, and thus it has included in its plan for the year 2024 to continue the training activities, which began in in 2022 when all the Group's employees received a specific training session (one of a series) on the Whistleblowing Channel, on the rights and obligations of the reporting person and the reported person, as well as on beneficial aspects of communicating irregularities through the Channel.

- Training and regular updating programmes for the employees involved in the preparation and review of the financial statements, as well the evaluation of the ICFR, that cover at least accountable standards, auditing, internal control and risk management:

The Group's Management assesses and strives to systematically update the knowledge of all the employees and management staff through informational communications and workshops about the innovations related to the formulation and disclosure of financial information whenever it proves necessary due to regulatory and legislative changes which affect the formulation of the individual and consolidated financial statements of Audax Renovables (including the changes in the international accounting standards).

In this regard, throughout the year 2023 periodic meetings have been carried out as usual with the leaders of each department and subsidiary relevant to the ICFR audit in order to inform and update about testing and designing key operating control in the last quarter of the year. The meetings extended also to the leaders of the subsidiaries, where the model has been implemented in recent years (Italy, the Netherlands, Unieléctrica, Germany, Hungary, Poland and the parent company Audax Renovables, S.A. Moreover, in 2023 the implementation of the Impairment process was formalised by the Finance Department.

Moreover, the Finance Department and Internal Audit Department, in the case of there being legislative or regulatory innovations, receive periodically, both from external advisers and external auditor, information regarding regulatory changes or interpretations of regulations which could affect the formulation of financial information, regular communication having been established with them for the purpose of information, interpretation and adaptation of the changes as well as further communication within the Group to reach the areas which might be affected.

Additionally, the Audit Committee receives regulatory news through communications or presentations delivered by the external auditors and/or the internal auditor through the meetings of the Committee, during which the main news related to the legal regulations, corporate governance and/or financial or tax matters are discussed, if applicable.



## **F.2. Evaluation of the financial statements risk.**

Inform, at least, of:

F.2.1 Which are the main characteristics of the process of risk identification, including risk of error or fraud, regarding:

- Whether the process exists and is documented:

The process of risk identification and control of the activities and transactions which may affect materially the financial statements of Audax Renovables is carried out by the areas in charge of selected processes subject to review, supervised by the Management and the Internal Audit Department.

The objective of the risk identification process is to ensure that the risks of material error and fraud in the Group's financial information is handled correctly and there are sufficient control activities to guarantee the integrity and the true and fair view of the financial information subject to disclosure. For this purpose it is necessary to identify the accounts or information processes which are important to the formulation of financial information and the risks by which it is affected. Therefore, the Internal Audit Department carries out follow-up checks, at least annually or when required by the changes to the scope, concerning the scope of ICFR for the whole Group. However, this frequency may be altered in case of important changes, both internal and external, regulatory or technological.

In order to carry out that procedure, an evaluation of the model has been carried out throughout which a process was developed for identifying significant accounts considering various factors of quantitative and qualitative nature.

- Quantitative: identification of accounts with risk of material error through the application of the NIA-ES 320.
- Qualitative: factors which contain inherent risk as well as control risk, regardless of applying to material accounts or not. The first group (inherent risk) would include the following:

- risk of fraud
- risk of unusual transactions;
- risk of transactions with related parties not eliminated in the consolidation process;
- risk of accounting judgements and estimates;
- risk of failure to identify in the risk map;

Whereas the second group (qualitative factors of the control risk) would include:

- risk of no automation;
- risk of separation of duties;
- risk of complexity in carrying out controls;
- risk of errors, inefficiency, non-compliance.

Once the accounts have been identified, these are assigned to processes, whose risks materialise in the risk and control matrices. The components of which they comprise are as follows: processes, risks (risks of material error and of financial information fraud), owner of control, owner of process and control. Moreover, flowcharts are prepared for each process, associated to the risks and controls detailed in the matrix, in order to give an exact and precise picture of the whole process from its beginning to the end and its connection with other processes.

The risk and control matrix as well as the flowcharts are updated periodically or more frequently if circumstances so require.

Based on the criteria defined before, the following significant processes have been selected:

Business processes: purchase of electricity and gas process, sale processes within the generation and retailing activity and CAPEX process in relation to the electricity generation.

Support processes: financial reporting, Treasury process and Impairment process, all of them concerning the entire Group.

Currently the completed model covers approximately 99% of the balance sheet and profit and loss results of all the companies comprising the consolidated group. For the year 2023 a new processes was incorporated within the ICFR scope (Impairment), thus obtaining a wider coverage of financial balances reported in the annual accounts.

In addition to the above, it should be mentioned that, historically, the company has been undertaking over the recent years an effort to formulate key actions meant to prevent, mitigate or diminish the risks of fraud within the Group, such as drawing up the new text of the Corporate Code of Ethics and Conduct, establishing the new communication channel, centrally managing the appointment of proxies, as well as the Accounting Policies Manual, and others. In 2024 the Group prepared and formalised the Anti-corruption Policy, which was approved by the Audit Committee on 15 February and then by the Board of Directors on 27 February 2024.

In 2023, in the area of integral risk management of the Group, a high-level risk assessment was carried out in order to gather and improve the corporate Risk Map. As a consequence, risks have been identified by type and sector, explaining the causes from which they may spring and, above all, the mitigating measures applied and to be applied in order to permanently control and monitor the risks of each sector. Many of them help directly or indirectly to mitigate the risks which have been already identified.

Lastly, it should also be noted that the Group, throughout the year 2023, has been working on formulating the Criminal Risk and Control Matrix, included within the Risk Map, from the point of view of criminal matters. Among the identified risks, apart from those of criminal importance, there were criminal risks identified related to the financial information internal control system.

Currently the Group continues working to constantly improve its internal control model, which allocates the human and monetary resources, in order to give a greater strength to its model.

- Whether the process covers all the objectives of financial information, (existence and occurrence; integrity; valuation; presentation, breakdown and comparability; and rights and obligations), whether it is updated and, if so, how often:

Audax Renovables has implemented the System of Internal Control for Financial Reporting (ICFR) whose aim is to ensure the reliability of the financial information disclosed to the investors and stakeholders in compliance with applicable regulations. Specifically, the ICFR developed by Audax Renovables is defined as a set of processes carried out by the Board of Directors, in the first place, and subsequently by the Audit Committee, the Management and various departments involved, in order to ensure the reliability of financial reporting. The ICFR is designed based on the guidelines established by National Securities Market Commission.

