

**SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. AND SUBSIDIARIES**

**Consolidated Financial Statements and Management Report**



**December 31, 2024**

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AUTHORIZATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED MANAGEMENT REPORT

**SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. and Subsidiaries**  
**Consolidated statement of financial position as at December 31, 2024**  
(Thousands of euros)

<b>ASSETS</b>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>NON-CURRENT ASSETS</b>		<b>1,806,877</b>	<b>1,510,585</b>
<b>Intangible assets</b>	<b>6</b>	<b>326</b>	<b>343</b>
Patents, licenses, trademarks and similar rights		76	76
Computer software		250	267
<b>Surface rights</b>	<b>8</b>	<b>144,113</b>	<b>110,164</b>
<b>Property, plant and equipment</b>	<b>7</b>	<b>1,527,993</b>	<b>1,276,203</b>
Land and buildings		43,482	43,782
Plant and machinery		985,061	1,023,837
Property, plant and equipment under construction		499,450	208,584
<b>Non-current financial assets</b>		<b>87,464</b>	<b>71,752</b>
Other financial assets	10.2	1,851	1,326
Derivatives	13.3	85,613	70,426
<b>Deferred tax assets</b>	<b>14</b>	<b>46,981</b>	<b>52,123</b>
<b>CURRENT ASSETS</b>		<b>161,765</b>	<b>138,337</b>
<b>Non-current assets held for sale</b>	<b>9</b>	<b>28,944</b>	<b>-</b>
<b>Trade and other receivables</b>		<b>70,525</b>	<b>59,955</b>
Trade receivables	10.1	69,966	58,435
Current tax assets	14	-	1,520
Other taxes receivable	14	559	-
<b>Current financial assets</b>		<b>6,477</b>	<b>107</b>
Other financial assets		82	107
Derivatives	13.3	6,395	-
<b>Prepayments for current assets</b>		<b>1,470</b>	<b>981</b>
<b>Cash and cash equivalents</b>	<b>10.3</b>	<b>54,349</b>	<b>77,294</b>
Cash		54,349	77,294
<b>TOTAL ASSETS</b>		<b>1,968,642</b>	<b>1,648,922</b>

**SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. and Subsidiaries**  
**Consolidated statement of financial position as at December 31, 2024**  
(Thousands of euros)

<b>EQUITY AND LIABILITIES</b>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>EQUITY</b>		<b>617,836</b>	<b>524,118</b>
<b>CAPITAL AND RESERVES</b>		<b>570,602</b>	<b>479,238</b>
<b>Capital</b>	<b>11.1</b>	<b>1,250</b>	<b>1,250</b>
Registered capital		1,250	1,250
<b>Share premium</b>	<b>11.2</b>	<b>309,676</b>	<b>309,676</b>
<b>Reserves</b>	<b>11.3</b>	<b>167,112</b>	<b>59,598</b>
Legal reserve		5,311	5,311
Voluntary reserves		161,801	54,287
<b>Non-controlling interests</b>	<b>11.5</b>	<b>3,950</b>	<b>1,200</b>
<b>Profit for the year</b>		<b>88,614</b>	<b>107,514</b>
<b>VALUATION ADJUSTMENTS</b>		<b>47,234</b>	<b>44,880</b>
Hedging transactions	11.4	47,488	45,847
Translation differences		(254)	(967)
<b>NON-CURRENT LIABILITIES</b>		<b>1,057,537</b>	<b>919,093</b>
<b>Non-current loans and borrowings</b>		<b>1,017,829</b>	<b>892,857</b>
Bank borrowings	13.1	746,960	663,682
Bonds and other marketable securities	13.1	109,068	117,467
Lease liabilities	13.2	138,715	105,675
Derivatives	13.3	23,087	6,033
<b>Deferred tax liabilities</b>	<b>14.2</b>	<b>39,708</b>	<b>26,236</b>
<b>CURRENT LIABILITIES</b>		<b>293,269</b>	<b>205,711</b>
<b>Current loans and borrowings</b>		<b>153,968</b>	<b>173,227</b>
Bank borrowings	13.1	56,675	56,897
Bonds and other marketable securities	13.1	79,189	111,196
Lease liabilities and other financial liabilities	13.2	16,825	5,134
Derivatives	13.3	1,278	-
<b>Trade and other payables</b>		<b>139,301</b>	<b>32,484</b>
Suppliers and other payables	13.5	122,304	28,319
Personnel - salaries payable		3,229	3,130
Current tax liabilities	14	10,904	411
Other taxes payable	14	2,864	624
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,968,642</b>	<b>1,648,922</b>

**SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. and subsidiaries**  
**Consolidated income statement**  
**for the year ended December 31, 2024**  
**(Thousands of euros)**

