



Borja Acha Besga
Secretary of the Board of Directors

Madrid, 6 May 2025

Pursuant to Article 227 of the Spanish Securities Market Act, Endesa, S.A. hereby reports the following relevant information:

Related-Party Transactions Reporting

Endesa reports related-party transactions entered into with its controlling shareholder Enel S.p.A., its corporate group and related counterparty of Enel, in accordance with the provisions of articles 529 unvicies and 529 tervicies of the Corporate Enterprises Act, which establishes the obligation of companies to publicly report, no later than the time they are entered into, the related-party transactions carried out by it or its subsidiaries with the same counterparty in the last twelve months, and which amount to or exceed: (a) 5 per cent of the total assets or (b) 2.5 per cent of the annual turnover.

In meetings held June 2024, July 2024, October 2024, November 2024, Decembre 2024, January 2025 and May 2025 , , the Board of Directors approved the related-party transactions described below, exceeding the limit established in article 529 unvicies of 2.5% of annual turnover.

I. LIST OF RELATED PARTY TRANSACTIONS CARRIED OUT WITH THE ENEL GROUP

1. ADDENDUM TO THE GRID BLUE SKY PLATFORM SOFTWARE LICENSE AGREEMENT BETWEEN E-DISTRIBUCIÓN REDES DIGITALES S.L. AND ENEL GRIDS S.R.L.
2. CONTRACT BETWEEN ENDESA INGENIERÍA AND E-DISTRIBUZIONE FOR THE PROVISION OF DIELECTRIC FLUID ANALYSIS SERVICES IN POWER TRANSFORMERS
3. TRANSACTIONS INVOLVED IN THE GAS SALES AND PURCHASES BETWEEN ENDESA ENERGÍA, S.A.U. AND ENI GLOBAL ENERGY MARKETS SPA
4. FRAMEWORK AGREEMENT BETWEEN EDISTRIBUCIÓN REDES DIGITALES, S.L.U. AND GRIDSPERTISE S.R.L. FOR THE SUPPLY OF METERS



5. TRANSACTION CONSISTING OF THE PHYSICAL PURCHASE OF FUEL OIL BY ENDESA GENERACIÓN, S.A.U. FROM ENI TRADE & BIOFUELS, S.P.A.
6. CONTRACTS FOR THE PROVISION OF TECHNICAL AND MANAGEMENT SUPPORT SERVICES BETWEEN THE ENEL GROUP AND ENDESA FOR 2025
7. TRANSACTION INVOLVING THE RENEWAL OF THE INSURANCE MANDATE AND THE ASSOCIATED SERVICES INCLUDED IN THE TECHNICAL AND MANAGEMENT SUPPORT SERVICE CONTRACTS WITH ENEL SPA
8. PROVISION OF SERVICES BY THE COMPANIES ENDESA, S.A., ENDESA MEDIOS Y SISTEMAS, S.L., AND EDISTRIBUCIÓN REDES DIGITALES, S.L. TO ENEL IBERIA, S.L.U. AND ENEL GLOBAL TRADING S.P.A.
9. RENEWAL OF THE JOINT MANAGEMENT AGREEMENT FOR SHIPPING AND CONTRACTS FOR LNG BETWEEN ENDESA ENERGÍA AND ENEL GLOBAL TRADING FOR 2025
10. TRANSACTION CONSISTING OF SPOT PURCHASES OF FUEL OIL BY ENDESA GENERACIÓN SAU FROM ENI TRADE & BIOFUELS SPA FOR THE CANARY ISLANDS IN 2025
11. TRANSACTION CONSISTING OF THE RECHARGE OF EXPATRIATE PERSONNEL SECONDMENT COSTS BETWEEN ENDESA GROUP COMPANIES AND ENEL GROUP COMPANIES
12. PROVISION OF SUPERVISION SERVICES FOR TELEPHONE CUSTOMER SERVICES, TELEMARKETING, AND DIGITAL CHANNELS, INCLUDING INVOICING, COLLECTION, CLAIMS, AND SALES QUALITY CONTROL CARRIED OUT BY ENEL COLOMBIA, S.A. ESP FOR ENDESA ENERGÍA, S.A., AND ENDESA OPERACIÓN Y SERVICIOS COMERCIALES, S.L.U. (EOSC), ON THE OFFSHORE PLATFORMS LOCATED IN COLOMBIA AND PERU
13. TRANSACTION CONSISTING OF THE FORMALISATION OF A CREDIT LINE BY ENDESA S.A. WITH ENEL FINANCE INTERNATIONAL N.V FOR UP TO €1.5 BILLION
14. ENDESA, S.A.'s ACCESSION TO THE DYNAMIC ACCOUNTING PLATFORM (DAP CONSORTIUM)
15. TRANSACTION CONSISTING OF THE PURCHASE BY ENDESA GENERACIÓN S.A.U. FROM ENDESA GENERACIÓN CHILE, S.A. OF COMBINED CYCLE TURBINE BLADES

This English-language version has been translated from the original issued in Spanish by the entity itself and under its sole responsibility, and is not considered official or regulated financial information. In the event of discrepancy, the Spanish-language version prevails.



II. CONCLUSION OF THE AUDIT AND COMPLIANCE COMMITTEE REPORTS

The Audit and Compliance Committee has issued a report for each related party transaction in which it has concluded that the transactions entered into are fair and reasonable from the point of view of Endesa and the shareholders apart from the related party.

In addition, for all related transactions there is at least one independent expert's report that has concluded that the transactions between Enel and Endesa are fair and reasonable from the point of view of Endesa and non-related party shareholders.

III. CONCLUSION OF THE BOARD OF DIRECTORS

Endesa's Board of Directors, following a favourable report from the Audit and Compliance Committee, has unanimously approved all transactions.



REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS OF THE NON-TERMINATING ADDENDUM TO THE GRID BLUE SKY PLATFORM SOFTWARE LICENSE AGREEMENT BETWEEN E-DISTRIBUCIÓN REDES DIGITALES S.L. AND ENEL GRIDS S.R.L.

Report of the Audit and Compliance Committee on the fairness and reasonableness of the non-terminating addendum to the Grid Blue Sky platform software license agreement between E-Distribución Redes Digitales S.L. and Enel Grids S.r.l.

I. INTRODUCTION AND REGULATORY FRAMEWORK

In accordance with the provisions of paragraph 3 of article 529 duovicies of the amended and restated Spanish Capital Corporations Law, as approved by Royal Legislative Decree 1/2010, of 2 July, Endesa's Audit and Compliance Committee hereby , issues this Report to assess whether the transaction is fair and reasonable from the standpoint of the company and, where appropriate, shareholders other than the related party, and indicate the assumptions on which the assessment is based and the methods used.

In accordance with Article 529 unvicies, paragraph 3, the Report issued and, as the case may be, published by Endesa's Audit and Compliance Committee, must at least include the following information:

- (a) information on the nature of the transaction and the relationship with the related party;
- (b) the identity of the related party;
- (c) the date and the value or amount of the consideration for the transaction; and
- (d) any other information required to assess whether this is fair and reasonable from the standpoint of the company and of shareholders who are not related parties.

Furthermore, Endesa has developed its own internal regulatory framework in this area, which includes, inter alia, a Related-Party Transaction Regulations approved by the Board of Directors, as well as a Related-Party Transaction Operating Procedure approved by the Audit and Compliance Committee, implementing the guidelines set forth in the Regulations and defining the proceedings, functions and responsibilities relating to the general rules on requests for and the approval, publication and monitoring of related-party transactions. These regulations have been applied in this case.

II. OVERVIEW OF THE TRANSACTION

a) Background for the transaction:

A significant feature of electricity distribution in Spain is that it is a regulated and asset-intensive activity. The main functions that distributors typically undertake include the following: (i) building, maintaining and operating installations; (ii) meeting new demands for electricity supply; (iii) ensuring supply and maintaining quality of service; and (iv) addressing access and connection requests.

E-Distribución Redes Digitales, S.L. (EDRD) is the largest subsidiary of Endesa, S.A. in the Infrastructure and Grids business. EDRD distributes electricity through a grid of 315,000 km to upwards of 12 million customers.

The Grid Blue Sky project came about in response to the challenges posed by the energy transition, in which the distribution grid manager plays a central role. To address these challenges, it was acknowledged that a technological change would be needed in order to unlock the efficiencies of emerging technologies, such as big data and artificial intelligence, as well as an operational and organizational change allowing for efficiency gains in the redesign and optimization of processes.

In an era in which data is essential for sound strategic management, E-Distribución Redes Digitales, S.L. has faced the digital challenge of managing and leveraging this data to benefit society, considering the digital revolution that has been taking place in recent years, focusing on digital platforms that offer significant advantages. This challenge becomes even more pressing when we consider the speed with which companies must adapt to the continuous changes in this new

environment. In response to this need for rapid change, E-Distribución Redes Digitales, S.L. targeted a strategy of migrating towards these new technologies.

The Grid Blue Sky project was an example of digitalization based on the platform model, in that it would provide the necessary technological foundation from which to strengthen the processes of E-Distribución Redes Digitales, S.L. by making them more secure, flexible, efficient and robust.

In this context, on 9 May 2022, Endesa's Board of Directors approved the licensing, by E-Distribución Redes Digitales S.L. from Enel Grids S.r.l. (formerly Enel Global Infrastructure and Networks, S.r.l.), of use of the Grid Blue Sky platform, for the period running from 10 May 2022 to 31 December 2030, in exchange for €144.4 million. The parties agreed, within the first three years of validity of the initial agreement, to carry out a full review of the operation and effectiveness of the entire platform and of each of its solutions, with a view to, as the case may be, renegotiating the terms and conditions of the agreement based on the proposals put forward by Endesa Distribución.

b) Purpose and amount of the transaction

This transaction concerns an addendum amending the existing software license agreement under which Enel Grids S.r.l. authorizes E-Distribución Redes Digitales, S.L. to use the Grid Blue Sky platform. Among other amendments, the addendum reduces the number of solutions contracted from 35 to 21, and also reduces the amount of the consideration payable from €144.4 million to €102.6 million.

This non-terminating addendum has been drawn up under the terms of the initial agreement, which provided that a review would be carried out within the first three years of the term, with the possibility of prioritizing and/or eliminating solutions that were found to be no longer applicable, thereby excluding their related costs from the license by means of a good faith agreement entered into between the parties.

In this context, the parties have proposed and agreed to the following amendments to the Agreement, which will take effect, as applicable, through the inclusion of new Annexes 1, 2, 3 and 5 to the Agreement:

- Annex 1: Narrowing of the scope of the Agreement: the number of technological solutions is reduced from 35 to 21.
- Annex 2: Extension of the adaptation period for three solutions (among the 21 proposed) so that they can be fully adapted to the needs of E-Distribución Redes Digitales, S.L.
- Annex 3: Reduction of the total license fee to reflect the new scope and solutions.
- Annex 5: The setting up of the three following groups of solutions, in order to improve regulatory assessment:
 - Digitalization of control offices.
 - Technical systems associated with digitalization.
 - Traditional technical systems.

The Addendum, once approved, will also amend Clause 7.4 of the Agreement, in order to extend the review period of the terms and conditions of the Agreement, such that the three-year period in which the parties may carry out such a review will begin to run from the effective date of the Addendum.

The term of the Agreement will not be altered due to the execution of the Addendum, i.e. it will remain in effect until 31 December 2030, as will all other terms and conditions.

III. IDENTIFICATION OF THE PARTY RELATED TO ENDESA:

The company providing the services: Enel Grids S.r.l. ("EG") is a fully owned subsidiary of Enel S.p.A, and therefore a member company of the Enel Group.

The company receiving the services: E-Distribución Redes Digitales, S.L., ("EDRD"), a fully owned subsidiary of Endesa SA.

Enel SpA is the sole shareholder of Enel Iberia S.L, which is in turn a shareholder of Endesa S.A, with a 70.101% stake. Related-party transactions are those entered into by Endesa or its subsidiaries with shareholders of Endesa who hold 10% or more of the voting rights or who are represented on the Board of Directors, as well as with any other persons considered as parties related to Endesa, in accordance with International Accounting Standards. Therefore, all transactions entered into by Endesa or its subsidiaries and Enel or its subsidiaries (excluding the Endesa Group) shall be considered related-party transactions.

Enel and its subsidiaries (excluding the Endesa Group) and Endesa and its subsidiaries are considered "the same counterparty" for the purposes of determining the thresholds for related-party transaction publication. In other words, the same counterparty is considered both the related person, whether natural or legal, as well as any other entity under their control and, in the case of natural persons, their close relatives, as defined in IAS 24.

IV. ANALYSIS OF THE TRANSACTION FROM THE STANDPOINT OF THE INTEREST OF ENDESA AND OF SHAREHOLDERS OTHER THAN RELATED PARTIES

a) Strategic and operational rationale of the transaction.

The following points should be made in relation to the non-terminating addendum, which aligns the project more closely with the business and strategy of E-Distribución Redes Digitales:

- Amending the terms and conditions of the Agreement so as to align the Grid Blue Sky project with Endesa Distribución's business and strategy will allow Endesa Distribución to: (i) meet its own operational and technological needs; (ii) maximize the value of the Platform by making the project more profitable; (iii) increase automation and digitalization and streamline activities, thus reducing reliance on own and external resources; and (iv) optimize the development and execution of grid assets, thus reducing the investment execution period and bringing forward the commissioning of the assets.
- Therefore, it is fair and reasonable to sign the Addendum for the purpose of (i) narrowing the scope of the Contract; (ii) lowering the total price to be paid by Endesa Distribución for obtaining the license to use the Platform; (iii) extending the adaptation period for three solutions; (iv) establish broad groups of solutions; and (v) extend the period for reviewing the functioning of the Solutions.
- Essentially, it is fair and reasonable for the parties to execute this Addendum, in view of the future needs that Endesa Distribución has identified for its future distribution grid and considering the potential operational and economic savings sought by the solution. It should also be noted that the nature of the transaction is in line with the purpose, values and strategic plan of Endesa Distribución.

b) Economic rationale. Methods used

The arm's length price of the Related-Party Transaction has been analyzed as outlined below:

1. The economic reasonableness of the transaction as a whole with the non-terminating addendum has been considered:

In order to determine the arm's length consideration of a transaction carried out between related entities, it is necessary to first determine whether there is a sufficient commercial basis to justify the existence of the transaction, i.e. to assess whether, as two independent entities, they would have

had a rational economic motivation for entering into the transaction and to establish its consideration (paragraph 1.123 of the OECD Guidelines).

The transaction as a whole makes complete economic sense for Endesa.

2. The benefit obtained by EDRD from a license to use this platform has been examined.

The platform will provide EDRD with both quantitative and qualitative benefits.

As regards the quantitative benefits, following the amendments to the agreement, the business plan will allow for material economic benefits over the 2022-2030 period, stemming from the optimization of the development of grid assets, by shortening the execution period of the investments and bringing forward their entry into service. These benefits will yield a return more closely aligned with other investments that do not qualify as related-party transactions. A reduction in stock will also be achieved, thanks to better visibility and scheduling of material requirements, thus reducing the need for stockpiled materials.

The qualitative benefits are as described previously.

Therefore, the transaction as a whole makes economic sense for all the related parties and, if by modifying the Related-Party Transaction, a reduction in the cost to be incurred by taking part in the project is achieved, it is reasonable to conclude that such amendments have yielded a benefit for E-Distribución Redes Digitales and, more precisely, are "fair and reasonable" for E-Distribución Redes Digitales and, therefore, for Endesa and its shareholders who are not related parties.

3. The transfer pricing methodology used to determine the consideration of the Related-Party Transaction was reviewed.

The transfer pricing method used to review compliance with the market value principle is the Transactional Net Margin Method ("TNMM"), with the Profit Level Indicator ("PLI") taken to be the mark-up on budgeted costs applied by EG as consideration for the granting of the software license.

The non-terminating addendum to the agreement whereby Enel Grids S.r.l. grants a license to E-Distribución Redes Digitales, S.L. to use the Grid Blue Sky platform software sets the amount of the consideration at €102.6 M, this being the sum of two items: The base price plus a 10.7% mark-up. A benchmarking study has reliably shown that the mark-up determined is consistent with the mark-up that would have been obtained by independent entities under comparable terms and conditions.

The Base Price is determined in accordance with the transfer pricing policy applied between EG and its related entities (including EDRD), i.e. invoicing the assignees a portion of EG's estimated costs from developing and maintaining the asset.

EG's costs will be apportioned among Enel Group companies in proportion to the operating profits expected by each Enel Group company. The resulting percentage assigned to Endesa is lower than that which would result if other distribution criteria were applied, such as number of customers or EBITDA.

Accordingly, it is reasonable to conclude that the transfer pricing methodology defined for this transaction is consistent with the market value principle.

V. INDEPENDENT EXPERT REPORTS ISSUED AT THE REQUEST OF THE AUDIT AND COMPLIANCE COMMITTEE

In analyzing the transaction, the Audit and Compliance Committee has taken into account the Report prepared by PricewaterhouseCoopers Tax and Legal S.L. and PricewaterhouseCoopers Asesores de Negocios, S.L. ("PwC") on the fairness and reasonableness of the non-terminating addendum to the Grid Blue Sky platform software license agreement between E-Distribución Redes Digitales S.L. and Enel Grids S.r.l. PwC issued its Report in its capacity as an independent expert.

On the date the report was issued, PwC did not maintain any sort of commercial relationship with the Enel Group or with the Endesa Group that could compromise its capacity as an independent expert for the purposes of issuing its Report or that could give rise to a conflict of interest in conducting the analysis and drawing up the conclusions therein.

The Report drawn up for Endesa's Audit and Compliance Committee concludes that the non-terminating addendum to the Grid Blue Sky platform software license agreement between E-Distribución Redes Digitales S.L. and Enel Grids S.r.l. is fair and reasonable from the standpoint of Endesa and, in particular, of shareholders other than the related party, i.e. shareholders other than the Enel Group.

VI. CONCLUSION OF THE AUDIT AND COMPLIANCE COMMITTEE:

First, it should be noted that the Audit and Compliance Committee is made up of six non-executive members of the Board of Directors, five of whom (83.33%) are independent. Furthermore, the Audit and Compliance Committee has a Shareholder-Appointed Director representing the controlling shareholder Enel, who holds 70.10% of the share capital of Endesa.

In accordance with Article 529 duovicies, paragraph 3, of the Capital Corporations Law, Mr. Stefano De Angelis, who is a shareholder-appointed director and representative of Enel, was not involved in the preparation of this Report.

The other members of the Audit and Compliance Committee were involved in drawing up and agreed to the contents of this Report on the non-terminating addendum to the Grid Blue Sky platform software license agreement between E-Distribución Redes Digitales S.L. and Enel Grids S.r.l.

Based on the background information discussed above, the Audit and Compliance Committee hereby concludes that:

- The decision to amend the Agreement in order to align the Grid Blue Sky project to Endesa Distribución's business and strategy is reasonable, as it allows Endesa Distribución to: (i) meet its own operational and technological needs; (ii) maximize the value of the Platform by making the project more profitable; (iii) increase automation and digitalization and streamline activities, thus reducing reliance on own and external resources; and (iv) optimize the development and execution of grid assets, thus reducing the investment execution period and bringing forward the commissioning of the assets.
- Following the amendments made to the terms and conditions of the Agreement, a 29% reduction of the total license cost is obtained, as a result of: (i) a 43% reduction in the CAPEX component of the license and a 7% reduction in the OPEX component, mainly associated with the prioritization of 21 Solutions to be implemented and maintained over the term of the Agreement out of the 35 solutions envisaged under the initial Agreement.
- As the amendments made to the Related-Party Transaction result from a reassessment of the benefits that Endesa Distribución expects to obtain from its use of the Platform, and given that such reassessment results in a reduction of the cost to be incurred due to its involvement in the project, it is reasonable to conclude that such amendments yield a benefit for Endesa Distribución.
- The cost basis and allocation criteria defined for the purpose of determining the amount of the Related-Party Transaction are consistent with the recommendations set out in the OECD Guidelines, as well as with the contractual terms agreed by the parties and with the methodology employed under the initial agreement.
- The inclusion of a mark-up by the entity assigning the asset (EG) is also considered reasonable. This mark-up is consistent with the levels that independent entities would be willing to agree on in comparable conditions.
- In view of the legal and commercial terms and conditions under which the Related-Party Transaction is expected to be carried out through the execution of the Addendum, it can be

concluded that the Related-Party Transaction has been reasonably articulated around contractual terms and conditions similar to those that could have been agreed by independent parties. Given that the terms were reached, in this case, by companies belonging to the same group, they generate benefits for Endesa Distribución, notwithstanding the fact that they may also create benefits for Enel's subsidiary i.e., EG. Nevertheless, such benefits would be justified and would not be disproportionate with respect to those generated for Endesa Distribución.

In conclusion, and in light of the considerations set out in the independent experts' report, the Audit and Compliance Committee concludes that the non-terminating addendum to the Grid Blue Sky platform software license agreement between E-Distribución Redes Digitales S.L. and Enel Grids S.r.l. is fair and reasonable from the standpoint of Endesa and of shareholders other than the related party.

VII. CONCLUSION OF THE BOARD OF DIRECTORS

Endesa's Board of Directors, following a favourable report from the Audit and Compliance Committee, has unanimously approved all transactions.



**REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND
REASONABLENESS OF THE CONTRACT BETWEEN ENDESA INGENIERÍA AND E-
DISTRIBUZIONE FOR THE PROVISION OF DIELECTRIC FLUID ANALYSIS SERVICES
IN POWER TRANSFORMERS**

REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS OF THE CONTRACT BETWEEN ENDESA INGENIERÍA AND E-DISTRIBUZIONE FOR THE PROVISION OF DIELECTRIC FLUID ANALYSIS SERVICES IN POWER TRANSFORMERS

I. INTRODUCTION AND REGULATORY FRAMEWORK

In accordance with the provisions of paragraph 3 of article 529 duovicies of the amended and restated Spanish Capital Corporations Law, as approved by Royal Legislative Decree 1/2010, of 2 July, Endesa's Audit and Compliance Committee hereby issues this Report to assess whether the transaction is fair and reasonable from the standpoint of the company and, where appropriate, shareholders other than the related party, and indicate the assumptions on which the assessment is based and the methods used.

In accordance with Article 529 unvicies, paragraph 3, the Report issued and, as the case may be, published by Endesa's Audit and Compliance Committee, must at least include the following information:

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- (b) the identity of the related party;
- (c) the date and the value or amount of the consideration for the transaction; and
- (d) any other information required to assess whether this is fair and reasonable from the standpoint of the company and of shareholders who are not related parties.

Furthermore, Endesa has developed its own internal regulatory framework in this area, which includes, inter alia, a Related-Party Transaction Regulations approved by the Board of Directors, as well as a Related-Party Transaction Operating Procedure approved by the Audit and Compliance Committee, implementing the guidelines set forth in the Regulations and defining the proceedings, functions and responsibilities relating to the general rules on requests for and the approval, publication and monitoring of related-party transactions. These regulations have been applied in this case.

II. OVERVIEW OF THE TRANSACTION

a) Background

To ensure the supply of electricity to end consumers, it is necessary to invest in new equipment and in the predictive maintenance of those assets already in operation, including power transformers at substations. These transformers play a key role in the supply of electricity by converting the grid voltage and, among other useful functions, ensuring operational safety and quality of supply.

Transformers need to undergo regular maintenance work, such as fluid assessments and other inspections, to help prevent any unexpected issues that might lead to power outages or shorten the useful life of the equipment. This complex work calls for considerable expertise

and electricity distributors have traditionally relied on the services of external suppliers for these purposes. However, due to the involvement of both Endesa Ingeniería, S.L. and E-Distribuzione, S.p.A. in the "Best Practice Sharing Distribution" project to share experiences in oil analysis, Endesa Ingeniería, S.L. now centralizes the analytical services at its laboratory, thus harmonizing costs and quality levels across the Group. Endesa Ingeniería, S.L. also provides these services on a recurring basis to various Group companies and third parties. Indeed, Endesa Ingeniería, S.L. has been providing these services to E-Distribuzione S.p.A. since 1 April 2012, having secured the relevant authorizations from Endesa's Board of Directors.

The parties have agreed to enter into a new contract for a period of seven months, subject to the same terms and conditions as the previous contract approved by Endesa's Board of Directors in 2023 and expiring on 31 May 2024.

b) Purpose and amount of the transaction.

The purpose of the transaction is the provision of dielectric fluid analysis services in power transformers by Endesa Ingeniería, S.L. to E-Distribuzione, S.p.A. for the period running from 1 July 2024 to 31 January 2025, totaling €140 thousand.

Specifically, Endesa Ingeniería shall perform the following activities for the benefit of E-Distribuzione:

- Analysis of the dielectric oils of the transformers and load tap changers that E-Distribuzione has in its facilities.
- Technical support in the actions required to lengthen the useful life of the power transformers, such as implementing diagnostic techniques, defining the refrigeration and insulation and protection requirements and recommending and controlling corrective measures for the dielectric fluids.
- Providing advice on technical specifications relative to power transformers, dielectric fluids or processes in which these elements are involved and which E-Distribuzione must establish vis-à-vis third parties or for internal use within the Group.
- Specific training for employees to be designated by E-Distribuzione.

This assessment of the fluids makes it possible to issue predictive and preventive maintenance recommendations intended to reduce incidents and lengthen the useful life of those transformers.

III. IDENTIFICATION OF THE PARTY RELATED TO ENDESA

The company providing the service: Endesa Ingeniería, S.L. is wholly-owned subsidiary company of Endesa, S.A.

The company receiving the service: E-Distribuzione S.p.A. is a company wholly controlled by Enel S.p.A.

Enel SpA is the sole shareholder of Enel Iberia S.L, which is in turn a shareholder of Endesa S.A, with a 70.101% stake. Related-party transactions are those entered into by Endesa or its subsidiaries with shareholders of Endesa who hold 10% or more of the voting rights or who are represented on the Board of Directors, as well as with any other persons considered as parties related to Endesa, in accordance with International Accounting Standards. Therefore,

all transactions entered into by Endesa or its subsidiaries and Enel or its subsidiaries (excluding the Endesa Group) shall be considered related-party transactions.

Enel and its subsidiaries (excluding the Endesa Group) and Endesa and its subsidiaries are considered "the same counterparty" for the purposes of determining the thresholds for related-party transaction publication. In other words, the same counterparty is considered both the related person, whether natural or legal, as well as any other entity under their control and, in the case of natural persons, their close relatives, as defined in IAS 24.

IV. ANALYSIS OF THE TRANSACTION FROM THE STANDPOINT OF THE INTEREST OF ENDESA AND OF SHAREHOLDERS OTHER THAN RELATED PARTIES

1. Operational, technical and commercial rationale.

By providing these services to E-Distribuzione, Endesa Ingeniería can expand its database of transformer dielectric oil analysis in order to continually improve predictive studies and incident analysis. These improvements give rise to the possibility of expanding the client portfolio and improving the service provided to current clients.

In addition, the services provided are significantly improved and processes are optimized through economies of scale. Notably, the Agreement helps Endesa Ingeniería obtain market prices, thus securing its margins.

Under the contract, Endesa Ingeniería may continue to recoup a portion of the fixed costs incurred in running its laboratory, while also generating new business opportunities for Endesa Ingeniería and improving Endesa's analytical and predictive capacity thanks to the broad sampling of dielectric oil states obtained as a result of the Related-Party Transaction, without compromising Endesa Ingeniería's ongoing ability to continue providing similar services to third parties or other Group companies.

2. Economic reasonableness. Methods used

To verify that the Related-Party Transaction is in line with the principle of free competition, firstly, the possibility of applying the Comparable Uncontrolled Price ("CUP") method was considered.

The CUP method compares the price charged for property or services transferred in a controlled transaction to the price charged for property or services transferred in a comparable uncontrolled transaction in comparable circumstances. Furthermore, paragraph 2.15 of the OECD Guidelines provides that a transaction may be considered comparable to another if "reasonably accurate adjustments can be made to eliminate the material effects of such differences."

Likewise, paragraph 2.15 provides that, where it is possible to locate comparable uncontrolled transactions, the CUP method is preferable.

Endesa Ingeniería has carried out comparable transactions with independent third parties under arm's length conditions, showing that the assumptions have been met in order to apply the CUP method for the purpose of determining the market value of the Related-Party Transaction through comparable uncontrolled transactions.

Given the constraints that typically exist in terms of comparability, and following the comparability analysis carried out, it can be concluded that the rates charged for the Services provided to E-Distribuzione, for the purpose of determining the value of the Related-Party Transaction, are reasonably consistent with those charged to third parties under conditions similar to those envisaged for the Related-Party Transaction.

3. Legal reasonableness

The Related-Party Transaction is legally executed by signing a contract whereby the provision of the Services by Endesa Ingeniería for the benefit of E-Distribuzione will be extended to cover the period running from 1 July 2024 through 31 January 2025, with terms identical to those of the previous contract.

It can be concluded that the Related-Party Transaction's legal and commercial terms are reasonably articulated around contractual terms and conditions that could have been agreed by independent parties.

V. INDEPENDENT EXPERT REPORTS ISSUED AT THE REQUEST OF THE AUDIT AND COMPLIANCE COMMITTEE

In analyzing the transaction, the Audit and Compliance Committee has taken into account a report from PricewaterhouseCoopers Tax and Legal S.L. ("PwC") on the fairness and reasonableness of the contract analyzed herein.

PwC issued a Report in its capacity as independent expert, having been ascertained that at the date of issue of the Report PwC did not maintain any sort of commercial relationship with the Enel Group or with the Endesa Group that could compromise its condition as independent expert for the purposes of issuing this Report or that, in particular, could place it in a situation of conflict of interest to conduct the analysis and draw up the conclusions set out therein.

In the Report it is concluded that the provision of dielectric fluid analysis services in power transformers by Endesa Ingeniería, S.L. to E-Distribuzione, S.p.A. as described herein is fair and reasonable from the standpoint of Endesa and shareholders who are not related parties.

VI. CONCLUSION OF THE AUDIT AND COMPLIANCE COMMITTEE

First, it should be noted that the Audit and Compliance Committee is made up of six non-executive members of the Board of Directors, five of whom (83.33%) are independent. Furthermore, the Committee has a Shareholder-Appointed Director representing the controlling shareholder Enel, who holds 70.10% of the share capital of Endesa.

In accordance with Article 529 duovicies, paragraph 3, of the Capital Corporations Law, Mr. Stefano De Angelis, who is a shareholder-appointed director and representative of Enel, was not involved in the preparation of this Report.

The rest of the members of the Audit and Compliance Committee took part in the preparation and unanimously agreed on the contents of this Report on the provision of dielectric fluid analysis services in power transformers by Endesa Ingeniería, S.L. to E-Distribuzione, S.p.A.

In accordance with the information contained herein, the Audit and Compliance Committee concludes that the provision of the services described herein may provide a number of advantages for Endesa and consequently, to its shareholders, namely:

- It makes sense and is reasonable for Endesa Ingeniería to continue providing dielectric fluid analysis services for power transformers to E-Distribuzione, as this allows it to improve its predictive studies and incident analysis, while expanding its customer portfolio without incurring additional costs in the process. The arrangement also happens to fulfill the strategic function of generating revenues and achieving a return on the investment made in its laboratory.
- According to the requirements set forth in the OECD Guidelines and Article 18.4 LIS, the proposed services provide Endesa Ingeniería with a return or profit.
- Endesa Ingeniería has carried out comparable transactions with independent third parties under arm's length conditions, showing that the assumptions have been met in order to apply the CUP method for the purpose of determining the market value of the Related-Party Transaction through comparable uncontrolled transactions.
- Given the constraints that typically exist in terms of comparability, and following the comparability analysis carried out, it can be concluded that the rates charged for the laboratory services provided to E-Distribuzione, for the purpose of determining the value of the Related-Party Transaction, are reasonably consistent with those charged to third parties under conditions similar to those envisaged for the Related-Party Transaction.
- The Related-Party Transaction has been reasonably articulated around contractual terms and conditions similar to those that could have been agreed by independent parties. Given that the terms were reached, in this case, by companies belonging to the same group, they generate benefits for Endesa Ingeniería, notwithstanding the fact that they may also create benefits for Enel's subsidiary i.e., E-Distribuzione. Nevertheless, such benefits would be justified and would not be disproportionate with respect to those generated for Endesa Ingeniería.