Once the material accounting items have been determined, the business processes associated to them are identified within the scope of the ICFR with the following objectives:

- The transactions, facts and other events covered by financial information actually exist and were recorded at the appropriate moment (occurrence and existence).
- The transactions, facts and other events are recorded and measured in compliance with applicable regulations (measurement).
- The information reflects the entirety of the transactions in which Audax Renovables is an affected party (integrity).
- The financial information shows, at the date of the record, the rights and obligations through corresponding assets and liabilities in compliance with applicable regulations (rights and obligations).
- The transactions, facts and other events are classified, presented and disclosed in the financial and economic information in accordance with applicable regulations (comparability, itemisation and presentation).

The Group complies with all the requirements concerning the objectives of financial information specified above, through the matrices of risk and control identified within the scope of the ICFR model. The matrices specify the risks and controls connected with the financial information control of each identified project and subsidiary, as well as the assertions (existence, integrity, measurement, valuation and rights and obligations) associated to each control, assigning the control measures which mitigate all the risks.

The key risks are reviewed annually and, if necessary, are updated and adapted to the current matrices and flowcharts. In 2023 the risks have been revised and adapted to the reality of the business in which Audax operates and, additionally, have been complemented and added to the calculation of the materiality by sections, as mentioned above, in order to align the key risks with key sections and, consequently, with ICFR processes and its key controls.

- The existence of a process of identification of the consolidation scope, taking into account, among other aspects, the possible existence of complex business structures, instrumental entities or of special purpose vehicles:

The consolidation scope of Audax Renovables is monthly determined by the group's Finance Management, together with the Accountancy Department, and under a half-yearly inspection by an external auditor, in accordance with the criteria established by the International Accounting Standards (hereinafter, "IAS") 27, and other local accountancy regulations. The possible changes in the consolidation are communicated to all the Group's subsidiary companies. To this effect the Group conducts a constantly updated register of companies that covers the totality of shareholding, direct and indirect, as well as all the entities in which the Group has the possibility of exercising control, whichever the legal form in which such control may be assumed.

Any important change of the consolidation scope is reported to the Audit Committee.

- Whether the process takes into account the effects of the other typologies of risks (operating, technological, financial, legal, tax, reputational, environmental, etc.) according to the extent by which they affect the financial statements:

Within the process of risk assessment the effect of other types of risk (operational, financial, technological, legal and compliance) is taken into consideration for the purpose of identifying the risk of material error in financial reporting, in addition to the inherent risks and control risks described before.

Moreover, in the process of risk identification, other risks are evaluated which are external to the Group or its subsidiaries and which might affect noticeably the economic and financial information, such as:

- Changes in laws and regulations;
- Environmental aspects;
- Estimates;
- Lawsuits and provisions.
- Likelihood of fraud.

Furthermore, as a consequence of the joint project of merger completed in 2019, the Group designed and completely processed the ICFR system adapting it to its new dimension and business model. This adaptation, where to the four initial subsidiaries incorporated in the model (two in Spain, Italy and the Netherlands) the subsidiaries in Germany, Hungary and Poland are added in a second stage, has also been used to identify weaknesses and implement improvements developed in the adaptation process, as well as to update all the internal regulations adapting it to the new situation.

It should be also noted that the Audax Renovables Group has implemented the General Policy of Risk Control and Management included within the Risk Map, adapted to its new dimension and business model (energy generation and retailing of electricity and gas). However, regardless of the internal review process carried out, said Policy is intended to establish the basic principles and a general framework of action in terms of control and management of any kind of risk which the Group is exposed to. The Policy is developed to supplement various systems of corporate policies regarding risk and specific risk policies which may be established for companies belonging to the Group. This way the Group has continued monitoring the main risks throughout the year 2022 as well as organising and implementing appropriate systems of internal control and information and supervising them.

The Policy is developed to supplement various systems of corporate policies regarding risk and specific risk policies which may be established for companies belonging to the Group. This way the Group has continued monitoring the main risks throughout the year 2023 as well as organising and implementing appropriate systems of internal control and information and supervising them.

- Which governance body of the entity supervises the process:

The System of Internal Control for Financial Reporting is supervised by the Group's Audit Committee, which is accountable for overseeing the internal system of risk management and control, assisted by the Internal Audit Department, and for ensuring the reliability and integrity of the financial information disclosed and made available to the regulators and to the markets.

The Audit Committee, as a delegated body of the Board of Directors, informs the Board about the development of the control framework as well as any possible measures taken in order to mitigate the identified risks and maintain an adequate control framework.

### **F.3. Control activities.**

Inform of the existence of at least the following elements indicating their main features:

**F.3.1 Procedures for reviewing and authorising the financial information and description of ICFR to be disclosed to the securities markets, stating who is responsible in each case, as well as documentation and flowcharts of activities and controls (including those related to risk of fraud) for the various types of transactions that may materially affect the financial statements, including the procedure for the closing of accounts and for the separate review of critical judgements, estimates, valuations and projections**

Audax Renovables discloses quarterly its financial information to the regulator and to the market. The information is compiled through the reporting packages sent by the subsidiaries of the Group, and then it is consolidated by the Group's Finance Department, subordinate to the General Management. In order to ensure reliability of information in connection with the accounting cycle closing and consolidation process, the departments comprising the Finance Department, primarily the Accountancy Department, undertake various control activities that ensure the reliability of financial reporting. Additionally, the Management Control Department analyses and supervises the information. Ultimately, the Finance Management reviews and approves the general information as well as the specific information about the opinions, estimations, valuations, provisions and forecasts relevant for quantifying the assets, liabilities, income, expenses registered and/or disclosed in the Individual and Consolidated Annual Accounts, and financial statements of the Group. Ultimately, the financial information is submitted first to the Audit Committee for its review and then to the Board of Directors for its approval. Once the approval of the Board has been obtained, the Group proceeds to disclose the information to the securities market by adequate proceeding through the regulator (CNMV).

The Audax Renovables Group applies the Manual of Regulated Information for Disclosure, duly approved by the Audit Committee and Management of the Group, in which all the obligatory communications are detailed as required by the regulator. Moreover, the aforementioned ICFR processes connected with Financial Reporting involve risk identification and a series of controls designed for that process as an integral part of the internal control process. Within this scheme, the Management are in charge of referring quarterly, semi-annually and annually the mandatory financial information to the stock market (CNMV) in coordination with the Internal Audit Department and the Secretary of the Board with the previous review and approval by the Board of Directors and previous review and subsequent approval by the Audit Committee. This financial information is prepared through the various departments subordinate to the Management.