	Notes	2024	2023
<b>CONTINUING OPERATIONS</b>			
<b>Revenue</b>	<b>15.1</b>	<b>176,906</b>	<b>191,322</b>
Sales		176,486	190,902
Rendering of services		420	420
<b>Other income</b>	<b>15.1</b>	<b>33,538</b>	<b>38,681</b>
<b>Other income/(expense)</b>	<b>15.1</b>	<b>28,944</b>	<b>-</b>
<b>Personnel expenses</b>	<b>15.2</b>	<b>(21,161)</b>	<b>(19,548)</b>
Salaries, wages and similar		(17,413)	(16,185)
Employee benefits expense		(3,749)	(3,363)
<b>Other operating expenses</b>	<b>15.3</b>	<b>(16,957)</b>	<b>(10,578)</b>
External services		(7,392)	(8,164)
Taxes other than income tax		(9,565)	(2,414)
<b>Amortization and depreciation</b>	<b>6.7 and 8</b>	<b>(43,656)</b>	<b>(31,476)</b>
<b>OPERATING PROFIT</b>		<b>157,614</b>	<b>168,401</b>
<b>Finance income</b>	<b>15.4</b>	<b>625</b>	<b>1,439</b>
Other finance income		625	1,439
<b>Finance costs</b>	<b>15.4</b>	<b>(38,096)</b>	<b>(34,169)</b>
Interest on third-party borrowings		(38,096)	(34,169)
<b>NET FINANCE INCOME/(EXPENSE)</b>		<b>(37,471)</b>	<b>(32,730)</b>
<b>CONSOLIDATED PROFIT BEFORE TAX</b>		<b>120,143</b>	<b>135,671</b>
<b>Income tax expense</b>	<b>14</b>	<b>(31,529)</b>	<b>(28,157)</b>
<b>CONSOLIDATED PROFIT - CONTINUING OPERATIONS</b>		<b>88,614</b>	<b>107,514</b>
<b>Non-controlling interests</b>	<b>11.5</b>	<b>-</b>	<b>-</b>
<b>PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		<b>88,614</b>	<b>107,514</b>
<b>Basic and diluted earnings per share (€)</b>	<b>17</b>	<b>0.71</b>	<b>0.86</b>

**SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. and subsidiaries**  
**Consolidated statement of other comprehensive income**  
**for the year ended December 31, 2024**  
**(Thousands of euros)**

	Notes	2024	2023
<b>Profit for the year</b>		<b>88,614</b>	<b>107,514</b>
<b>Other comprehensive income</b>			
Gain/(loss) on cash flow hedges	11.4	2,188	96,788
Tax effect		(547)	(24,197)
Exchange differences on translation of foreign operations		713	(554)
<b>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods, net of tax</b>		<b>2,354</b>	<b>72,037</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>90,968</b>	<b>179,551</b>
<b>Attributable to the equity holders of the parent</b>		<b>90,968</b>	<b>179,551</b>
<b>Attributable to non-controlling interests</b>		<b>-</b>	<b>-</b>

**SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. and subsidiaries**  
**Consolidated statement of changes in equity**  
**for the year ended December 31, 2024**  
**(Thousands of euros)**

	Registered capital (Note 11.1)	Share premium (Note 11.2)	Legal reserve (Note 11.3)	Other reserves and prior years' losses	Profit for the year	Non-controlling interests (Note 11.5)	Hedging transactions (Note 11.4)	Translation differences	TOTAL
<b>BALANCE AT DECEMBER 31, 2022</b>	1,250	309,676	5,311	(35,840)	90,048	1,440	(26,744)	(413)	344,728
Total comprehensive income	-	-	-	-	107,514	-	72,591	(554)	179,551
Distribution of profit/(loss)	-	-	-	90,048	(90,048)	-	-	-	-
Other changes	-	-	-	79	-	(240)	-	-	(161)
<b>BALANCE AT DECEMBER 31, 2023</b>	1,250	309,676	5,311	54,287	107,514	1,200	45,847	(967)	524,118
Total comprehensive income	-	-	-	-	88,614	-	1,641	713	90,968
Distribution of profit/(loss)	-	-	-	107,514	(107,514)	-	-	-	-
Other changes	-	-	-	-	-	2,750	-	-	2,750
<b>BALANCE AT DECEMBER 31, 2024</b>	1,250	309,676	5,311	161,801	88,614	3,950	47,488	(254)	617,836

**SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. and subsidiaries**  
**Consolidated statement of cash flows**  
**for the year ended December 31, 2024**  
**(Thousands of euros)**

	Notes	2024	2023
<b>Profit for the year before tax</b>		<b>120,143</b>	<b>135,671</b>
<b>Adjustments for:</b>		<b>52,183</b>	<b>64,206</b>
Amortization and depreciation	6.7 and 8	43,656	31,476
Finance income		(625)	(1,439)
Finance costs		38,096	34,169
Other income/(expense)		(28,944)	-
<b>Working capital changes</b>		<b>(20,567)</b>	<b>(58,079)</b>
Trade and other receivables		(11,531)	(17,582)
Trade and other payables		(9,036)	(40,497)
<b>Other cash flows used in operating activities</b>		<b>(36,440)</b>	<b>(43,716)</b>
Interest paid		(37,064)	(33,960)
Income tax recovered/paid		624	(9,756)
<b>Net cash flows from operating activities</b>		<b>115,319</b>	<b>98,082</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment and intangible assets		(187,385)	(328,608)
<b>Net cash flows used in investing activities</b>		<b>(187,385)</b>	<b>(328,608)</b>
<b>Financing activities</b>			
Issue/repayment of bonds and other marketable securities		(41,166)	53,288
Issue of bank borrowings		155,258	163,470
Repayment of bank borrowings		(56,641)	(54,146)
Repayment of finance lease (IFRS 16)		(8,329)	(5,449)
<b>Net cash flows from financing activities</b>		<b>49,122</b>	<b>157,163</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(22,945)</b>	<b>(73,363)</b>
<b>Cash and cash equivalents at January 1</b>	10.3	<b>77,294</b>	<b>150,657</b>
<b>Cash and cash equivalents at December 31</b>	10.3	<b>54,349</b>	<b>77,294</b>

## **1. Corporate information**

Solaria Energía y Medio Ambiente, S.A. ("Solaria", "the Company" or "the Parent") was incorporated on November 27, 2002, as a limited liability company (sociedad anónima) in Spain for an indefinite period. Since July 1, 2009, the Company's registered address is Calle Princesa, 2, Madrid.