The Audit and Compliance Committee concludes that the provision of dielectric fluid analysis services in power transformers by Endesa Ingeniería to E-Distribuzione is fair and reasonable from the standpoint of Endesa and of the shareholders other than the related party.

VII. CONCLUSION OF THE BOARD OF DIRECTORS

Endesa's Board of Directors, following a favourable report from the Audit and Compliance Committee, has unanimously approved all transactions.



**REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND
REASONABLENESS OF THE RELATED-PARTY TRANSACTIONS INVOLVED IN THE GAS
SALES AND PURCHASES BETWEEN ENDESA ENERGÍA, S.A.U. AND ENI GLOBAL
ENERGY MARKETS SPA**



REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS OF THE RELATED-PARTY TRANSACTIONS INVOLVED IN THE GAS SALES AND PURCHASES BETWEEN ENDESA ENERGÍA, S.A.U. AND ENI GLOBAL ENERGY MARKETS SPA

I. INTRODUCTION AND REGULATORY FRAMEWORK

In accordance with the provisions of paragraph 3 of article 529 duovicies of the amended and restated Spanish Capital Corporations Law, as approved by Royal Legislative Decree 1/2010, of 2 July, Endesa's Audit and Compliance Committee hereby , issues this Report to assess whether the transaction is fair and reasonable from the standpoint of the company and, where appropriate, shareholders other than the related party, and indicate the assumptions on which the assessment is based and the methods used.

In accordance with Article 529 unvicies, paragraph 3, the Report issued and, as the case may be, published by Endesa's Audit and Compliance Committee, must at least include the following information:

- (a) information on the nature of the transaction and the relationship with the related party;
- (b) the identity of the related party;
- (c) the date and the value or amount of the consideration for the transaction; and
- (d) any other information required to assess whether this is fair and reasonable from the standpoint of the company and of shareholders who are not related parties.

Furthermore, Endesa has developed its own internal regulatory framework in this area, which includes, inter alia, a Related-Party Transaction Regulations approved by the Board of Directors, as well as a Related-Party Transaction Operating Procedure approved by the Audit and Compliance Committee, implementing the guidelines set forth in the Regulations and defining the proceedings, functions and responsibilities relating to the general rules on requests for and the approval, publication and monitoring of related-party transactions. These regulations have been applied in this case.

II. OVERVIEW OF THE GENERAL TRANSACTION

a) Background for the transaction

Endesa Energía is the second largest gas retailer in Spain. The Spanish gas market in which Endesa Energía operates is marked by the high dependence on external gas sources and the need to import gas to cover almost 100% of the demand, due to the low availability of natural gas in Spain.

In the gas marketing activity, it is essential to manage the physical balance of gas in a manner making it possible to continually achieve equilibrium while meeting customer demand at all times.

Endesa stands to benefit considerably from being able to make natural gas (NG) or liquefied natural gas (LNG) sales and purchases between Endesa Energía and Eni Global Markets S.p.A., given that Eni Global Markets S.p.A. is active within both the LNG markets and the Spanish gas system, meaning that Endesa can make logistic swaps, perform tank operations at the PVB (Spanish Virtual Balancing Point) and with LNG carriers, thus giving it more operational flexibility. Therefore, the option to engage in purchase and sale transactions will make Endesa Energía more agile in responding to specific incidents, including any needs it may have to raise, lower or modify the amount of NG/LNG available.



Effectively, this agreement provides the framework whereby Endesa may arrange gas with ENI and sets out the relevant criteria and parameters ensuring Endesa's interests and bringing ENI within the portfolio of possible buyers or sellers of natural gas.

There are two agreements in place governing these transactions between Endesa Energía S.A.U. and Eni Global Markets S.p.A. These agreements are complementary and provide the legal framework whereby the gas purchase and sale transactions will be carried out:

- LNG Master Sale and Purchase Agreement ("MSPA"), executed between Eni Global Energy Markets Spa and Endesa Energía for an indefinite term, and which regulates the ship operations (on DES or FOB terms) covered by this Report, to be submitted before Endesa's Board of Directors for approval.
- EFET (European Federation of Energy Traders) Agreement: Eni Global Energy Markets Spa and Endesa Energía shall enter into an EFET Agreement, including PVB, TVB and PEG Appendixes, for the sale and purchase of natural gas or LNG in tank in Spain and France, valid for an indefinite term.

In accordance with this legal framework, this Report will be submitted to the Board of Directors so that it may authorize natural gas or LNG purchase and sale transactions between Endesa Energía and Eni where such transactions are in the economic interests of Endesa Energía, subject to a maximum volume of 4 TWh, over the 2024-2025 period.

Moreover, under the terms of the aforementioned MSPA for the supply of LNG, the sale to Eni Global Markets of 231 GWh of LNG at the El Musel terminal was authorized on 23 May 2024, in order to adjust the balance, make the long position at the terminal practicable and benefit from prevailing market conditions. This transaction is the subject of this Report and will be submitted to the Board of Directors for approval. On 31 July 2023, Endesa Energía initiated its activity as the company that was the successful bidder on the logistics services of the El Musel terminal, in Gijón. This was an important milestone given that this terminal provides flexibility at a time of congestion in European terminals. In addition, the LNG tanks provide storage capacity, and the exclusive use of the terminal creates a possibility for new business opportunities, all of which helps strengthen energy supply security in Europe.

b) Purpose and amount of the transaction.

In accordance with the foregoing, the subject matter of this Report extends to the following transactions:

1. To ratify the sale, by Endesa Energía to Eni Global Markets, of 231 GWh of liquefied natural gas, to be delivered at the El Musel terminal on 28 June 2024, for an estimated amount of €8.2 M. The sale is aimed at providing the ability to adjust the physical balance of Endesa Energía's gas, and to take advantage of the market conditions.

The final amount of the transaction will depend on the average for the TTF DA product quotes in July. The Audit and Compliance Committee of Endesa, S.A. shall be informed of the final amount of the transaction.

2. To ratify the LNG Master Sale and Purchase Agreement (MSPA) and approve the "EFET General Agreement concerning the delivery and acceptance of natural gas" entered into between Endesa Energía, S.A.U. and Eni Global Energy Markets SpA.

3. To authorize future natural gas purchase and/or sale transactions between Endesa Energía, S.A.U. and Eni Global Energy Markets SpA, under the MSPA and EFET Agreements, subject to a maximum total volume of 4 TWh, throughout 2024 and 2025, and for an estimated amount, at current market prices, of €137.2 million. The Audit and Compliance Committee of Endesa, S.A. shall be informed of the final volume and amount of the transactions.

III. IDENTIFICATION OF THE PARTY RELATED TO ENDESA

One party is **Endesa Energía S.A.U.**, a company fully owned by Endesa, S.A. Enel Iberia, a fully-owned subsidiary of Enel Spa, holds 70.101% of the share capital of Endesa. Therefore, Endesa Energía is controlled by Enel Spa.

The other party is **Eni Global Energy Markets S.p.A.**, a company fully owned by Eni S.p.A. ("Eni Group") and therefore a subsidiary thereof. For its part, the Eni Group is a 30.33% investee of the Italian government. Therefore, Eni is a related counterparty of Enel.

Under accounting legislation (IAS 24, IAS 10 and IAS 28), given that the Italian government controls Enel, S.p.A. and Eni, S.p.A., the transaction between Endesa Energía S.A. and Eni Global Energy Markets S.p.A. is considered a related-party transaction.

IV. ANALYSIS OF THE TRANSACTION FROM THE STANDPOINT OF THE INTEREST OF ENDESA AND OF SHAREHOLDERS OTHER THAN RELATED PARTIES

1. Operational and strategic rationale of the transaction

Aside from the possibility of arranging the supply of products within the market, this arrangement with Eni allows Endesa Energía to take advantage of any market opportunities that may be beneficial to Endesa, as Eni is becoming an increasingly active player within the Spanish market, thus generating an added benefit under the Agreements.

More precisely, Endesa stands to benefit considerably from being able to arrange sales and purchases of natural gas or LNG between Endesa Energía and Eni for up to 4 TWh between 2024 and 2025, given that Eni is active within both the LNG markets and the Spanish gas system, thus helping Endesa to make logistic swaps, operations in tank, at the PVB (Spanish Virtual Balancing Point) and with LNG carriers, and ultimately giving it more operational flexibility. Therefore, the purchase and sale transaction will make Endesa Energía more agile in responding to specific incidents, including any needs it may have to raise, lower or modify the amount of LNG available.

As demand can fluctuate and conditions in the gas market can change, arranging the sale and purchase of gas from Eni Global Markets affords Endesa Energía greater operational flexibility and closer management of the physical balance, and allows it to take advantage of beneficial market conditions and opportunities. Therefore, the related-party transactions are aligned with Endesa's strategic plan.

In the current context of the energy markets, these transactions allow Endesa Energía to operate and to increase the number of options for the execution of natural gas/LNG sale transactions and to obtain additional commercial margins.

It also provides further opportunities and allows for greater flexibility by increasing the security of supply and partially mitigating the economic risks associated with its activities by effectively increasing the number of available alternatives when it comes to the purchase and sale of natural gas and LNG.

Therefore, the related-party transactions are aligned with Endesa's strategic plan, in that they afford it closer control over its physical balance and enable Endesa Energía to respond to fluctuations in the demand for gas within the retail market by allowing it to obtain the best market opportunities. Ultimately the arrangement makes it easier to carry out new transactions and obtain additional margins. Therefore, it is reasonable to conclude that the Related-Party Transactions can proceed, since they are operationally and strategically sound.

2. Economic reasonableness of the transaction. Methods used

I. In accordance with Endesa's model, natural gas/LNG sale and purchase transactions between Endesa Energía and Eni are to be carried out according to the following principles:

- Two alternative binding offers from independent third parties must be reliably obtained, effectively showing that Eni's offer is the most favorable to Endesa Energía's interests.
- If it is not possible to obtain alternative offers from independent third parties, the transaction may go ahead if approved by Endesa's Chief Executive Officer, provided that the following guarantees are met:
 - Endesa Energía shall use an indication of the estimated transaction price (applicable market benchmark indexes), supplemented with other internal price estimation methods, such as benchmarks from brokers, counterparties in similar transactions, official reports and publications (Icis Heren, Platts, Reuters...), internal price-forecasting models.
 - Eni's offer must be comparable with the price estimate defined in the previous section, such that it is the most favorable to Endesa Energía's interests.
 - Documentary records must be kept of unanswered requests for quotations and estimates.
 - Subsequently, an ex post validation exercise (outcome testing) will be carried out in order to validate the terms ultimately applied to the transactions and confirm that the pricing methodology was properly followed. This review will be carried out by independent experts appointed by Endesa S.A.'s Audit Committee.

II. Analysis of compliance with the market value principle and election of transfer pricing method:

The application of the at arm's length principle is generally based on the comparison of the terms and conditions for a related-party transaction with the terms and conditions for transactions between independent companies. For these comparisons to be useful, the relevant economic characteristics of the situations being compared should be sufficiently comparable.

Therefore, the CUP method can be applied using internal (or, alternatively) external benchmarking to justify that the price set for the related-party natural gas/LNG purchase and sale transactions between Endesa Energía and Eni conforms to the principle of free competition. In this regard:

- In the transaction to ratify the sale by Endesa Energía to Eni Global Markets of 231 GWh of liquefied natural gas at the El Musel terminal for an estimated amount of €8.2 M, as it is a non-standard transaction, and due to the immediacy of the opportunity, it was not possible to obtain two binding alternative offers.

The price established for the LNG sale was benchmarked on the basis of the Mibgas market price quotes in VBP/tank, applying a discount on the market quote. The TTF index market price has been obtained from an independent financial information database and is

therefore in line with the prices prevailing in the market, as they are agreed under terms and conditions that could be established with independent parties.

Therefore, while the price would be at market value, it is necessary to evaluate whether the price determined for the sale of LNG in-tank ("TVB" - Spanish Virtual Balancing Tank) —the term according to which the Related-Party Transaction will be executed (including the mark-up to cover the logistic cost of regasification, entry to the transportation network and gas storage)— meets the market value principle.

In this regard, the information relating to the price of the TVB discount with respect to the TTF (obtained from MIBGAS published data) has been analyzed and can be used as a benchmark to assess whether the Related-Party Transaction complies with the arm's length principle. For this reason, it can be inferred that the methodology for determining the price of the Related-Party Transaction is reasonable from an economic standpoint for Endesa Energía, inasmuch as the application of this methodology yields a price higher than the market benchmarks published by brokers and by Mibgas (organized gas market).

Lastly, in accordance with Endesa's methodology for this type of related-party transactions, an ex post validation exercise (outcome testing) will be carried out in order to validate the terms ultimately applied to the transaction and confirm that the pricing methodology was properly followed.

- In the purchase and/or sale transactions of natural gas between Endesa Energía, S.A.U. and Eni Global Energy Markets SpA, under the MSPA and EFET Agreements, for a total maximum volume of 4 TWh over the years 2024 and 2025 and for an estimated amount, at current market prices, of €137.2 million, the methodology described allows for the application of the CUP method to assess the economic reasonableness of the Related-Party Transaction and includes the ex post evaluation mechanisms provided for in the methodology of the OECD Guidelines. Therefore, the prices are consistent with what independent third parties would have agreed under free competition.

Based on all of the above, it can be concluded that the methodology used to determine the price for the Related-Party Transaction conforms to Spanish tax legislation on transfer pricing and to OECD Guidelines, reflecting what independent parties would have agreed under similar circumstances.

Lastly, in accordance with Endesa's methodology for this type of related-party transactions, an ex post validation exercise (outcome testing) will be carried out in order to validate the terms ultimately applied to the transactions and confirm that the pricing methodology was properly followed.

3. Legal reasonableness

The Related-Party Transactions have taken legal effect through the ratification of the LNG Supply Master Agreement (MSPA) entered into for an indefinite term, which regulates the LNG purchase and sale transactions through ships, on DES or FOB terms, and through the approval of the EFET (European Federation of Energy Traders) agreement, which governs the natural gas or LNG transactions through the tank system, on TVB, PVB or PEG terms, as entered into between Endesa Energía and Eni. In each individual case, the parties would formalize the relevant purchase or sale by means of a "Confirmation/Election Sheets" setting out the specific terms and conditions, in accordance with the said master agreements.

First, the parties to the Master Agreement have determined a reasonable distribution of the risks associated with the sale and supply of gas, they have established an invoicing, payment and regulation system that can also be considered appropriate according to the nature of the purchase of LNG, as well as mechanisms for the management of cases of force majeure in



generally-accepted terms, early termination events and appropriate schemes for liability and submission of disputes to international arbitration.

Second, the EFET regulates the delivery and acceptance of natural gas between the parties, as specified in the relevant Election Sheets. In the said agreement, the parties have determined a reasonable distribution of risks; have established invoicing and payment systems that can be considered appropriate, as well as mechanisms for the management of cases of force majeure in generally-accepted terms, early termination events and appropriate schemes for liability and submission of disputes to international arbitration. As regards the applicable law and regulations, the parties shall determine in each of the Election Sheets whether they submit to English or German law, as the case may be. In the case of the related-party LNG sale and purchase transaction spanning the years 2024 and 2025, the parties have agreed to submit to English law.

It should also be noted that the EFET agreement, drawn up by the European Federation of Energy Traders (an association of European energy traders in the wholesale electricity and gas markets that brings together more than 126 companies operating in the market), contains a set of standard terms and conditions governing the delivery and supply of LNG and is widely used within the European energy market.

As regards ratification of the sale by Endesa Energía to Eni Global Markets of 231 GWh of liquefied natural gas at the El Musel terminal, the Confirmation provides, among other aspects, the quantity and quality of LNG to be sold, the formula for calculating the price, the delivery windows and the loading and unloading port, all on terms that can be considered reasonable. Moreover, the Confirmation has been drafted in accordance with the form attached to the Master Agreement, the terms and conditions of which shall regulate any matters not expressly covered by the Confirmation.

Meanwhile, the specific terms governing the sale and purchase of natural gas and LNG throughout 2024 and 2025 will be as set out in the corresponding Confirmation/Election Sheets, under which the transactions will be formalized in accordance with the Master Agreement or the EFET, as applicable. In this sense, provided that the terms of the relevant Confirmation are similar to those of the Confirmations executed by the parties in previous natural gas sale and purchase transactions executed under the Master Agreement or EFET, they may be considered reasonable and customary in contracts of this nature. The remaining terms and conditions will not be included in the Confirmation or Election Sheets, as they are defined in the Master Agreement or the EFET, and it can be concluded that they have been arranged by the parties on terms customary for international contracts of this type.

In view of the legal and commercial terms of the Master Agreement and the EFET, it is fair to conclude that the related-party transactions executed thereunder will take place on reasonable contractual terms that could have been agreed upon by independent parties and that, having being reached in this case by related parties, generate benefits for Endesa Energía.

V. INDEPENDENT EXPERT REPORTS ISSUED AT THE REQUEST OF THE AUDIT AND COMPLIANCE COMMITTEE

In analyzing the transaction, the Audit and Compliance Committee has taken into account the Reports of PricewaterhouseCoopers Tax and Legal S.L. and PricewaterhouseCoopers Asesores de Negocios, S.L. (hereinafter, "PwC") on the fairness and reasonableness of the related-party transactions analyzed herein.

PwC issued its Reports in its capacity as an independent expert. On the date the report was issued, PwC did not maintain any sort of commercial relationship with the Enel Group or the ENI Group or with the Endesa Group that could compromise its capacity as an independent expert for the purposes of issuing its Report or that could give rise to a conflict of interest in conducting the analysis and drawing up the conclusions therein.

In the Reports issued to Endesa's Audit and Compliance Committee, PwC remarks that the Related-Party Transactions analyzed —namely (i) the Master Agreement entered into between



Endesa Energía and Eni for the sale and purchase of LNG delivered through ship on DES or FOB terms; (ii) the EFET General Agreement concerning the delivery and acceptance of natural gas entered into between Endesa Energía and Eni, for the purchase and sale of natural gas in the system or LNG in tank in Spain and France (PVB, TVB or PEG); (iii) the purchase and sale of natural gas or LNG between Endesa Energía and Eni, for a maximum volume of 4 TWh, over the period 2024–2025; and (iv) the sale of 231 GWh of liquefied natural gas at the El Musel terminal by Endesa Energía, S.A.U. to Eni Global Energy Markets SpA— all afford Endesa Energía the opportunity to engage in LNG/NG sales and purchases that are attractive to it in terms of price, quantity and time and other formal delivery conditions, and it can be concluded that the transactions are fair and reasonable from the standpoint of Endesa and, in particular, of shareholders other than the related party, i.e. shareholders other than the Enel Group.

VI. CONCLUSION OF THE AUDIT AND COMPLIANCE COMMITTEE

First, it should be noted that the Audit and Compliance Committee is made up of six non-executive members of the Board of Directors, five of whom (83.33%) are independent. Furthermore, the Committee has a Shareholder-Appointed Director representing the controlling shareholder Enel, who holds 70.10% of the share capital of Endesa. In accordance with Article 529 duovicies, paragraph 3, of the Capital Corporations Law, Mr. Stefano De Angelis, who is a shareholder-appointed director and representative of Enel, was not involved in the preparation of this Report.

The rest of the members of the Audit and Compliance Committee took part in the preparation and agreed on the contents of this Report.

Based on the background information discussed above, the Audit and Compliance Committee hereby concludes that:

1. The nature of the transactions is in line with Endesa's strategic plan, inasmuch as it allows the company to better manage its physical balance.
2. The transactions as a whole enable Endesa Energía to respond to fluctuations in the demand for gas within the retail market, by allowing it to act when the time is right within the market and balance its physical gas position. It will also pave the way for new business opportunities and allow for additional mark-ups.
3. In accordance with paragraph 2.14 of the OECD Guidelines and Article 18.4 of the Spanish Corporate Income Tax Law ("LIS"), the CUP method is the most reliable transfer pricing method for determining the nature of the market value of the related-party LNG/NG sale and purchase transactions.
4. The methodology used to determine the price for the Related-Party Transaction conforms to Spanish tax legislation on transfer pricing and to OECD Guidelines, reflecting what independent parties would have agreed under similar circumstances.
5. The ex-post review mechanisms used in the methodology for determining the price of the Related-Party Transaction are set out in paragraph 3.71 of the OECD Guidelines and are, therefore, consistent with what independent third parties would have agreed under free competition.
6. In light of the legal and commercial terms of the Master Agreement and the EFET, it can be concluded that the Related-Party Transactions have been reasonably articulated around contractual terms and conditions that could have been agreed by independent parties. Given that the terms were reached, in this case, by related parties, they generate benefits for Endesa Energía, notwithstanding the fact that they may also create benefits for Enel's related party i.e., Eni. Nevertheless, such benefits would be justified and would not be disproportionate with respect to those generated for Endesa Energía.



The Audit and Compliance Committee concludes that the related-party transactions —namely (i) the Master Agreement entered into between Endesa Energía and Eni for the sale and purchase of LNG delivered through ship on DES or FOB terms; (ii) the EFET General Agreement concerning the delivery and acceptance of natural gas entered into between Endesa Energía and Eni, for the purchase and sale of natural gas in the system or LNG in tank in Spain and France (PVB, TVB or PEG); (iii) the purchase and sale of natural gas or LNG between Endesa Energía and Eni, for a maximum volume of 4 TWh, over the period 2024–2025; and (iv) the sale of 231 GWh of liquefied natural gas at the El Musel terminal by Endesa Energía, S.A.U. to Eni Global Energy Markets SpA— are fair and reasonable from the standpoint of Endesa and of shareholders other than the related party.

VII. CONCLUSION OF THE BOARD OF DIRECTORS

Endesa's Board of Directors, following a favourable report from the Audit and Compliance Committee, has unanimously approved all transactions.



REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS
OF A FRAMEWORK AGREEMENT BETWEEN EDISTRIBUCIÓN REDES DIGITALES, S.L.U. AND
GRIDSPERTISE S.R.L. FOR THE SUPPLY OF METERS

REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS OF A FRAMEWORK AGREEMENT BETWEEN EDISTRIBUCIÓN REDES DIGITALES, S.L.U. AND GRIDSPERTISE S.R.L. FOR THE SUPPLY OF METERS

I. INTRODUCTION AND REGULATORY FRAMEWORK

In accordance with the provisions of Section 3 of Article 529 duovicies of the consolidated text of the Spanish Capital Companies Act approved by Royal Legislative Decree 1/2010 of 2 July, Endesa's Audit and Compliance Committee issues this Report to assess whether the transaction is fair and reasonable from the company's perspective and, where applicable, from the perspective of shareholders other than the related party. The Report also outlines the underlying assumptions for this assessment, as well as the methods employed.

In accordance with Section 3 of Article 529 unvicies, the Report issued and, where applicable, published by Endesa's Audit and Compliance Committee must include at least the following information on:

- a) The nature of the transaction and the relationship with the related party.
- b) The identity of the related party.
- c) The date and value or amount of the compensation in return for the transaction.
- d) Any other necessary information required to assess whether the transaction is fair and reasonable from the company's perspective and that of shareholders other than related parties.

Additionally, Endesa has developed its own internal regulatory framework. This policy includes, among others, a related party transaction regulation approved by the Board of Directors and an operating procedure for related party transactions approved by the Audit and Compliance Committee. This procedure elaborates on the guidelines contained in the regulation, defining the operational framework, roles, and responsibilities in the standard request procedure, as well as the approval, publication, and supervision of related party transactions. This regulation has been applied in this case.

II. BASIC DESCRIPTION OF THE GENERAL TRANSACTION

a) Background of the transaction

- A. E-Distribución Redes Digitales, S.L., is the leading electricity distributor in Spain in terms of coverage. Within the Endesa Group, it is responsible for distributing energy from generation units to supply points located primarily in Andalusia, Aragón, the Canary Islands, Castilla y León, Catalonia, Extremadura, and the Balearic Islands.
- B. Royal Decree 1955/2000 of 1 December, which regulates electricity transmission, distribution, commercialisation, supply, and the authorisation procedures for electricity facilities, along with Royal Decree 1110/2007 of 24 August, which approves the unified regulation of measurement points for the electrical system, outline key responsibilities for distribution activities. These include, among other obligations, the reading of energy received and delivered through distribution grids. Additionally, Royal Decree 1110/2007 specifies that:
 - Measurement equipment must allow for time-of-use discrimination of measurements and offer the ability to manage different programmable periods.
 - Measurement equipment must be integrated into a remote management and metering system implemented by the party responsible for the corresponding readings.

- Type 4 measurement points must have six active energy registers, six reactive energy registers, and six power registers. Furthermore, the equipment must be capable of programming the parameters necessary for billing both comprehensive and access tariffs.
- A piece of equipment is considered to be properly integrated into the remote management system when it is capable of reading active energy hourly registers remotely.

Royal Decree 244/2016 of 3 June, implementing Law 32/2014 of 22 December on Metrology, along with Order ICT/155/2020 of 7 February, regulating the metrological control by the state of certain measuring instruments, mandate that all single-phase type V meters and three-phase type IV and type V meters be replaced no later than the end of the 15th year of their useful life.

Therefore, the deployment of electronic meters in the field of electricity distribution has been part of the digital transformation process that the electricity sector in Spain has undergone over the past two decades.

- C. As a result, E-Distribución is required to regularly implement replacement plans for remote management meters. E-Distribución Redes Digitales, S.L., initiated a tender process in this regard in November 2023. Its aim was to procure energy meters with a dual communication protocol (to encourage participation by as many manufacturers as possible), including type V (single-phase and three-phase) and type IV (direct and semi-direct) meters. As a result of this tender process, Gridspertise, along with other suppliers, was awarded the contract, which resulted in the related-party transaction covered in this Report.
- D. Gridspertise (a subsidiary of the Enel Group) specialises in the development of:
- Reliable, advanced, and interactive measuring technologies designed to meet the current and future needs of DSOs, with their smart meters serving as a first step in the digitisation of electrical grids. Gridspertise has installed and managed over 44 million meters up to date.
 - It has also provided remote control and automation solutions, including protection and restoration, outage management, and advanced sensors. Their aim is to digitise DSO grids in order to place them at the heart of the energy transition.
 - Moreover, it has used AI solutions and machine learning technologies for digital image processing.

B) Purpose of the transaction

The purpose of the transaction is to enter into a Framework Agreement between EDISTRIBUCIÓN Redes Digitales, S.L.U., and Gridspertise, S.R.L., for the supply of type V single-phase meters, effective from 1 January 2026 and with a term extending until 31 December 2030 (3 base years + 1 year + 1-year optional extension), for a maximum amount of €70.4M (base amount: €37.96M + Optional extension (1+1): €20.70M + 20% Tolerance: €11.73M).

The agreement is non-exclusive, i.e., E-Distribución may continue to purchase meters from other suppliers.

During the term of the Agreement (36 months, extendable for two additional one-year periods starting 1 January 2026), E-Distribución agrees to either (i) purchase products valued at no less than 100% of the agreed base amount, or alternatively, (ii) pay Gridspertise a fee equivalent to 10% of the difference between the base amount established in the Agreement and the cost associated with the volume of products actually purchased by the end of the contract term.

Additionally, 20 business days before the expiration of the Agreement, E-Distribución may choose to:

- Extend the term of the Agreement for two additional one-year periods.
- Increase the total Agreement amount by up to €32.4M (covering the two optional years plus the 20% additional tolerance).

For the supply of the products, a technical conformity assessment (TCA) will be conducted according to 'Technical Conformity Assessment GSCG002' Rev. 3, dated 16 March 2021. This ensures that Gridspertise meets the optimal technical conditions for the products supplied to E-Distribución. Furthermore, the products must undergo all tests outlined in the technical specification at Gridspertise's facilities before shipment.

c) Transaction value

As compensation for the supply of type V single-phase meters, E-Distribución will pay Gridspertise a maximum amount of €70.4M (base amount: €37.96M + Optional extension (1+1): €20.70M + 20% Tolerance: €11.73M).

The tender process employed a batch-based strategy. Two batches were created, one for each type of meter: one for single-phase meters (Batch 1–Type V single-phase) and another for three-phase meters (Batch 2–Type V three-phase, Type IV direct three-phase, and Type IV semi-direct three-phase). The aim was to secure the most favourable economic terms for all devices, regardless of the volumes requested in the tender.

The tender process involved a request for a technical proposal, followed by a request for an economic proposal from bidders who passed the technical phase.

In line with previous practices, the tender required awarding contracts to at least two suppliers to ensure the availability of meters in the event of a supply failure. Additionally, to ensure that awarded suppliers have sufficient volume to establish a dedicated production line and, at the same time, sufficient value to cover potential failure by the other supplier, the tender required candidate companies to offer a minimum supply volume of 40% of the total meters.

Ultimately, E-Distribución Redes Digitales, S.L., invited 12 entities to participate in the tender process. Bids were received from 7 suppliers, although all qualified suppliers, as well as those undergoing technical evaluation (29) in the FSCR04 goods category, were initially invited. However, 17 of them failed to sign the confidentiality agreement required to receive the technical documentation.

Gridspertise passed the relevant technical evaluation and its price bid was the second most competitive for the single-phase meters. Therefore, as the second most competitive bidder, Gridspertise was awarded 40% of the volume of Batch 1 (single-phase meters) for a total amount of €70.4 million. Still, it was excluded from Batch 2, as it ranked fifth in the price ranking.

The unit prices for all meters will be reviewed by the Procurement Unit every three months based on industrial production prices published by Eurostat and the EUR/USD exchange rate. This review does not affect the total contract amount, which remains unchanged.

In addition to the tender process, E-Distribución contracted an independent third party to carry out a consulting study for a comparative market analysis of Type V meters (single-phase and three-phase) and Type IV meters (direct and semi-direct), focusing mainly on:

- Functionalities covered by their rental, as well as a comparison of current and future functionalities.
- Price references for equipment/breakdown of the price components. Availability of equipment for public sale with price references.
- Determination of target pricing.

This analysis indicates that these technological solutions and equipment are also being targeted for investment by other electricity distributors under similar functionality and pricing conditions. For Type V single-phase meters, the report by the independent expert established a higher target price range for the meter defined in the tender than the price awarded to Gridspertise.

III. IDENTIFICATION OF THE PARTY RELATED TO ENDESA

Recipient company of the products: **E-Distribución Redes Digitales, S.L.**, (hereinafter '**E-Distribución**') is a wholly owned subsidiary of Endesa, S.A.; therefore, it is a dependent company of this entity.

Supplier company of the service: **Gridspertise, S.R.L.**, (hereinafter 'Gridspertise') is an associate of the Enel Group, through Enel Grids S.r.l.'s 50% equity stake (owned by Enel, S.p.A.).

Enel S.p.A. is the sole shareholder of Enel Iberia, S.L., which in turn holds a 70.101% stake in Endesa, S.A. In accordance with the provisions of Article 529 vices of the Spanish Capital Companies Act and subsection (ii) of letter (b) under section 9 of International Accounting Standard 24, Gridspertise, as an associate entity of Enel, is considered a related party to Endesa.