Simultaneously, the Audit Committee is responsible for supervising the process of preparing and presenting the relevant financial information as well as for supervising and ensuring the appropriate control framework of the ICFR system. During the closures of the accounting cycle that fall on the end of half year, the Audit Committee receives comments and conclusions provided by the external auditors of the Group based on the control results. Additionally, the Audit Committee (in reference to the half-year closures whose figures are audited) informs the Board of Directors about its conclusions regarding the presented financial report, which, after being approved by this body, is forwarded to the stock markets.

As it was already mentioned, due to the merger of the Company in 2019, the ICFR model was adapted to the new business dimension and model, with identified improvements being implemented as a consequence of said adaptation process. Because of the strategy of the Group of a vertical business model which integrates the energy and gas retail as well as the generation of renewable energy, at the end of 2023 the following processes have been identified under ICFR:

- Finance Reporting Process (at the Group level)
- Energy Sales Process (at the Group level)
- Electricity and gas Purchase Process (at the Group level)
- Treasury Process (at the Group level)
- CAPEX Process (generation activity)
- Impairment Process (at the Group level)

Apart from identifying the processes which are important at the ICFR level, the Group has documented all the risks and controls associated with the processes described in the control matrices as well as in the flow charts which reveal the loops of these processes, as well as specific procedures developed in order to formalise the processes carried out and mitigate the identified weaknesses.

Additionally, it should be highlighted that, as already stated in the Corporate Governance Reports for the previous years, due to the joint project of merger completed in the year 2019, the ICFR model was undergoing a redefinition process in order to adapt it to the new dimension and business lines of the Group. During 2021 the project mentioned above of incorporating the specified subsidiaries was completed and the control processes implemented with regard to the financial reporting and purchase and sale of electricity and gas reporting for those companies which, due to their importance and dimension belonged to the Audax Renovables Group. During 2022 formal processes were extended to the whole Group, incorporating the Treasury and CAPEX processes and redefining the associated risks in order to obtain an improved and clearer outlook. In 2023 the analysis was complemented with the Risk Map mentioned before as well as a new process, incorporated and formalised, connected with the Impairment.

Lastly, we would like to highlight an aspect which we consider of importance. Within the restructuring Project of the new ICFR system, which the Group has been developing in the last five years, there are certain controls which are not fully automatic, therefore its manual operation may entail certain risk of the final information contained in the financial statements. For this purpose the Group implemented an internal procedure of digital files management or UDAs (User-Developed Applications) in order to establish control of access, documents and versions of those files and so ensure the integrity and validity of the information gathered in the files, as well as control of separation of duties among the users in order to ensure adequate supervision within the associated processes.

As a result of all the measures described in the previous paragraphs, 78 key controls have been identified in Audax and its subsidiaries. These are the testing focus for the year 2023. Additionally, up to 40 ad hoc procedures have been developed based on the 5 identified key processes (Financial Reporting, Procurement, Sales, Treasury, CAPEX and Impairment) for the companies fitting within the scope of the work.

### F.3.2 Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key processes of financial reporting.

The Audax Renovables Group uses information systems for the purpose of carrying out register and control of its operations and, subsequently, their functioning is a key element of special significance to the Group. Moreover, the Group is continually evolving and, as a consequence, has been developing various policies and procedures by the IT department. Among others, the rules of access to the systems of Audax and the adequate use of the digital components made available to the employees shall be established. Furthermore, the Company has an external provider responsible for the backup of its infrastructure. As a way of ensuring the information security, there is a sequence of backups scheduled in order to ensure that the Group can get the copies whenever necessary.

On the other hand, the objective of the procedures that are being developed is to ensure the correct separation of duties and guarantee the security of access and control of the new versions of the information which has direct impact on financial information with regard to the data files and applied processing. Additionally, for the controls where the aforementioned aspects were not ensured due to the manual operation of the processes, the Company implemented in due course an internal procedure of digital files management or UDAs (User-Developed Applications) in order to establish control of access, documents and versions of those files and so ensure the integrity and validity of the information gathered in the files, as well as control of separation of duties among the users in order to ensure adequate supervision of the processes.

Lastly, the Group's Management has continued working intensely towards implementing various ERP's which, ultimately, seek improvement and reliability of commercial processes as well as of the processes of operating and financial nature besides a higher automation of the processes and controls, increasing the trustworthiness of the financial and operating information for all stakeholders.

**F.3.3 Internal control policies and procedures for overseeing the management of outsourced activities, and of the appraisal, calculation or valuation services carried out by independent experts, when these may materially affect the financial statements.**

Usually evaluations, calculations or appraisals commissioned to third parties, which may have direct influence on financial reporting, are deemed to be necessary actions within the scope of generating financial information, which, in individual cases, lead to identification of the prioritised kinds of error risks, which requires designing internal controls related to them. These controls would include analysis and internal approval of key assumptions which may be implemented, as well as verifying evaluations, calculations of appraisals conducted by external entities, through juxtaposing them with calculations carried out internally.

Therefore, if the Company or the Group enlisted for such purpose the services of an independent entity, it would ascertain the entity's competences, authorisations, independence as well as technical and legal capabilities. In any case the results or reports of individual independent experts in the area of accounting, tax or legal matters, should be monitored previously by persons responsible for each area, as well as the Management for the purpose of confirming the conclusions drawn.

However, Audax Renovables does not outsource the entirety nor any part of its process of formulating the financial statements. Perhaps the only activity fitting such description could be the outsourcing related to the staff remuneration systems, as the amounts paid for different purposes do have finally an impact on the financial information. Therefore, the Group has included such risks and controls within the risk and control matrices in regard to the area of financial information control (ICFR).

**F.4. Information and communication.**

Inform of the existence of at least the following elements indicating their main features:

**F.4.1 A specific function in charge of defining and maintaining accounting policies (accounting policy area or department) and settling doubts or disputes arising from the interpretation thereof, maintaining regular communication with the team in charge of operations, and a manual of accounting policies regularly updated and communicated to all the entity's operating units.**

The responsibility for applying the accounting policies of the Audax Renovables Group is unified for all the geographical area of its activity and is centralised in the Group's Financial Management and within it the Accountancy Department, whose duties include:

- Draw up and update the Accountancy Policy Manual for the Audax Renovables Group;
- Analyse the operations and transactions undertaken or foreseen to be undertaken by the Group with the main aim of determining its suitable treatment in accordance with the accountancy policies;
- Monitor the projects of new international accounting standards and determine the impact of its implementation on the Group's consolidated financial statements; and,
- Answer any question which may arise in any of the subsidiary companies of the Group about the application of the accountancy policies.