The Parent engages primarily in:

1. The installation and repair of solar, thermal, photovoltaic, wind, and any other type of renewable energy facilities.
2. The installation and repair of plumbing, gas, electricity, cooling, heating, and air conditioning systems.
3. The design and execution of technical projects related to the above.
4. The provision of maintenance and conservation services for works performed by the Company or third parties.
5. The manufacture of solar, thermal, photovoltaic and other renewable energy modules, cells, and components.

The Group's core businesses in 2024 and 2023 entailed power generation and sales.

The Parent's shares have been listed on Spain's four official stock exchanges and quoted on the Spanish electronic trading platform (continuous market) since June 19, 2007. They were included on the IBEX 35 index on October 19, 2020.

Solaria is the parent of a Group comprising 105 companies as at December 31, 2024 (2023: 103), all wholly owned by the Company except for Indarberri, S.L., which is 75%-owned (Note 11.5).

The majority of Solaria Group companies engage mainly in the operation of photovoltaic (PV) solar plants in Spain and other countries where they are located abroad. Appendix 1 discloses information on investments in Group companies as at December 31, 2024 and 2023.

The Company has issued the pertinent disclosures to investees under Article 155 of the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital) and there is no obligation that could give rise to contingencies with respect to those companies.

On the same date as the accompanying consolidated financial statements, the directors of the Parent authorized for issue the financial statements of Solaria Energía y Medio Ambiente, S.A. for the year ended December 31, 2024.

The separate and consolidated financial statements of Solaria Energía y Medio Ambiente, S.A. for the year ended December 31, 2023, were approved at the General Shareholders' Meeting held on June 28, 2024, and placed on file at the Madrid Companies Register.

The Parent is controlled by DTL Corporación, S.L., based in Madrid, which is the Group's ultimate Parent. DTL Group's 2024 financial statements will be authorized for issue and filed with the Madrid Companies Register within the legal deadline. DTL Group's 2023 consolidated financial statements

were authorized for issue by the sole shareholder and filed at the Madrid Companies Register within the applicable legal deadlines.

## **2. Basis of preparation of the consolidated financial statements, consolidation principles and regulatory framework**

### **2.1 Basis of preparation and true and fair view**

Solaria Group's consolidated financial statements for the year ended December 31, 2024, were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and all requirements of the applicable regulatory framework for financial reporting effective as at December 31, 2024, to give a true and fair view of the consolidated equity and financial position of Solaria Energía y Medio Ambiente, S.A. and subsidiaries at December 31, 2024, and of the consolidated results of their operations, changes in consolidated equity and the consolidated cash flows for the year then ended.

The accompanying 2024 financial statements were authorized for issue by the Parent's Board of Directors and will be submitted for approval at the General Shareholders' Meeting. They are expected to be approved without any changes.

The 2024 consolidated financial statements have been prepared from the accounting records of the Parent and the other entities comprising the Group. Each company prepares its separate financial statements using the principles and criteria in effect in the country in which they operate; accordingly, adjustments and reclassifications are made upon consolidation to align these principles and criteria with IFRS-EU.

### **2.2 Comparative information**

In accordance with company law, for comparative purposes for each item of the consolidated statement of financial position, the consolidated income statement, the consolidated statement of changes in equity and the consolidation statement of cash flows, in addition to the figures for 2024, those for the previous year are presented. Quantitative information for the previous period is also included in the notes to the consolidated financial statements unless an accounting standard specifically states that this is not required.

### **2.3 Changes in accounting policies**

#### **a) Standards and interpretations approved by the European Union and applied for the first time during the current reporting period**

The accounting policies used to prepare the accompanying consolidated financial statements are the same as those used the previous year except for the following standards, interpretations, and amendments that were applied for the first time during the current reporting period:

##### *Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements*

Amendments to IAS 7 and IFRS 7 *Financial Instruments: Disclosures*, clarify the characteristics of supplier finance arrangements and require additional disclosures to assist users of financial

statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

These disclosures are provided in Note 13.2 to the financial statements.

*Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current.*

These amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- Right to defer settlement. If the entity's right to defer settlement of a liability is subject to future covenants, the entity has a right to defer payment even if it does not comply with those future covenants using the reporting date in the calculation of the information.
- Expected deferrals. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting period.
- Settlement by way of an entity's own equity instruments. There is an exception to the requirements for settling liabilities with equity instruments that affects the classification of the liability.

**b) Standards and interpretations issued by the IASB, but not effective in the reporting period**

The Group intends to apply the new standards, interpretations and amendments issued by the IASB whose application is not mandatory in the European Union when they become effective, to the extent applicable to the Group. Although the Group is still in the process of analyzing their impact, based on the analysis performed to date, it estimates that their first-time application will not have a significant impact on its consolidated financial statements.

*Amendments to IFRS 9 and IFRS 7: Renewable Energy Contracts*

These amendments allow companies to better reflect renewable energy contracts in their financial statements through amendments to IFRS 9 and IFRS 7:

- clarifying the application of the 'own-use' requirements;
- permitting hedge accounting if these contracts are used as hedging instruments; and
- adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

These amendments are effective for annual periods beginning on or after January 1, 2026.