IV. ANALYSIS OF THE TRANSACTION FROM THE PERSPECTIVE OF ENDESA'S INTERESTS AND THOSE OF SHAREHOLDERS OTHER THAN THE RELATED PARTIES

1. Operational and strategic rationale of the transaction

First and foremost, it should be noted that there is a need to ensure compliance with the legal obligations applicable to the distributor, particularly those arising from its role as the responsible party for meter readings. This compliance is achieved through the availability of meters with a useful life of 15 years according to regulations, in light of the expiration of previous contracts for the supply of remote management meters for the 2026–2030 period.

The related party transaction for the supply of measurement equipment by Gridspertise allows E-Distribución to partially cover (40%) their need for the 2026–2030 period. Furthermore, it ensures compliance with the legal obligations applicable to the distributor, especially those derived from its role as the responsible party for meter readings.

Additionally, Gridspertise passed the relevant technical evaluation for both batches, while its price bid was the second most competitive for Batch 1. Therefore, Gridspertise was awarded 40% of Batch 1 (€70.4M). Moreover, the unit prices offered by Gridspertise are below the target price ranges for equipment calculated by an independent expert.

Finally, the risks associated with purchasing the products from a company associated with the Enel Group are substantially the same as those associated with purchasing from a third-party supplier external to the Enel Group.

For all these reasons, the nature of the related party transaction is aligned with the purpose, values, and strategic plan of E-Distribución and the Endesa Group.

2. Economic rationality of the transaction. Methods used

To verify that the related party transaction aligns with the principle of free competition, the possibility of applying the Comparable Uncontrolled Price (CUP) method was first analysed.

In accordance with paragraph 2.14 and following of the OECD Guidelines, the CUP method consists of 'comparing the price charged for goods or services in a related-party transaction with the price charged for goods or services transferred or rendered in a comparable unrelated transaction under comparable circumstances.' Moreover, paragraph 2.15 of the OECD Guidelines states that a transaction may be considered comparable to another if 'sufficiently accurate adjustments can be made to eliminate the significant effects caused by those differences.'

Additionally, paragraph 2.15 states that the CUP method is preferable to others when comparable unrelated transactions can be found.

The awarding of the meter supply contract was carried out through a tender process, to which as many as 12 entities (11 of them independent of the Enel Group) were encouraged to participate.

Given that E-Distribución has information on the prices offered by independent entities for the related party transaction, the CUP method was selected to evaluate the economic rationality of the transaction. The information from the tender process was used as a reference for the terms and conditions offered by independent entities.

As outlined in this report, the terms and conditions applicable to the related party transaction were determined after a tender process. Gridspertise's offer was awarded the contract as the second most favourable among firm bids submitted by independent entities, in line with pre-established requirements. Therefore, it can be concluded that the price determined for the related party transaction is economically reasonable from E-Distribución's perspective.

3. Legal and commercial rationality of the transaction

The aforementioned Framework Agreement will be signed under the terms and conditions outlined in the draft contract attached as an annex to the Tender Specifications. As a result, it will be established on the same terms as those agreed with any third party that may have been awarded the Tender.

Additionally, the Agreement sets reasonable terms for E-Distribución as the recipient of the products. The scope and object of the Agreement are clearly defined in this regard. Gridspertise further commits to providing a 24-month warranty on the products from the time of delivery, replacing any defective products and compensating E-Distribución in the event that the defect rate exceeds 1% annually of the total delivered.

The delivery conditions for the products are detailed in the Agreement, with Gridspertise taking on a series of obligations regarding these delivery conditions. These obligations aim to mitigate the inherent risks associated with such operations that could impact E-Distribución. Specifically, E-Distribución reserves the right to conduct an audit of Gridspertise during the production process to ensure the quality of the products. Furthermore, the Agreement explicitly stipulates penalties for delays in obtaining the TCA or in the delivery of equipment, as outlined in the Agreement and in accordance with Endesa's General Conditions of Contract.

As for the economic terms of the Agreement, E-Distribución is obligated to place orders for at least the equivalent of the base price of the Agreement. Alternatively, it can pay a penalty equal to 10% of the difference between the base price of the Agreement and the amount actually purchased. Additionally, Gridspertise is required to provide a financial guarantee.

Regarding Gridspertise's liability for failure to comply with any legal or contractual obligations directly or indirectly related to the Agreement, the liability is limited to an amount equivalent to 100% of the total value of the Agreement, except in cases of gross negligence, wilful misconduct, or fault. This approach is deemed reasonable and aligns with terms that independent parties could have agreed upon.

As for the remaining contractual terms and conditions of the Agreement, upon review and analysis, these can be considered reasonable for E-Distribución given the nature of the Agreement and the fact that this is a transaction between related parties. In this regard, it is worth noting that these terms are similar to those agreed by E-Distribución with independent third parties in comparable transactions.

Therefore, based on these legal and commercial terms, it can be concluded that the related party transaction is structured in a reasonable manner and under contractual terms and conditions similar to those that could have been agreed upon by independent parties.

V. INDEPENDENT EXPERT REPORTS ISSUED AT THE REQUEST OF THE AUDIT AND COMPLIANCE COMMITTEE

In its analysis of the transaction, the Audit and Compliance Committee has taken into account the Report by PricewaterhouseCoopers Tax and Legal S.L. and PricewaterhouseCoopers Asesores de Negocios, S.L. (hereinafter 'PwC') regarding the fairness and rationality of the approval of the contract under review. It has also considered the report issued by an independent third party aimed at identifying the target prices for the meters under review.

PwC issued its Report in its capacity as an independent expert. As of the release date, PwC has no commercial relationship with the Enel Group or the Endesa Group that could compromise its status

as an independent expert for the purposes of issuing this report or, in particular, place it in a situation of conflict of interest in carrying out the analysis and reaching the conclusions presented therein.

The Report issued to Endesa's Audit and Compliance Committee concludes that entering into a Framework Agreement between EDISTRIBUCIÓN Redes Digitales, S.L.U., and Gridspertise, S.R.L., for the supply of Type V single-phase meters for the period from 1 January 2026 to 31 December 2030 (3 base years + 1 year + 1-year optional extension) as described in this document is fair and reasonable from the perspective of Endesa and shareholders other than related parties.

VI. CONCLUSION OF THE AUDIT AND COMPLIANCE COMMITTEE

First and foremost, it should be noted that the Audit and Compliance Committee is made up of six non-executive members of the Board of Directors, five of whom (83%) are independent. Additionally, the Committee includes one shareholder-appointed director representing the controlling shareholder, Enel, which owns 70.10% of Endesa's share capital. In accordance with Section 3 of Article 529 duovicies of the Spanish Capital Companies Act, Mr Stefano de Angelis, the shareholder-appointed director representing Enel, did not participate in the drafting of this report.

The remaining members of the Audit and Compliance Committee have participated in and agreed on the content of this Report.

In light of all the aforementioned background, the Audit and Compliance Committee concludes that:

1. E-Distribución initiated a tender process in November 2023 due to the need to ensure compliance with the legal obligations applicable to the distributor, particularly those arising from its role as the party responsible for meter readings. This compliance is achieved through the availability of meters with a useful life of 15 years according to regulations, in light of the expiration of previous contracts for the supply of remote management meters for the 2026–2030 period.
2. Additionally, Gridspertise passed the relevant technical evaluation for both tender batches, while its price bid was the second most competitive for Batch 1. Therefore, Gridspertise was awarded 40% of Batch 1 (€70.4M).
3. The terms and conditions applicable to the related party transaction were determined through a tender process involving as many as 11 independent entities. As a result, the CUP method was selected to assess the economic rationality of the transaction based on the firm bids submitted by independent entities. So it can be concluded that the price set for the related party transaction is economically reasonable from E-Distribución's perspective.
4. The risks associated with the related party transaction are substantially the same as those associated with purchasing from a third-party supplier external to the Enel Group. Moreover, some of these risks, such as supply delays or technological dependency, are mitigated.
5. The legal and commercial terms of the Agreement are structured in a reasonable manner and under contractual terms similar to those that could have been agreed upon by independent parties. The Agreement will be formalised through the contract defined in the Tender, which includes the terms that will apply to any third party awarded.

The Audit and Compliance Committee concludes that entering into a Framework Agreement between EDISTRIBUCIÓN Redes Digitales, S.L.U., and Gridspertise, S.R.L., for the supply of Type V single-phase meters for the period from 1 January 2026 to 31 December 2030 (3 base years + 1 year + 1-year optional extension) is fair and reasonable from the perspective of Endesa and shareholders other than related parties.

VII. CONCLUSION OF THE BOARD OF DIRECTORS

Endesa's Board of Directors, following a favourable report from the Audit and Compliance Committee, has unanimously approved all transactions.



**AUDIT AND COMPLIANCE COMMITTEE REPORT ON THE FAIRNESS AND
REASONABLENESS OF THE RELATED-PARTY TRANSACTION CONSISTING OF THE
PHYSICAL PURCHASE OF FUEL OIL BY ENESA GENERACIÓN, S.A.U. FROM ENI
TRADE & BIOFUELS, S.P.A.**

AUDIT AND COMPLIANCE COMMITTEE REPORT ON THE FAIRNESS AND REASONABLENESS OF THE RELATED-PARTY TRANSACTION CONSISTING OF THE PHYSICAL PURCHASE OF FUEL OIL BY ENDESA GENERACIÓN, S.A.U. FROM ENI TRADE & BIOFUELS, S.P.A.

I. INTRODUCTION AND REGULATORY FRAMEWORK

In accordance with the provisions of paragraph 3 of article 529 duovicies of the amended and restated Spanish Capital Corporations Law, as approved by Royal Legislative Decree 1/2010, of 2 July, Endesa's Audit and Compliance Committee hereby , issues this Report to assess whether the transaction is fair and reasonable from the standpoint of the company and, where appropriate, shareholders other than the related party, and indicate the assumptions on which the assessment is based and the methods used.

In accordance with Article 529 unvicies, paragraph 3, the Report issued and, as the case may be, published by Endesa's Audit and Compliance Committee, must at least include the following information:

- (a) information on the nature of the transaction and the relationship with the related party;
- (b) the identity of the related party;
- (c) the date and the value or amount of the consideration for the transaction; and
- (d) any other information required to assess whether this is fair and reasonable from the standpoint of the company and of shareholders who are not related parties.

Furthermore, Endesa has developed its own internal regulatory framework in this area, which includes, inter alia, a Related-Party Transaction Regulations approved by the Board of Directors, as well as a Related-Party Transaction Operating Procedure approved by the Audit and Compliance Committee, implementing the guidelines set forth in the Regulations and defining the proceedings, functions and responsibilities relating to the general rules on requests for and the approval, publication and monitoring of related-party transactions. This regulation has been applied in this case.

II. OVERVIEW OF THE GENERAL TRANSACTION

a) Background of the transaction

Endesa Generación is one of the leading Spanish companies in terms of electricity generation, with a net installed capacity of 21,247 MW at the end of 2023. In Spain, Endesa Generación produces electric power both in the Iberian Peninsula and in Non-Peninsular Territories (Canary Islands, Balearic Islands, Ceuta and Melilla).

Power generation in Non-Peninsular Territories has the following differentiating characteristics with respect to the system in mainland Spain: (i) lack of economies of scale; (ii) need for greater reserve margins; and (iii) use of a specific technology mix conditioned by resource availability, giving thermal generation a preponderant role in ensuring security of supply. In



2023, Endesa Generación's installed thermal power represented 97% of total installed power in the autonomous cities of Ceuta and Melilla.

Ceuta and Melilla have an annual electricity demand of 0.2 terawatts-hour (Twh), almost all of which (100% in Ceuta and 94% in Melilla) is met with power generation based on liquid-fuel combustion, primarily fuel oil. All of this electricity is generated by Endesa Generación. Annual fuel oil consumption in the generation units in these autonomous cities is approximately 80,000-85,000 tons, with each location accounting for approximately half of this amount.

Fuels for electricity generation in Ceuta and Melilla, as in the remaining Non-Peninsular Territories, are required to be supplied in accordance with Law 17/2013, Royal Decree 738/2015 and Order TED/1315/2022, through fuel auctions called by the Ministry for Ecological Transition and Demographic Challenge.

Nevertheless, there is no certainty that the supply of fuels can be ensured after 1 January 2025 under the auction scheme. Therefore, Endesa must carry out the actions available to it in order to guarantee the supply of fuel until the auction.

Given that current contracts to supply fuel oil for Ceuta and Melilla end on 31 December 2024, Endesa must ensure continuity in the electricity supply in those cities starting on 1 January 2025. For this reason, steps have been initiated to purchase fuel oil and transfer it both to Ceuta and Melilla through a competitive process.

b) Purpose of the transaction.

The purpose of the transaction is to enter into an agreement for the physical purchase of fuel oil by Endesa Generación, S.A.U. from Eni Trade & Biofuels SpA, so as to supply Endesa Generación's generation plants in Ceuta and Melilla with a maximum of 90,000 tons (contractual minimum of 60,000 tons) at an estimated cost of €39M. This amount may vary in accordance with market prices.

The delivery of the product will be Free On Board (FOB) at a domestic port in Spain.

The contract will be in force from 1 January 2025 to 31 December 2025.

c) Transaction amount

The US dollar price per metric ton (USD/t) FOB Algeciras will be the average of the Platts European Marketscan average quotes for "fuel oil 1.0%", as published under the headings "CIF MED (GENOVA/LAVERA)," during the month of delivery (all dates inclusive), plus a premium per ton. Consequently, the maximum amount of the related-party transaction, assuming 90,000 tons, will be approximately €39 M, although this may vary depending on the market prices and actual consumption.



III. IDENTIFICATION OF THE PARTY RELATED TO ENDESA

One party is **Endesa Generación, S.A.U.**, a company fully owned by Endesa, S.A. Enel Iberia, a fully-owned subsidiary of Enel Spa, holds 70.101% of the share capital of Endesa. Therefore, Endesa Generación is controlled by Enel Spa.

Enel Spa is a company in which the Italian state has a 23.59% stake.

The other party is, **Eni Trade & Biofuels, S.p.A.**, a company fully owned by Eni, S.p.A. Eni, S.p.A, is in turn an investee company of the Italian government, through 4.67% direct and indirect holdings through Cassa Depositi and Prestiti, S.p.A., a company controlled by the Italian state with a 27.73% stake.

Under accounting legislation (IAS 24, IAS 10 and IAS 28), given that the Italian government controls Enel, S.p.A. and Eni, S.p.A. the transaction between Endesa Generación SA and Eni Trade & Biofuels, S.p.A., is considered a related-party transaction.

IV. ANALYSIS OF THE TRANSACTION FROM THE PERSPECTIVE OF ENDESA'S INTERESTS AND THOSE OF SHAREHOLDERS OTHER THAN THE RELATED PARTIES

1. Operational and strategic rationale of the transaction

The Related-Party Transaction should be analysed in the context of the electricity generation needs of the non-peninsular autonomous cities of Ceuta and Melilla.

As noted above, Endesa Generación has taken timely steps to purchase the required fuel and to transfer it to Ceuta and Melilla through a competitive (bidding) process. As a result of this process, Endesa Generación received offers from various suppliers, and selected the most competitive bid, i.e. the bid from Eni T&B, which is a leading supplier on the market.

The conditions requested assume the provision of the supply during the period between 1 January 2025 and 31 December 2025. The supply must be delivered in batches of 5,000 tons, plus or minus up to 10%, at to be determined by Endesa Generación, to thereby allow the supply to be modulated according to actual consumption and allowing Endesa Generación to control fuel oil inventory.

Therefore, it is concluded that through the physical purchase of fuel oil from Eni T&B, Endesa Generación has at its disposal a product with specific qualities and sufficient volume to provide the fuel required for the generation of electricity at Endesa Generación's thermal power plants in Ceuta and Melilla — cities where Endesa Generación generates nearly all of the electricity and where the continuity of supply must be ensured — in 2025.

2. Economic rationality of the transaction. Methods used

The reported related-party transaction stems from a competitive process through which Endesa Generación requested binding offers from various suppliers in order to supply fuel oil for the power plants in Ceuta and Melilla, under certain conditions in terms of quantity, quality, period and place, and conditions of delivery.



Specifically, nine suppliers were invited to submit bids. Only two of them, Eni T&B and a third-party supplier, submitted bids in line with the requested terms. Eni T&B offered FOB delivery terms while the third party offered DES (Delivered Ex Ship).

To compare the prices of the bid from Eni T&B with the bid received from the third party under equivalent delivery conditions, the equivalent cost per ton was calculated for the bid from Eni T&B (including the FOB terms) in DES terms for the cities of Ceuta and Melilla, given that the cost in the port of final destination is the decisive cost for choosing the most suitable bid for Endesa Generación.

In this sense, to calculate the cost in the final port of destination, the premium of the third party supplies was added to the unit price per ton of the goods and, in the case of the Eni T&B bid the cost of transport from the loading port to Ceuta and Melilla was also added.

Both Spanish transfer pricing regulations, as set forth primarily in Article 18 of the Spanish Corporate Income Tax Law, and the OECD Guidelines require valuing related-party transactions for tax purposes according to the arm's length principle. The arm's length principle requires related-party transactions to conform to market conditions that would prevail in a similar transaction between independent parties.

The Guidelines recognise that when it is possible to identify comparable uncontrolled transactions, the Comparable Uncontrolled Price method is the most direct and reliable method for applying the arm's length principle. This method compares the price of property or services subject to a controlled transaction to the price of other property or services transferred in an uncontrolled transaction in comparable circumstances.

With respect to the related-party transaction under analysis, various suppliers were asked to submit binding offers on the supply of fuel oil under the same conditions. Respect for the principles of equality, non-discrimination and transparency dictates that award criteria be objective, ensuring that offers be compared and evaluated objectively and, therefore, under conditions of effective competition.

An assessment of the bids received shows that Eni T&B submitted the most competitive price, and in conditions comparable to those of the third-party supplier, considering the full cost of provisioning.

Accordingly, we can conclude that the methodology is consistent with Spanish tax regulations and OECD Guidelines and that the prices of the transaction would reflect what independent parties would agree in similar circumstances.

3. Legal and commercial rationality of the transaction

The draft agreement contains customary clauses for this type of contract that safeguard the Buyer's position, protecting Endesa Generación's position, in terms similar to transactions between independent parties.

V. INDEPENDENT EXPERT REPORTS ISSUED AT THE REQUEST OF THE AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee's analysis took into account Deloitte Legal, S.L.P's report ("Deloitte") on the fairness and reasonableness of Endesa Generación, S.A.U.'s physical purchase of fuel oil from Eni Trade & Biofuels, S.p.A.

Deloitte issued its Report in its capacity as an independent expert. On the date the report was issued, Deloitte did not maintain any sort of commercial relationship with the Enel Group or with the Endesa Group that could compromise its capacity as an independent expert for the purposes of issuing its Report or that could give rise to a conflict of interest in conducting the analysis and drawing up the conclusions therein.

In the report issued for Endesa's Audit and Compliance Committee, the independent expert evidenced Endesa's need to procure the fuel covered by the agreement. In addition, this third party analysed in depth the process of competitive bids requested by Endesa, and in a joint assessment of all the prevailing circumstances concluded that the most competitive bid is Eni T&B's.

Consequently, the independent expert concludes that the physical purchase of fuel oil by Endesa Generación, S.A.U. from Eni Trade & Biofuels, S.p.A. is fair and reasonable from the standpoint of Endesa and, in particular, its shareholders other than the related party, i.e. other than the Enel Group.

VI. CONCLUSION OF THE AUDIT AND COMPLIANCE COMMITTEE

First and foremost, it should be noted that the Audit and Compliance Committee is made up of six non-executive members of the Board of Directors, five of whom (83%) are independent. Additionally, the Committee includes one shareholder-appointed director representing the controlling shareholder, Enel, which owns 70.10% of Endesa's share capital.

In accordance with Section 3 of Article 529 duovicies of the Spanish Capital Companies Act, Mr Stefano de Angelis, the shareholder-appointed director representing Enel, did not participate in the drafting of this report.

The rest of the members of the Audit and Compliance Committee took part in preparing the Report and agreed on its contents relative to the physical purchase of fuel oil by Endesa Generación, S.A.U. from Eni Trade & Biofuels, S.p.A. to be supplied to ENDESA generation plants in Ceuta and Melilla.

In light of all the aforementioned background, the Audit and Compliance Committee concludes that:

1. Purchasing physical fuel oil from Eni T&B allows Endesa Generación to have at its disposal a product with specific qualities and sufficient volume to provide the fuel required for the generation of electricity at Endesa Generación's thermal power plants in Ceuta and Melilla — cities where Endesa Generación generates nearly all of the electricity and where the continuity of supply must be ensured — in 2025.
2. The related-party transaction stems from a competitive process through which Endesa Generación requested binding offers from various suppliers in order to supply fuel oil for the power plants in Ceuta and Melilla, under certain conditions (quantity, quality, period and conditions of delivery). Eni T&B's offer was the most competitive price under comparable conditions if the complete cost of the supply was considered.



3. The methodology used to determine the price for the related-party transactions between Endesa Generación and Eni T&B conforms to Spanish tax legislation on transfer prices and to OECD Guidelines, as the prices of these transactions reflect what independent parties would have agreed under similar circumstances.

The Audit and Compliance Committee concludes that the physical purchase of fuel oil by Endesa Generación, S.A.U. from Eni Trade & Biofuels, S.p.A. is fair and reasonable from the standpoint of Endesa and its shareholders other than the related party..

VII. CONCLUSION OF THE BOARD OF DIRECTORS

Endesa's Board of Directors, following a favourable report from the Audit and Compliance Committee, has unanimously approved all transactions.



**REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND
REASONABLENESS OF THE CONTRACTS FOR THE PROVISION OF TECHNICAL AND
MANAGEMENT SUPPORT SERVICES BETWEEN THE ENEL GROUP AND ENDESA FOR
2025**

REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS OF THE CONTRACTS FOR THE PROVISION OF TECHNICAL AND MANAGEMENT SUPPORT SERVICES BETWEEN THE ENEL GROUP AND ENDESA FOR 2024

I. INTRODUCTION AND REGULATORY FRAMEWORK

In accordance with the provisions of paragraph 3 of article 529 duovicies of the amended and restated Spanish Capital Corporations Law, as approved by Royal Legislative Decree 1/2010, of 2 July, Endesa's Audit and Compliance Committee hereby issues this Report to assess whether the transaction is fair and reasonable from the standpoint of the company and, where appropriate, shareholders other than the related party, and indicate the assumptions on which the assessment is based and the methods used.

In accordance with Article 529 unvicies, paragraph 3, the Report issued and, as the case may be, published by Endesa's Audit and Compliance Committee, must at least include the following information:

- (a) information on the nature of the transaction and the relationship with the related party;
- (b) the identity of the related party;
- (c) the date and the value or amount of the consideration for the transaction; and
- (d) any other information required to assess whether this is fair and reasonable from the standpoint of the company and of shareholders who are not related parties.

Furthermore, Endesa has developed its own internal regulatory framework in this area, which includes, inter alia, a Related-Party Transaction Regulations approved by the Board of Directors, as well as a Related-Party Transaction Operating Procedure approved by the Audit and Compliance Committee, implementing the guidelines set forth in the Regulations and defining the proceedings, functions and responsibilities relating to the general rules on requests for and the approval, publication and monitoring of related-party transactions. This regulation has been applied in this case.

II. OVERVIEW OF THE TRANSACTION

a) Purpose of the transaction.

Endesa and its subsidiaries have been receiving management support services and certain technical services from the Enel Group and its subsidiaries since the 2009 financial year. During this time, the service delivery model has adapted to the changes in the Group's organisational structure and technical improvements have been introduced.

The purpose of the transaction "**Contracts for the provision of technical and management support services between the Enel Group and Endesa for 2025**" is the renewal of the support services provided by the Enel Group to the Corporate areas of the



Endesa Group, as well as the provision of Technical Services to its Business areas. These may also be regarded as reciprocity contracts, i.e., the Endesa Group may also provide services to the Enel Group.

It should be noted that the services proposed for the Corporate and Business areas are associated with procurement management activities and with maintenance and development of computer and telecommunications systems.

The contracts are executed between each supplier company and each recipient company, and are comprised of the following documents:

- Limited catalogue of services and activities to be performed, which are likely to create an advantage or benefit for the recipient, together with a pre-set list of documents (deliverables) aimed at evidencing the effective provision of services.
- Quoted price of each service, established in accordance with the current Spanish transfer pricing regulations.

In 2024, the catalogue included 337 services (80 management support services and 248 technical services). For the 2025 catalogue, 400 services are proposed (91 management support services and 309 technical services).

Certain adjustments have also been proposed, which do not affect the service catalogue but rather concern the definition of the activities encompassed by some of the existing services, as well as the deliverables of such activities.

The services are provided through the following contracts:

- **Management, Procurement and ICT Support Services**, provided by Enel, SpA to Endesa, S.A. and its subsidiaries. The management support services are provided to the Group companies under the following main areas or categories: AFC (Administration, Finance and Insurance, Planning and Control, Risk Management and Strategy), Legal and Corporate Affairs, European Affairs, Innovation, Sustainability, Communication, People and Organisation.
- **Technical, Procurement and ICT Services for the Power Generation Business**, provided by Enel Green Power SpA to Endesa Generación, S.A. and its subsidiaries: The services of the **Power Generation** business line are associated with (i) the production of conventional electricity, focusing on the operation of coal, combined cycle and fuel-gas thermal power plants; and (ii) renewable energy sector (hydroelectric, wind and solar plants).
- **Technical, Procurement and ICT Services for the Distribution Business**, provided by Enel Grids Srl to Distribuidora Eléctrica del Puerto de la Cruz, S.A., E-Distribución Eléctrica, S.L., and Endesa Ingeniería, S.L.
- **Technical, Procurement and ICT Services for the Marketing Business**, provided by Enel Global Services and Enel X to Endesa Energía S.A. and its subsidiaries.
- **Technical and ICT Services for the Energy Management Business**, provided by Enel Global Trading, SpA to Endesa, S.A. (including a mandate for trading in commodities markets).

- In addition, and transversally, Enel (and its subsidiaries) provides **ICT services** to the Endesa Group. In particular, each business line has an operational group that has been specifically appointed to address all cyber-security issues and matters, another operational group that provides technology and infrastructure services, as well as other services related to specific projects in each area.
- Finally, and as in the previous case, in a cross-cutting manner Enel (and its subsidiaries) provides the Endesa Group with procurement services across all of Endesa's businesses, except for the Energy and Commodity Management business lines.

➤ Contractual terms and conditions of the services:

- The contract will have a one-year term that can be extended for successive periods of equal duration. The contracts shall be considered executed on the date they are approved by Endesa's Board of Directors, i.e. on 15 November 2024, but effective from 1 January 2025 to 31 December 2025.

The contracts will be extended for one-year periods, unless prior notice of termination of at least one month is given by any of the parties and, in the case of Endesa, always based on a report issued by the Audit and Compliance Committee and the approval of its Board of Directors or General Shareholders' Meeting, as appropriate. The Audit and Compliance Committee has explicitly established the need for the contract extension to be reviewed every year by the Committee itself. To decide on the contract renewals, a specific mechanism has been established for any of the parties to request an update of the List of Services and in which the Supplier undertakes to deliver a proposal with new prices for those services.

- The contracts may be terminated prior to the expiration of its term in the following cases:
 - Without prior notice, if one of the parties ceases to belong to the Enel Group. In this case, the parties shall negotiate the amounts due in good faith within one month.
 - In case of mutual agreement between the parties.
 - In case of non-compliance with the obligations provided in the agreement.

b) Transaction amount

➤ The contracts for the provision of Technical and Management Support Services by Enel, SpA and some of its subsidiaries to Endesa, S.A. and its subsidiaries amount to €127.47 million for 2025, according to the following breakdown.

- Management, Procurement and ICT Support Services, provided by Enel, SpA to Endesa, S.A. and its subsidiaries: 19.69 million euros.
- Technical, Procurement and ICT Services for the Power Generation Business, provided by Enel Green Power SpA to Endesa Generación, S.A. and its subsidiaries: 29.87 million euros.

- Technical, Procurement and ICT Services for the Distribution Business, provided by Enel Grids Srl to Distribuidora Eléctrica del Puerto de la Cruz, S.A., E-Distribución Eléctrica, S.L., and Endesa Ingeniería, S.L.: 32.01 million euros.
 - Technical, Procurement and ICT Services for the Marketing Business, provided by Enel Global Services and Enel X to Endesa Energía S.A. and its subsidiaries: 31.69 million euros
 - Technical and ICT Services for the Energy Management Business, provided by Enel Global Trading, SpA to Endesa, S.A.: 14.21 million euros.
- The prices of the Services included in the contracts for the provision of Technical and Management Support Services by Enel, SpA and some of its subsidiaries to Endesa, S.A. and its subsidiaries are calculated as follows:
- In some cases, and where possible, such prices are based on the external cost incurred by Enel, without adding any margin; and
 - In all other cases, by re-invoicing the costs incurred by Enel for the provision of these services (distributed between the companies receiving them, with an allocation key determined according to the type of service) and adding a margin (5%, 7% or 8%, according to the case).
 - To calculate the cost, the costs associated with activities for the benefit of shareholders and those associated with duplicate services (those already being performed by the recipient), if any, are excluded.
 - If variations occur in the initially estimated price (per receiving entity), there may be modifications to the final billing issued. If these variations exceed ten percent of the contract, a new authorisation from the Board of Directors will be required.
 - Possible adjustments to the initially budgeted price may occur (a) in the event of a deviation between budgeted and actual costs, or (b) in the event of non-recurring services or services provided based on Endesa's needs throughout the year. A new authorisation of the Audit and Compliance Committee is required when these departures exceed 10% of the contract value.

III. IDENTIFICATION OF THE PARTY RELATED TO ENDESA:

The companies providing the services: *Enel SpA, Enel Global Service Srl, Enel Grids Srl, Enel Global Trading SpA, Enel Green Power SpA and Enel X Srl.*

The companies receiving the services: Endesa, S.A., Endesa Generación Portugal, S.A., Distribuidora Eléctrica del Puerto de la Cruz, S.A., Energías de Aragón I, S.L., E-Distribución Eléctrica, S.L., Endesa Ingeniería, S.L., Endesa Energía, S.A., Energía XXI, S.L., Endesa Operaciones y Servicios Comerciales, S.L., Endesa Generación, S.A., Gas y Electricidad Generación, S.A., Unión Eléctrica de Canarias Generación, S.A., Enel Green Power España S.L and Endesa Medios y Servicios, S.L.



Enel S.p.A. is the sole shareholder of Enel Iberia, S.L., which in turn holds a 70.101% stake in Endesa, S.A. Related-party transactions are those entered into by Endesa or its subsidiaries with shareholders of Endesa who hold 10% or more of the voting rights or who are represented on the Board of Directors, as well as with any other persons considered as parties related to Endesa, in accordance with International Accounting Standards. Therefore, all transactions entered into by Endesa or its subsidiaries and Enel or its subsidiaries (excluding the Endesa Group) shall be considered related-party transactions.

Enel and its subsidiaries (excluding the Endesa Group) and Endesa and its subsidiaries are considered "the same counterparty" for the purposes of determining the thresholds for related-party transaction publication. In other words, the same counterparty is considered both the related person, whether natural or legal, as well as any other entity under their control and, for natural persons, their close relatives, as defined in IAS 24.