Generally, and also in those cases when the application of the accountancy regulations is especially complex, the Finance Management of the Group informs its external auditors about the conclusions of the accountancy analysis conducted by the Group and requests them their opinion regarding the analysed conclusion for a better consensus. Subsequently, the information is conveyed to the Audit Committee for analysis, debate and, if applicable, submission to the Board of Directors for approval.

Historically, it should be noted that the Accountancy Policies of the Audax Renovables Group have been developed in accordance with the International Financial Reporting Standards adopted by the European Union (hereinafter "IFRS"), with an explicit document available (called "Accountancy Policies Manual of the Audax Renovables Group") approved at the time by the Management and by the Audit Committee, and subsequently submitted to the Board, as well as supervised by the external auditor. The Group, through the Accountancy Department, and under the supervision of the Financial Management, first developed and formalized in the year 2011 said Manual, which collects the accounting principles and criteria of the companies of the Group, determining the registry and valuation guidelines so as to homogenize the accountancy in all the subsidiary companies of the Group, thus making sure of the uniformity of the accountancy and financial information.

The document details the sufficient information which the Accountancy Department and the Finance Management have deemed necessary and relevant, thus ensuring that both the subsidiaries and the holdings have an adequate knowledge thereof. Likewise, the accounting principles applied by the Group are explained in the Consolidated Annual Accounts.

The Handbook of Accounting Policies of the Group was updated and subject to approval of the Audit Committee in November 2020, and subsequently was submitted to the Board of Directors for its information and approval. Once the document was approved by the superior governing body, the Accountancy Department submitted it to all the subsidiaries of the Group. In the year 2023, upon reviewing its validity, it was not necessary to modify the Manual, because the impact of the new accounting regulations on the Group was not significant.

**F.4.2 Mechanisms for the capture and preparation of financial information in standard format, to be applied and used by all units of the entity or the group, supporting the principal accounts and the notes thereto, as well as the information provided on the internal control over financial reporting system.**

Audax Renovables has implemented various ERP's for the parent company as well as for the different subsidiaries of the Group. The main feature of the financial ERP's system of drafting and reporting accounting and financial information is that it has a uniform chart of accounts. The ERP's satisfy, on the one hand, the needs of reporting of the individual financial statements and enable, on the other, the consolidation process and the subsequent analysis and review.

For the purpose of forwarding information to compile the monthly consolidated financial statements of the Audax Renovables Group, as well as the information which needs to be taken into consideration in the subsequent closing reports (formulated quarter- or half-yearly) which are handed in to the Audit Committee and the Board of Directors, there is a list of minimum requirements concerning submitted documentation. Moreover, for those subsidiaries, the ERPs differ depending on the subsidiary and the country of its origin. However, the financial managers of those subsidiaries report to the Financial Department of the Group through a reporting package adapted to the needs of the holding company, sent under the IFRS format according to the local accounting regulations of the country of origin.

**F.5. Monitoring the system.**

Inform of the existence of at least the following elements indicating their main features:

**F.5.1** The activities of supervision of the internal control over financial reporting system (ICFR) performed by the audit committee, as well as whether the entity has an internal audit function whose duties include providing support to the committee in its work of supervising the internal control system, including the internal control over financial reporting system. Information is also to be provided concerning the scope of the assessment of the internal control over financial reporting system performed during the financial year and on the procedure whereby the person or division charged with performing the assessment informs of the results thereof, whether the entity has an action plan in place of describing possible corrective measures, and whether the impact thereof on financial information has been considered.

According to the definition set forth in the Basic Standard of the Internal Audit Function of the Group, the department of Internal Audit is an internal unit of the Company, reporting hierarchically to the chairman of the Board of Directors of Audax Renovables and, functionally, to the Audit Committee. Its fundamental activity consists in supervising in an independent and proactive way the efficacy of the management processes, risk management and internal control of the Group.

The Internal Audit Department supports the Audit Committee in the development of the duties of the Committee, particularly regarding the supervision of the efficacy of the internal control system and risk management, its relations with the auditor and the supervision of the process of formulating the economic and financial information and non-financial information of the company.

In particular, the Manager of the Internal Audit Department shall provide the Audit Committee, without limitations and within their scope of competence, with the information necessary for the committee to carry out the following activities:

- (i) supervise the efficacy of the internal control systems and risk management;
- (ii) draw conclusion regarding the correct implementation of the accounting policies; and
- (iii) obtain information on the significant adjustments identified by the Internal Audit Area during the review of the economic and financial information and non-financial information.

Pursuant to article 6 of the Standard, under the heading of "Supervision of the efficacy of the internal control system", the Internal Audit Area shall supervise, in an objective and independent manner, the efficacy of the Group's internal control system. In particular, the supervision shall involve:

- i) Efficient implementation of the Group's integral system of risk control and management, as defined in the general Policy of risk control and management, its adequacy for the purpose of ensuring compliance with risk policies.
- ii) Efficient implementation of the System of internal control of financial reporting (ICFR) established by the Company for the purpose of formulating and presenting the economic and financial information of the Group, including the information which the Company, as a listed company, is obliged to publish periodically.
- iii) Effective application of the standards, protocols and procedures which comprise the Group's Compliance System, whose objective is to prevent irregular, unethical or illegal behaviour or conduct, including without limitation the supervision of the measures established to prevent corruption, fraud and bribery, as well as of crime prevention programmes.
- iv) Efficient implementation of the global framework of management and control of cybersecurity risks within the scope of the Group as well as the framework of management of processes and actions related to the information technologies (IT) in the Group.
- v) Efficient implementation of the mechanisms established by the Group to apply environmental and social policies.

The Audit Committee, in its work of verifying the ICFR and ensuring the quality of the financial information since 2020 has centred its activity on designing effectively the processes which, after the process of merger undergone by the Group, were considered to be materially affecting the individual and consolidated financial statements of Audax Renovables. Adequate development of the processes described in section F.2.1. as well as the efficiency of the controls of the five processes formally active around the ICFR scope at the Group level. Financial Reporting, Procurement of electricity and gas, Sales through retail of gas, Treasury, CAPEX and Impairment During the following years the incorporation of new processes will continue being evaluated for detecting significant risks for the Group. Works will also be carried out year by year to improve the existing processes, just as it has been done before, contemplating the Audax's objectives and taking into account the changing market circumstances.