*IFRS 18 Presentation and Disclosure in Financial Statements*

Among other changes, IFRS 18 introduces three sets of new requirements to improve the way companies report their financial performance and provide investors a better basis for analyzing and comparing companies:

- Improved comparability in the statement of profit or loss introducing three new categories: operating, investing and financing, and new subtotals: operating profit and profit before financing and income taxes.

- Enhanced transparency of management-defined performance measures introducing new guidance and disclosures
- More useful grouping of information in the financial statements.

That standard is effective for annual periods beginning on or after January 1, 2027.

#### **2.4 Responsibility for the information, significant estimates and judgments made in applying the accounting policies**

The information in these consolidated financial statements is the responsibility of the Parent's directors. The preparation of the consolidated financial statements required Group management to make certain estimates that affect the reported amounts of certain assets, liabilities, revenue, expenses and commitments recognized therein. These estimates are reviewed on an ongoing basis.

The Group's success will largely hinge on its ability to develop new projects and build new plants, while remaining cost efficient. The expansion of its production capacity is subject to the risks and uncertainties inherent to business projects.

To manage the expansion of its activities efficiently, the Group improves its operating and financial systems, procedures, and controls continuously to enhance their efficiency.

Estimates and assumptions are based on the best information available at the date of authorization for issue of the consolidated annual financial statements on the estimation of uncertainties at the reporting date, which is reviewed regularly. Future events could require adjustments in subsequent periods. The effects of any changes to estimates are recognized prospectively.

#### **2.5 Functional and presentation currency**

The functional currency of Group companies is the euro, except for subsidiaries Yarnel, S.A. and Natelu, S.A. in Uruguay, whose functional currency is the US dollar. The Group's consolidated financial statements are presented in thousands of euros, which is the Parent's functional and presentation currency, rounded up to the nearest thousand, unless indicated otherwise in the explanatory notes.

#### **2.6 Foreign currency transactions and balances**

Foreign currency transactions are translated into euros at the spot exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange gains or losses arising on this process and on settlement of these assets and liabilities are recognized in profit or loss for the reporting period in which they occur.

Non-monetary items measured in terms of historical cost are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value is determined. Exchange gains or losses are recognized in profit or loss, unless the change in value of the non-monetary item is recognized in equity, in which case the exchange gains or losses

are also recognized in equity.

## **2.7 Basis of consolidation**

### **2.7.1 Subsidiaries**

Subsidiaries are investees over which the Parent exercises control either directly or indirectly via other subsidiaries.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control.

Subsidiaries are fully consolidated and all their assets, liabilities, income, expenses and cash flows are included in the consolidated financial statements after making uniformity adjustments for accounting policies, the monetary translation of financial statements to the Group's presentation currency, and eliminations for intragroup transactions.

The revenue, expenses and cash flows of subsidiaries are included in the consolidated financial statements from the acquisition date; i.e. the date on which the Group obtains effective control. Consolidation of subsidiaries ceases when control is lost.

The financial statements of subsidiaries used in the preparation of the consolidated financial statements have the same reporting date and period as those of the Parent. The accounting policies of subsidiaries have been adapted to those of the Group for like transactions and other events in similar circumstances.

The translation of the financial statements of foreign subsidiaries whose functional currency is not the euro (applicable to businesses abroad whose functional currency is not that of a hyperinflationary economy) is carried out as follows:

- Assets and liabilities are translated using the spot rates of exchange at the reporting date.
- Income statement items are translated using the average exchange rate for the reporting period, which approximates the exchange rate applicable to each transaction.
- Equity is carried at historical rates.
- The exchange differences arising from the translation of these financial statements into euros are recognized in "Translation differences" in other comprehensive income.

## **2.8 Regulatory framework**

The main regulations affecting the Group's operations are as follows:

### Regulatory framework in Spain

At December 31, 2024 and 2023, the Group had assets with 34.9 MW of installed capacity under Royal Decree-Law 17/2019, of November 22, 2019, adopting urgent measures for the required adaptation of remuneration parameters affecting the electricity system and addressing the process for discontinuing activity of thermal power plants.

### Royal Decree-Law 6/2022 and Royal Decree-Law 11/2022

On March 29, 2022, Royal Decree-Law 6/2022 was published, establishing the bases for the exceptional decision to update the remuneration parameters for standard facilities that produce electricity using renewable sources, cogeneration and waste applicable to 2022 that was originally established in Order TED/171/2020.

To apply the methodology for updating the remuneration parameters, the regulatory half-period from January 1, 2020, to December 31, 2022, was divided into two regulatory periods, the first from January 1, 2020 to December 31, 2021, and the second from January 1, 2022 to December 31, 2022.

In addition, on June 26, 2022, Royal Decree-Law 11/2022 was published adopted and extending certain measures in response to the economic and social consequences of the war in Ukraine in order to remedy situations of social and economic vulnerability and foster the economic and social recovery of the island of La Palma.

These Royal Decree-Laws established, on an exceptional basis, the extension of the temporary suspension of the tax levied on the value of electricity output for electricity generating facilities and their inclusion in the electric system as of 2022. This required modification in the calculation of taxable income and regulated tax payments in accordance with tax legislation.