IV. ANALYSIS OF THE TRANSACTION FROM THE PERSPECTIVE OF ENDESA'S INTERESTS AND THOSE OF SHAREHOLDERS OTHER THAN THE RELATED PARTIES

a) Operational, technical and commercial rationale.

The proposed services are aimed at providing the necessary support to almost all of the Endesa Group's business lines (except for Nuclear Generation) and all corporate areas, and are the contractual result of the business organisation and strategy shared by the Enel Group and the Endesa Group. The rationale of the proposed services is aimed at achieving the following goals:

- In general,
 - The globalisation of services as a means of capturing synergies since it allows the company to take advantage of the knowledge and experience of the solutions that have already been proposed in other countries, reducing not only the cost of development but also the time of resolution, and the prevention of future problems.
 - The provision of the service by Endesa or a third-party contracted by Endesa would not allow the company to benefit from the economies of experience, resulting in a higher cost of the service when compared to that provided by Enel, due to the lack of experience from other countries or of the synergies and cross-knowledge between countries.
 - The business strategy shared by the Enel Group and the Endesa Group for each of the business lines and corporate areas is properly executed.
 - Best practices are transferred as a result of the experience acquired by sharing knowledge that provides a competitive advantage to the recipients.

- The processes and procedures are standardised and harmonised, facilitating the audit and compliance processes, with the consequent reduction of risks.
 - The same systems, platforms and applications are used, generating important synergies and economies of scale.
 - The roles within the organisation are rationalised through correct distribution of the activities, avoiding their duplication, which results in cost savings and specialisation of the teams, making the resources more efficient.
- With regards to Procurement and ICT services, in addition to cost savings and improved efficiency, the addition of volumes to be purchased is achieved through the resulting savings associated with economies of scale and the achievement of an optimum negotiating position at the time of purchasing and when executing the contracts.

It is common practice to share services within a Group at the national and international level and, in particular, in the energy sector, which is a knowledge-intensive sector. Moreover, it would be unusual for the Enel Group not to provide these services, since it would prevent the Endesa Group from benefiting from being part of a Multinational Group operating across the entire value chain, from generation to supply, and this could leave the Endesa Group at a disadvantage with respect to its competitors.

b) Economic rationale. Methods used

Pricing formula and relationship with the rationale of the transaction:

The goals of the proposed services and the pricing method are fully aligned, because:

- The company providing the service carries out the activity for the Group, avoiding duplicate roles/costs, distributing the cost among the different recipients and obtaining a lower unit cost at the recipient level.
 - By concentrating the activity in a single supplier, the teams are better specialised, which improves efficiency and effectiveness.
- Valuation of services:

The re-invoicing of costs plus a margin, distributed according to an allocation key, is a widespread practice, validated by the OECD in its Transfer Pricing Guidelines.

The transfer pricing policy applied in the provision of services involves invoicing all costs incurred in providing such services plus a margin:

- 0 percent in the cases in which an external cost is being re-invoiced (for example, and in the vast majority of cases, the cost of licenses), to the extent that the consideration to the service provider is determined based on its internal costs only (and not external costs, on which no margin is applied);
- In other cases, 5, 7 or 8%, depending on the additional value brought about by the contract.
- The Transactional Net Margin Method ("**TNMM**") was used for assessing the mark-to-market condition of the price agreed between the parties. The Operating Income on Total Costs ("**OITC**") was used as an indicator of the profit level, so as to check

whether transfer prices have been established in accordance with the arm's length principle.

For all the above, it can be concluded that the consideration applied to the provision of services is consistent with the arm's length principle. Therefore, the economic rationale of the transaction has been evidenced.

c) Other information

➤ Endesa's internal controls can help check that the M&T Services are being provided by Enel to the service recipients in the required terms throughout the year.

- Prior to the approval of the contract, an independent expert analysed the catalogue of services covered by the contract to verify that each of them is useful and necessary for Endesa. According to the contract, the cost base will not take into account those costs incurred by Enel as a result of shareholder activities (those inherent in its condition as an Endesa shareholder) and duplicate activities (those already being carried out by Endesa, without Enel's involvement).
- The contract form establishes that the deliverables corresponding to each service must be determined prior to the provision of the services, in such a way that the effective provision of the service can be certified with documents after delivery.
- On annual basis, each of Endesa's General Managers must examine the itemised catalogue of services made available to Endesa by Enel, analysing it and accepting each service individually, based on the understanding that there is a need and/or usefulness for the Company for each of the services.
- The CEO must approve the internal procedure that ensures that each of the Units receiving these services is assessing and controlling the services effectively provided and their documents, so that this serves as support and backs the conclusions that must finally be drawn up by the Independent Expert assessing the results. In this regard, Operational Instruction No. 516 "Internal Control with respect to the Technical and Management Support Services provided by Enel to Endesa" was published on 1 April 2017 and has been followed after it was published.
- Endesa's Audit Department will supervise the execution of this contract directly, ensuring the effective approval and compliance with the internal procedure mentioned above. The result of its activity will be reported every six months to the Audit and Compliance Committee.
- A contract term of one year is established, with the possibility of terminating it at the end of each year, requiring a two-month notice, which guarantees the dynamic adaptation of the same to the interests and needs of Endesa.

In addition, Endesa will commission a top-level independent expert to analyse the documents received from Enel and have the expert prepare and submit a report to the Audit and Compliance Committee on:

- The actual Services provided, which will involve reviewing and ensuring that the deliverables made available to Endesa correspond to those agreed in the Contract, and that such deliverables adequately prove that the Services have been provided in the manner required by Endesa in the Contract; and
- The consistency of the price invoiced by Enel, for which the following will be checked:
 - (i) that the cost-sharing criterion has been correctly applied to those services assessed using the increased cost method; (ii) that the internal services that can be compared are suitable and sufficient from the point of view of Spanish taxation; and (iii) that the hours, persons or resources used by Enel in providing the services are reasonable.

These checks make it possible to reinforce the conclusions of this report.

V. INDEPENDENT EXPERT REPORTS ISSUED AT THE REQUEST OF THE AUDIT AND COMPLIANCE COMMITTEE

In its analysis of the transaction, the Audit and Compliance Committee took the following reports into account:

- Report prepared by Ernst & Young Abogados, S.L.P. on the fairness and reasonableness of the contracts under review. Ernst & Young Abogados, S.L.P. has issued its Report in its capacity as an independent expert. On the date the report was issued, EY Abogados did not maintain any sort of commercial relationship with the Enel Group or with the Endesa Group that could compromise its capacity as an independent expert for the purposes of issuing its Report or that could give rise to a conflict of interest in conducting the analysis and drawing up the conclusions therein.

The Report issued for Endesa's Audit and Compliance Committee assesses the actual benefit obtained by Endesa Group entities from the M&T Services, with particular emphasis on the need for all services, based on the general market practices (i.e. analysing whether Endesa Group entities could have carried out such activities autonomously, more effectively and efficiently than a third party, or whether they would have been able to obtain such services from third parties on the market under better conditions than those planned by Enel).

After analysing the M&T Services to be provided, based on the information received as well as the exchange of information between Endesa and EY Abogados, the independent expert concluded that the provision of such services by Enel to Endesa provides, among others, the following advantages:

- A rationalisation of the corporate functions through the correct distribution of the activities, avoiding their duplicity;
- Specialised teams, increasing the efficiency of the resources, while transferring the best practices of suppliers to the different Group companies, as a result of the experience acquired by their presence in the different countries in which they operate;
- Standardisation and harmonisation of processes and procedures;
- Addition of total volumes at the time of purchasing.

These benefits translate into cost savings, the improvement of operational efficiency, risk reduction, the generation of economies of scale, and a better position and greater bargaining power in the market.

For all these reasons, it can be concluded that Enel is the best possible provider (technical and/or commercial rationale of the transaction), and that the consideration applied is consistent with the arm's length principle (economic rationale).

Therefore, the report concludes that the provision of M&T Services by Enel to Endesa (and its subsidiaries) as described above is fair and reasonable from the standpoint of Endesa and the shareholders who are not related parties.

VI. CONCLUSION OF THE AUDIT AND COMPLIANCE COMMITTEE:

First and foremost, it should be noted that the Audit and Compliance Committee is made up of six non-executive members of the Board of Directors, five of whom (83%) are independent. Additionally, the Committee includes one shareholder-appointed director representing the controlling shareholder, Enel, which owns 70.10% of Endesa's share capital.

In accordance with Section 3 of Article 529 duovicies of the Spanish Capital Companies Act, Mr Stefano de Angelis, the shareholder-appointed director representing Enel, did not participate in the drafting of this report.

The rest of the members of the Audit and Compliance Committee took part in the preparation and agreed on the contents of this Report on the **"Contracts for the provision of technical and management support services between the Enel Group and Endesa for 2025."**

Based on the background information discussed above, the Audit and Compliance Committee hereby concludes that, with the contracts subject to the analysis:

- The business strategy shared by the Enel Group and the Endesa Group for each of the business lines and corporate areas has been properly executed.
- The centralisation of services allows large volumes to be generated, resulting in economies of scale and allowing the company to make more advantageous offers to the market.
- The processes and procedures are standardised and harmonised for all services, facilitating the audit and compliance processes, with the consequent risk reduction.
- By centralising services, businesses are managed globally, i.e., the same systems, platforms and applications are used, creating great synergies and economies of scale.
- The roles within the organisation are rationalised through correct distribution of the activities, avoiding their duplication, which results in cost savings and team specialisation, making the resources more efficient.
- The consideration applied to the provision of services is consistent with the arm's length principle. Therefore, the economic rationale for the transaction has been evidenced.



- The contract provides for internal controls which can help check that the services are being provided effectively by Enel to the recipients in the required terms throughout the year.

In view of the above, the Audit and Compliance Committee concludes that the contracts for the Technical and Management Support Services to be provided by Enel, SpA and some of its subsidiaries to Endesa, S.A. and its subsidiaries during the business year ending on 31 December 2025 are fair and reasonable from the point of view of Endesa and its shareholders other than the related party.

VII. CONCLUSION OF THE BOARD OF DIRECTORS

Endesa's Board of Directors, following a favourable report from the Audit and Compliance Committee, has unanimously approved all transactions.



**REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS
AND REASONABLENESS OF THE RELATED-PARTY TRANSACTION
INVOLVING THE RENEWAL OF THE INSURANCE MANDATE AND THE
ASSOCIATED SERVICES INCLUDED IN THE TECHNICAL AND MANAGEMENT
SUPPORT SERVICE CONTRACTS WITH ENEL SPA**

REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS OF THE RELATED-PARTY TRANSACTION INVOLVING THE RENEWAL OF THE INSURANCE MANDATE AND THE ASSOCIATED SERVICES INCLUDED IN THE TECHNICAL AND MANAGEMENT SUPPORT SERVICE CONTRACTS WITH ENEL SPA

I. INTRODUCTION AND REGULATORY FRAMEWORK

In accordance with the provisions of Section 3 of Article 529 duovicies of the consolidated text of the Spanish Capital Companies Act approved by Royal Legislative Decree 1/2010 of 2 July, Endesa's Audit and Compliance Committee issues this Report to assess whether the transaction is fair and reasonable from the company's perspective and, where applicable, from the perspective of shareholders other than the related party. The Report also outlines the underlying assumptions for this assessment, as well as the methods employed.

In accordance with Article 529 unvicies, paragraph 3, the Report issued and, as the case may be, published by Endesa's Audit and Compliance Committee, must at least include the following information:

- (a) information on the nature of the transaction and the relationship with the related party;
- (b) the identity of the related party;
- (c) the date and the value or amount of the consideration for the transaction; and
- (d) any other information required to assess whether this is fair and reasonable from the standpoint of the company and of shareholders who are not related parties.

Furthermore, Endesa has developed its own internal regulatory framework in this area, which includes, inter alia, a Related-Party Transaction Regulations approved by the Board of Directors, as well as a Related-Party Transaction Operating Procedure approved by the Audit and Compliance Committee, implementing the guidelines set forth in the Regulations and defining the proceedings, functions and responsibilities relating to the general rules on requests for and the approval, publication and monitoring of related-party transactions. This regulation has been applied in this case.

II. OVERVIEW OF THE GENERAL TRANSACTION

a) Background of the transaction

Endesa has an Annual Insurance Plan that includes all of the policies of Endesa and its subsidiaries, which are classified into two sets of policies: Global and local policies¹.

The policies related to this transaction, which are known as "Global Policies", are negotiated by Enel, S.p.A. for the entire Enel Group, including those of Endesa and its subsidiaries, which it represents through a Commercial (Insurance) Mandate, under renewal in this related-party transaction. Thus, the global policies are designed and taken out by Enel for all of the Enel Group's subsidiaries, Endesa also being one of the companies insured. Policies are renegotiated every year through top-tier

¹ Local policies, which are not affected by the services provided by Enel, are negotiated by Endesa directly at the local level. Local policies include, among others: Own damage and loss of profits on nuclear assets, nuclear civil liability, fleet of vehicles leased, other damage policies, loss of profits and civil liability on other assets not covered by the global policy, credit risk of counterparties and drone risk.

insurance market brokers. In general, the expiration and renegotiation schedule for the different policies runs from November to November.

At its meeting on 14 March 2016, following a favourable report from the Audit and Compliance Committee, the Board of Directors authorised the execution of a Mandate with Enel, authorising it to negotiate and take out certain insurance policies, acting in its own name and on behalf of Endesa. In this regard, Enel and Endesa signed an "Insurance Mandate" in July 2016. Subsequently, in 2017, 2018, 2019, 2020, 2021 and 2023, Enel and Endesa agreed to extend the term of the Mandate contract (the last renewal signed expires on 31 December 2024).

b) Purpose of the transaction

There are two interconnected related-party transactions in the provision of the services covered by this Report:

The renewal by Endesa of the Insurance Mandate, a contractual instrument by which Enel may contract on behalf of Endesa part of the insurance policies for Endesa and its subsidiaries and the Technical and Management Support Services with the Enel Group for 2025, with respect to the services associated with the Insurance activity. In particular, the services associated with brokering or negotiating global policies of the Enel Group are aimed at:

- Allowing Enel to select and contract the insurance brokers, to the benefit of the entities receiving the services. To this end, Enel also performs brokerage activities, namely risk placement management, advice and assistance when preparing insurance documentation, support and monitoring of insurance contracts, and notification and advice on matters related to losses.

This is also known as the Global coverage and main claims management service: It is aimed at ensuring the acquisition of global insurance coverage by managing global relationships with brokers and insurance and reinsurance companies, including the relevant negotiations and the acquisition of global policies.

Enel also provides risk assessment support, managing the insurable risk assessment process and defining strategies related to insurance activities. In this role, Enel manages the insurable risk analysis process, collects data associated with global risk lines, develops insurance coverage strategies, designs execution plans for global risk lines or risk lines being converted into global, and organises the Loss Prevention Program.

- Allowing Enel to draft and renew the insurance contracts, to the benefit of the recipient entities. It should be noted that Enel will not be authorised to sign any insurance contract on behalf of Endesa's entities without the prior approval from Endesa's Board of Directors (and its subsidiaries).
- Allowing Enel to coordinate the brokers and insured entities when a significant loss occurs (loss amount, reputational impact on the Group, etc.). The most common claims or those of a limited amount are handled locally, although they are notified to Enel.

Enel also provides insurance contracts governance services, guaranteeing the effectiveness and efficiency of the insurance contracts and documents related to insurance activities. These services refer to the administrative activities comprising specific services of the insurance field, such as issuing invoices, policies, certificates, etc.

Moreover, there is another related-party transaction derived from the negotiation of the Group's global policies: the distribution of costs of global policies for 2025 taken out by Enel on behalf of its Group subsidiaries, including those of Endesa and its subsidiaries. Enel distributes the premiums of the policies taken out globally for each insured subsidiary, so it is necessary to analyse the fairness and reasonableness of this distribution procedure.

The table below shows the indirect distribution key selected by Enel to assign the premium corresponding to each type of global insurance policy.

Type	Allocation Key	Description
Material Damages and Loss of Profit	Business line and country	This takes account of changes in two aspects: (a) the insured values for each entity; and (b) the claims for the last five years.
Civil Liability	Business line and country	This takes account of changes in three aspects: (a) the number of customers for the global distribution line; (b) the installed capacity for the generation companies; and (c) the claims for the last five years.
Cyber-risk	Number of hardware units	The amount of the total premium is allocated according to the number of hardware units belonging to the subsidiary and connected to the Group's corporate network.
Transport	Number of transports	The amount of the total premium (which is given by fixed amounts and a specific rate or percentage agreed between Enel and the insurer) is allocated to each subsidiary based on the number of actual transports during the year, considering the insured values transported in that year.
Freight	Type of vessel and per trip	The amount of the premium is distributed according to the type of vessel and per trip, regardless of the number of days that the freight is active. The same criterion is applied with the insurer.
All Risks Construction of renewable assets	Reverse CAPEX	The amount of the total premium (which is given by specific rates or percentages agreed between Enel and the insurer) is allocated according to the CAPEX invested by the subsidiary in each of its construction projects.
All Risk Construction of Endesa X assets	Reverse CAPEX	The amount of the total premium (which is given by specific rates or percentages agreed between Enel and the insurer) is allocated according to the CAPEX invested by the subsidiary in each of its construction projects.
Expatriate staff	Number of expatriate employees	The premium (which is based on a fixed amount per person agreed between Enel and the insurer) is based on the number of employees seconded abroad by the subsidiary to another Group company each year.
Medical Insurance when Traveling Abroad	Nights stay	The premium (which is based on a fixed amount per day of travel agreed between Enel and the insurer) is calculated on the basis of the number of nights spent in transit by the employees of each subsidiary.
D&O	Turnover and country risks	The premium allocated is determined on the basis of specific risk parameters such as: (a) Endesa's turnover; (b) risks assumed as a listed company; (c) claims over the last five years; and (d) Endesa's condition as a subsidiary within the Enel Group.

c) **Contract duration and transaction amount**

Regarding the **insurance mandate**, it includes the Renewal of the Insurance Mandate between Enel and Endesa for the period from 1 January 2025, to 31 December 2025.

Concerning the renewal of the Technical Services and Management Support contracts with the Enel Group for 2025, in relation to services associated with insurance activities, the duration of the contract will also be from 1 January 2025, to 31 December 2025.

The total amount for both contracts, the Insurance Mandate and Technical Services and Management Support in matters of insurance, amounts to €523,000. Any variations of the price initially estimated (by the recipient) may result in changes to the invoices finally issued, with a 10% limit of the amount authorised initially per contract and client company.

III. IDENTIFICATION OF THE PARTY RELATED TO ENDESA

Construction Insurance Reverse CAPEX D&O Turnover and country risks

The companies receiving the services: Endesa, S.A.

Enel S.p.A. is the sole shareholder of Enel Iberia, S.L., which in turn holds a 70.101% stake in Endesa, S.A. Related-party transactions are those entered into by Endesa or its subsidiaries with shareholders of Endesa who hold ten per cent or more of the voting rights or who are represented on the Board of Directors, as well as with any other persons considered as parties related to Endesa, in accordance with International Accounting Standards. Therefore, all transactions entered into by Endesa or its subsidiaries and Enel or its subsidiaries (excluding the Endesa Group) shall be considered related-party transactions.

Enel and its subsidiaries (excluding the Endesa Group) and Endesa and its subsidiaries are considered "the same counterparty" for the purposes of determining the thresholds for related-party transaction publication. In other words, the same counterparty is considered both the related person, whether natural or legal, as well as any other entity under their control and, in the case of natural persons, their close relatives, as defined in IAS 24.

IV. ANALYSIS OF THE TRANSACTION FROM THE PERSPECTIVE OF ENDESA'S INTERESTS AND THOSE OF SHAREHOLDERS OTHER THAN THE RELATED PARTIES

1. Operational rationale of the transaction

The benefits derived from the extension of the **Insurance Mandate and renewal of the Technical and Management Support Service contracts** provided by Enel to Endesa are as follows:

1. Having Enel take out global policies on behalf of, among others, Endesa, allows Endesa to benefit from a number of advantages:
 - **Grouping of heterogeneous assets:** a portfolio of very heterogeneous global assets is built, which can reduce the risks for the insurance market, making its coverage much more attractive. Risk diversification, by building a portfolio with assets from different regions and of different profiles, allowing the mitigation of the portfolio's total risk. A significant increase in the size of the portfolio, together with the reduction of its risk profile, allowing Endesa to benefit from much more beneficial insurance terms and conditions.
 - **Negotiation capacity when managing claims.** The size of the Enel Group's global portfolio of assets worldwide allows Endesa to have a much higher negotiating capacity in claims management processes, as a result of the inclusion of its assets in global policies. This allows Endesa to close claims in shorter periods and with better economic results. In addition, Endesa is better protected when renewing policies in high frequency claim scenarios.
2. The experience and analysis of the different risk issues of Enel's global portfolio across all regions allows Endesa to benefit from a high level of knowledge about different technologies, by sharing experiences and risks. This allows the coverage taken out for Endesa to be better

designed, optimising the cost/benefit ratio of the policies, and ensuring that high quality policies are taken out.

3. The scale obtained in the global programs allows the **optimisation of any additional administrative contracts and services** required by Endesa, through the designated global broker, who offers a specialised solution to Endesa. This allows a reduction of time in the different activities to be implemented.

In view of all the reasons described above, it can be considered that the provision of the services associated with the Insurance activity - together with the extension of the Insurance Mandate - by Enel to Endesa, as opposed to its direct provision by Endesa, as well as the provision of this service by Enel instead of by an independent third party in the market, is fair and reasonable and benefits Endesa.

2. Economic rationality of the transaction. Methods used

1. Analysis of the remuneration established for the services associated with the Insurance activity provided by Enel

The price of the Technical and Management Support Service contracts provided by the Enel Group during 2025, which include the services associated with the Insurance activity and the Insurance Mandate, is calculated as follows:

- The base cost is calculated as the costs incurred by Enel in providing such services, excluding costs associated with activities for the benefit of shareholders and those associated with duplicate services (those already being performed by the recipient), if any.
- A 5% margin is added, which is within the market range.
- Any variations of the price initially estimated (by the recipient) may result in changes to the invoices finally issued, with a 10% limit of the amount authorised initially per contract and client company.

According to the OECD Guidelines, "[t] method to be used to determine arm's length transfer pricing for intra-group services should be determined according to the guidelines in Chapters I, II, and III" (paragraph 7.31). The Net Operating Margin (NOM) method has been selected as the most reliable for this purpose. The Transactional Net Margin Method ("TNMM") has been selected as the most reliable method for such purpose. It is considered that the Operating Income on Total Costs ("OITC") method was the most suitable profitability indicator. The OITC calculates the price of a transaction on the basis of the costs of the service provider, adding a suitable margin to remunerate the functions performed, the assets used and the risks assumed. The OITC is often used as the cost-effectiveness indicator to analyse intra-group service provision processes.

An analysis of eight comparable companies that provide management support service activities comparable to those carried out by Enel determined that 5% is within market range.

Therefore, it can be concluded that the consideration applied is consistent with the arm's length principle and, therefore, is close to market value. Consequently, the economic rationale of the transaction is verified.

2. Analysis of the cost base and allocation criteria for the distribution of policies

Endesa and its subsidiaries are responsible for paying their pro rata share of the overall amount previously determined by the insurance companies and Enel directly to the insurance companies, so each of the contracts entered into is not considered an individual related-party transaction.

However, the decision taken by Enel (as the related party) affects Endesa's entities, and hence the market nature of the criteria selected by Enel to allocate costs to Endesa's entities must be analysed.

First, it should be noted that the cost base to be allocated among the Enel Group's subsidiaries is made up of the premiums provided for in the extension of the Insurance Mandate, derived from the centralised negotiation of premiums by Enel. In this regard, such costs correspond to the services effectively provided by insurance companies, as independent third parties, so that the cost base is considered to be calculated under market conditions.

Moreover, the applicable cost allocation criteria must be considered in order to determine whether the amount to be paid by each recipient has been established according to the arm's length principle. The OECD Guidelines suggest two main cost allocation methods: the direct cost allocation and indirect cost allocation methods.

The OECD Guidelines describe the difficulties associated with applying the direct allocation methodology to multinational groups of a high complexity or size, thus allowing the possibility of developing other allocation and cost-sharing methods that often require approximate valuations or estimates. These methods are classified as indirect cost allocation methods and, although subsidiary, are accepted, provided that sufficient attention is given to the value of the services provided to the recipients.

In this context, and in accordance with the OECD Guidelines, there are other requirements that must be met in any indirect allocation methodology, such as the fact that they must respond to the commercial characteristics of each case, contain safeguard clauses to prevent any form of manipulation, be in accordance with main accounting principles and be able to generate charges or cost allocations proportionate to the benefits obtained or which are reasonable to be obtained by the service recipient.

Therefore, the portion of premiums paid for global insurance policies corresponding to each entity receiving the services has been determined using an indirect distribution key (as provided under Section I - Overview of the transaction).

In line with the above, in Spanish regulations, Article 18.5 of the Corporate Income Tax establishes that, in the case of services provided jointly to several related parties, and whenever it is not possible to itemise the service provided or to quantify the determining elements of its consideration, it is possible to distribute the total consideration among the beneficiaries, in accordance with certain allocation rules that meet the rationality criteria. Therefore, this requirement is deemed to have been met if the method applied takes into account the benefits obtained or likely to be obtained by the recipients in addition to the nature of the service and the circumstances in which it is provided.

In this regard, and in accordance with OECD Guidelines, there are other requirements that must be met in any indirect allocation methodology, such as the fact that the applied criteria must respond to the specific features of each case, must contain safeguard clauses to prevent any form of manipulation, be in accordance with main accounting principles and be able to generate charges or cost allocations proportionate to the benefits obtained or which are reasonable to be obtained by the service recipient.

Considering the above, it can be concluded that the distribution keys used by Enel to distribute the premiums of each type of global policy to the Endesa Group and all other entities of the Enel Group are based on the principles of rationality and proportionality, since these are adapted to the nature of the service and the circumstances in which it is provided, and the benefit obtained by the recipient is made evident. Likewise, the methodology used is considered to be in line with standard market practice.

V. INDEPENDENT EXPERT REPORTS ISSUED AT THE REQUEST OF THE AUDIT AND COMPLIANCE COMMITTEE

In its analysis of the transaction, the Audit and Compliance Committee took into account two reports prepared by Ernst & Young Abogados, S.L.P. on the fairness and reasonableness of the agreements under review. Ernst & Young Abogados, S.L.P. Issued its Reports in its capacity as independent expert, having been ascertained that at the date of issue of the Report EY Abogados did not maintain any sort of commercial relationship with the Enel Group or with the Endesa Group that could compromise its condition as independent expert for the purposes of issuing this Report or that, in particular, could place it in a situation of conflict of interest to conduct the analysis and draw up the conclusions set out therein.

Ernst & Young's Report concludes that the renewal of the Insurance Mandate and the insurance-related Technical and Management Support Services contracts between the companies of the Endesa Group and the companies of the Enel Group provides, among others, the following benefits:

- A rationalisation of the corporate functions associated with the negotiation of insurance policies through the correct distribution of the activities, avoiding their duplicity;
- Standardisation and harmonisation of processes and procedures; and
- Addition of total volumes when taking out the services.

Ernst & Young's Report points out that all of the above translates into cost savings, an improvement in operational efficiency, a neutralisation of the associated risks and a better positioning and bargaining power when taking out and enforcing the insurance policies.

Ernst & Young's Report on allocation criteria used to distribute the premiums related to Endesa's Annual Insurance Plan concludes that the allocation keys applied by Enel, which are the same as those applied the preceding year, to distribute the premiums of each type of global policy are based on the principles of rationality and proportionality, since they are adapted to the nature of the service and the circumstances in which it is provided, and the benefit obtained by the recipient is made evident. Therefore, the allocation keys of the resulting premiums are fair and reasonable from the standpoint of Endesa and the shareholders who are not related parties.

Therefore, Ernst & Young's Reports conclude that the renewal of the services associated with the Insurance activity, together with the extension of the Insurance Mandate, and the allocation keys of the resulting premiums, are fair and reasonable from the standpoint of Endesa and the shareholders who are not related parties.

VI. CONCLUSION OF THE AUDIT AND COMPLIANCE COMMITTEE

First and foremost, it should be noted that the Audit and Compliance Committee is made up of six non-executive members of the Board of Directors, five of whom (83%) are independent. Additionally, the Committee includes one shareholder-appointed director representing the controlling shareholder, Enel, which owns 70.10% of Endesa's share capital. In accordance with Section 3 of Article 529 duovicies of the Spanish Capital Companies Act, Mr Stefano de Angelis, the shareholder-appointed director representing Enel, did not participate in the drafting of this report.

The rest of the members of the Audit and Compliance Committee took part in preparing this Report on the "RENEWAL OF THE INSURANCE MANDATE AND THE ASSOCIATED SERVICES INCLUDED IN

THE TECHNICAL AND MANAGEMENT SUPPORT SERVICE CONTRACTS WITH ENEL SPA” and agreed on its contents.

In light of all the aforementioned background, the Audit and Compliance Committee concludes that:

- The renewal of the services associated with the Insurance activity, including the Insurance Mandate, until 31 December 2025, resulting in the provision of certain services by Enel to Endesa's entities, provides different benefits to the Endesa's entities receiving such services. In particular, the benefit or advantage that these services bring to Endesa's entities translates into cost savings, better operational efficiency, neutralisation of the associated risks and better positioning and bargaining power when taking out and enforcing insurance policies.
- The consideration applied is consistent with the arm's length principle and, therefore, is close to market value. Consequently, the economic rationale of the transaction is verified.
- Furthermore, distribution keys used by Enel to distribute the premiums of each type of global policy are based on the principles of rationality and proportionality, since these are adapted to the nature of the policies and the circumstances in which they are provided, and the benefit obtained by the recipient is made evident.

The Audit and Compliance Committee concludes that the renewal in 2025 of the Insurance Mandate and associated services included in the Technical and Management Support Services between Endesa Group companies and Enel Group companies is fair and reasonable from the standpoint of Endesa and its shareholders other than the related party.

VII. CONCLUSION OF THE BOARD OF DIRECTORS

Endesa's Board of Directors, following a favourable report from the Audit and Compliance Committee, has unanimously approved all transactions.



REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS OF THE PROVISION OF SERVICES BY THE COMPANIES ENDESA, S.A., ENDESA MEDIOS Y SISTEMAS, S.L., AND EDISTRIBUCIÓN REDES DIGITALES, S.L. TO ENEL IBERIA, S.L.U. AND ENEL GLOBAL TRADING S.P.A.

Report of the Audit and Compliance Committee on the fairness and reasonableness of the provision of services by the companies Endesa, S.A., Endesa Medios y Sistemas, S.L., and EDistribución Redes Digitales, S.L. to Enel Iberia, S.L.U. and Enel Global Trading S.p.A.

I. INTRODUCTION AND REGULATORY FRAMEWORK

In accordance with the provisions of paragraph 3 of article 529u of the amended and restated Spanish Capital Corporations Law, as approved by Royal Legislative Decree 1/2010, of 2 July, Endesa's Audit and Compliance Committee hereby issues this Report to assess whether the transaction is fair and reasonable from the standpoint of the company and, where appropriate, shareholders other than the related party, and indicate the assumptions on which the assessment is based and the methods used.

In accordance with Article 529t, paragraph 3, the Report issued and, as the case may be, published by Endesa's Audit and Compliance Committee, must at least include the following information:

- (a) information on the nature of the transaction and the relationship with the related party;
- (b) the identity of the related party;
- (c) the date and the value or amount of the consideration for the transaction; and
- (d) any other information required to assess whether this is fair and reasonable from the standpoint of the company and of shareholders who are not related parties.