Because of the dimension and complexity of the processes, the cooperation of various corporate departments and of the most important subsidiaries of the Group is necessary regarding income and materiality of the accounting items. Carrying out its tasks, the Audit Committee is supported by the Internal Audit Department and always in touch with the Group's external auditor with whom regular and periodic meetings are held.

In regards to the above, the Internal Audit Department keeps constant oversight of the plans and actions agreed upon with individual departments for the purpose of correcting the recommendations and identified weaknesses and implementing the suggestions for improvement negotiated with them. The Internal Audit Department carries out controls of all the processes involved with formulating financial information, regarded as relevant in individual companies belonging to the Group and within the corporate finance area, at the closing of quarterly, half-yearly and yearly periods.

If any shortcomings are detected in the quality of the information or in the financial reporting control systems, necessary action plans are established in cooperation with the Internal Audit and the Group's Management in order to mitigate the weaknesses.

**F.5.2 Whether there is a discussion procedure whereby the auditor (as provided in the Technical Auditing Standards), the international audit function, and other experts can inform senior management and the audit committee or the directors of the entity of the significant internal control weaknesses detected during the review of the annual accounts or such other reviews as may have been entrusted to them. Information shall be also provided on whether there is an action plan to seek to correct or mitigate the weaknesses found.**

The discussion procedure about the improvements and identified significant weaknesses of the internal control is based, generally, on regular meetings held by the intervening parties. In this regard, the Internal Audit department informs periodically (quarterly) the Audit Committee about the development of the scope of the model as well as the conclusions related to the internal control of the ICFR system and the internal audits carried out during the year, if applicable, according to the Audit Plan, as well as about the situation regarding the implementation of the action plans established in order to mitigate weaknesses, if there are any. Therefore, the Department has the external support from one of the "Big Four" companies for the analysis, improvement and final testing of its controls and processes.

Specifically, in accordance with the provisions of its Regulations (scope of competence), the Audit Committee has, among others, the task to analyse, together with the accounting auditors, significant weaknesses of the internal control system detected during the audit process.

The auditor of the Group has direct contact with the Finance Management as well as the Group's Management and the Internal Audit Manager through necessary periodic meetings, such as, for example, for referring half-yearly information, before preparing the annual accounts, to expose the incidences detected and before beginning the audit, to explain the scope thereof, both in order to obtain necessary information for the performance of the work and to communicate the control weaknesses detected. Moreover, every six months the auditor reports to the Audit Committee the conclusions of the half-yearly and yearly audit of the Group, including all the aspects considered as important.

Furthermore, the Accounting Department as well as the Finance Management, the latter being responsible for the former, draw up the consolidated financial statements, holding frequent meetings with the external auditors and the Internal Audit and the Management, for the quarter, half year and year closure, in order to discuss relevant matters related to the financial reporting and possible shortcomings detected in the control system.





## ANNUAL REPORT ON CORPORATE GOVERNANCE OF LISTED COMPANIES

### F.6. Other important information.

There is no other important information to detail.

### F.7. External auditor report.

Report on:

F.7.1 Whether the ICFR information disclosed to the markets has been reviewed by the external auditor, in which case the corresponding report should be attached. Otherwise, explain the reasons thereof.

The Group has submitted to the external auditor for review the ICFR information for the year 2023 disclosed to the markets. The auditor review procedure has been carried out within the scope established in the Circular E14/2013, of 19 July 2013, of the Spanish Institute of Chartered Accountants, publishing the Guidelines and model of the auditor's report on information about the internal control system of financial reporting (ICFR) of listed companies.



**G. COMPLIANCE WITH THE CORPORATE GOVERNANCE RECOMMENDATIONS**

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Indicate the degree of the company's compliance with the recommendations of the Good Governance Code of Listed Companies.

Should the company not comply with any of the recommendations or comply only in part, include a detailed explanation of the reasons in order to furnish the shareholders, investors and the market in general sufficient information to assess the company's course of action. General explanation will not be accepted.

1. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchase on the market.

Complies [ X ]      Explain [ ]

2. When the listed company is controlled, as defined in article 42 of the Commercial Code, by other entity, whether listed or not, and holds directly or through its subsidiaries business relations with said entity or any of its subsidiaries (different from the listed company) or carries out activities connected with the activity of any of them, disclose precisely the following information:

a) The activity areas and possible business relations between, on the one hand, the listed company or its subsidiaries and, on the other, the parent company or its subsidiaries.

b) The mechanisms in place to resolve possible conflicts of interest.

Complies [ X ]                      Complies in part [ ]                      Explain [ ]                      Not applicable [ ]

3. During the annual general meeting the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report, and in particular:

a) Regarding the changes made since the previous annual general meeting.

b) Regarding the specific reasons for which the company does not follow certain recommendations of the Good Governance Code and, possibly, which alternative procedures are implemented instead.

Complies [ X ]                      Complies in part [ ]                      Explain [ ]

4. The company should draw up and implement a policy concerning communication and contacts with shareholders and institutional investors within the scope of their involvement in the company, as well as proxy advisors, that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position. This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation.

Without prejudice to the legal obligations of disclosure of privileged information and other type of regulated information, the company should also have a general policy concerning communication of economic and financial, non-financial information and corporate information through the channels it considers as adequate (means of communication, social networks or other methods) in order to maximise the disclosure and quality of the information made available to the market, the investors and other stakeholders.

Complies [ X ]

Complies in part [ ]

Explain [ ]

5. The board of directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When a board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

Complies [ X ]

Complies in part [ ]

Explain [ ]

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:
- a) Report on auditor's independence.
  - b) Reviews of the operation of the audit committee and the nomination and remuneration committee.
  - c) Audit committee report on related party transactions.

Complies [ X ]

Complies in part [ ]

Explain [ ]

During the financial year 2023 the company published on its website well in advance of the Ordinary General Meeting of Shareholders all the reports specified above.

7. The company should broadcast its general meetings live on the corporate website.

The company should implement mechanisms allowing the delegation and exercise of voting rights through electronic means and, with regard to companies of high capitalisation level and as far as it is proportionate, active attendance and participation in the General Meeting.

Complies  ]                      Complies in part  ]                      Explain  ]

8. The audit committee should endeavour that the annual financial statements presented by the board of directors to the general meeting of shareholders be formulated in compliance with the accounting standards. In the event when the auditor includes in their audit report qualified opinion, the chairman of the audit committee should explain with clarity to the general meeting the opinion of the audit committee regarding its contents and scope, making available to the shareholders at the moment of publication of the notice calling the general meeting together with the other proposals and reports of the board, a summary of the opinion.