Accordingly, for the purposes of calculating the instalments corresponding to the four quarters of 2022, the value of electricity production incorporated into the electricity system during those periods was 0 euros.

Finally, Royal Decree-Law 6/2022 established that the CNMC, as the body responsible for settlement, must carry out the necessary settlement to adapt remuneration under the specific remuneration regime by deducting the outstanding amounts owed by the facilities pursuant to the suspension of the tax on the value of electricity output ("IVPEE"). This suspension was extended to December 31, 2023, through Royal Decree-Law 20/2022 of December 27, 2022. In 2024, the tax was reinstated and applied progressively.

The CNMC made the adjustments related with the settlements of the facilities arising from the waiver of IVPEE in 2022, together with the related monthly power sales settlements.

#### Order TED/1232/2022

On December 14, 2022, Order TED/1232/2022, updating the remuneration parameters for standard plants applicable to certain electricity producing facilities that use renewable sources, cogeneration and waste for application to 2022, was published, as provided for in Royal Decree-Law 6/2022.

The update of the remuneration parameters factored in the new estimate of the average annual price for the day-ahead and intraday market for 2022, which amounted to 121.92 euros/MWh.

#### Royal Decree-Law 20/2022

On December 28, 2022, Royal Decree-Law 20/2022 was published adopting and extending certain measures in response to the economic and social consequences of the war in Ukraine in order to remedy situations of social and economic vulnerability and foster economic and social recovery in the island of La Palma.

That Royal Decree-Law established, on an exceptional basis, the extension of the temporary suspension of the tax levied on the value of electricity output for electricity generating facilities and their inclusion in the electric system until December 31, 2023.

Accordingly, for the purposes of calculating the instalments corresponding to the four quarters of 2023, the value of electricity output fed into the electricity system during those periods was 0 euros.

#### Order TED/741/2023

On 8 July 2023, Order TED/741/2023, of June 30, 2023, updating the remuneration parameters of standard plants applicable to certain facilities that produce electricity from renewable sources, cogeneration and waste for application to the regulatory half-period beginning January 1, 2023, was published.

This update of remuneration parameters factored in an estimated average annual price for the day-ahead and intraday market of 109.31 euros/MWh for 2023, 108.86 euros/MWh for 2024 and 89.37 euros/MWh for 2025 and beyond.

Lastly, on January 25, 2024, the CNMC published Resolution INF/DE/019/24 establishing the average annual price for the day-ahead and intraday market for 2023 of 87.01 euros/MWh, and the final kurtosis coefficients for that year.

#### Regulatory framework in Italy

Italy's energy bill was introduced under EU Directive 2001/77/EC and subsequently implemented with enactment of Legislative Decree 387 of 2003. This mechanism became effective when Inter-Ministerial Decrees 07/28/2005 and 02/06/2006 (Conto Energia I) introducing the operating account financing system for electricity production entered into force.

Ministerial Decree 2/19/2007 (Conto Energia II) introduced certain new characteristics, such as applying incentive tariffs on all power produced by the plant, simplifying the rules for gaining access to these incentives, and differentiating tariffs according to type of architectural integration and the system's size.

A bonus was also provided for PV systems combined with efficient energy use.

Conto Energia III became effective in 2010 through Ministerial Decree 6/8/2010, and was applicable to plants entering into operation between January 1, 2011 and May 31, 2011. It introduced specific integrated PV system tariffs with innovative characteristics and concentration PV systems.

With Law 129/2010 (the "Alcoa Savings Law"), 2010 tariffs under Conto Energia II were confirmed for all plants able to certify termination of construction work by December 31, 2010, and the start-up of operations on June 30, 2011.

After Legislative Decree 28/2011 was published, Ministerial Decree 5/5/2011 (Conto Energia IV) was issued, defining the incentives mechanism for plants having started up after May 31, 2011; its purpose was to align tariffs with photovoltaic energy tariff trends, as well as to introduce an annual accumulated limit for incentive expenses, set at 6 billion euros.

Based on the cost-containment approach set out in Conto Energia IV, Ministerial Decree 7/5/2012 was published (Conto Energia V), partially confirming the terms outlined in Ministerial Decree 5/5/2011 and establishing the cumulative cost of incentives at 6.7 billion euros. Incentive regulations in the Energy Law have not applied since July 6, 2013, when the ceiling of 6,700 billion euros was reached.

All plants currently owned by Solaria in Italy operate under Conto Energia II or Conto Energia IV.

On June 25, 2014, the Italian government unveiled Decree Law 91/2014 proposing a series of urgent measures to reduce the cost of electricity. On August 21, Law 116, of August 11, 2014, was enacted, without introducing hardly any amendments to the proposed draft decree law. Article 26 of this Law establishes a series of measures affecting all PV plants with peak power over 200 kW (Spalma Incentivi), for which a number of different options are available to reduce incentives:

- a) The tariff is extended from 20 to 24 years, with a reduction based on the remaining years of operation.

Remaining years of incentive	Tariff reduction percentage
12	25%
13	24%
14	22%
15	21%
16	20%
17	19%
18	18%
19 or more	17%

- b) The duration of the tariff incentive is maintained at 20 years, with an initial reduction of 17% of revenue over a 7-year period and an undefined increase commencing from year 8.
- c) The 20-year period is maintained, with a specific reduction of:
- 6% for PV plants of between 200 and 500 kW;
  - 7% for PV plants of between 500 and 900 kW; and
  - 8% for PV plants of over 900 kW.