Furthermore, Endesa has developed its own internal regulatory framework in this area, which includes, inter alia, a Related-Party Transaction Regulations approved by the Board of Directors, as well as a Related-Party Transaction Operating Procedure approved by the Audit and Compliance Committee, implementing the guidelines set forth in the Regulations and defining the proceedings, functions and responsibilities relating to the general rules on requests for and the approval, publication and monitoring of related-party transactions. These regulations have been applied in this case.

II. OVERVIEW OF THE TRANSACTION

a) Purpose of the transaction.

The purpose of the proposed contract extensions is to enable certain Endesa Group companies, namely Endesa S.A., Endesa Medios y Sistemas S.L., and EDistribución Redes Digitales, S.L., to continue rendering services to certain Enel Group companies, namely Enel Iberia, S.L.U. and Enel Global Trading S.p.A.:

- i) Extension of the agreements for the provision of services to Enel Iberia, S.L.U. They were originally signed in 2015 and the extensions, if approved,

will take effect on 01 January 2025 for a term of one year, i.e. until 31 December 2025.

The contents of these agreements is as follows:

- Corporate services provided by Endesa, S.A to Enel Iberia, S.L.U: support activities in administration, finance, and controlling, including assistance in accounting, finance management (collections and payments), insurance and tax management, human resources and organisation, occupational health and safety ('safety'), general services and security ('security'), procurement, legal advice, regulation, environment and sustainability, and communication.
 - Leasing of spaces and provision of related services by Endesa Medios y Sistemas, S.L and EDistribución Redes Digitales, S.L. to Enel Iberia, S.L.U: leasing of office space and commercial premises, as well as leasing of surplus spaces and related services, including but not limited to building maintenance, cleaning and security, and facility management.
- ii. Extension of the agreement for the provision of services to Enel Global Trading S.p.A.

The purpose of the transaction is to extend the existing Agreement for the Provision of Energy Management Technical Services that Endesa S.A. provides to Enel Global Trading S.p.A., whereby Endesa personnel provides services related to the management of Enel's gas portfolio, including the negotiation and execution of gas purchase and sale agreements and the logistical management of gas transportation, loading and unloading.

The technical services under analysis stem from the Joint Management Agreement between Endesa Energía, S.A. (a company wholly owned by Endesa) and Enel Global Trading, in respect of the LNG contracts of each company and the associated sea transport by carrier. The Joint Management Agreement reflects the mutual will of the parties to jointly manage both services in order to enhance their respective positioning and strategy, optimise their operational efficiency and reduce the costs and risks inherent in the business.

The services provided by Endesa S.A. include the following activities carried out by Endesa personnel:

- ✓ Negotiating, arranging and signing long-term gas/LNG sale and purchase agreements.
- ✓ Renegotiating existing long-term agreements (including price revisions).
- ✓ Prospecting new gas-related businesses, assessing innovative solutions and managing all project development activities.
- ✓ Managing logistics services and LNG trading operations with the counterparty and loading and unloading terminals.
- ✓ Managing the portfolio of charter contracts, maintaining a network of contacts with other shipowners/charterers/brokers and appraising the merits of new LNG shipping projects.

The extension of the agreement was originally signed in 2017 and the extension, if approved, will be for a term of one year from 01 January 2025, i.e. until 31 December 2025.

b) Transaction amount.

The proposed agreements for the provision of services by Endesa, S.A., Endesa Medios y Sistemas, S.L., and EDistribución Redes Digitales, S.L. to Enel Iberia, S.L.U. and Enel Global Trading S.p.A. amount to 9.76 million euros for 2025, according to the following breakdown:

- Corporate services provided by Endesa, S.A to Enel Iberia, S.L.U: 3.3 million euros.
- Leasing of surplus spaces and provision of related services by Endesa Medios y Sistemas to Enel Iberia, S.L.U: 4.2 million euros.
- Leasing of surplus spaces and provision of related services by EDistribución Redes Digitales, S.L. to Enel Iberia, S.L.U: 1.4 million euros.
- Provision of Technical Energy Management Services by Endesa S.A to Enel Global Trading S.p.A.: 0.86 million euros.

The prices have been calculated on the basis of the costs incurred by the service provider (Endesa, S.A., Endesa Medios y Sistemas, S.L., and EDistribución Redes Digitales, S.L.), plus a market mark-up where appropriate. A mark-up of 5% will typically be applied, although this percentage will be changed if it is not considered an arm's length value.

Costs related to services provided by third parties or to advertising campaigns carried out by third parties, where the service provider (Endesa, S.A., Endesa Medios y Sistemas, S.L., and EDistribución Redes Digitales, S.L.) does not deliver any added value shall not be subject to any mark-up, and the cost borne by the service provider will be deemed included in the price of the service.

If E-Distribución provides space leasing, subleasing and related services to Enel Iberia, no mark-up shall be added, as E-Distribución's corporate purpose consists exclusively of the distribution of electricity.

Payments under the contract accrue annually and a single annual invoice will be issued in the first 30 days of December. If the effective figures, both on costs and allocation keys, are not available, or only partially available, as of the date on which the invoice is issued for the year in which the services were provided, the parties shall adjust the price accordingly within the first six months of the following financial year, in accordance with the price revision clause.

III. IDENTIFICATION OF THE PARTY RELATED TO ENDESA

The companies providing the services: Endesa, S.A., Endesa Medios y Sistemas, S.L., and EDistribución Redes Digitales, S.L. The companies Endesa Medios y Sistemas, S.L. and EDistribución Redes Digitales, S.L. are fully-owned subsidiaries of Endesa S.A.

The companies receiving the services: Enel Iberia, S.L.U. and Enel Global Trading S.p.A.

Enel SpA is the sole shareholder of Enel Iberia S.L, which is in turn a shareholder of Endesa S.A, with a 70.101% stake. Related-party transactions are those entered into by Endesa or its subsidiaries with shareholders of Endesa who hold 10% or more of the voting rights or who are represented on the Board of Directors, as well as with any other persons considered as parties

related to Endesa, in accordance with International Accounting Standards. Therefore, all transactions entered into by Endesa or its subsidiaries and Enel or its subsidiaries (excluding the Endesa Group) shall be considered related-party transactions.

Enel and its subsidiaries (excluding the Endesa Group) and Endesa and its subsidiaries are considered 'the same counterparty' for the purposes of determining the thresholds for related-party transaction publication. In other words, the same counterparty is considered both the related person, whether natural or legal, as well as any other entity under their control and, in the case of natural persons, their close relatives, as defined in IAS 24.

IV. ANALYSIS OF THE TRANSACTION FROM THE STANDPOINT OF THE INTEREST OF ENDESA AND OF SHAREHOLDERS OTHER THAN RELATED PARTIES

a) Operational, technical, and commercial reasonableness of the transaction

The main reason for extending the services provided by Endesa, S.A., Endesa Medios y Sistemas, S.L., and EDistribución Redes Digitales, S.L.U. to Enel Iberia, S.L.U. is that the service providers render these services on a regular basis to Endesa Group companies in Spain and therefore possess the necessary resources and assets. Therefore, providing these services to Enel Iberia will not generate further costs for the Endesa Group and will allow a portion of the existing costs to be transferred to a company that is not part of the Endesa Group.

Moreover, the companies providing the services have yet to encounter any risks associated with the provision of the services.

Therefore, this arrangement results in an optimisation of resources and a reduction in costs for Endesa Group companies, two issues that stand to benefit any company acting in the interest of the Group and of shareholders who are not related parties.

The main reason for extending the services that Endesa, S.A. provides to Enel Global Trading S.p.A. is that the joint management of Shipping and LNG contracts enhances positioning and strategy, maximises the operational efficiency of the assets and optimises the costs and risks inherent in the activity. Consequently, Endesa, by providing technical services to Enel Global Trading, is able to transfer a portion of its costs to a company that is not part of the Endesa Group, which is consistent with the resource optimisation strategy of Endesa Group. It also allows the Endesa Group to become a market operator with greater capacity than it would otherwise have individually, and with better positioning and increased negotiating power also, thus unlocking more opportunities and allowing the Group to obtain more competitive price offers, achieve planning optimisation and synergies (reducing unfavourable spot purchases and days spent idle), and react better to force majeure events (delays, unexpected transaction, etc.).

b) Economic reasonableness. Methods used

The re-invoicing of costs plus a mark-up, distributed according to an allocation key, is a widespread practice, validated by the OECD in its Transfer Pricing Guidelines.

In view of the characteristics of these transactions, the absence of comparable transactions with independent entities, and publicly available information, the **Transactional Net Margin Method (TNMM)** is considered the most suitable transfer pricing methodology for the purpose of applying the arm's length principle.

Moreover, applying a 5% mark-up is standard practice among multinational groups when it comes to the compensation of management support services.

Last but not least, the value of the mark-up applied here is consistent with the value of the mark-up applied to the management support services that Enel, S.p.A. provides to Endesa, S.A. (5%), which are substantially similar in nature. These management support services provided by Enel, S.p.A. have been subject to a prior unilateral valuation agreement with the Spanish tax authorities valid for the tax years 2024 to 2027, thus helping to ensure the consistency of the transfer pricing policy applied across the Enel Group, to which the Endesa Group companies also belong.

The re-billing of costs without a mark-up also happens to be a practice validated by the OECD Guidelines (when a group member incurs sundry costs on behalf of a related entity, it may be appropriate to pass on these costs directly to that entity without applying a mark-up, as these costs are essentially expenses that the group members would have borne directly had they been independent (pass-through costs)), on the understanding that where it is possible to identify comparable transactions between unrelated parties, the **Comparable Uncontrolled Price (CUP)** method is the most direct and reliable method for applying the arm's length principle.

The practice applied also happens to be fully compliant with electricity legislation governing the separation of regulated and non-regulated activities.

As a conclusion of the **analysis of the mark-up determination criteria**:

- The methodology for determining the cost base and the allocation criterion defined for determining the amount of the Related-Party Transaction is consistent with Article 18.5 LIS.
- The aforementioned criteria for selecting the transfer pricing method (CUP and TNMM, based on estimated costs) are consistent with the OECD Guidelines, in light of the comparability analysis of the parties taking part in the Related-Party Transaction and the clauses of the agreement to be entered into by the parties.
- Likewise, it is considered that the criterion determined for adding or not adding a mark-up on the costs budgeted by the service providers is reasonable, and that, when this criterion is applied, the 5% mark-up is consistent with the mark-up that independent parties would be willing to agree on under comparable conditions.

Accordingly, it is reasonable to conclude that the transfer pricing methodology defined for this Related-Party Transaction is consistent with the market value principle.

c) Legal and commercial reasonableness of the transaction

The legal and commercial terms of the Agreements included in the Related-Party Transaction have been reasonably articulated around contractual terms and conditions that could have been agreed by independent parties.

Moreover, all of the agreements contain safeguard clauses for Endesa, such as terms governing non-assignment, agreement termination, force majeure, mutual

confidentiality obligations, governing law and jurisdiction, and respective liability of the parties to the agreements.

Therefore, in light of the legal and commercial terms and conditions of the agreements, it can be concluded that the Transactions have been reasonably articulated around contractual terms that could have been agreed with independent parties.

V. INDEPENDENT EXPERT REPORTS ISSUED AT THE REQUEST OF THE AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee's analysis took into account the report of Deloitte Legal, S.L.P. ('Deloitte') on the fairness and reasonableness of authorising the extension of the agreements under review.

Deloitte issued its Report in its capacity as an independent expert. On the date the report was issued, Deloitte did not maintain any sort of commercial relationship with the Enel Group or with the Endesa Group that could compromise its capacity as an independent expert for the purposes of issuing its Report or that could give rise to a conflict of interest in conducting the analysis and drawing up the conclusions therein.

The report prepared by Deloitte for Endesa's Audit and Compliance Committee concludes that the Transactions are fair and reasonable from the standpoint of Endesa and, in particular, the shareholders who are not related parties, including unrelated minority shareholders.

VI. CONCLUSION OF THE AUDIT AND COMPLIANCE COMMITTEE

First and foremost, it should be noted that the Audit and Compliance Committee is made up of six non-executive members of the Board of Directors, five of whom (83%) are independent. Furthermore, the Committee has a Shareholder-Appointed Director representing the controlling shareholder Enel, who holds 70.10% of the share capital of Endesa.

In accordance with Article 529u, paragraph 3, of the Capital Corporations Law, Mr. Stefano De Angelis, who is a shareholder-appointed director and representative of Enel, was not involved in the preparation of this Report.

The rest of the members of the Audit and Compliance Committee took part in the preparation and agreed on the contents of this Report on the provision of services by Endesa Group companies to Enel Iberia, S.L.U. and Enel Global Trading S.P.A.

Based on the background information discussed above, the Audit and Compliance Committee hereby concludes that, with the agreements subject to the analysis:

- The transactions consisting of the provision of services to Enel Iberia allows Endesa, Endesa Medios y Sistemas, and EDistribución Redes Digitales to transfer a portion of their costs to a company that is not part of the Endesa Group, without this entailing an incremental effort for the service providers, nor have the parties encountered any risk so far under this arrangement.

- The provision of services to Enel Global Trading maximises the operational efficiency of Endesa's human, material and technical resources and optimises its costs, while also improving their ability to manage and mitigate the risks inherent in the LNG business.
- The pricing method applied conforms to Spanish tax legislation on transfer prices and to OECD guidelines, as the prices of this transaction reflect what independent parties would have agreed under similar circumstances.
- The Related-Party Transaction has been reasonably articulated around contractual terms and conditions that could have been agreed by independent parties.

In view of the above, the Audit and Compliance Committee concludes that the extension of the agreements for the provision of services by Endesa, S.A, Endesa Medios y Sistemas, S.L., and EDistribución Redes Digitales, S.L. to Enel Iberia, S.L.U. and Enel Global Trading S.P.A., as recipients, during fiscal year ending 31 December 2025 are fair and reasonable from the standpoint of Endesa and its shareholders other than the related party.

VII. CONCLUSION OF THE BOARD OF DIRECTORS

Endesa's Board of Directors, following a favourable report from the Audit and Compliance Committee, has unanimously approved all transactions.



REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS OF RENEWAL OF THE JOINT MANAGEMENT AGREEMENT FOR SHIPPING AND CONTRACTS FOR LNG BETWEEN ENDESA ENERGÍA AND ENEL GLOBAL TRADING FOR 2025



REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS OF RENEWAL OF THE JOINT MANAGEMENT AGREEMENT FOR SHIPPING AND CONTRACTS FOR LNG BETWEEN ENDESA ENERGÍA AND ENEL GLOBAL TRADING FOR 2025

I. INTRODUCTION AND REGULATORY FRAMEWORK

In accordance with the provisions of paragraph 3 of article 529u of the amended and restated Spanish Capital Corporations Law, as approved by Royal Legislative Decree 1/2010, of 2 July, Endesa's Audit and Compliance Committee hereby issues this Report to assess whether the transaction is fair and reasonable from the standpoint of the company and, where appropriate, shareholders other than the related party, and indicate the assumptions on which the assessment is based and the methods used.

In accordance with Article 529t, paragraph 3, the Report issued and, as the case may be, published by Endesa's Audit and Compliance Committee, must at least include the following information:

- (a) information on the nature of the transaction and the relationship with the related party;
- (b) the identity of the related party;
- (c) the date and the value or amount of the consideration for the transaction; and
- (d) any other information required to assess whether this is fair and reasonable from the standpoint of the company and of shareholders who are not related parties.

Furthermore, Endesa has developed its own internal regulatory framework in this area, which includes, inter alia, a Related-Party Transaction Regulations approved by the Board of Directors, as well as a Related-Party Transaction Operating Procedure approved by the Audit and Compliance Committee, implementing the guidelines set forth in the Regulations and defining the proceedings, functions and responsibilities relating to the general rules on requests for and the approval, publication, and monitoring of related-party transactions. These regulations have been applied in this case.

II. OVERVIEW OF THE GENERAL TRANSACTION

a) Background

At its meeting on 23 July 2018, Endesa's Board of Directors authorised the execution of a joint management Agreement between Endesa Energía, S.A.U. and Enel Global Trading S.p.A. for the charter and supply contracts for LNG originating in the US, together with the associated sea transport. The Agreement establishes a model for the operation and allocation of LNG carriers and contracts belonging to these companies, setting objective rules subject to subsequent verification by independent experts (the 'Agreement').

The Agreement established the performance of three related-party transactions between Endesa Energía, S.A.U. and Enel Global Trading S.p.A., all of which are of a different nature but linked to each other: first (and the subject of this Report), the joint management of LNG shipping and FOB contracts originating in the US; second, the possibility of LNG sales between the parties; and, finally, the services mutually provided by the parties as a result of the creation of the joint management unit.

The Board of Directors subsequently authorised successive annual renewals of the Agreement, always following a favourable report from the Audit and Compliance Committee and independent third parties.



b) Purpose of the transaction.

The purpose of this transaction is the renewal of the Joint Management Agreement for Methane Carriers and of the FOB LNG contracts from the US between Endesa Energía, S.A. and Enel Global Trading SpA for 2025, for an estimated value of €90M. The Audit and Compliance Committee shall be informed of the final amount of the transaction.

The agreement regulates the joint management of carriers and the joint management of LNG contracts:

Joint management of carriers: The operational management of carriers is coordinated by a central management team, made up of **Endesa** and **Enel Global Trading S.p.A** ('EGT') staff, which covers only the shipping corresponding to the associated US Free On Board (FOB) charter contracts of both companies. The ownership of the contracts does not change. Each company maintains the ownership of its charter policies, as well as its obligations to the ship operator. However, re-invoicing mechanisms are in place to adjust the balance of payments according to the rights of use (for the permanent fleet) and according to the effective use for spot charters.

The Carriers' Joint Management Agreement enables Endesa and Enel to use the vessels of either of the two companies that are best positioned, in order to minimise the cost of each trip. The Agreement also establishes an operations model with objective, mutual, and balanced rules and guarantees that they can be subsequently verified by independent experts.

Joint management of LNG contracts: The agreement for the joint management of the LNG contracts was intended to optimise resources by conducting activities such as annual contract planning and to take advantage of operations opportunities. The agreement provides for the option of exchanging cargo slots, provided that they occur within the same month and without this leading to any financial adjustment between the parties. These exchanges may take place in response to operational needs and changing business requirements, thus improving the running of the business.

c) Transaction amount

➤ Shipping transactions between Endesa Energía and EGT are priced in accordance with the following process:

- The management team will prepare the permanent fleet schedules on the basis of the US FOB contracts and estimated needs at the start of each period, with the aim of minimising sea transport costs. These schedules shall take into account both permanent carriers and other spot carriers required to meet such needs.
- Rights of use will be allocated to the carriers (days of use per year) and the average price of the permanent fleet will be determined.
- Spot gas shall be arranged as and when necessary to cover any shortfall between the permanent fleet and total requirements. In such cases, the amount effectively delivered will be the difference between the allocated permanent carrier rights and the total requirements of each party.
- Each company will be responsible for paying for its carriers to the ship operator, according to the terms and conditions of its own contracts. However, own carrier rights of use will be allocated, among others, on the basis of each company's FOB contracts, while spot charters will be allocated on the basis of each company's additional requirements over and above its rights of use. The amount paid by each company will be adjusted every quarter according to the amount effectively applicable, as per its rights of use and the use of the additional spot price, according to the allocation factor.

- Any surplus capacity may be put on the market or exchanged between companies at market prices. The market price used for the charter contracts between Enel and Endesa is calculated as the average of the weekly quoted prices for the month prior to the contract execution date, which should be one month before delivery of the carrier. This average is based on the weekly quoted prices of the following companies: 'Affinity LNG', 'Braemar', 'Clarksons Platou', 'Gibson', 'Poten & Partners', 'Simpson Spence Young', and/or 'Fearnley LNG'. This procedure ensures that the freight level of the carrier exchange is representative of the market.
- Whether further spot carrier purchases take place during the year will depend on:
 - If such purchases specifically relate to the joint management arrangement, they shall be shared between both parties by applying the agreed allocation factors.
 - If the purchases are made for reasons not envisaged in the schedule or linked to the shipping management process, the cost shall be borne by the company requiring such additional gas.
- The costs associated with each trip (loading, unloading and channels) will be charged to the owner of the LNG transported in such trip.
- As long as a transaction is beneficial to the overall portfolio, it will go ahead, and if one of the parties is negatively affected at the outset, that party will be compensated accordingly so that the economic balance resulting from the last agreed Shipping Schedule is restored.
- If the change in the Shipping Schedule is caused by one of the parties, the costs or revenues arising from such a change shall be passed on to the party to have caused the change, within the scope of the days set out on the last agreed Shipping Schedule actually affected by the change. Additional costs or revenues related to days other than those mentioned above will be passed on to the parties concerned according to the last agreed Shipping Schedule. The Joint Management Unit shall provide each party with a preliminary assessment of the impact of the proposed change.

The allocation factor will be determined at the beginning of the period based on each company's needs. Quarterly adjustments will be made based on the average permanent fleet and spot prices obtained from the initial schedule, with the cost for each company being rebilled in accordance with the allocated rights of use. If the rights of use are exceeded, the additional usage (whether permanent or spot fleet) shall be paid for at the spot price. If these rights of use are not ultimately used, the excess shall be allocated at market price to the other company or sold to third parties.

The adjustment will be calculated as the difference between the costs already borne by each company (payment to the ship operator) and the costs determined according to the allocated use. The allocation percentages initially established shall be reviewed so as to ensure that they reflect the changes with respect to the initial shipping needs in the medium term. The initially quoted price may be adjusted if deviations between the quoted and actual costs occur.

In relation to the renewal of the 'Joint Management Agreement for Methane Carriers and FOB Contracts for LNG of US origin for 2025, ' the estimated¹ value of the Joint Management Agreement for 2025 for the Shipping business is €55.66M (\$62.20M), being the sum of the amounts to be paid by Endesa to Enel for using its vessels, the amounts to be paid by Enel to Endesa for using its vessels, and the amount paid for the quarterly adjustments.

However, due to the volatility that Endesa expects to encounter within the LNG freight market in 2025, due not only to the inherently volatile nature of the LNG freight market, which has seen price increases of 100–300 k\$/day at times of low carrier availability and high LNG prices, but also to the uncertainty facing the two most important channels in the world: carriers traversing the Suez Canal are being affected by the conflict in the Middle East, while those heading through the Panama Canal face restrictions due to the current drought in the country. This could lead to lower carrier availability

¹ Estimated according to market prices on 1 October 2024.



and push up the price of shipping. Therefore, an agreement value for the shipping business of €90M has been considered.

These amounts do not include the costs of the Joint Management Unit, as they are included in the Technical and Management Support Services Contract for 2025. Similarly, the proposed arrangements do not include intra-group sales and purchases of LNG, which shall be treated separately and on a case-by-case basis.

III. IDENTIFICATION OF THE PARTY RELATED TO ENDESA

One party is **Endesa Energía, S.A.U. ('Endesa Energía')**, a company fully owned by Endesa, S.A., and therefore a subsidiary thereof.

The other party is **Enel Global Trading S.p.A. ('EGT')**, a company fully owned by Enel S.p.A and therefore a subsidiary thereof.

Enel SpA is the sole shareholder of Enel Iberia S.L, which is in turn a shareholder of Endesa S.A, with a 70.101% stake. Related-party transactions are those entered into by Endesa or its subsidiaries with shareholders of Endesa who hold 10% or more of the voting rights or who are represented on the Board of Directors, as well as with any other persons considered as parties related to Endesa, in accordance with International Accounting Standards. Therefore, all transactions entered into by Endesa or its subsidiaries and Enel or its subsidiaries (excluding the Endesa Group²) shall be considered related-party transactions.

Enel and its subsidiaries (excluding the Endesa Group) and Endesa and its subsidiaries are considered 'the same counterparty' for the purposes of determining the thresholds for related-party transaction publication. In other words, the same counterparty is considered both the related person, whether natural or legal, as well as any other entity under their control and, in the case of natural persons, their close relatives, as defined in IAS 24.

IV. ANALYSIS OF THE TRANSACTION FROM THE STANDPOINT OF THE INTEREST OF ENDESA AND OF SHAREHOLDERS OTHER THAN RELATED PARTIES

1. Operational, technical, and/or commercial rationale

The main purpose of the Agreement adopted between Endesa Energía and Enel is to increase flexibility and take advantage of the synergies of the Enel Group's operations.

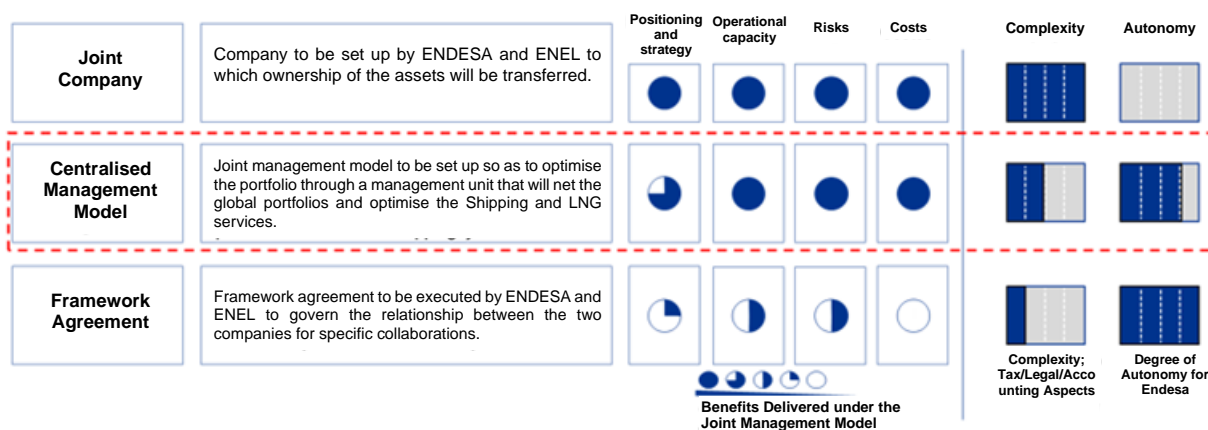
In this way, the transaction allows the following: (i) design and preparation of the gas strategy, (ii) management of forward gas contracts, (iii) transfer of contracts, (iv) management of the wholesale margin, and (v) operational management of the gas, all of which will be carried out with a global approach, in addition to (i) management of the commercial margin and the pricing strategy, (ii) customer management, (iii) local logistics management, (iv) risk management, and (v) hedging execution, all of which will be carried out locally.

It is therefore reasonable to have a centralised management model in line with the Enel Group's Strategic Plan and Endesa's Strategic Plan, which allows EGT and Endesa Energía to optimise the carrier fleet, with a view to maximising the value of contracts (maximising revenues and minimising costs). Moreover, the Joint Management Unit, conceived as a market operator with a stronger

² Endesa Group: for the purposes of internal regulations on related-party transactions, the term 'Endesa Group' refers to Endesa, S.A. and its subsidiaries, as defined in Article 42 of the Spanish Commercial Code.

position and greater negotiation capacity than EGT and Endesa Energía separately, makes it possible to better use opportunities and increase competitiveness in obtaining price offers.

The following are three different organisational models for the joint management of activities, all of which are typically used by companies operating in the sector:



Aside from the three joint management alternatives mentioned above, each company (EGT and Endesa Energía) could independently manage its fleet and contracts. However, in doing so they would not benefit from the features detailed below. Additionally, their operating costs would be higher and this would not therefore lead to any economic or operational optimisation, as would be the case under the joint management model.

Therefore, the advantages provided by the Joint Management Agreement for methane carriers and the FOB contracts for LNG of US origin are summarised below:

- **Positioning and strategy.** The joint management of shipping and LNG contracts enhances strategic positioning, maximising synergies in the operation of assets and minimising the costs and risks associated with the activity. In addition, joint management provides a swift response to specific incidents that may alter the amount of LNG available in an agile manner and to complete purchase and sale transactions that respond to the financial interests of Endesa Energía and EGT, provided that the financial conditions are beneficial to both companies.
- **Operational capacity.** Joint action increases the fleet usage efficiency, allowing the optimisation of routes according to the needs of Endesa Energía (incorporating certain variables, such as the calculation of times, distances, and routes and making the relevant adjustments, according to each situation). In addition, it can streamline the response to any need avoiding the need for recurrent carrier sub-charter processes. Moreover, the use of opportunities and their geographical scope is expanded, contributing to better risk management.
- **Risks.** The economic risks inherent in the activity are reduced through joint action. An increase in the management capacity mitigates the risks associated with shipping activity (loading losses, delays, climate changes, etc.). In addition, the larger number of joint resources allows the companies to deal more easily with unforeseen events and, where applicable, to overcome them successfully.
- **Costs.** The capacity to perform intra-group LNG transactions between Endesa Energía and EGT prevents the need to go to the market, saving the associated costs, reducing counterparty risks, increasing the security of supply and improving margins. Likewise, it offers savings in port costs derived from economies of scale (tugboats, pilots, moorings,

etc.), thus optimising how activities are planned and avoiding the unnecessary transfer of assets.

- **Autonomy.** Decision-making through joint action within the framework of a centralised management model provides a high degree of independence. In this regard, the advantages of this model are not limited to the management and coordination of the activities on a centralised basis, as a result of the ensuing synergies and cost-effectiveness. It provides each company with a high degree of autonomy, as they can manage their own carriers.

Therefore, joint management can be considered, in principle, as a market trend that improves the positioning and strategy of the companies, while maximising the operational efficiency of assets and mitigating the costs and risks inherent in the activity, to the extent that such joint management is exercised according to a set of predefined rules that ensure that benefits are obtained without jeopardising the interests or operations of any of the parties.

2. Guarantees provided

Within two months from the end of each contract period of the Agreement, the Joint Management Unit shall send the relevant documents to each party evidencing the mutual provision of the services, including but not limited to:

- Compliance with the Shipping Schedule and any adjustments to the one sent prior to the start of the relevant contract period.
- The factors and allocation criteria used to award the shipping contracts.
- The average own shipping and spot shipping prices applied during the period.
- Sales to third parties or between the parties and spot shipping purchases under the agreed terms and conditions.
- The adjustments between the parties derived from the Use Factor.

This review shall be conducted by independent experts appointed by Endesa.

If within four months of receiving the documentation neither of the parties has raised any objection, the transactions carried out during the relevant period shall be deemed to be final.

In the event of any dispute when performing the Agreement, the parties shall apply the dispute resolution procedure set forth in Clause 18 of the Agreement, whereby they undertake to negotiate for 15 days. Any agreement ultimately reached during that time will require the approval of Endesa's Audit and Compliance Committee. If no agreement is reached, the parties shall submit the dispute to three arbitrators appointed by the International Chamber of Arbitration based in Paris.

The Agreement provides specific mechanisms for reviewing performance of the Agreement and for dispute resolution, which can be considered objective and balanced for the interests of both parties and also comply with the specific procedures approved by Endesa in relation to related-party transactions, enabling the resolution of disputes in terms similar to those that would be agreed by independent parties.

The Agreement also states that Endesa reserves the right, prior to payment, to review the documentation contained in the above points in order to verify compliance with the requirements for deducting the expenses of the recipient companies.

These checks make it possible to reinforce the conclusions of this report.

3. Economic reasonableness

The OECD Guidelines establish that, in order for an intra-group provision of services to comply with the arm's length principle, it is necessary to determine whether the activities carried out by the provider generate a benefit to the recipient (benefit test), so that an independent third party would have been willing to carry out the activities covered by the services or to engage with another entity for such purposes. This requirement is also set out in Article 18(5) of the Spanish Corporate Income Tax Law, which states that the recipient must receive a benefit or profit in order for the arrangement to qualify as an intra-group service.