Complies  ]                      Complies in part  ]                      Explain  ]

9. The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website.

Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Complies  ]                      Complies in part  ]                      Explain  ]

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

- a) Immediately circulate the supplementary items and new proposals.
- b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors.
- c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or deductions about the direction of votes.
- d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

Complies  ]                      Complies in part  ]                      Explain  ]                      Not applicable  ]

11. In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.

Complies [  ]                      Complies in part [  ]                      Explain [  ]                      Not applicable [  ]

12. The board of directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Complies [  ]                      Complies in part [  ]                      Explain [  ]

13. The board of directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.

Complies [  ]                      Explain [  ]

14. The board of directors should approve a policy designed to favour an appropriate composition of the board, which:

- a) Is concrete and verifiable.
- b) Ensures that appointment or re-election proposals are based on a prior analysis of the competencies required by the board; and
- c) Favours diversity of knowledge, experience, age and gender. With this regard, it is considered that the policy favours diversity of gender if it contains measures which encourage the company to have a significant number of female senior managers.

The results of the prior analysis of the competencies required by the board should be recorded in the nomination committee's explanatory report, to be published when the general meeting is called that will ratify the appointment or re-election of each director.

The nomination committee should run an annual check on compliance with this policy and set out its findings in the annual corporate governance report.

Complies [  ]                      Complies in part [  ]                      Explain [  ]



## ANNUAL REPORT ON CORPORATE GOVERNANCE OF LISTED COMPANIES

Although in regards to the selection and appointment of directors the aforementioned criteria and goals are implemented, the analysis of the Company's situation and needs is conducted in reference to a particular situation in which the appointment or reappointment of a director is supposed to occur, and not in an abstract and general way.

15. Proprietary and independent directors should constitute an ample majority on the board of directors, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

And the number of female directors should constitute at least 40% of the board of directors before the end of 2022 and thereafter, and should not be lower than 30% theretofore.

Complies  [ X ]

Complies in part  [ ]

Explain  [ ]

The Board of Directors has been committed to achieve a number of female directors which would constitute at least 40% of the board before the end of the year 2023.

Therefore, during the year 2021 Ms Anabel López and Ms Rosa González were appointed members of the board of directors.

Thus the goal mentioned above was met during the year 2023.

16. The percentage of proprietary directors out of all non-executive directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

The criterion can be relaxed:

- a) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.
- b) In companies with a plurality of shareholders represented on the board but not otherwise related.

Complies  [ X ]

Explain  [ ]

17. Independent directors should be at least half of all board members.

However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30 percent of capital, independent directors should occupy, at least, a third of board places.

Complies  [ X ]

Explain  [ ]

18. Companies should post the following director particulars on their websites, and keep them permanently updated:
- a) Professional and biographical profile.
  - b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.
  - c) Statement of the director class to which they belong, in the case of proprietary directors indicating the shareholder they represent or have links with.
  - d) Dates of their first appointment as a board member and subsequent re-elections.
  - e) Shares held in the company and any options on the same.
- Complies [  ]                      Complies in part [  ]                      Explain [  ]

The information on the website refers to points a, c, d and e. In connection with section b), and due to the considerable number of posts in companies held by certain directors, the lists of posts included in the profiles of the directors available on the website are not exhaustive.

19. Following verification by the nomination committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3 per cent of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.
- Complies [  ]                      Complies in part [  ]                      Explain [  ]                      Not applicable [  ]
20. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.
- Complies [  ]                      Complies in part [  ]                      Explain [  ]                      Not applicable [  ]

21. The board of directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where they find just cause, based on a proposal from the nomination committee. In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in Recommendation 16.

Complies [ X ]      Explain [ ]

22. Companies should establish rules obliging directors to inform the board of any circumstance that affects them, linked or not with their conduct in the company, which might harm the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal procedure in which they appear under investigation, and the progress of the trial.

After obtaining information through any means about circumstances specified in the previous paragraph, the board should examine the case as soon as possible and, according to circumstances, upon information of the appointments and remuneration committee, decide whether any measures should be adopted, such as opening an internal investigation, requesting the resignation or proposing the dismissal of the director. The board should communicate the relevant information in the annual report on corporate governance, unless otherwise required by special circumstances, which should be recorded in the minutes. This applies without prejudice to the information which the company should disclose, if appropriate, at the moment of adopting the relevant measures.

Complies [ X ]      Complies in part [ ]      Explain [ ]

23. Directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independent and other directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the secretary of the board, even if she or he is not a director.

Complies [ X ]      Complies in part [ ]      Explain [ ]      Not applicable [ ]

24. Directors who leave their post before the expiration of their tenure, either through resignation or upon resolution of the general meeting of shareholders, should adequately explain the reasons of their resignation or, in the case of non-executive directors, their opinion on the reasons of the general meeting's decision, in a letter to be sent to all members of the board.

Besides informing of the resignation in the annual report on corporate governance, to the extent to which it is important to the investors, the company should publish the resignation as soon as possible, giving sufficient information on the reasons or circumstances declared by the director.

Complies                       Complies in part                       Explain                       Not applicable

In his resignation letter addressed to the Company, Mr Eduard Romeu Barceló informed that the reason for his departure was strictly professional.

25. The nomination committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively.

The board of directors regulations should lay down the maximum number of company boards on which directors can serve.

Complies                       Complies in part                       Explain

The Company requires that the directors dedicate necessary time and effort to the efficient performance of their duties. However, there is no rule as to the number of directorships which the directors may hold.

Upon verifying that the directors dedicate the necessary time and effort to the appropriate discharge of their duties, currently the Company does not consider it necessary to adjust in the regulations of the board of directors the maximum number of company boards to which its directors can belong.

26. The board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items.

Complies                       Complies in part                       Explain

27. Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.

Complies                       Complies in part                       Explain

28. When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book at the request of the person expressing them.

Complies                       Complies in part                       Explain                       Not applicable



29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.

Complies [ X ]                      Complies in part [   ]                      Explain [   ]

30. Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

Complies [ X ]                      Explain [   ]                      Not applicable [   ]

31. The agendas of board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly recorded, of the majority of directors present.

Complies [ X ]                      Complies in part [   ]                      Explain [   ]

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

Complies [ X ]                      Complies in part [   ]                      Explain [   ]

33. The chairman, as the person charged with the efficient functioning of the board of directors, in addition to the functions assigned by law and the company's bylaws, should prepare and submit to the board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive officer; exercise leadership of the board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each director, when circumstances so advise.