The new tariffs became effective from January 1, 2015. The Group's plants in Italy are subject to

options b) and c).

On April 28, 2022, Decree-Law 17/2022 whose purpose was to simplify Italy's regulatory framework for renewable energies in the country was published.

### **3. Appropriation of profit of the Parent**

The appropriation of the Parent's profit for 2024 proposed by the directors and expected to be approved at the General Shareholders' Meeting is as follows:

<b>(Thousands of euros)</b>	<b>2024</b>
Basis of appropriation	
Profit for the year	171,375
Appropriation of profit	
Reserves	171,375

#### **3.1 Limitations on the distribution of dividends**

The Parent is obliged to earmark 10% of profit for the year for the legal reserve until such reserve represents at least 20% of capital. Unless the balance of the reserve exceeds this amount, it cannot be distributed to shareholders.

Dividends may only be drawn on the year's profit or freely available reserves after meeting the requirements laid down by law and in the by-laws, and if the value of the corporate equity is not, or as a result of such distribution would not be, less than the company's capital. For these purposes, any profit directly allocated to equity may not be distributed either directly or indirectly. In the event of losses in preceding years that reduce corporate equity to less than the Parent's capital, profits shall be used to offset such losses.

The Parent's legal reserve at December 31, 2024, and 2023 was 5,311 euros, so it was fully allocated.

### **4. Significant accounting policies**

The significant accounting policies applied by the Group in the preparation of the accompanying consolidated financial statements are as follows:

#### **4.1 Materiality**

The Group assessed materiality in determining what disclosures to be included in the accompanying consolidated financial statements.

#### **4.2 Intangible assets**

Intangible assets acquired by the Group are measured on initial recognition at acquisition or

production cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

Intangible assets are amortized systematically on a straight-line basis over their estimated useful life, taking into account their residual value. Amortization methods and periods are reviewed at the end of each reporting period, and adjusted prospectively where applicable.

Intangible assets are recognized if, and only if: (a) it is probable that the expected future benefits that are attributable to the asset will flow to the entity, and (b) the cost of the asset can be measured reliably. The entity shall assess the probability of expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

#### Patents and trademarks

The Group pays cash for its patents and licenses. Patents were obtained for a period of 10 years and may be renewed at the end of the period. Licenses for the use of intellectual property were obtained for periods ranging from five to 10 years, depending on the type of license. Licenses may be renewed at little or no cost to the Group and are therefore considered to have indefinite useful lives.

	Years of useful life
Patents	10
Licenses	Indefinite

#### Computer software

Computer software includes the amounts paid for applications developed internally by the Group that meet the requirements for capitalization of development costs, and amounts paid to acquire computer software from third parties. The costs are amortized on a straight-line basis over an estimated useful life of five years.

Expenses for repairs that do not extend the useful life of the assets, as well as maintenance expenses, are taken to profit or loss in the year incurred.

### **4.3 Property, plant and equipment**

Property, plant, and equipment are recognized at either acquisition or production cost, net of accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. After initial recognition, property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment, if any.

Costs incurred after the initial recognition of an asset are only capitalized to the extent that they increase the capacity or productivity or extend the useful life of the asset. The carrying amount of items that are replaced are derecognized. However, expenses for repairs that do not extend the useful life of the assets, as well as maintenance expenses, are taken to profit or loss in the year incurred.

The Group includes under "Property, plant and equipment under construction" costs incurred during

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the development and construction of certain plants still under construction that are substantially completed and will be operated by the Group once they are commissioned in accordance with IAS 16 (Note 7).

Self-constructed property, plant and equipment reflect the cumulative cost of adding internal costs determined based on hourly costs of personnel involved to external costs, recognized with a debit to "Other income" in the consolidated income statement.

When available for use, property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of the assets. The Group determines the depreciation charge separately for each component with a significant cost in relation to the overall cost of the asset and a different useful life to the rest of the item.

The estimated years of useful life of property, plant and equipment are as follows:

(Thousands of euros)	Years of useful life
Plant	30 to 50
Land and buildings	35 to 50
Machinery	8
Other property, plant and equipment	8

The Group reviews the residual value, useful life and depreciation method of property, plant and equipment at the end of each reporting period. Any changes in the initial criteria are considered a change in accounting estimates. Land on which the buildings and other constructions are located has an indefinite useful life and, therefore, is not depreciated.

The gain or loss arising from the disposal or derecognition of an item of property, plant and equipment is calculated as the difference between the amount of consideration received and the carrying amount of the asset and included in profit or loss for the period when the item is disposed of or derecognized.

#### 4.4 Impairment of non-financial assets

At least at the end of each reporting period, the Group assesses whether there is any indication that a non-current asset or, where applicable, a cash-generating unit may be impaired. If any indication exists, it estimates the asset's recoverable amount by performing an impairment test.

For these purposes, the PV solar plant or project under development is considered as a cash-generating unit. Indicators of impairment are primarily the performance (price x output) obtained for each plant and compliance with covenants.

For those assets identified, it estimates the recoverable amount, understood as the higher of an asset's fair value less costs to sell and its value in use.

Where the asset does not generate cash inflows that are independent of those from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount thus determined is lower than the asset's carrying amount, the difference is recognized in profit or loss and that carrying amount of the asset is written down to its recoverable amount. Future amortization/depreciation charges are adjusted in proportion to the adjusted carrying amounts and the new remaining useful life, where a re-estimation is necessary.