The Joint Management of LNG carriers and FOB LNG Contracts of US origin arises from the need to optimise the use of contracted carriers to meet the needs of both companies. This allows Endesa Energía and EGT to benefit from operational agility and efficiency, increasing their incident management capacity and allowing them to make greater use of business opportunities, while optimising the human, material, and technical resources.

The expectation of mutual and proportional benefit is essential for independent companies when agreeing to share the risks and rewards of pooling resources and skills. As this allocation system would be applied within the context of joint management of shipping, a reasonable expected benefit resulting from such joint management—compared to the individual management of the activities—would justify the execution of the transaction at the same price established by the third-party ship operator under the policy contracts provided.

With regards to the compliance with the market value principle, on the basis of a comparability analysis conducted by PwC and in accordance with paragraph 2.14 of the OECD Guidelines and Article 18.4 of the Spanish Corporate Income Tax Law, it has been concluded that the Comparable Uncontrolled Price ('CUP') method is the most appropriate to verify that the price established in the related-party transactions carried out in the context of the joint management of shipping and FOB LNG contracts between Endesa Energía and EGT is in line with the principle of free competition.

The pricing system applied to related-party transactions is based on a scheme for the allocation of the prices set by independent third parties (both of the carriers that each company delivers through the policies signed with third-party ship operators and of any spot carriers that need to be acquired according to the schedule), based on the percentage of days of use allocated to each company. Therefore, information is available on comparable transactions carried out between independent third parties, allowing the CUP method to be applied through external benchmarks.

In addition, to verify that these transactions are carried out at market prices, they will be compared with the reference monthly price calculated using the average weekly references of at least the following firms (or others of similar standing): Affinity LNG, Braemar, Clarksons Platou Gibson, Poten & Partners, Simpson Spence Young, and Fearnley LNG, so as to ensure that any deviation is under 2%.

The annual cost allocation between EGT and Endesa Energía is calculated, among others, based on the volume of contracts of each company, as established in the Joint Management Agreement. The distribution key used is linked to the profit obtained (or expected) by the entity receiving the services, so it can be reasonable to conclude that it meets the reasonableness criteria established in the related-party transaction regulations governing the distribution of consideration among the entities benefiting from the services.

For all the above, it is concluded that the method used to determine the price of the related-party transaction between Endesa Energía and EGT is consistent with the prices that independent parties would have agreed under similar circumstances. Therefore, it can be concluded that the transaction is fair and reasonable from the standpoint of Endesa and, in particular, its shareholders other than the related party, i.e. other than the Enel Group.

V. INDEPENDENT EXPERT REPORTS ISSUED AT THE REQUEST OF THE AUDIT AND COMPLIANCE COMMITTEE

In its analysis of the transaction, the Audit and Compliance Committee took the following reports into account:

- The Report prepared by PricewaterhouseCoopers Tax and Legal S.L. and PricewaterhouseCoopers Asesores de Negocios, S.L. (hereinafter 'PwC') on the fairness and reasonableness of the agreement analysed herein.

PwC issued its Report in its capacity as an independent expert. On the date the report was issued, PwC did not maintain any sort of commercial relationship with the Enel Group or with

the Endesa Group that could compromise its capacity as an independent expert for the purposes of issuing its Report or that could give rise to a conflict of interest in conducting the analysis and drawing up the conclusions therein.

According to the Report prepared for Endesa's Audit and Compliance Committee, joint management can be considered to enhance the positioning and strategy of the companies, while maximising the operational efficiency of assets and mitigating the costs and risks inherent in the activity, to the extent that such joint management is exercised according to a set of predefined rules that ensure that benefits are obtained without jeopardising the interests or operations of any of the parties (technical and/or commercial rationale of the transaction), and it can be concluded that the price set by the parties (economic rationale) and the contractual terms and conditions conform to the arm's length principle. The independent expert has examined the rules defined, the guarantees applied, and the contractual terms and conditions agreed by the parties, and concluded that the renewal for 2025 of the Joint Management Agreement for methane carriers and FOB contracts for LNG of US origin between Endesa Energía and EGT described in this document is fair and reasonable from the standpoint of Endesa and the shareholders who are not related parties.

VI. CONCLUSION OF THE AUDIT AND COMPLIANCE COMMITTEE

First, it should be noted that the Audit and Compliance Committee is made up of six non-executive members of the Board of Directors, five of whom (83%) are independent. Furthermore, the Committee has a Shareholder-Appointed Director representing the controlling shareholder Enel, who holds 70.10% of the share capital of Endesa.

In accordance with Article 529u, paragraph 3, of the Capital Corporations Law, Mr. Stefano De Angelis, who is a shareholder-appointed director and representative of Enel, was not involved in the preparation of this Report.

The rest of the members of the Audit and Compliance Committee took part in the preparation and agreed on the contents of this Report on the 'Renewal of the Joint Management Agreement for methane carriers and the FOB contracts for LNG of US origin between Endesa Energía and EGT for 2025.'

Based on the background information discussed above, the Audit and Compliance Committee hereby concludes that joint management:

- Is a practice that enhances Endesa's positioning and strategy, maximising compliance with its Strategic Plan.
- Maximises the operational efficiency of the assets and the routes – which in turn maximises earnings – and optimises the costs and risks inherent in the activity.
- Makes it possible to optimise human, material and technical resources.
- Strengthens and broadens the Company's market positioning, giving it greater capacity and bargaining power.
- Allows the Company to make the most of opportunities and synergies, in addition to its geographic coverage, contributing to better risk management.
- Reduces costs stemming from bringing LNG operations to market, increasing the security of supply and improving margins.
- The methodology for pricing the related-party transaction is aligned with the principle of free competition.
- The contract terms of the related-party transaction are established according to customary terms between third parties, for which reason they are reasonable.
- Specific mechanisms for guarantees and review of the performance of the Agreement and dispute resolution are established, in terms similar to those that would have been agreed by independent parties.



The Audit and Compliance Committee concludes that the 'Renewal of the Joint Management Agreement for methane carriers and the FOB contracts for LNG of US origin between Endesa Energía and EGT for 2025 are fair and reasonable from the standpoint of Endesa and its shareholders other than the related party.

VII. CONCLUSION OF THE BOARD OF DIRECTORS

Endesa's Board of Directors, following a favourable report from the Audit and Compliance Committee, has unanimously approved all transactions.



**REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND
REASONABLENESS OF THE RELATED-PARTY TRANSACTION CONSISTING OF SPOT
PURCHASES OF FUEL OIL BY ENDESA GENERACIÓN SAU FROM ENI TRADE &
BIOFUELS SPA FOR THE CANARY ISLANDS IN 2025**

REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS OF THE RELATED-PARTY TRANSACTION CONSISTING OF SPOT PURCHASES OF FUEL OIL BY ENDESA GENERACIÓN SAU FROM ENI TRADE & BIOFUELS SPA FOR THE CANARY ISLANDS IN 2025

I. INTRODUCTION AND REGULATORY FRAMEWORK

In accordance with the provisions of paragraph 3 of article 529uof the amended and restated Spanish Capital Corporations Law, as approved by Royal Legislative Decree 1/2010, of 2 July, Endesa's Audit and Compliance Committee, issues this Report to assess whether the transaction is fair and reasonable from the standpoint of the company and, where appropriate, shareholders other than the related party, and indicate the assumptions on which the assessment is based and the methods used.

In accordance with Article 529t, paragraph 3, the Report issued and, as the case may be, published by Endesa's Audit and Compliance Committee, must at least include the following information:

- (a) information on the nature of the transaction and the relationship with the related party;
- (b) the identity of the related party;
- (c) the date and the value or amount of the consideration for the transaction; and
- (d) any other information required to assess whether this is fair and reasonable from the standpoint of the company and of shareholders who are not related parties.

Furthermore, Endesa has developed its own internal regulatory framework in this area, which includes, inter alia, a Related-Party Transaction Regulations approved by the Board of Directors, as well as a Related-Party Transaction Operating Procedure approved by the Audit and Compliance Committee, implementing the guidelines set forth in the Regulations and defining the proceedings, functions and responsibilities relating to the general rules on requests for and the approval, publication and monitoring of related-party transactions. These regulations have been applied in this case.

II. OVERVIEW OF THE GENERAL TRANSACTION

a) Background for the transaction

In Spain, Endesa Generación produces electric power both in the Iberian Peninsula and in Non-Peninsular Territories (Canary Islands, Balearic Islands, Ceuta, and Melilla).

Endesa Generación is one of the main generators with thermal units installed in the Non-Peninsular Territories. Hence, Endesa Generación needs to procure fuel oil so as to ensure the operation of its thermal plants.

Power generation in the Non-Peninsular Territories has the following differentiating characteristics with respect to the system in mainland Spain: (i) lack of economies of scale; (ii) need for greater reserve margins; and (iii) utilisation of a specific technology mix



conditioned by resource availability, giving thermal generation a preponderant role in ensuring security of supply.

Stemming from environmental limitations, the fight against climate change, and the ecological transition, in the Canary Islands certain environmental authorisations were modified in order, inter alia, to use, as liquid fuel for power generation, 0.7% sulphur fuel oil, including those of the Lanzarote and Fuerteventura thermal plants.

Fuels for electricity generation in the Canary Islands, as in the remaining Non-Peninsular Territories, are required to be supplied in accordance with Law 17/2013, Royal Decree 738/2015 and Order TED/1315/2022, through fuel auctions called by the Ministry for Ecological Transition and Demographic Challenge. Nevertheless, there is no certainty that the supply of fuels can be ensured after 1 January 2025 under the auction scheme. Therefore, Endesa must carry out the actions available to it in order to guarantee the supply of fuel until the auction.

The current contracts to supply liquid fuels for the Lanzarote and Fuerteventura plants expire on 31 December 2024. Therefore, in order to ensure continuity in the supply of power in the Canary Islands, starting on 01 January 2025, the Company needs to contract the supply of liquid fuels to the Lanzarote and Fuerteventura plants in order to meet the demand for electricity.

b) Purpose of the transaction.

The purpose of the transaction is to secure authorisation for spot purchases of 0.7% sulphur fuel oil intended to Lanzarote and Fuerteventura between Endesa Generación, SAU (as the purchaser) and Eni Trade & Biofuels SpA (as the supplier), for supply during the year 2025, for a maximum volume of 60,000 tonnes, divided into two spot shipments of between 29,000 and 30,000 tonnes.

In any event, these transactions are not closed, as they are contingent on Eni Trade & Biofuels SpA's offer being the best, according to the terms set out below.

The product will be delivered in DES (Delivered Ex Ship) position, with the ports of unloading being Lanzarote (17,000 tonnes) and Fuerteventura (13,000 tonnes).

c) Transaction amount

The estimated total value of the transactions between Endesa Generación, SAU, and Eni Trade & Biofuels SpA for a maximum volume of 60,000 tonnes of 0.7% sulphur fuel oil each would be 26.2 million euros.

The price will be indexed to Platts FO 0.5% FOB Rotterdam barges and/or mean CIF NWE GO 0.1%, average delivery month and following, plus a premium. The 0.7% sulphur fuel oil is not standard market quality; hence there is no specific index for its pricing, whereas the 0.5% sulphur fuel oil, used as fuel in maritime transport (bunker), and the 0.5% sulphur gas oil are standard market quality.

The price of each transaction will be calculated on the basis of the delivery terms of the purchased assets and in accordance with the market prices pertaining to the market indexes applicable to each shipment.



III. IDENTIFICATION OF THE PARTY RELATED TO ENDESA

One party is **Endesa Generación, S.A.U.**, a company fully owned by Endesa, S.A. Enel Iberia, a fully-owned subsidiary of Enel Spa, holds 70.101% of the share capital of Endesa. Therefore, Endesa Generación is controlled by Enel Spa.

The other party is, **Eni Trade & Biofuels, S.p.A.**, a company fully owned by Eni, S.p.A. Eni, S.p.A, is in turn an investee company of the Italian government, through direct (4.67%) and indirect holdings through Cassa Depositi and Prestiti, S.p.A., a company controlled by the Italian government (27.73%).

Under accounting legislation (IAS 24, IAS 10, and IAS 28), given that the Italian government controls Enel, S.p.A. and Eni, S.p.A., the transaction between Endesa Generación SA and Eni Trade & Biofuels, S.p.A., is considered a related-party transaction.

IV. ANALYSIS OF THE TRANSACTION FROM THE STANDPOINT OF THE INTEREST OF ENDESA AND OF SHAREHOLDERS OTHER THAN RELATED PARTIES

1. Operational and strategic reasonableness of the transaction

The Related-Party Transaction should be analysed in the context of the electricity generation needs of Lanzarote and Fuerteventura.

Endesa Generación will carry out the appropriate steps for the spot purchase of 0.7% sulphur fuel oil for Lanzarote and Fuerteventura through a competitive or bidding process for each shipment. For each process, Endesa Generación will call for and receive offers from several suppliers, and will select the most competitive one.

Endesa Generación supplies fuel oil for its Lanzarote and Fuerteventura thermal plants by virtue of: (i) a supply contract, which regulates the purchase of the product and the logistic operations leading to its delivery at the plant; and (ii) purchases on the spot market, which have allowed the company to optimise the provisioning cost where facilities are available that make it possible to unload batches of the appropriate size. This is the case of the spot purchases of shipments of 30,000 tonnes of 0.7% sulphur fuel oil for Lanzarote and Fuerteventura.

Consequently, Endesa Generación estimates that two of the spot shipments of 30,000 tonnes of 0.7% sulphur fuel oil for the Lanzarote and Fuerteventura thermal power plants could be awarded to Eni Trade & Biofuels SpA provided that: (i) its offer provides for the lowest cost of all the bids requested from third parties; and (ii) the cost of the fuel oil, once arrived at the plant, is below that of the supply contract.

Therefore, it is reasonable to conclude that the transaction consisting of the purchase of spot shipments of 0.7% sulphur fuel oil by Endesa Generación, SAU, from Eni Trade & Biofuels SpA would be aligned with the purpose, values, and strategic plan of the Company and the Endesa Group.

In any event, the Audit and Compliance Committee of Endesa, S.A. will be informed of the definitive amounts of the Related-Party Transaction if it is formalised.

2. Economic reasonableness of the transaction. Methods used

In accordance with the OECD Guidelines and Article 18.4 of the Corporate Income Tax Law ('LIS'), the CUP method, which 'compares the price charged for property or services transferred in a controlled transaction to the price charged for property or services transferred in a comparable uncontrolled transaction in comparable circumstances,' is the most reliable transfer pricing method to establish the market value nature of the Related-Party Transaction.

The CUP method through internal comparables is the most appropriate to justify that the price set for the related-party spot purchase transactions of 0.7% sulphur fuel oil between Endesa Generación, SAU and Eni Trade & Biofuels SpA conforms to the principle of free competition.

The following methodology is used to set the price of the Related-Party Transaction:

- For each required shipment, offers will always be requested from several suppliers in addition to Eni. Endesa Generación will request offers from large market players.
- Of the bids received, the contract will be awarded for the one that entails the lowest cost for Endesa Generación, provided that the cost placed at the plant is lower than that of the supply contract. The price for the sale and purchase of 0.7% sulphur fuel oil is agreed according to the terms of delivery for the purchase and sale (DES) and according to prevailing market prices as per the relevant market index, plus a premium.
- Subsequently, an ex post validation exercise (outcome testing) will be carried out in order to validate the terms ultimately applied to the sale and purchase transactions and confirm that the pricing methodology was properly followed. This review will be carried out by independent experts appointed by Endesa and as regularly as deemed necessary by Endesa's Audit and Compliance Committee.

Therefore, the acceptance or rejection of the transaction will be determined in accordance with the market prices so obtained, which Endesa Generación will have requested from independent third parties in advance, reasonably reflecting a fiscal comparability analysis.

The Audit and Compliance Committee shall be informed of the final amount of the transaction.

Therefore, it is reasonable to conclude that the price agreed for the Related-Party Transaction is, in general, consistent with the market value principle and in no case higher than independent parties in similar conditions would have agreed.

3. Legal and commercial reasonableness of the transaction

The aforementioned agreement is established in reasonable terms for Endesa Generación, SAU, as the party that would receive the Products.

In light of the legal and commercial terms and conditions, it can be concluded that the Related-Party Transaction has been reasonably articulated around contractual terms and conditions that could have been agreed by independent parties.

V. INDEPENDENT EXPERT REPORTS ISSUED AT THE REQUEST OF THE AUDIT AND COMPLIANCE COMMITTEE

In its analysis of the transaction, the Audit and Compliance Committee took into account the report from Deloitte Legal, S.L.P. ('Deloitte') on the fairness and reasonableness of the authorisation for spot purchases of fuel oil by Endesa Generación SAU from Eni Trade & Biofuels SPA for the Punta Grande and Las Salinas thermal plants in 2025.

Deloitte issued its Report in its capacity as an independent expert. On the date the report was issued, Deloitte did not maintain any sort of commercial relationship with the Enel Group or with the Endesa Group that could compromise its capacity as an independent expert for the purposes of issuing its Report or that could give rise to a conflict of interest in conducting the analysis and drawing up the conclusions therein.

In the report issued for Endesa's Audit and Compliance Committee, the independent expert evidenced that it is reasonable to authorise spot purchases of 0.7% sulphur fuel oil intended for Lanzarote and Fuerteventura between Endesa Generación, SAU (as the purchaser) and Eni Trade & Biofuels SpA for supply in 2025. Consequently, Deloitte concludes that the authorisation of the related-party transaction is fair and reasonable from the standpoint of Endesa and, in particular, its shareholders other than the related party, i.e. shareholders other than the Enel Group.

VI. CONCLUSION OF THE AUDIT AND COMPLIANCE COMMITTEE

First and foremost, it should be noted that the Audit and Compliance Committee is made up of six non-executive members of the Board of Directors, five of whom (83%) are independent. Furthermore, the Committee has a Shareholder-Appointed Director representing the controlling shareholder Enel, who holds 70.10% of the share capital of Endesa.

In accordance with Article 529u, paragraph 3, of the Capital Corporations Law, Mr. Stefano De Angelis, who is a shareholder-appointed director and representative of Enel, was not involved in the preparation of this Report.

The rest of the members of the Audit and Compliance Committee took part in preparing the Report on the fairness and reasonableness of the authority to make spot purchases of 0.7% sulphur fuel oil intended for Lanzarote and Fuerteventura between Endesa Generación, SAU (as the purchaser) and Eni Trade & Biofuels SpA for supply in 2025, and agreed on its contents.

Based on the background information discussed above, the Audit and Compliance Committee hereby concludes that:

1. The transaction consisting of the purchase of spot shipments of 0.7% sulphur fuel oil by Endesa Generación, SAU, from Eni Trade & Biofuels SpA would be aligned with the purpose, values, and strategic plan of Endesa Generación, SAU, and the Endesa Group.
2. The origin of the related-party transaction is a bidding process by which Endesa Generación, SAU, will request offers from several suppliers for the purchase of spot shipments of 0.7% sulphur fuel oil for the Lanzarote and Fuerteventura thermal plants, under defined conditions (quantity, quality, period, and delivery), on the basis of which Eni Trade & Biofuels SpA would receive the award only if it offers the lowest cost of the bids submitted by all the suppliers; and the cost of the fuel oil, once arrived at the plant, is below that of the Supply Contract.



3. The methodology used to determine the price for the Related-Party Transaction conforms to Spanish tax legislation on transfer pricing and to OECD Guidelines, as the prices of this transaction will reflect what independent parties would have agreed under similar circumstances.

The Audit and Compliance Committee concludes that the authority to make spot purchases of 0.7% sulphur fuel oil intended for Lanzarote and Fuerteventura between Endesa Generación, SAU (as the purchaser) and Eni Trade & Biofuels SpA (as the supplier) for supply in 2025 is fair and reasonable from the standpoint of Endesa and its shareholders other than the related party.

VII. CONCLUSION OF THE BOARD OF DIRECTORS

Endesa's Board of Directors, following a favourable report from the Audit and Compliance Committee, has unanimously approved all transactions.



**REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND
REASONABLENESS OF THE RELATED-PARTY TRANSACTION CONSISTING OF
THE RECHARGE OF EXPATRIATE PERSONNEL SECONDMENT COSTS BETWEEN
ENDESA GROUP COMPANIES AND ENEL GROUP COMPANIES**

REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS OF THE RELATED-PARTY TRANSACTION CONSISTING OF THE RECHARGE OF EXPATRIATE PERSONNEL SECONDMENT COSTS BETWEEN ENDESA GROUP COMPANIES AND ENEL GROUP COMPANIES

I. INTRODUCTION AND REGULATORY FRAMEWORK

In accordance with the provisions of paragraph 3 of article 529u of the amended and restated Spanish Capital Corporations Law, as approved by Royal Legislative Decree 1/2010, of 2 July, Endesa's Audit and Compliance Committee hereby issues this Report to assess whether the transaction is fair and reasonable from the standpoint of the company and, where appropriate, shareholders other than the related party, and indicate the assumptions on which the assessment is based and the methods used.

In accordance with Article 529t, paragraph 3, the Report issued and, as the case may be, published by Endesa's Audit and Compliance Committee, must at least include the following information:

- (a) information on the nature of the transaction and the relationship with the related party;
- (b) the identity of the related party;
- (c) the date and the value or amount of the consideration for the transaction; and
- (d) any other information required to assess whether this is fair and reasonable from the standpoint of the company and of shareholders who are not related parties.

Furthermore, Endesa has developed its own internal regulatory framework in this area, which includes, inter alia, a Related-Party Transaction Regulations approved by the Board of Directors, as well as a Related-Party Transaction Operating Procedure approved by the Audit and Compliance Committee, implementing the guidelines set forth in the Regulations and defining the proceedings, functions and responsibilities relating to the general rules on requests for and the approval, publication and monitoring of related-party transactions. These regulations have been applied in this case.

II. OVERVIEW OF THE GENERAL TRANSACTION

a) Background for the transaction

It is common practice for personnel secondment to occur between the different entities of the Endesa Group and the Enel Group, in order to promote integration between companies and create synergies as a result of such integration. This means that certain entities of the Endesa Group transfer part of their staff ('expatriates') to entities of the Enel Group and vice versa, with the companies that transfer the staff assuming initially the costs related to the seconded personnel. For this reason, it is considered to be in the mutual interest of both the Endesa Group and the Enel Group to proceed with the temporary secondment of Enel's specialised personnel from different countries to Endesa and vice versa, with these transfers between the companies being formalised by means of the so-called 'Recharge Agreements for Personnel Secondment.' This type of contract is common practice in multinational groups in which employees are seconded between companies belonging to the same group.

This is a single category of contracts, whose legal elements and purpose are identical:

- These are ordinary contracts, inasmuch as they are necessary in order to properly allocate costs of this type of international exchanges;
- They are entered into according to a standardised model form in all cases, with the exception of contracts executed with Chilean companies¹;
- Criteria relating to (a) selection of personnel to be seconded, and (b) economic considerations, in accordance with general policies common throughout the Endesa Group and the Enel Group, are applied;
- Maximum flexibility is required relative to the moment at which they are entered into, amended or renewed, as well as their duration, in accordance with the needs and specific moments when the personnel transfer is to take place; in addition, the number of employees transferred will vary at any given time; and
- This flexibility and connection with the precise number of employees being assigned from time to time make it difficult to foresee each year the needs and amount of the contracts.

In general terms, these operations do not entail any cost for any of the companies involved, since the company benefiting from the service pays all expenses to the home company. However, notwithstanding this circumstance, this must be considered a related-party transaction and the relevant regulations must be applied.

In accordance with the Spanish Securities Market Commission (CNMV) guidelines 'on the reporting regime for related-party transactions governed by Chapter VII bis of Title XIV of the Capital Corporations Law,' which provide that multi-year contracts must be valued in current rather than annualised terms, the Recharge Agreements for Personnel Secondment analysed in this report shall be approved on the basis of an estimate of the total duration of each agreement; that is, current agreements have been valued as per the remaining time until their termination.

b) Purpose and amount of the transaction.

The purpose of the transaction is to re-invoice the expatriate seconded personnel costs arising from the execution of new contracts ('Recharge Agreements for Personnel Secondment') or from the extension of contracts previously authorised, entered into between Endesa, S.A. or its controlled companies and companies of the Enel Group from 01 January 2024 until the end of each of these contracts, which amount to a total of circa €4.82 M, of which €1.29 M relates to employees seconded from Endesa and €3.53 M to employees seconded from Enel. Herein below, these services shall be referred to as **"Secondment Costs."**

The company hosting the seconded personnel shall be responsible for coordinating, directing and managing these employees, without receiving in any case instructions from the home entity, the latter acting as a mere intermediary. Similarly, the company hosting the seconded employees shall be responsible for instructing and providing the necessary assistance to expatriate employees who have been seconded thereto. For their part, the companies hosting seconded employees undertake

¹ Chilean local regulations require that a mandate cost be included in the re-invoiced cost base. The amount of this cost is estimated in approximately USD 3,000--4,000 per employee per year.

to pay the costs that their home entity would have had to bear with regard to the seconded staff. Based on this analysis of duties, risks and assets, the home entities may be classified as mere intermediaries in the secondment, and they perform minimum duties and assume limited risks. In general, the 'Recharge Agreements for Personnel Secondment' are classified as pass-through contracts.

'Recharge Agreements for Personnel Secondment' are framework agreements prepared based on a unified model form that presents substantively common characteristics for all the Agreements, which govern the legal and financial terms for the recovery of the costs incurred by the 'Home Company' for the international secondment of its personnel, by invoicing the 'Host Company' for all these costs.

Whenever there is a new secondment, a 'Balance Sheet' is prepared, itemising the specific estimated annual costs for the seconded employee, and clarifying which costs will be assumed directly by the 'Host Company' (i.e., the company that receives the services of the assigned personnel) and which costs will remain at the Home Company (the company that has transferred the specialised personnel) to be subsequently recharged. This document is attached to the Recharge Agreements for Personnel Secondment as a schedule.

III. IDENTIFICATION OF THE PARTY RELATED TO ENDESA

Endesa Group Companies that have entered into agreements with Enel Group Companies:

Endesa, S.A., Endesa Energía, S.A.U, Endesa Generación, S.A., Enel Green Power España, S.L. and Edistribución Redes Digitales S.L.

Enel Group Companies that have entered into agreements with Endesa Group Companies:

Enel Grids Srl (100%), Enel X Srl (100%), Enel Américas S.A. (82,27%), Enel Investment Holding BV (100%), Enel Brasil SA (82,27%), Enel Colombia SA ESP (47,18%), Enel Green Power SpA (100%), Enel Services México SA de CV (99,99%), Eletropaulo Metropolitana Eletricidade de Sao Paulo SA (82,27%).

Enel SpA is the sole shareholder of Enel Iberia S.L, which is in turn a shareholder of Endesa S.A, with a 70.101% stake. Related-party transactions are those entered into by Endesa or its subsidiaries with shareholders of Endesa who hold 10% or more of the voting rights or who are represented on the Board of Directors, as well as with any other persons considered as parties related to Endesa, in accordance with International Accounting Standards. Therefore, all transactions entered into by Endesa or its subsidiaries and Enel or its subsidiaries (excluding the Endesa Group) shall be considered related-party transactions.

Enel and its subsidiaries (excluding the Endesa Group) and Endesa and its subsidiaries are considered 'the same counterparty' for the purposes of determining the thresholds for related-party transaction publication. In other words, the same counterparty is considered both the related person, whether natural or legal, as well as any other entity under their control and, in the case of natural persons, their close relatives, as defined in IAS 24.

IV. ANALYSIS OF THE TRANSACTION FROM THE STANDPOINT OF THE INTEREST OF ENDESA AND OF SHAREHOLDERS OTHER THAN RELATED PARTIES

1. Operational reasonableness of the transaction

Paragraph 7.5 of the OECD Guidelines, consistent with Article 18.5 LIS, sets forth as the first requirement of intergroup services that they benefit or may benefit the recipient. The reasons for and benefits of the transaction are as follows:

- **Shared experiences/knowledge:** Both Endesa and its controlled subsidiaries and the Enel Group have historically had an extensive international footprint that determines the need for specialised personnel who can join companies in different countries, contributing to the exchange of experiences and knowledge between them and also favouring the professional growth of their workers and those of the host companies. For this reason, it is considered to be in the mutual interest of both the entities of the Endesa Group and those of the Enel Group to proceed with the secondment of specialised personnel, with such transfers between the companies being executed through the Agreements.
- **Confidentiality:** To the extent that the activities undertaken by the seconded staff may have a strategic component for the Group (especially when sharing expertise in certain areas where specialisation is key), they will entail a high degree of confidentiality. Therefore, the provision of such services by a third party would not be feasible, not only because any such third party may lack the required expertise but also because of the sensitivity of the information contained in the shared knowledge.
- **Neutrality:** Account must also be taken on the neutral effect of the monetary amounts involved in the transaction and that will be received (or paid) by the Endesa Group companies. As provided for in the Agreements, the price will be fixed. The price includes all costs, as estimated by the 'Home Entity', which will be recharged thereby, including any costs necessary to meet its contractual obligations. The price so calculated should not include any mark-up over the total costs calculated, except for Chilean companies. This means that the Agreements, in any case, have no financial effect for the Endesa Group entities, since they simply involve a cost recharging without any mark-up and have no tax effect, with the exception of those Agreements to which Chilean companies are parties.

In the specific case of exchanges of personnel with Enel Group entities located in Chile, local regulations require that, in addition to direct and indirect costs (actual costs incurred by expatriates, for which documentary evidence must exist), an estimated amount be included in the re-invoiced cost base. This so-called 'mandate cost' refer to the management and administration expenses related to employees' payroll and other services. This cost is estimated at approximately 3,000-4,000 USD per employee per year and is therefore considered to have an insignificant impact for the purposes of this analysis.

2. Economic reasonableness of the transaction. Methods used

The Recharge Agreements for Personnel Secondment enable the recovery of the costs borne by the 'Home Company' by having part of its employees on international assignment, in accordance with internal expatriation policies:

- **Internal direct cost:** Personnel costs, including fixed and variable salary, social security, pension fund contributions, if any, special incentives, supplementary benefits and any other costs directly related to compensation.

- **External direct cost:** Travel and other external direct costs
- **Internal indirect cost:** Digital costs, administrative management, training, etc.

OECD Guidelines establish as a second criterion for determining the deductibility of an intra-group service charge, confirmation of the fact that it represents fair compensation for the provision of such services in accordance with the at arm's length principle. The transfer pricing policy applied in the recharge of Secondment Costs by Endesa Group companies (either as 'Home Entity' or 'Host Entity') consists of invoicing all costs associated with the assignment of personnel.

Once it has been concluded that the costs incurred by the entity transferring the expatriate staff should be recharged to the entity receiving said staff, and that the cost base is reasonable, Article 18.5 LIS, aligned with the OECD Guidelines, provides for services rendered jointly in favour of several related persons or entities that (i) whenever possible, a direct or individualised cost allocation criterion should be followed, and (ii) only in those cases where this is not possible, an indirect distribution criterion should be applied.

The costs corresponding to these personnel assignments are invoiced to each beneficiary entity for each of the expatriate employees in the 'Host Company', following a direct allocation criterion, since they can be identified precisely.

Finally, consideration should be given to whether the mere re-invoicing of services provided by expatriate staff is consistent with the at arm's length principle, or whether a mark-up should be established.

In this regard, paragraph 7.34 of the OECD Guidelines provides that, when an associated company is acting only as an agent or intermediary in the provision of services, it is not appropriate to determine arm's length pricing applying a mark-up on the cost of the services.