Complies [ X ]                      Complies in part [   ]                      Explain [   ]

34. When a lead independent director has been appointed, the bylaws or board of directors regulations should grant him or her the following powers over and above those conferred by law: chair the board of directors in the absence of the chairman or vice chairman; give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the chairman's succession plan.

Complies [   ]                      Complies in part [ X ]                      Explain [   ]                      Not applicable [   ]

Article 6.1 of the Regulations of the Board of Directors declares that when the Chairperson of the Board of Directors is an executive director [...] a coordinating director must necessarily be appointed from among independent directors, who will be specifically empowered to request a meeting of the Board be called or new items be included in the agenda of an already convened meeting, coordinate and bring together the non-executive directors and conduct, if appropriate, the periodic evaluation of the Chairperson of the Board of Directors.

35. The board secretary should strive to ensure that the board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.

Complies [ X ]      Explain [ ]

36. The board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:

- a) The quality and efficiency of the board's operation.
- b) The performance and membership of committees.
- c) The diversity of board membership and competences.
- d) The performance of the chairman of the board of directors and the company's chief executive.
- e) The performance and contribution of individual directors, with particular attention to the chairmen of board committees.

The evaluation of board committees should start from the reports they send to the board of directors, while that of the board itself should start from the report of the nomination committee.

Every three years, the board of directors should engage an external facilitator to aid in the evaluation process. The facilitator's independence should be verified by the nomination committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be detailed in the annual corporate governance report.

Complies [ X ]      Complies in part [ ]      Explain [ ]

37. When an executive committee exists, it should comprise at least two non-executive directors, and at least one of them should be independent; the secretary of the board should act as secretary to the executive committee.

Complies [ ]      Complies in part [ ]      Explain [ ]      Not applicable [ X ]

38. The board should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all board members should receive a copy of the committee's minutes.

Complies [  ]                      Complies in part [  ]                      Explain [  ]                      Not applicable [  ]

39. All members of the audit committee, particularly its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and management of financial and non-financial risk.

Complies [  ]                      Complies in part [  ]                      Explain [  ]

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the board's non-executive chairman or the chairman of the audit committee.

Complies [  ]                      Complies in part [  ]                      Explain [  ]

41. The head of the unit handling the internal audit function should submit an annual work programme to the audit committee for its approval or for the approval of the board of directors, inform the committee directly of its implementation, including any possible incidents and limitations of its effect arising during the implementation, as well as of the results and the follow-up of their recommendations, and submit an activities report at the end of each year.

Complies [  ]                      Complies in part [  ]                      Explain [  ]                      Not applicable [  ]

42. The audit committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:

- a) Monitor the preparation and integrity of financial and non-financial information, as well as the systems of control and management of financial and non-financial risks concerning the company and, if applicable, the group, including operational, technological, legal, social, environmental, political and reputational risks or those related to the corruption, checking for compliance with legal provisions, the accurate demarcation of the consolidation scope and the correct application of accounting standards.
- b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or propose to the board of directors to approve its priorities and the internal audit annual work programme, ensuring that it focuses primarily on the main risks (including reputational risks); receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
- c) Establish and supervise a mechanism whereby staff and other persons related to the company, such as directors, shareholders, providers, contractors or subcontractors, can report any potentially significant irregularities, including those of financial, accounting or any other nature, related to the company and detected within the company or its group. Such mechanism should guarantee confidentiality and, in any case, provide the means through which the information might be reported anonymously, respecting the rights of the reporting person and of the reported person.
- d) Ensure that the policies and systems established in the area of internal control are effectively applied in practice.

2. With respect to the external auditor:

- a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.
- b) Ensure that the remuneration paid to the external auditor for their services does not compromise the quality of such services or the independence of the auditor.
- c) Ensure that the company notifies any change of auditor through the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons therefor.
- d) Ensure that the external auditor has a yearly meeting with the board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.
- e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Complies [ X ]

Complies in part [ ]

Explain [ ]

43. The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies  ]                      Complies in part  ]                      Explain  ]

44. The audit committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Complies  ]                      Complies in part  ]                      Explain  ]                      Not applicable  ]

45. Control and risk management policy should specify or determine at least:

- a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks, as well as those related to corruption), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.
- b) A model of risk control and management based on various levels, part of which would be a committee specialised in risk, when applicable under sector-specific regulations or when the company considers it appropriate.
- c) The risk level the company sees as acceptable.
- d) The measures in place to mitigate the impact of risk events should they occur.
- e) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

Complies  ]                      Complies in part  ]                      Explain  ]

46. Companies should establish a risk control and management function in the charge of one of the company's internal departments or units and under the direct supervision of the audit committee or some other dedicated board committee. This function should be expressly charged with the following responsibilities:

- a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, manager and quantified.
- b) Participate actively in the preparation of risk strategies and in key decisions about their management.
- c) Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the board of directors.

Complies  ]                      Complies in part  ]                      Explain  ]

These functions, right now, are assumed and carried out by the Internal Audit Department of the Audax Renovables Group and the Audit Committee is appropriately informed.

47. Appointees to the nomination and remuneration committee – or the nomination committee and remuneration committee, if separately constituted – should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent directors.

Complies  ]                      Complies in part  ]                      Explain  ]

48. Large cap companies should operate separately constituted nomination and remuneration committees.

Complies  ]                      Explain  ]                      Not applicable  ]

49. The nomination committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors.

When there are vacancies on the board, any director may approach the nomination committee to propose candidates that it might consider suitable.

Complies  ]                      Complies in part  ]                      Explain  ]

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

- a) Propose to the board the standard conditions for senior officer contracts.
- b) Monitor compliance with the remuneration policy set by the company.
- c) Periodically review the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to the directors and senior officers in the company.

d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.

e) Verify the information on director and senior officer's pay contained in corporate documents, including the annual director's remuneration statement.

Complies  ]                      Complies in part  ]                      Explain  ]

51. The remuneration committee should consult with the chairman and chief executive, especially on matters relating to executive directors and senior officers.

Complies  ]                      Complies in part  ]                      Explain  ]

52. The terms of reference of supervision and control committees should be set out in the board of directors regulations and aligned with those governing legally mandatory board committees as specified in the preceding sets of recommendations. They should include at least the following terms:

- a) Committees should be formed exclusively by non-executive directors, with a majority of independents.
- b) Committees should be chaired by an independent director.
- c) The board should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's terms of reference; discuss their proposals and reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.
- d) They may engage external advice, when they feel it necessary for the discharge of their functions.
- e) Meeting proceedings should be recorded and a copy made available to all board members.