Similarly, when there are indications of a recovery in the value of an item of property, plant and equipment, the Group records a reversal of the previously recognized impairment loss and adjusts the future depreciation charge. The increased carrying amount of an asset attributable to a reversal of an impairment loss cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

The recoverable amount of industrial assets and certain plots of land not used in operations was calculated based on fair value. The fair value is the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (excluding finance costs and income tax). The Group measured each asset individually rather than as part of a portfolio.

#### **4.5 Leases**

##### *Group as lessee*

The Group assesses whether a contract is, or contains, a lease. The Group recognizes a right-of-use asset and a lease liability for all leases in which it is lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (assessed on a lease-by-lease basis). The Group recognizes the lease payments associated with those leases in which it does not recognize the right-of-use and related lease liability as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the pattern of consumption of the economic benefits of the leased assets.

The lease liability is measured initially at the present value of the lease payments discounted using the interest rate implicit in the lease. Lease liabilities are presented in the consolidated statement of financial position under "Non-current loans and borrowings - Lease liabilities" and "Current loans and borrowings - Lease liabilities". The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and reducing the carrying amount to reflect lease payments made.

The Group remeasures the lease liability (as an adjustment to the right-of-use asset) whenever there is a change in the lease term or upon occurrence of a significant event or significant change in circumstances that give rise to:

- A change in lease payments resulting from a change in an index or rate, or a change in the amounts expected to be payable under a residual value guarantee. In these cases, the Group remeasures the lease liability by discounting the revised lease payments using the original discount rate (unless the change in lease payments results from a change in floating interest rates, in which case the revised discount rate is used).
- A lease modification that is not accounted for as a separate lease, in which case the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate based on the lease term of the modified lease.

The Group's leased assets relate mainly to land on which the photovoltaic parks are built. The contracts generally have an initial lease term of 26 years plus an option to extend the leases for two 5-year periods each. The leases include fixed lease payments and no variable payments, incentives or purchase options.

The cost of the right-of-use asset includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, and any initial direct costs. The asset is subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses.

The right-of-use asset is depreciated over the shorter of the useful life of the underlying asset and the lease term. Depreciation begins from the commencement date of the lease for a period 36 years from the option to extend the leases, which had an initial term of 26 years, for two 5-year period each.

The Group had not applied any of the recognition exemptions for short-term leases or leases of low-value assets.

The right-of-use asset is presented as a separate line item in the consolidated statement of financial position under "Surface rights." The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any impairment loss as explained in Note 4.4.

#### **4.6 Financial instruments**

Financial instruments are classified upon initial recognition as a financial asset, a financial liability or an equity instrument, in accordance with the contractual cash flow characteristics of that financial instrument.

##### *Financial assets*

A financial asset is classified at initial recognition as at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss. The Group only has financial assets at amortized cost, which are assets held within a business model whose objective is to hold financial assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Included in this category are "Trade and other receivables," measured on initial recognition in the statement of financial position at their market value.

##### *Derecognition of financial assets*

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or the Group transfers substantially all the risks and rewards of ownership of the financial asset.

##### *Impairment of financial assets*

Under the simplified approach for expected losses provided in IFRS 9, the Group measures the loss allowance based on lifetime expected credit losses using available information about past events (such as customer payment behavior), current conditions and forward-looking information (macroeconomic factors such as trends in GDP, unemployment, inflation, interest rates) that could affect the creditworthiness of the Group's debtors.

The Group recognizes the related adjustments for any differences between the recoverable amount of receivables and the carrying amount at which they are recognized as explained in this paragraph.

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### *Cash and cash equivalents*

Cash and cash equivalents include cash on hand, demand deposits at banks, other short-term, highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

### *Hedging instruments*

The Group performs transactions in which it assumes financial risks arising mainly from changes in interest rates and market prices for electricity sales. To hedge these exposures, the Group uses swaps.

Transactions are only designated as hedges when they effectively eliminate any risk inherent to the hedged item or position throughout the duration of the hedge, which means that the hedging item must be deemed highly effective at the inception of the contract (prospective effectiveness) and there must be sufficient evidence that the hedge has been effective throughout the life of the hedge (retrospective effectiveness).

The Group adequately documents its hedges, including how it intends to achieve and measure effectiveness under its risk management policies.

For measurement purpose, the Group classifies its hedges as "Cash flows hedges". These instruments hedge the exposure to variability in cash flows attributable to changes in the interest rates on loans received and lock in a fixed electricity sale price for certain contracts.

Swaps are entered into to convert floating into fixed interest rates and variable electricity sale prices in certain contracts into fixed prices.

The portion of the gain or loss of the hedging instrument that is determined to be an effective hedge is recognized in equity, net of the related tax effect, under "Valuation adjustments", and reclassified to profit or loss in the period or periods during which the hedged transaction affects profit or loss. Changes arising from remeasurement are recognized in "Other comprehensive income" within consolidated equity.

If hedges of firm commitments or forecast transactions result in the recognition of a non-financial asset or non-financial liability, the cumulative gain or loss recognized in equity related to the derivative instrument is considered in determining the initial value of the asset or liability giving rise to the hedged item. Conversely, the ineffective portion of changes in the fair value of the derivative financial instrument is recognized immediately in profit or loss.

Derivatives are recognized in "Non-current financial assets - Derivatives" and "Current financial assets - Derivatives" when fair value is positive and "Non-current loans and borrowings - Derivatives" or "Current loans and borrowings - Derivatives" when fair value is negative.