Paragraph 1.174 of the OECD Guidelines recommends that the transfer or secondment of individual employees among members of a multinational corporate group should not be separately compensated, as a general matter. In many instances the transfer of individual employees between associated companies will not give rise to a need for compensation. Where employees are seconded (i.e. they remain on the transferor's payroll but work for the transferee), in many cases the appropriate arm's length compensation for the services of the seconded employees in question will be the only payment required.

Therefore, in view of the above, it is reasonable to pass on the corresponding costs to the entities to which the expatriate staff have been transferred, without the application of a mark-up.

For all these reasons, it is considered that the consideration applied is in line with the at arm's length principle and therefore its economic reasonableness is justified.

V. INDEPENDENT EXPERT REPORTS ISSUED AT THE REQUEST OF THE AUDIT AND COMPLIANCE COMMITTEE

In its analysis of the transaction, the Audit and Compliance Committee took into account Ernst & Young Abogados, S.L.P.'s report on the fairness and reasonableness of the agreements under review. Ernst & Young Abogados, S.L.P. issued its Reports in its capacity as independent expert, having been ascertained that at the date of issue of the Report EY Abogados did not maintain any sort of

commercial relationship with the Enel Group or with the Endesa Group that could compromise its condition as independent expert for the purposes of issuing this Report or that, in particular, could place it in a situation of conflict of interest to conduct the analysis and draw up the conclusions set out therein.

The Report concludes that the re-invoicing of employee assignment costs through the 'Recharge Agreements for Personnel Secondment' between Endesa Group companies and Enel Group companies provides advantages to Endesa, so it can be concluded that Endesa obtains a benefit derived from the assignment of employees giving rise to the cost recharge (technical and/or commercial reasonableness of the transaction), and that the consideration applied is in line with the at arm's length principle (economic reasonableness). Therefore, the re-invoicing of costs between Endesa Group companies and Enel Group companies is fair and reasonable from the standpoint of Endesa and the shareholders who are not related parties.

VI. CONCLUSION OF THE AUDIT AND COMPLIANCE COMMITTEE

First, it should be noted that the Audit and Compliance Committee is made up of five non-executive members of the Board of Directors, four of whom (80%) are independent. Furthermore, the Committee has a Shareholder-Appointed Director representing the controlling shareholder Enel, who holds 70.10% of the share capital of Endesa. In accordance with Article 529u, paragraph 3, of the Capital Corporations Law, Mr. Stefano De Angelis, who is a shareholder-appointed director and representative of Enel, was not involved in the preparation of this Report.

The rest of the members of the Audit and Compliance Committee took part in the preparation and agreed on the contents of this Report on the 'recharge of expatriate personnel secondment costs between Endesa Group companies and Enel Group companies.'

In accordance with the information contained herein, the Audit and Compliance Committee concludes that the 'Recharge Agreements for Personnel Secondment' between the companies of the Endesa Group and the companies of the Enel Group:

- Promote the professional development of Endesa employees, both expatriates and those who locally share their work with Enel Group expatriates through the exchange of experiences and knowledge.
- Have a neutral effect on the transactions' consideration, which will be received or paid by entities of the Endesa Group, since the 'Recharge Agreements for Personnel Secondment' enable the recovery of the total costs borne by the 'home company' for having some of its employees on international assignment and the 'Host Entity' will not bear any mark-up charged by the 'Home Entity.'

The Audit and Compliance Committee concludes that the re-invoicing of the secondment costs between Endesa Group companies and Enel Group companies is fair and reasonable from the standpoint of Endesa and its shareholders other than the related party.

VII. CONCLUSION OF THE BOARD OF DIRECTORS

Endesa's Board of Directors, following a favourable report from the Audit and Compliance Committee, has unanimously approved all transactions.



REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS OF THE PROVISION OF SUPERVISION SERVICES FOR TELEPHONE CUSTOMER SERVICES, TELEMARKETING, AND DIGITAL CHANNELS, INCLUDING INVOICING, COLLECTION, CLAIMS, AND SALES QUALITY CONTROL CARRIED OUT BY ENEL COLOMBIA, S.A. ESP FOR ENDESA ENERGÍA, S.A., AND ENDESA OPERACIÓN Y SERVICIOS COMERCIALES, S.L.U. (EOSC), ON THE OFFSHORE PLATFORMS LOCATED IN COLOMBIA AND PERU

REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS OF THE PROVISION OF SUPERVISION SERVICES FOR TELEPHONE CUSTOMER SERVICES, TELEMARKETING, AND DIGITAL CHANNELS, INCLUDING INVOICING, COLLECTION, CLAIMS, AND SALES QUALITY CONTROL CARRIED OUT BY ENEL COLOMBIA, S.A. ESP FOR ENDESA ENERGÍA, S.A. AND ENDESA OPERACIÓN Y SERVICIOS COMERCIALES, S.L.U. (EOSC), ON THE OFFSHORE PLATFORMS LOCATED IN COLOMBIA AND PERU

I. INTRODUCTION AND REGULATORY FRAMEWORK

In accordance with the provisions of paragraph 3 of article 529u of the consolidated Spanish Capital Corporations Law, as approved by Royal Legislative Decree 1/2010, of 2 July, Endesa's Audit and Compliance Committee hereby issues this Report to assess whether the transaction is fair and reasonable from the standpoint of the company and, where appropriate, shareholders other than the related party, and indicate the assumptions on which the assessment is based and the methods used.

In accordance with Article 529t, paragraph 3, the Report issued and, as the case may be, published by Endesa's Audit and Compliance Committee, must at least include the following information:

- (a) information on the nature of the transaction and the relationship with the related party;
- (b) the identity of the related party;
- (c) the date and the value or amount of the consideration for the transaction; and
- d) any other information required to assess whether the transaction is fair and reasonable from the standpoint of the company and that of shareholders other than related parties.

Furthermore, Endesa has developed its own internal regulatory framework in this area, which includes, among others, a related-party transaction Regulation approved by the Board of Directors and an operating Procedure for related-party transactions approved by the Audit and Compliance Committee. This procedure elaborates on the guidelines contained in the Regulation, defining the operational framework, roles, and responsibilities in the standard request procedure, as well as the approval, publication, and supervision of related-party transactions. These regulations have been applied in this case.

II. OVERVIEW OF THE TRANSACTION

a) Purpose of the transaction.

Currently, Endesa outsources Telephone Customer Services and Telemarketing services to various multinational providers operating contact centre platforms, some located onshore (Spain) and others offshore (Colombia and Peru).

The purpose of this transaction is the provision of supervision services for Telephone Customer Services, Telemarketing, and digital channels, including invoicing, collection, claims, and sales quality control carried out by Enel Colombia, S.A. ESP for Endesa Energía, S.A. and Endesa Operación y Servicios Comerciales, S.L.U. (EOSC), on the offshore platforms located in Colombia and Peru from 1 February 2025 to 31 January 2028.

Some of the key activities to be performed include:

- Supervising operations, including the implementation of necessary control measures with the provider.
- Monitoring management indicators and generating management reports and dashboards.
- Quality management based on the defined indicators.
- Managing marketing campaigns and projects at telemarketing centres for the contract with EE, and at customer service, sales, and management centres for EOSC.
- Monitoring sales, drops, rejections, and churn. Managing the sales War Room.
- Monitoring security measures.
- Providing on-site support for Contact Centre platforms and managing communication with the platform managers designated by the provider.
- Identifying and analysing the impact of new tasks, procedures, or projects led by Endesa or proposed by the service provider.
- Conducting training and operational coordination tasks with third parties to ensure that the providers' actions align with Endesa's customer management policies and procedures.

b) Transaction amount

The total amount for the services related to Telephone Customer Services, Telemarketing, and Customer Service activities via Digital Channels, including Invoicing, Collection, Claims, and Sales Quality Control carried out by Enel Colombia throughout the contract period amounts to a total of €2,381,879 (including any potential travel expenses), with €1,661,782 allocated to Endesa Operación y Servicios Comerciales, S.L.U. (EOSC) and €720,097 allocated to Endesa Energía.

This remuneration will cover all costs associated with the personnel providing these supervision services (base salary, variable salary linked to performance targets), as well as any centralised costs incurred by Enel Colombia, plus an additional 4.3% margin on the aforementioned costs. This excludes travel expenses, which will be re-invoiced without adding this margin.

The average cost has been calculated based on the salary range for each profile provided by Enel Colombia to Endesa, along with telephone costs and the annual bonus.

III. IDENTIFICATION OF THE PARTY LINKED TO ENDESA:

The companies providing the services: Enel Colombia S.A. is directly owned by Enel Américas S.p.A., which is part of the Enel Group, and is indirectly owned by Enel S.p.A. with a 47.2% stake.

The companies receiving the services: Firstly, Endesa Energía, S.A.U. ('Endesa Energía') is a company fully owned by Endesa, S.A., and therefore a subsidiary thereof; and Endesa Operaciones y Servicios Comerciales, S.L.U. ('EOSC') is a company fully owned by Endesa Energía and thus, indirectly, by Endesa, S.A., and a subsidiary thereof.

Enel SpA is the sole shareholder of Enel Iberia S.L, which is in turn a shareholder of Endesa S.A, with a 70.101% stake. Related-party transactions are those entered into by Endesa or its subsidiaries with shareholders of Endesa who hold 10% or more of the voting rights or who are represented on the Board of Directors, as well as with any other persons considered as parties related to Endesa, in accordance with International Accounting Standards. Therefore, all transactions entered into by Endesa or its subsidiaries and Enel or its subsidiaries shall be considered related-party transactions.

Enel and its subsidiaries (excluding the Endesa Group) and Endesa and its subsidiaries are considered 'the same counterparty' for the purposes of determining the thresholds for related-party transaction publication. In other words, the same counterparty is considered to be both the related person, whether natural or legal, as well as any other entity under their control and, in the case of natural persons, their close relatives, as defined in IAS 24.

IV. ANALYSIS OF THE TRANSACTION FROM THE STANDPOINT OF ENDESA AND OF SHAREHOLDERS OTHER THAN RELATED PARTIES

1. Operational, technical, and business reasonableness.

To preserve the quality of the Telephone Customer Services, Telemarketing, and Customer Service activities via Digital Channels, including Invoicing, Collection, Claims, and Sales Quality Control, supervision by Endesa is necessary to ensure that commercial and quality targets are met and to propose corrective actions for their attainment. To leverage Enel Colombia's local presence and expertise in call centre operations and enable Endesa Energía and EOSC to benefit from operational agility and efficiency, the Related-Party Transaction was formalised in 2010 and has been renewed to date.

In a liberalised market such as gas and electricity marketing, which is characterised by narrow profit margins and the need to manage a large number of contracts and clients while remaining cost-efficient, it is standard practice to outsource Telephone Support and Telemarketing services to various multinational providers operating contact centre platforms. These outsourced services must be managed, supervised, and controlled. It is highly advantageous for Endesa to rely on a company within the Enel Group for these functions, as this ensures improved results through operational efficiency, expertise, and cost-effectiveness.

Endesa could explore other alternatives to cover this service, such as (i) insourcing the call centre service, (ii) insourcing the supervision service and managing it from Spain, or (iii) insourcing the supervision service and managing it locally through expatriates. All of these solutions would result in an increase in the service cost compared to the chosen alternative (outsourcing supervision to a local company within the Enel Group).

Therefore, it is reasonable for Enel Colombia to provide services related to Telephone Customer Services, Telemarketing, and Customer Service activities via Digital Channels, including Invoicing, Collection, Claims, and Sales Quality Control, to Endesa Energía and EOSC. This is justified, among other reasons, by cost efficiency, preservation of service quality, and operational agility and efficiency.

2. Economic reasonableness. Methods used

The services provided require that intra-group services be valued in accordance with the arm's length principle, but also that those services create, or are likely to create, an advantage or benefit for the recipient.

Thus, the OECD Guidelines establish that, in order for an intra-group provision of services to comply with the arm's length principle, it is necessary to determine whether the activities carried out by the provider generate a benefit to the recipient, so that an independent third party would have been willing to carry out the activities covered by the services themselves or to hire another entity to perform them. This requirement is also set out in Article 18(5) of the Spanish CIT Law, which states that the recipient must receive a benefit or profit in order for the arrangement to qualify as an intra-group service.

The Transactional Net Margin Method ('TNMM') was used for assessing the mark-to-market condition of the price agreed between the parties. The Operating Income on Total Costs (OITC) was used as an indicator of the amount of profit, so as to check whether transfer prices have been established in accordance with the arm's length principle.

The service value analysis was conducted by comparing the supervision of onshore centres, which closely resembles the supervision service requested by Enel Colombia. Onshore supervision is carried out by Endesa's own staff. The costs of the offshore centre supervision service were calculated based on Enel Colombia's labour costs, plus a management mark-up. When comparing the 2024 onshore salary costs and their projection for 2025 with the costs provided by Enel Colombia, it can be concluded that the transaction is fair and reasonable for Endesa.

The transfer pricing policy applied in the provision of Telephone Customer Services, Telemarketing, and Customer Service activities via Digital Channels, including Invoicing, Collection, Claims, and Sales Quality Control, consists of invoicing the average cost per employee and any centralised costs incurred by Enel Colombia plus a 4.3% margin.

The profitability margin over costs agreed with Enel Colombia is in line with the market range determined based on the sample of comparable independent entities and complies with the arm's length principle.

V. INDEPENDENT EXPERT REPORTS ISSUED AT THE REQUEST OF THE AUDIT AND COMPLIANCE COMMITTEE

In its analysis of the transaction, the Audit and Compliance Committee took the following report into account:

- Report by Ernst & Young Abogados, S.L.P. on the fairness and reasonableness of the provision, in Colombia and Peru, of supervision services for Telephone Cystiner Services, Telemarketing, and digital channels, including billing, collection, claims, and sales quality control carried out by Enel Colombia, S.A. ESP for Endesa Energía, S.A. and Endesa Operación y Servicios Comerciales, S.L.U. (EOSC).

The Report is issued by Ernst & Young Abogados, S.L.P. in their capacity as independent experts, after having ascertained that, as of the report date, they maintain no commercial relationship with the Enel Group or with the Endesa Group that could compromise their status as an independent expert for the purposes of issuing this Report or that, in particular, could place them in a conflict-of-interest situation in conducting the analysis and drawing out the conclusions presented herein.

The Report issued for Endesa's Audit and Compliance Committee assesses the operational, technical, and commercial reasonableness, the economic reasonableness, as well as the legal reasonableness of the transaction.

Regarding its operational, technical, and commercial reasonableness, the report concludes that contracting Enel Colombia enables Endesa Energía and EOSC to benefit from operational agility and efficiency. This includes improvements in supervision tasks, technological tools, and process standardisation, as well as an increased capacity for incident management and optimisation of human, material, and technical resources. This results in improved financial results and cost efficiency.

Regarding its economic reasonableness, it is noted that the transfer pricing methodology established for these purposes is consistent with the arm's length principle.

Finally, with regard to its legal reasonableness, the report concludes that the related-party transaction is structured in a reasonable manner and under contractual terms that could have

been agreed upon by independent parties. Furthermore, even though these terms are agreed upon by related parties, they do not create unjustified or disproportionate benefits for Enel Colombia to the detriment of Endesa's subsidiaries, namely Endesa Energía and EOSC, and ultimately, Endesa itself.

In conclusion, it can be concluded that the transaction is fair and reasonable from the standpoint of Endesa and, in particular, its shareholders other than the related party, i.e. other than the Enel Group.

VI. CONCLUSION OF THE AUDIT AND COMPLIANCE COMMITTEE

First and foremost, it should be noted that the Audit and Compliance Committee is made up of six non-executive members of the Board of Directors, five of whom (83%) are independent. Furthermore, the Committee has a Shareholder-Appointed Director representing the controlling shareholder Enel, who holds 70.10% of the share capital of Endesa.

In accordance with Article 529u, paragraph 3, of the Capital Corporations Law, Mr Stefano de Angelis, who is a shareholder-appointed director and representative of Enel, was not involved in the preparation of this Report.

The remaining members of the Audit and Compliance Committee have participated in and agreed upon the content of this Report on the fairness and reasonableness of the provision, in Colombia and Peru, of supervision services for Telephone Customer Services, Telemarketing, and digital channels, including invoicing, collection, claims, and sales quality control carried out by Enel Colombia, S.A. ESP for Endesa Energía, S.A. and Endesa Operación y Servicios Comerciales, S.L.U. (EOSC).

Based on the background information discussed above, the Audit and Compliance Committee hereby concludes that:

- The volume of outsourced activities and its impact on the Customer Service and Sales services make their supervision a critical activity. Due to its supervisory nature and criticality, this activity can't be easily outsourced to a third party. In this case, there is no conflict of interest with the Enel Group.
- Endesa and Enel Colombia's affiliation with the Enel group facilitates the sharing of best practices in supervision tasks, technological tools, and process standardisation, while safeguarding against information leakage to external companies and loss of internal know-how.
- The cost base and the allocation criterion are reasonable, and reasonably comply with the OECD Guidelines and with the applicable Spanish regulations.
- The profitability margin over costs agreed with Enel Colombia is in line with the market range determined based on the sample of comparable independent entities and complies with the arm's length principle.
- Considering the above, the transfer pricing methodology established for these purposes, as well as the type of costs and the margin to be applied, are reasonably consistent with the arm's length principle.

The Audit and Compliance Committee concludes that this transaction, consisting of the provision of supervision services for Telephone Customer Services, Telemarketing, and digital channels, including billing, collection, claims, and sales quality control carried out by Enel Colombia, S.A. ESP for Endesa Energía, S.A. and Endesa Operación y Servicios Comerciales, S.L.U. (EOSC), on the offshore platforms located in Colombia and Peru from 1 February 2025 to 31 January 2028, is fair and reasonable from the standpoint of Endesa and its shareholders other than the related party.



REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS OF THE RELATED-PARTY TRANSACTION CONSISTING OF THE FORMALISATION OF A CREDIT LINE by ENDESA S.A. WITH ENEL FINANCE INTERNATIONAL N.V FOR UP TO €1.5 BILLION

REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS OF THE RELATED-PARTY TRANSACTION CONSISTING OF THE FORMALISATION OF A CREDIT LINE by ENDESA S.A. WITH ENEL FINANCE INTERNATIONAL N.V FOR UP TO €1.5 BILLION

I. INTRODUCTION AND REGULATORY FRAMEWORK

In accordance with the provisions of paragraph 3 of article 529 duovicies of the amended and restated Spanish Capital Corporations Law, as approved by Royal Legislative Decree 1/2010, of 2 July, Endesa's Audit and Compliance Committee hereby issues this Report to assess whether the transaction is fair and reasonable from the standpoint of the company and, where appropriate, shareholders other than the related party, and indicate the assumptions on which the assessment is based and the methods used.

In accordance with Article 529 unvicies, paragraph 3, the Report issued and, where applicable, published by Endesa's Audit and Compliance Committee, must at least include the following information:

- (a) information on the nature of the transaction and the relationship with the related party;
- (b) the identity of the related party;
- (c) the date and the value or amount of the consideration for the transaction; and
- (d) any other information required to assess whether this is fair and reasonable from the standpoint of the company and of shareholders who are not related parties.

Furthermore, Endesa has developed its own internal regulatory framework in this area, which includes, inter alia, a Related-Party Transaction Regulations approved by the Board of Directors, as well as a Related-Party Transaction Operating Procedure approved by the Audit and Compliance Committee, implementing the guidelines set forth in the Regulations and defining the proceedings, functions and responsibilities relating to the general rules on requests for and the approval, publication and monitoring of related-party transactions. These regulations have been applied in this case.

Additionally, on 22 October 2018, Endesa's Board of Directors approved an additional procedure for managing related-party financial transactions linked to significant shareholders, which provides that in cases where Enel provides financing to Endesa, the applicable conditions must be equivalent to those previously established between Endesa and non-related credit institutions.

II. OVERVIEW OF THE GENERAL TRANSACTION

a) Background for the transaction

Enel Finance International N.V (hereinafter 'EFINV'), as the financial institution in the Enel Group, is responsible for obtaining and channelling financial resources for the Group. Thus, EFINV receives funding from independent financial institutions and grants financing to the remainder of the Enel Group.

Under Endesa's financial strategy, it is common practice for part of its financing to be carried out through transactions with Enel Group companies. Transactions with Enel are usually limited to those that are structural in nature, such as long-term loans and unconditional credit lines.

In May 2023, Endesa and EFI entered into a three-year credit line for €1.125 billion. This transaction will be classified as short-term in May 2025 and will no longer count as liquidity, which is why it will be repaid early in May 2025.

At the same time, in order to comply with its financial management objectives, Endesa recently entered into long-term financing arrangements with independent third-party banks and, additionally, it proposes a new related-party transaction, the subject of this Report, which will supplement the long-term bank financing with an intra-group credit line of €1.5 billion.

The main objectives of financial management in fiscal year 2025 include, among others, maintaining convenient liquidity levels to ensure the business plan and address potential budget deviations and dividend payments, keeping the average life of the debt at optimal levels to moderate the concentration of maturities, and achieving greater flexibility in terms of liquidity needs.

Upon approval of this long-term credit line for €1.5 billion, the aforementioned €1.125 billion credit line entered into between EFINV and Endesa in 2023 would be cancelled.

b) Purpose and amount of the transaction.

The transaction involves Endesa, S.A. entering into a credit line with Enel Finance International N.V. for an amount of up to €1.5 billion and a maturity of five years, simultaneously cancelling the existing credit line of €1.125 billion that is due in May 2026.

The credit line to be subscribed will be remunerated based on an interest rate determined by the application of a spread over the Euribor for the term corresponding to each drawdown. Specifically, the spread applied to the Euribor will be 76.5 basis points (herein "bps") per year. An arrangement fee of 29.0 bps on the credit line amount will be applied to the transaction and will be paid by Endesa on the signature date. Additionally, an undrawn fee will be charged, calculated on the average undrawn balances for each period. Lastly, in the event of an average use exceeding one-third of the line, an additional fee will be charged.

The transaction includes a sustainability margin adjustment clause: +/- 2 basis points on the credit margin depending on the intensity of specific Scope 1 GHG emissions related to peninsular energy generation (gCO₂eq/kWh) as of 31 December 2027.

III. IDENTIFICATION OF THE PARTY RELATED TO ENDESA

Lender: Enel Finance International N.V. (a company in which 75% is owned by Enel Holding Finance S.r.l. and 25% by Enel S.p.A.).

Borrower: Endesa S.A.

Enel SpA is the sole shareholder of Enel Iberia S.L, which is in turn a shareholder of Endesa S.A, with a 70.101% stake. Related-party transactions are those entered into by Endesa or its subsidiaries with shareholders of Endesa who hold 10% or more of the voting rights or who are represented on the Board of Directors, as well as with any other persons considered as parties related to Endesa, in accordance with International Accounting Standards. Therefore,

all transactions entered into by Endesa or its subsidiaries and Enel or its subsidiaries (excluding the Endesa Group¹) shall be considered related-party transactions.

IV. ANALYSIS OF THE TRANSACTION FROM THE STANDPOINT OF ENDESA AND OF SHAREHOLDERS OTHER THAN RELATED PARTIES

1. Operational, technical and/or commercial rationale

In light of Endesa's 2025-2027 business plan and the need to undertake the investments, dividends, operational timing and other flows foreseen in the plan, Endesa currently has a need for financing. Volatility in the energy market also requires extraordinary needs for liquidity for Endesa's energy management area. Specifically, Endesa's financial plan includes significant items that could substantially affect its debt and liquidity position, including potential share sale operations, the evolution of operating income, and debt repayments.

Meanwhile, the beginning of 2025 has been marked with high volatility due to the announcement of tariffs, potential defence and energy costs, and geopolitical uncertainty in Europe. This could impact the pace of the anticipated fall in euro interest rates, the EUR/USD exchange rate, energy prices, and sovereign and credit risk premiums.

In this context, the main objectives of Endesa's financial management are:

- ✓ Maintain convenient liquidity levels to ensure the business plan, budget deviations, and dividend payments.
- ✓ Maintain the average life of debt at optimal levels, thus moderating the concentration of maturities and achieving greater flexibility in terms of liquidity needs. The objective is to keep the average life of the debt at around 3.5 years.

In order to meet these objectives, Endesa recently entered into banking financial operations with three top-tier institutions and, additionally, is proposing to complete its liquidity by establishing a credit line with EFINV for an amount of up to €1.5 billion, under conditions equivalent to those negotiated with the banks.

The establishment of this credit line, along with financial operations carried out with other institutions, will put Endesa in a more robust liquidity position, enabling it to meet and optimise its financial obligations and manage deviations from the planned operational cash flows. A liquidity deficit limits the Group's ability to execute its business plan normally. It may hinder access to the most efficient funding sources due to its impact on the Group's credit rating.

The consolidation of the Spanish banking sector has significantly reduced the number of counterparties large enough to handle Endesa's overall financing requirements, thereby increasing the value of intra-group resources. This maintains a balanced relationship between resources obtained from the banking sector under competitive conditions and those obtained from EFINV, under equivalent terms. This diversification and the consequential balance between bank and intra-group financing makes it possible to reduce the pressure on financial institutions, from which other products such as medium and long-term loans, derivatives, guarantees and working capital operations are requested. Relaxing the pressure gives Endesa access to the best conditions available at all times.

In this regard, through this financing, Endesa gains access to the Group's monetary resources and saves time and resources. By having access to these resources, Endesa can meet its financial obligations while accessing a significant volume of financial resources in a more agile and simplified manner, at a lower cost than seeking financing only from financial institutions.

¹ Endesa Group: for the purposes of internal regulations on related-party transactions, the term "Endesa Group" refers to Endesa, S.A. and its subsidiaries, as defined in Article 42 of the Spanish Commercial Code.

2. Economic rationale for the transaction. Methods used

Endesa's approach to carrying out related-party financing transactions with the Enel Group is to enter into a comparable transaction with one or more third parties under similar conditions and for an amount of at least 25% of the total related-party transaction.

In this regard, to calculate the differentials applied in the long-term credit line, transactions that have been formalised after a competitive process in March 2025 with financial institutions (independent third parties) are considered, therefore using the Comparable Uncontrolled Price (**CUP**) method to assess whether the remuneration applied between EFINV and Endesa is at market rates.

From Endesa's point of view, diversifying sources allows it to optimise the resulting financial terms and conditions.

The remuneration that for the credit line granted by EFINV to Endesa will be set at Euribor plus a margin of 76.5 bps per annum, with an arrangement fee of 29.0 bps and an undrawn commitment fee.

Analysis of the different components:

Reference rate (Euribor): Euribor is a public reference index and is widely considered a market benchmark. It is common practice to use this reference as the base rate, to which a margin is added, in financing transactions between non-financial entities.

Margin applied to the reference rate: The margin of 76.5 bps is based on the the average interest rates applied in similar transactions that Endesa has entered into with independent financial institutions. Specifically, transactions with three financial institutions have been considered.

Arrangement fee: equivalent to the weighted average that independent financial institutions have applied to the credit lines granted, resulting in 29.0 bps.

Undrawn commitment fee: Specifically, a fee is established which is the average of offers received from the independent financial institutions.

Weighted utilisation fee: A utilisation fee is established in line with the fees applied by independent financial institutions.

ESG clause: A credit margin is established depending on the intensity of specific Scope 1 GHG emissions related to peninsular energy generation (gCO₂/kWh) as of 31 December 2027.

To calculate these levels, the main characteristics of the transactions agreed between Endesa and independent third parties have been considered in terms of financing type, grant date, term, total credit line amount, margins, and fees that can be deemed comparable, as verified by the independent expert Ernst & Young.

For all these reasons, the reference rate, the margin applied, the fees, and the main characteristics of the transaction analysed are deemed consistent with the arm's-length principle, and thus their economic rationale is justified.

V. INDEPENDENT EXPERT REPORTS ISSUED AT THE REQUEST OF THE AUDIT AND COMPLIANCE COMMITTEE

In its analysis of the transaction, the Audit and Compliance Committee took the following report into account:

- **Report by Ernst & Young Abogados, S.L.P.** on the fairness and reasonableness of the contracts under review. Ernst & Young Abogados, S.L.P. (Ernst & Young) issued its Reports

in its capacity as independent expert, having been ascertained that at the date of issue of the Report that Ernst & Young did not maintain any sort of commercial relationship with the Enel Group or with the Endesa Group that could compromise its condition as independent expert for the purposes of issuing this Report or that, in particular, could place it in a conflict of interest to conduct the analysis and draw up the conclusions set out therein. In the report issued for Endesa's Audit and Compliance Committee, it concludes that Endesa benefits as a participant in the credit line, and therefore, the execution of the transaction is justified (transaction rationale, whether technical and/or commercial) and that the remuneration applied is in line with the arm's-length principle (economic rationale).

Therefore, Ernst & Young states that the related-party transaction is fair and reasonable from the standpoint of Endesa and the shareholders who are not related parties.

VI. CONCLUSION OF THE AUDIT AND COMPLIANCE COMMITTEE

First and foremost, it should be noted that the Audit and Compliance Committee is made up of six non-executive members of the Board of Directors, five of whom (83%) are independent. Furthermore, the Committee has a Shareholder-Appointed Director representing the controlling shareholder Enel, who holds 70.10% of the share capital of Endesa.

In accordance with Article 529 duovicies, paragraph 3, of the Capital Corporations Law, Mr Stefano De Angelis, who is a shareholder-appointed director and representative of Enel, was not involved in the preparation of this Report.

The remaining members of the Audit and Compliance Committee participated in the preparation and agreed on the contents of this Report on the formalisation of the credit line between Enel Finance International N.V. and Endesa, S.A.

Based on the background information discussed above, the Audit and Compliance Committee concludes that:

- Through the credit line, Endesa ensures the fulfilment of all its obligations and operational needs in a more agile and efficient manner, gaining access to the Group's monetary resources in terms of both time and resources.
- Likewise, Endesa's liquidity is strengthened, enhancing its capacity to fulfil and optimise its financial obligations and address deviations from the planned operational cash flows.
- Since it is based on independent comparables from the counterparties, the remuneration established for the operation is consistent with the arm's-length principle.

The Audit and Compliance Committee concludes that the formalisation of the long-term credit line between Enel Finance International N.V. and Endesa, S.A. is fair and reasonable from the standpoint of Endesa and its shareholders other than the related party.

VII. CONCLUSION OF THE BOARD OF DIRECTORS

Endesa's Board of Directors, following a favourable report from the Audit and Compliance Committee, has unanimously approved all transactions.

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REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS OF ENDESA, S.A.'s ACCESSION TO THE DYNAMIC ACCOUNTING PLATFORM (DAP CONSORTIUM)

REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS OF ENDESA, S.A.'s ACCESSION TO THE DYNAMIC ACCOUNTING PLATFORM (DAP CONSORTIUM)

I. INTRODUCTION AND REGULATORY FRAMEWORK

In accordance with the provisions of Article 529u, paragraph 3 of the amended and restated Spanish Capital Corporations Law, as approved by Royal Legislative Decree 1/2010, of 2 July, Endesa's Audit and Compliance Committee hereby issues this Report to assess whether the transaction is fair and reasonable from the standpoint of the company and, where appropriate, shareholders other than the related party, and indicate the assumptions on which the assessment is based and the methods used.

In accordance with Article 529t, paragraph 3, the Report issued and, as the case may be, published by Endesa's Audit and Compliance Committee, must include at least the following information:

- (a) information on the nature of the transaction and the relationship with the related party;
- (b) the identity of the related party;
- (c) the date and the value or amount of the consideration for the transaction; and
- (d) any other information required to assess whether this is fair and reasonable from the standpoint of the company and of shareholders who are not related parties.