Complies [  ]                      Complies in part [  ]                      Explain [  ]                      Not applicable [  ]

53. The task of supervising compliance with the company's policies and rules regarding environmental, social and corporate governance issues, as well as with the internal code of conduct, should be assigned to one board committee or split between several, which could be the audit committee, the nomination committee, a special committee for sustainable development or corporate social responsibility or other dedicated committee which the board of directors decides to establish within its powers of self-organisation. The committee should be comprised only of non-executive directors, the majority of them being independent, and should have at least the particular duties specified in the following recommendation.

Complies [  ]                      Complies in part [  ]                      Explain [  ]

54. The required duties referred to in the previous recommendation are as follows:

- a) To supervise the compliance with the rules of corporate governance and with the organisation's internal code of conduct, as well as to make sure that the organisation's corporate culture aligns with its purpose and values.
- b) To supervise the application of the general policy on communication of economic and financial, non-financial and corporate information, as well as communication with investors, proxy advisers and other stakeholders. To oversee the company's strategy on communication and relations with small and medium-sized shareholders.
- c) To evaluate and review periodically the company's corporate governance system and its environmental and social policy, in order to confirm that it is fulfilling its mission to promote public interest and to cater, as appropriate, for the legitimate interests of remaining stakeholders.
- d) To make sure that the company's practice in environmental and social matters is adjusted to the established strategy and policy.
- e) Monitor and evaluate the company's interaction with its stakeholder groups.

Complies [ X ]

Complies in part [ ]

Explain [ ]

55. Sustainability policy in environmental and social matters should identify and include at least the following items:

- a) The principles, commitments, objectives and strategy concerning shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal conduct.
- b) The methods or systems of supervising the compliance with the policies, associated risks and risk management.
- c) The mechanisms for supervising non-financial risk, including risk connected with ethical aspects, and business conduct.
- d) The channels for stakeholders communication, participation and dialogue.
- e) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.

Complies [ X ]

Complies in part [ ]

Explain [ ]

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

Complies [ X ] Explain [ ]



57. Variable remuneration linked to the company and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive directors.

The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate. The above condition will not apply to any shares that the director must dispose of to defray costs related to their acquisition.

Complies [  ]

Complies in part [  ]

Explain [  ]

In accordance with the policy on directors' remuneration approved by the Ordinary General Meeting of Shareholders of the Company on 30 June 2023, the performance of executive functions by the directors, by law or by delegation of the board, shall be remunerated through a fixed amount of money.

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

In particular, variable remuneration items should meet the following conditions:

- a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.
- b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.
- c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to sustainable value creation, so that the elements of the performance measurement do not involve solely individual, sporadic or extraordinary events.

Complies [  ]

Complies in part [  ]

Explain [  ]

Not applicable [  ]

59. The payment of the variable components of the remuneration should be subject to an adequate control in order to ensure that the performance requirements or other predetermined criteria have effectively been met. The companies should include in their annual report on directors' remuneration the criteria concerning time required and methods of such control, depending on the nature and character of each variable component.

Additionally, the companies should evaluate the possibility of establishing a reduction clause ("malus") based on the deferment for a sufficient time of a part of the variable component, which would involve losing it in whole or in part in the case when before the moment of payment an event occurs which makes it recommendable.

Complies [ ]                      Complies in part [ ]                      Explain [ ]                      Not applicable [ X ]

60. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Complies [ ]                      Complies in part [ ]                      Explain [ ]                      Not applicable [ X ]

61. A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

Complies [ ]                      Complies in part [ ]                      Explain [ ]                      Not applicable [ X ]

62. Following the award of shares, share options or other financial instruments derived from the remuneration system, the executive directors should not be allowed to transfer their ownership or exercise the share option for at least three years after their award.

There should be an exception for the case when the director has, at the moment of the transfer of ownership or exercise of the option, a net economic exposure to the fluctuation of the share price for a market value of at least twice their fixed annual remuneration through holding of shares, options or other financial instruments.

The above recommendation does not apply to the shares which the director needs to dispose of in order to pay the costs of their purchase or, upon favourable opinion of the appointments and remuneration committee, to confront extraordinary situations that so require.

Complies [ ]                      Complies in part [ ]                      Explain [ ]                      Not applicable [ X ]

63. Contractual agreements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the director's actual performance or based on data subsequently found to be misstated.

Complies [ ]                      Complies in part [ ]                      Explain [ ]                      Not applicable [ X ]



## ANNUAL REPORT ON CORPORATE GOVERNANCE OF LISTED COMPANIES

64. Termination payments should not exceed an amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that the director has met the criteria or conditions established for that purpose.

Pursuant to this recommendation, contract termination payments should be understood as any amount whose calculation or obligation to pay is the result or consequence of the extinction of the contractual relationship between the director and the company, including the amounts not consolidated previously of long-term saving schemes and the amounts paid under non-competence and post-employment agreements.

Complies [  ]      Complies in part [  ]      Explain [  ]      Not applicable [  ]

The amount of the compensation established in Ms Ana Isabel López Porta's contract in the case of contract termination due to certain causes is a compensation of 45 days' remuneration per year of services rendered and the relevant proportion by months of periods shorter than a year. The reason is that this ordinary employment contract predates her appointment as Company director.



## ANNUAL REPORT ON CORPORATE GOVERNANCE OF LISTED COMPANIES

### 1. OTHER USEFUL INFORMATION

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2. If you consider that there is any material aspect or principle relating to the corporate governance practices followed by your company that has not been addressed in this report and which is necessary to provide a more comprehensive view of the corporate governance structure and practices at the company or group, explain briefly.
3. You may include in this section any other information, clarification or observation related to the above sections of this report to the extent they are relevant and not reiterative.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different from that required by this report.

4. Also state whether the company voluntarily subscribes to other international, sectorial or other ethical principles or standard practices. If applicable, identify the code and date of adoption. In particular, indicate whether the company adheres to the Code of Best Tax Practices of 20 July 2010:
5. Audax Renovables, S.A. is a signatory entity in the UN Global Compact since 7 August 2013, and has joined it voluntarily. By this agreement, Audax Renovables recognizes its commitment to comply with the ten (10) Principles of the Global Compact in the areas of human rights, labour, environment and anti-corruption.

This annual corporate governance report has been approved by the Board of Directors of the Company at its meeting on:

27/02/2024

State whether any directors voted against or abstained from voting in the approval of this Report.

Yes  
 No