Furthermore, Endesa has developed its own internal regulatory framework in this area, which includes, inter alia, a Related-Party Transaction Regulations approved by the Board of Directors, as well as a Related-Party Transaction Operating Procedure approved by the Audit and Compliance Committee, implementing the guidelines set forth in the Regulations and defining the proceedings, functions and responsibilities relating to the general rules on requests for and the approval, publication and monitoring of related-party transactions. These regulations have been applied in this case.

II. OVERVIEW OF THE GENERAL TRANSACTION

a) Background for the transaction

Endesa S.A. is a leading energy company in Spain with a reputation for commitment to efficiency and transparency in the management of its transactions.

Endesa, S.A.'s administrative and accounting services are provided by the Administration Unit, which is hierarchically and functionally dependent on the Administration, Finance and Control Department. It should be noted that Endesa has outsourced a number of services to Enel, S.p.A. under a Management Support Agreement and to an independent third party through a Business Process Outsourcing agreement. Endesa never outsources the drawing up of its individual and consolidated financial statements or the accounting reports required by the authorities and/or under the applicable law.

It should be remembered that the outsourcing of services related to the accounting of trading companies is not common practice in Spain. However, this option is expressly recognised in the Code of Commerce. It establishes that 'Accounting records may be maintained directly by the business or by other duly authorised persons, without prejudice to their own responsibility'.

b) Purpose of the transaction

The purpose of this Report is to ascertain the suitability of Endesa's accession to the DAP Consortium¹ (hereinafter, the Consortium), established by the Enel² Group Companies. Its objective is to coordinate administrative and accounting activities and to define the most efficient process for all Consortium Members, addressing the drafting of procedures and the development of digital systems within the limits of the activities delegated by the Members themselves and in compliance with applicable local regulations.

Therefore, the Consortium has been established with the aim of achieving common objectives related to standardisation, digitalisation, and economic efficiency of activities associated with the macro-processes known as 'Procure to Pay (P2P)', 'Order to Cash (O2C)', and 'Record to Report (R2R)', as well as 'Data Standard Management', 'Control Tower', and 'Process Insight to Action', carried out within the companies belonging to the Enel Group, for the purposes of their standardisation, digitalisation, compliance, and cost efficiency.

In particular, coordination of Duties Assigned by the Consortium will entail, in practice, sharing of Endesa's human and material resources (and those of other Consortium members) allocated to such Duties Assigned to all the bodies that make up the Consortium, with a dual objective:

- In the initial phase (the subject of this Report), participation in the Consortium is intended to standardise and improve processes by implementing best practices.
- In the second phase (not addressed in this Report), once the processes of the Duties Assigned are substantially aligned among all members of the Consortium, Endesa, under its coordination, it may allocate excess capacity of human resources and materials allocated to the Duties Assigned to provide services to other members of the Consortium. Likewise, in case of lack of capacity, Endesa will be able to receive services related to the Duties Assigned from other members of the Consortium.

The Consortium will subcontract the coordination services that the Consortium will provide to its members from Enel, S.p.A. The contractual term will be one year. For the contractual extension to apply to Endesa, it must be approved by Endesa's Board of Directors following a report from its Audit and Compliance Committee.

It should be noted that accounting services related to the preparation of Endesa's individual and consolidated financial statements, as well as the individual statements of its subsidiaries, and accounting reports required by the authorities, will not be coordinated by the Consortium.

Endesa's participation in the Consortium excludes the delegation of the non-delegable powers of the Board of Directors and/or the Audit and Compliance Committee.

Additionally, with Endesa's accession to the Consortium, there will be a partial early termination of the Management Support Services Contract with Enel, S.p.A vis-a-vis the 'identification of administrative best practices inside and outside of Administration to be applied to all countries through the definition of global policies and procedures. Management of global policies and procedures and manage and monitor the BPO contract for Administration services,' which was approved by Endesa's Board of Directors for the entire year 2025.

Lastly, although the Consortium has been established for a duration of ten years, Endesa's commitment to remain in the Consortium and maintain the Assigned Functions under the Consortium's coordination is, in practice, for a duration of one year. Additionally, the Consortium's Statutes grant Endesa the right to withdraw from the Consortium at any time, with a notice period of four months.

c) Transaction amount

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- ¹Definition of 'Consortium': an Italian private law entity, without a separate legal personality, created by means of an agreement among several businesses which establish a common entity to carry out tasks similar or auxiliary to their business activities, without profit motive.
The DAP Consortium was formed in Rome on 05 December 2024 with a duration until 31 December 2035. The DAP Consortium is governed by Bylaws, which have been approved by its members and which regulate, basically: the purpose, rules for joining or leaving the Consortium, members' rights and duties, contribution scheme, governing bodies and rules thereof.
 - ² The DAP Consortium is made up solely of Enel, S.p.A.-controlled companies: Enel Italia S.p.A.; Enel Green Power South Africa (Pty) Ltd.; Enel Brasil, S.A.; Enel Chile, S.A.; Enel Colombia, S.A.E.S.P.; Enel North América, Inc. and Enel Services México, S.A. de C.V., which will be joined by Endesa, S.A.

Endesa, S.A.'s participation in the Consortium involves an initial contribution of €10,000 to the Consortium, as well as a periodic payment to the Consortium to cover the consideration to be paid by the Consortium to Enel for the provision of these services. Specifically, Endesa will pay the Consortium a maximum amount of approximately €0.8 million for the period from May to December 2025.

This annual contribution has been calculated based on the costs that Enel, S.p.A. will incur in providing the coordination services, plus a 5% margin, and it will never exceed said amount by more than 10%.

III. IDENTIFICATION OF THE PARTY RELATED TO ENDESA

The party of the first part, Endesa S.A., a Spanish public listed company (hereinafter, 'Endesa').

The other party, Enel, S.p.A. and Consortium Companies: Enel Italia S.p.A.; Enel Green Power South Africa (Pty) Ltd.; Enel Brasil, S.A.; Enel Chile, S.A.; Enel Colombia, S.A.E.S.P.; Enel North América, Inc. and Enel Services México, S.A. de C.V., which will be joined by Endesa, S.A on approval of the proposal.

All the Consortium Companies are members of the Group whose parent company is Enel, S.p.A. (hereinafter, the 'Enel Group').

Enel SpA is the sole shareholder of Enel Iberia S.L, which is, in turn, a shareholder of Endesa S.A, with a 70.101% stake. Related-party transactions are those entered into by Endesa or its subsidiaries with shareholders of Endesa who hold 10% or more of the voting rights or who are represented on the Board of Directors, as well as with any other persons considered as parties related to Endesa, in accordance with International Accounting Standards. Therefore, all transactions entered into by Endesa or its subsidiaries and Enel or its subsidiaries (excluding the Endesa Group) shall be considered related-party transactions.

IV. ANALYSIS OF THE TRANSACTION FROM THE STANDPOINT OF ENDESA AND OF SHAREHOLDERS OTHER THAN RELATED PARTIES

1. Operational, technical and/or commercial rationale

In recent years, the Enel Group has carried out a number of projects to standardise projects (Policy Stream Project) and roles (E4Users Project). These have enabled it to harness best practices and digital tools to manage the Administration Unit's activities in a standardised manner.

This degree of standardisation has led to the achievement of maximum possible efficiency at a local level. With the aim of further improving efficiency through an integrated process approach, Endesa, S.A. is joining the Consortium, which aims to coordinate the activities involved in the administrative and accounting processes of the participating companies via a new operational model called the 'Dynamic Accounting Platform'.

Therefore, this transaction is focused on digitalisation and operational efficiency, resource and synergy optimisation, financial sustainability, and technological innovation, among other aspects.

Based on the above, it can be concluded that the nature of the related-party transaction is in alignment with Endesa, S.A.'s purpose, values, and strategic plan. In this regard, it should be noted that the Related-Party Transaction enables Endesa, S.A. to improve its operational efficiency, reduce costs, enhance financial sustainability, and modernise technology, thereby supporting its long-term growth.

2. Economic reasonableness of the transaction.

Economic benefit foreseen

The **economic benefit foreseen** for Endesa from the execution of the Related Party Transaction is estimated at around **€8.11 million** during the 2025 to 2030 period as a result of downsizing staff by means of digitalisation and reorganisation. Specifically, this benefit is due primarily to a staff reduction by Endesa, S.A. Equivalent to 20 full-time employees (FTE).

Valuation methodology: In accordance with OECD Guidelines, the most appropriate method for valuing this operation is either the cost-plus method or the transactional net margin method ('TNMM'), which considers the operating profit earned by functionally comparable companies.

The cost base incurred by Enel in providing services to the Consortium, which gives rise to the annual contribution, comprises (i) costs from external suppliers, (ii) intercompany costs, (iii) amortisation of assets, (iv) costs related to Enel personnel dedicated to providing coordination services to the Consortium, and (v) overheads or indirect costs associated with the operation that cannot be directly attributed to the specific service.

The expenses included in the cost base will be those actually incurred by Enel in providing the services, which will never exceed 10% of the budgeted price for such services. Endesa will not assume any cost overruns beyond this 10% threshold.

Following the analysis carried out, it has been concluded that the methodology used to determine the cost base is consistent with the principle of market value.

Application of a markup: The Consortium will not add a markup to the costs received by Enel SpA. The remuneration received for the services rendered by Enel SpA to the Consortium will include a 5% mark-up over the direct and indirect costs.

The mark-up obtained by Enel SpA is in line with conclusions set out by the EU Joint Transfer Pricing Forum ('FCPTUE'), OECD Guidelines, the benchmarking study carried out by an independent expert and the transfer price policy applied to other related-party transactions for the provision of services between Enel, S.p.A. and Endesa, S.A. Therefore, the markup is consistent with that agreed between independent companies in comparable circumstances.

Cost allocation criteria: The cost base is allocated among the Participating Entities (including Endesa) using a distribution formula, which determines the annual contribution. The selected distribution formula is based on a combination of two factors, as follows:

- A total of 80% based on the size of the country in which the Participating Entity operates, measured in FTEs.
- A total of 20% based on the efficiency of the country in which the Participating Entity operates, also measured in FTEs.

The use of this distribution formula is consistent with OECD Guidelines and Spanish transfer pricing regulations, as it ensures that the basis for cost allocation aligns with the arm's length principle.

Year-end adjustment:

A re-calculation will be conducted at the close of the fiscal year for services provided by Enel SpA to the Consortium when there is a difference between the budgeted amount and the actual amount billed. This adjustment will ensure that the final amount does not exceed 110% of the budgeted figure under any circumstances.

3. Legal Reasonableness of the operation:

Endesa's participation in the Consortium complies with the Spanish Capital Corporations Law (*Ley de Sociedades de Capital*) in terms of related-party transactions. The operation is structured in a reasonable manner and under contractual terms similar to those that could be agreed in an arm's length transaction despite it being carried out between companies within the same Group. Specifically, it should be noted that:

- The transaction does not include the delegation of non-delegable powers of the Board of Directors and/or the Audit and Compliance Committee, as the Consortium's scope excludes accounting services related to the drawing up of Endesa's individual and consolidated financial statements, nor the accounting reports required by authorities.
- Endesa's Administration Unit will oversee the activities carried out by Endesa under the coordination of the Consortium, by creating the 'Accounting Integrator' position. Among other tasks, this position will be responsible for supervising these activities, which is an essential measure to ensure that Endesa's Board of Directors and its Audit and Compliance Committee retain appropriate oversight mechanisms.
- The Audit and Compliance Committee will periodically review (with at least one annual renewal of the service agreement between Enel, S.p.A. and the Consortium) the performance of services provided by Enel, S.p.A. through the Consortium, and, in general, the Duties

Assigned. Specifically, it will verify the existence and correct functioning of the role of 'Accounting Integrator'.

- Endesa reserves the right to withdraw from the Consortium at any time, provided there are justified grounds, by giving a written notice to the Consortium's Board of Directors at least four months prior to the intended effective date of departure.

Following the exercise of this right to withdraw, the departing member of the Consortium will be entitled to request the Consortium to continue providing the services covered by the Consortium during a transitional period not exceeding 12 months.

- Moreover, Endesa may decide each year whether to unilaterally stop receiving services from Enel through the Consortium without requiring the approval of the other members of the Consortium.
- If the Consortium should adopt a decision that Endesa considers to be contrary to the applicable legislation, the purposes of the Consortium, or which substantially deviates from the terms and conditions of the service agreement between Enel and the Consortium, the affected member may reasonably, oppose such a resolution. If the resolution is adopted by a vote in favour of the majority of the other members of the Consortium, it will not be binding on the member who objected.
- The Coordination Agreement includes clauses on force majeure, termination, expenses and taxes, damages and liabilities, and applicable law and jurisdiction, all drafted in terms in line with market standards.

V. INDEPENDENT EXPERT REPORTS ISSUED AT THE REQUEST OF THE AUDIT AND COMPLIANCE COMMITTEE

In its analysis of the transaction, the Audit and Compliance Committee considered the following reports:

- ✓ That drawn up by **PricewaterhouseCoopers Tax and Legal S.L. and PricewaterhouseCoopers Asesores de Negocios, S.L.** (hereinafter, 'PwC') on the fairness and reasonableness of 'The accession of Endesa, A.A to the DAP Consortium'.

The Report issued for Endesa's Audit and Compliance Committee concludes that the Related-Party Operation is fair and reasonable from Endesa's perspective and, in particular, for shareholders other than the related party, i.e., shareholders outside the Enel Group. It also underlines that the nature of the Related-Party Transaction is aligned with Endesa's purpose, values, and strategic plan; it enables the company to fulfil its operational and technological needs, achieve efficiencies through organisational rationalisation via new processes aimed at maximising synergies between countries and shared technological initiatives with the rest of the Group, and increase automation, digitalisation, and activity streamlining. This, in turn, reduces dependence on internal and external resources.

The methodology used vis-a-vis transfer prices defined for the transaction is consistent with the market value principle and is structured in a reasonable manner and under contractual terms similar to those that could be agreed upon by independent parties, and which, having been achieved, in this case by companies in the same Group, generates benefits for Endesa.

- ✓ **Garrigues** regarding whether Endesa's participation in the DAP Consortium complies with the Spanish Capital Corporations Law (*Ley de Sociedades de Capital*) and, in particular, if it entails the transfer of non-delegable powers of the Board of Directors and/or the Audit and Compliance Committee, considering the responsibility for such bodies and the impact of the transaction on Endesa's financial information control chain.

The Report issued for Endesa's Audit and Compliance Committee concludes, among other matters, that:

- Endesa's participation in the Consortium does not include any delegation of the non-delegable powers of the Board of Directors and/or the Audit and Compliance Committee.
- The assignment of the supervisory function over Endesa's activities carried out under the coordination of the Consortium to Endesa's Administration Unit is an essential measure to conclude that Endesa's Board of Directors and its Audit and Compliance Committee retain appropriate oversight mechanisms.

- The coordination of the Duties entrusted to the Consortium, to the extent that the management of the accounting records of the Consortium members is not part of the Consortium's scope or responsibilities, cannot have a negative impact on Endesa's financial information control chain. Notwithstanding the above, the Bylaws provide Endesa with reasonable safeguard mechanisms.

PwC and Garrigues have issued their Reports in their capacity as independent experts. On the date the reports were issued, PwC and Garrigues had no commercial relationship with the Enel Group or with the Endesa Group that could compromise their capacity as an independent expert for the purposes of issuing their Reports or that could give rise to a conflict of interest in conducting the analysis and drawing up the conclusions therein.

VI. CONCLUSION OF THE AUDIT AND COMPLIANCE COMMITTEE

First and foremost, it should be noted that the Audit and Compliance Committee is made up of six non-executive members of the Board of Directors, five of whom (83%) are independent. Furthermore, the Committee has a Shareholder-Appointed Director representing the controlling shareholder Enel, who holds 70.10% of the share capital of Endesa.

In accordance with Article 529u, paragraph 3, of the Capital Corporations Law, Mr Stefano de Angelis, who is a shareholder-appointed director and representative of Enel, was not involved in the preparation of this Report.

The remaining members of the Audit and Compliance Committee have participated in and agreed on the content of this Report on the accession of Endesa, S.A to the DAP Consortium.

Based on the background information discussed above, the Audit and Compliance Committee hereby concludes that:

- ✓ Endesa's participation in the Consortium makes it possible: (i) To meet the operational and technological needs of Endesa, S.A.; (ii) to achieve efficiencies through organisational rationalisation via new processes focused on maximising synergies between countries and shared technological initiatives with the rest of the Group; and (iii) to increase automation, digitalisation, and activity simplification, which helps reduce dependence on resources.
- ✓ From an economic perspective, the determined cost base and allocation criteria are reasonable and comply with OECD guidelines and Spanish regulations.
- ✓ The Related-Party Transaction is structured reasonably and under contractual terms similar to those that could be agreed upon by independent parties, even though it involves companies within the same Group, thereby generating benefits for Endesa, S.A.
- ✓ Additionally, it should be noted that the nature of the operation aligns with Endesa, S.A.'s purpose, values, and strategic plan.

The Audit and Compliance Committee concludes that the accession of Endesa, S.A to the DAP Consortium is fair and reasonable from the standpoint of Endesa and its shareholders other than the related party.

VII. CONCLUSION OF THE BOARD OF DIRECTORS

Endesa's Board of Directors, following a favourable report from the Audit and Compliance Committee, has unanimously approved all transactions.



**REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND
REASONABLENESS OF THE RELATED PARTY TRANSACTION CONSISTING OF THE
PURCHASE BY ENDESA GENERACIÓN S.A.U. FROM ENDESA GENERACIÓN CHILE, S.A.
OF COMBINED CYCLE TURBINE BLADES**



REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE FAIRNESS AND REASONABLENESS OF THE RELATED PARTY TRANSACTION CONSISTING OF THE PURCHASE BY ENDESA GENERACIÓN S.A.U. FROM ENDESA GENERACIÓN CHILE, S.A. OF COMBINED CYCLE TURBINE BLADES

I. INTRODUCTION AND REGULATORY FRAMEWORK

In accordance with the provisions of paragraph 3 of article 529u of the amended and restated Spanish Capital Corporations Law, as approved by Royal Legislative Decree 1/2010, of 2 July, Endesa's Audit and Compliance Committee issues this Report to assess whether the transaction is fair and reasonable from the standpoint of the company and, where appropriate, shareholders other than the related party, and indicate the assumptions on which the assessment is based and the methods used.

In accordance with Article 529t, paragraph 3, the Report issued and, as the case may be, published by Endesa's Audit and Compliance Committee, must at least include the following information:

- (a) information on the nature of the transaction and the relationship with the related party;
- (b) the identity of the related party;
- (c) the date and the value or amount of the consideration for the transaction; and
- (d) any other information required to assess whether this is fair and reasonable from the standpoint of the company and of shareholders who are not related parties.

Furthermore, Endesa has developed its own internal regulatory framework in this area, which includes, inter alia, a Related-Party Transaction Regulations approved by the Board of Directors, as well as a Related-Party Transaction Operating Procedure approved by the Audit and Compliance Committee, implementing the guidelines set forth in the Regulations and defining the proceedings, functions and responsibilities relating to the general rules on requests for and the approval, publication and monitoring of related-party transactions. These regulations have been applied in this case.

II. OVERVIEW OF THE GENERAL TRANSACTION

a) Background for the transaction

Endesa Generación is one of the leading Spanish companies in terms of electricity generation, with a net installed capacity of 21,247 MW at the end of 2023.

The Cristóbal Colón Combined Cycle Thermal Power Plant, owned by Endesa Generación, is located in Huelva, Spain. This facility was commissioned in November 2006 and it has a nominal power of approximately 400 MW.

Combined cycle power plants (CCPP) are facilities that generate electricity using a combination of gas turbines powered by natural gas combustion gases and steam turbines, which are powered by the heat from the gases produced by natural gas combustion. This approach optimises energy efficiency by using the residual heat from the gas combustion process to produce steam which, in turn, drives an additional steam turbine.

Gas turbines are essential components in energy generation plants, and their design includes several critical parts that make it possible to convert energy from fuel into mechanical energy:

- Compressor: responsible for increasing the pressure and temperature of the fluid (gas) and essential for preparing the air before it enters the combustion chamber.

- Combustion chamber: this is where the compressed air is mixed with fuel and burned, generating a large quantity of energy in the form of hot gases and rapid expansion.
- Turbine: This part converts energy from hot gases into mechanical rotational energy. The gases pass through the blades of the turbine, which are responsible for transferring motion to the rotor, producing the rotational energy that is the primary purpose of the turbine.

The Cristóbal Colón CCPP is currently unavailable due to the detection of cracks in the air compressor rotor, which is currently under repair. The date scheduled for its return to service is 1 September 2025.

Taking advantage of the rotor downtime and since the machine is open, Endesa Generación requested a comprehensive inspection of the gas turbine in order to assess the need to purchase the first and second stages of fixed blades and the first stage of moving blades for the 701F3 turbine model, as outlined in this Report.

As part of the synergies created within the Enel Group (New Life project) is the study of the potential reuse of equipment on other group sites, thus extending its useful life.

For example, the San Isidro CCPP, in Valparaíso, Chile, owned by Enel Generación Chile, whose technology is analogous to that used by the Cristóbal Colón CCPP, acquired some new blades with an estimated useful life of 24,000 hours for the model 701F3 turbine in 2021. This notwithstanding, these blades became obsolete subsequent to a design upgrade to the turbine in the San Isidro CCPP and, as a result, they were stored in the manufacturer's original packaging.

b) Purpose and amount of the transaction.

The purpose of the related-party transaction consists of the authorisation of the purchase by Endesa Generación S.A.U. from Endesa Generación Chile, S.A. of the first and second stages of fixed blades and the first stage of mobile blades of the 701F3 for the sum of €1,629,400.

III. IDENTIFICATION OF THE PARTY RELATED TO ENDESA

Buyer company: **Endesa Generación, S.A.U.**, a company fully owned by Endesa, S.A. Enel Iberia, a fully-owned subsidiary of Enel Spa, holds 70.101% of the share capital of Endesa.

Seller company: **Enel Generación Chile, S.A.** a company of which 93.55% is owned by Enel Chile, S.A. of which in turn, Enel Chile S.A. is a company owned 64.93% by Enel

Endesa and Enel Chile belong to the Enel Group, whose investee companies include Endesa Generación, and Enel Generación Chile. Pursuant to article 529t of the SCCL and IAS 24, the Endesa Group companies, Endesa Generación and Enel Generación Chile, are related parties.

IV. ANALYSIS OF THE TRANSACTION FROM THE STANDPOINT OF ENDESA AND OF SHAREHOLDERS OTHER THAN RELATED PARTIES

1. Operational and strategic reasonableness of the transaction

The related-party transaction must be analysed in the context of the unavailability of the Cristóbal Colón CCPP, owned by Endesa Generación, due to damage to the turbine rotor detected on 21 August 2024, and the recommendation to replace three stages of blades with refurbished parts. This latter transaction is the subject of this Report.

The repair of the rotor and the replacement of the three stages of blades are necessary to reinstate the operation of the Cristóbal Colón CCPP as quickly as possible.

All this will enable the resumption of energy generation, ensure the continuity of electricity supply, and comply with the regional efficiency and energy sustainability standards.



The rotor is already being repaired, and the turbine blades, which are critical components with advanced technology, are only available from the original manufacturer or from another CCPP with similar technology:

- ✓ Acquisition from the manufacturer: The estimated delivery time for refurbished equipment with an estimated lifespan of 16,000 hours is 10 months, which does not allow for the replacement of the blades while taking advantage of the current downtime for rotor repair.
- ✓ Acquisition from the CCPP of San Isidro (Chile), owned by Enel Generación Chile: This power plant has analogous technology to the Cristóbal Colón CCPP. In 2021 it purchased some new blades with a lifespan of approximately 24,000 hours for the 701F3 turbine. The estimated transportation time is three days for air transport and 35 days for sea transport.

The second option makes it possible to reuse new components from Chile, in line with sustainability and economic efficiency criteria; the acquisition of new blades at a lower cost and with a greater lifespan. The delivery time is also shorter, which enables the replacement operation to take place during the current rotor downtime.

Therefore, the purchase of the first and second stages of fixed blades and the first stage of moving blades for the 701F3 turbine from Enel Generación Chile gives Endesa Generación access to a superior quality product at a better price than that offered by an independent third party, while also ensuring continuity and sustainability in the electricity supply of the Cristóbal Colón CCPP and reusing other equipment within the Enel Group, thereby increasing the estimated lifespan of the destination unit, currently inactive since August 2024, by 24,000 equivalent hours.

2. Economic reasonableness of the transaction. Methods used

Both Spanish transfer pricing regulations, as set forth primarily in Article 18 of the Spanish Corporate Income Tax Law, and the OECD Guidelines require valuing related-party transactions for tax purposes according to the arm's length principle. This principle states that transactions between related parties must conform to the market conditions that would prevail in a similar transaction between independent parties.

The Guidelines recognise that when it is possible to identify comparable uncontrolled transactions, the Comparable Uncontrolled Price method is the most direct and reliable method for applying the arm's length principle. This method compares the price of property or services subject to a controlled transaction to the price of other property or services transferred in an uncontrolled transaction in comparable circumstances.

Endesa Generación has a binding offer from the manufacturer for the sale of the first and second stages of fixed blades and the first stage of moving blades for the 701F3 turbine. Therefore, there is a comparable transaction that allows for the application of the Comparable Uncontrolled Price method.

- ✓ Manufacturer's Offer: The amount is €6,820,167 for the replacement of the identified parts. This offer includes the transportation costs to the Cristóbal Colón CCPP, under the DDP (Delivered Duty Paid) INCOTERM, as well as import duties and a one-year warranty associated with the parts, covering only up to the acquisition amount and not covering damages or loss of profit.
- ✓ Offer from Enel Generación Chile: The final offer is €1,629,400.00, under the EXW (Ex Works) INCOTERM, which does not include transportation costs, duties, or warranty. This offer is based on the assessment of an independent third party, which has determined the updated value as of 18 March 2025.



To make this offer comparable, the costs that Endesa Generación may incur for Transportation Costs, Installation and Maintenance Costs, Warranty, and Transport Duties, amounting to approximately €1,589,878, should be added to this amount.

Thus, the comparable net value of the transaction would amount to €3,219,277.77, which is lower than the price offered by the manufacturer.

In light of the above, it can be concluded that the methodology complies with Spanish tax regulations and the OECD Guidelines, and based on the estimated price calculations, the offer from Enel Generación Chile is more competitively priced than that offered by the manufacturer, under comparable conditions. Additionally, the blades offered by Enel Generación Chile are completely new parts with superior lifespan compared to the refurbished parts offered by the manufacturer.

The Audit and Compliance Committee shall be informed of the final amount of the transaction.

3. Legal and commercial reasonableness of the transaction

Having reviewed the legal and commercial terms of the agreement, it has been concluded that the related-party transaction is reasonable in terms of:

- ✓ The business interest of Endesa and the activities carried out by Endesa Generación, whose objective is to resume electricity production at the Cristóbal Colón CCPP as quickly as possible, optimise the lifespan of the assets used for electricity generation, and economise on the cost of acquiring the necessary assets for the activity.
- ✓ The context of transparency, given that a binding offer was requested from the only available supplier in the market to choose the most competitive offer.
- ✓ The legal and commercial terms of the agreement are reasonable, and the contractual terms are similar to those that could have been agreed upon with independent parties. Among other aspects, there are no limitations on the Seller's liability, provisions addressing force majeure, the possibility of testing and inspecting the blades, and the Seller's representations and warranties regarding ownership and the absence of liens or encumbrances on the blades.
- ✓ Ordinary management and in line with the concept of reasonableness.

Furthermore, the contractual terms could have been agreed upon by independent parties, and it is concluded that, while reached by related parties, they do not create unjustified or disproportionate benefits for Enel Generación Chile at the expense of the subsidiary company of Endesa, S.A., namely Endesa Generación, and ultimately for Endesa, S.A. itself and shareholders other than the related party.

V. INDEPENDENT EXPERT REPORTS ISSUED AT THE REQUEST OF THE AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee's analysis took into account the report of Deloitte Legal, S.L.P. ('Deloitte') on the fairness and reasonableness of Endesa Generación, S.A.U.'s purchase of the three stages of turbine blades from Enel Generación Chile S.A.

Deloitte issued its Report in its capacity as an independent expert. On the date the report was issued, Deloitte did not maintain any sort of commercial relationship with the Enel Group or with the Endesa Group that could compromise its capacity as an independent expert for the purposes of issuing its Report or that could give rise to a conflict of interest in conducting the analysis and drawing up the conclusions therein.

In the Report issued for Endesa's Audit and Compliance Committee, the independent expert concludes that the related-party transaction gives Endesa Generación access to a product with the specific qualities necessary for the commissioning of the CTCC of Cristóbal Colón and to ensure continuity in the electricity supply. Moreover, the offer from Enel Generación Chile is



competitively priced compared to that offered by the manufacturer under comparable conditions, considering the total cost of procurement, the estimated number of hours of lifespan for the blades, and the delivery time for the parts.

Consequently, the independent expert concludes that the related-party transaction is fair and reasonable from Endesa, S.A.'s perspective, and particularly for the shareholders who are not related parties, including Endesa, S.A.'s minority shareholders.

VI. CONCLUSION OF THE AUDIT AND COMPLIANCE COMMITTEE

First and foremost, it should be noted that the Audit and Compliance Committee is made up of six non-executive members of the Board of Directors, five of whom (83%) are independent. Furthermore, the Committee has a Shareholder-Appointed Director representing the controlling shareholder Enel, who holds 70.10% of the share capital of Endesa.

In accordance with Article 529u, paragraph 3, of the Spanish Capital Corporations Law, Mr Stefano de Angelis, who is a shareholder-appointed director and representative of Enel, was not involved in the preparation of this Report.

The rest of the members of the Audit and Compliance Committee took part in the preparation and agreed on the contents of this Report on Endesa Generación, S.A.U.'s purchase of the three stages of turbine blades from Enel Generación Chile S.A.

Based on the background information discussed above, the Audit and Compliance Committee hereby concludes that:

1. The related-party transaction allows Endesa Generación to access a product with specific qualities necessary for the commissioning of the CTCC of Cristóbal Colón, which has been unavailable since 21 August 2024, and to ensure continuity in electricity supply as soon as possible.
2. The offer from Enel Generación Chile maintains quality conditions and has a more competitive price than that offered by the manufacturer under comparable conditions, considering the total cost of procurement, the estimated number of hours of lifespan for the blades, and the delivery time for the parts.
3. The methodology used to determine the price of the related-party transaction, the Comparable Uncontrolled Price method, complies with Spanish transfer pricing regulations and the OECD Guidelines. The prices of this transaction reflect what independent parties would have agreed upon under similar circumstances.
4. Regarding the legal and commercial terms of the contract, it can be inferred that these could have been agreed upon by independent parties, and it is concluded that, although reached by related parties, they do not create unjustified or disproportionate benefits for Enel Generación Chile to the detriment of the subsidiary of Endesa, S.A., namely Endesa Generación, and ultimately for Endesa, S.A. itself and for those shareholders other than the related party.

Therefore, in light of the information provided and analysed as outlined in this Report, and in pursuant to its purpose, the Audit and Compliance Committee concludes that this related-party transaction is fair and reasonable from the perspective of Endesa, S.A., and particularly for the shareholders who are not related parties, including the minority shareholders of Endesa, S.A.

VII. CONCLUSION OF THE BOARD OF DIRECTORS

Endesa's Board of Directors, following a favourable report from the Audit and Compliance Committee, has unanimously approved all transactions.