The fair value of the various derivative financial instruments entered into to hedge changes in interest rates is obtained by the financial institutions that manage them. The fair value of hedges of changes in electricity sale prices is obtained based on the same curves used to obtain the financing of the underlying projects.

### *Financial liabilities*

Financial liabilities, including bank borrowings and trade payables, are recognized initially at fair value less transaction costs.

They are subsequently measured at amortized cost using the effective interest method. This way, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the term of the borrowings using the effective interest method.

Borrowings are classified under current liabilities in the consolidated statement of financial position unless they mature more than 12 months after the reporting date, in which case they are classified under non-current liabilities.

Regarding the most common terms included in contracts with suppliers related to construction of Solar Group's PV farms, we distinguish mainly between the following types:

- Supply of materials: Costs for purchases of material are recognized when the Group has control of the materials, i.e. the supplier has transferred physical possession of the materials to the Group. With delivery, the risks and rewards of the acquired goods are transferred.
- Installation, engineering, supply and construction services (EPC): in this case, the Group recognizes expenses from installation services received over time, in the understanding that the expense accrues as the costs related to execution of the project are incurred in accordance with the progress made. Progress of a project is measured with certificates of work performed showing acknowledgment by both parties.

The Group classifies financial liabilities that arise from supplier finance arrangement (reverse factoring) within Trade and other payables in the statement of financial position if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in Trade and other payables in the consolidated statement of financial position are included in operating activities in the consolidated statement of cash flows.

Regarding comparative information, the Group availed itself of the exemption for first-time adopters of amendments to IAS 7 and IFRS 7 *Supplier Finance Arrangements*.

#### **4.7 Provisions and contingencies**

Liabilities for which the amount and settlement date are uncertain are recognized as provisions in the consolidated statement of financial position when the Group has a present obligation (legal, contractual, constructive or tacit) arising from past events, the settlement of which is expected to result in an outflow of resources and the amount of which can be measured reliably.

At the date of authorization for issue of the accompanying consolidated financial statements, the directors make a distinction between:

- *Provisions*: present obligations at the reporting date arising from past events, of uncertain

amount or timing, but it is probable that an outflow of resources embodying economic benefits will be required by the Group to settle the obligation and a reliable estimate of the amount can be made.

- *Contingent liabilities:* possible obligations arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and that do not meet the requirements for recognition as provisions.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation or transfer it to a third party. Adjustments arising from the discounting of the provision are recognized as a finance expense when accrued. Provisions expiring within one year are not discounted where the financial effect is not material. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate of the related liability.

Contingent liabilities are possible obligations that arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of future events not wholly within the Group's control and present obligations arising from past events for which it is not probable that an outflow of resources will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made. These liabilities are not recognized, but are disclosed in the accompanying notes, unless the possibility of an outflow of resources is remote.

At the date of these consolidated annual financial statements, the Group was involved in the same lawsuits as in 2023 with four suppliers for an amount of 21 million euros. The evidence and legal arguments submitted would appear to indicate that the suits filed against the Group will be rejected, so the likelihood of a ruling against the Group is remote.

The Group's contingent assets are recognized if virtually certain.

#### **4.8 Income tax**

Income tax expense for the year is calculated as the sum of current tax resulting from applying the corresponding tax rate to taxable profit for the year, less any applicable rebates and tax credits, taking into account changes during the year in recognized deferred tax assets and liabilities. The tax expense is recognized in the income statement, except when it relates to transactions recognized directly in equity, in which case the related tax is likewise recognized in equity.

Deferred taxes are recognized for all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. The tax base of an asset or liability is the amount attributed to it for tax purposes.

The tax effect of temporary differences is included in "Deferred tax assets" or "Deferred tax liabilities" in the statement of financial position as appropriate.

The Group recognizes deferred tax liabilities for all temporary differences, except where disallowed under prevailing tax legislation.

The Group recognizes deferred tax assets for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that future taxable

profit will be available against which these assets may be utilized, except where disallowed by prevailing tax legislation.

At the end of each reporting period, the Group reassesses recognized and previously unrecognized deferred tax assets. Based on this analysis, the Group then derecognizes previously recorded deferred tax assets when recovery is no longer probable, or recognizes a previously unrecorded deferred tax asset to the extent that it is probable that future taxable profit will enable its application.

Deferred tax assets and liabilities are measured using the tax rates expected to prevail upon their reversal, based on tax legislation approved, and in accordance with the manner in which the assets are reasonably expected to be recovered or paid or the liabilities settled.

Deferred tax assets and deferred tax liabilities are not discounted and are classified as non-current assets or non-current liabilities, regardless of the date they are expected to be realized or settled.

The temporary differences arising as a result of the elimination of the results of intra-tax group transactions are recognized in the company that has generated the result and are measured at the tax rate applicable to it.

The portion of the tax losses reported by certain Group companies that has been offset by the other consolidated Group companies gives rise to the recognition of a reciprocal receivable and payable between the companies that reported the losses and the companies that offset them. If there are any tax losses that cannot be offset by the other companies in the consolidated tax group, the related tax loss carryforwards are recognized as deferred tax assets, considering the tax group to be the taxpayer for their recovery.

The Parent of the Group recognizes the total consolidated income tax payable or recoverable with a charge or credit to tax receivable from or tax payable to Group companies and associates.

Solaria Energía y Medio Ambiente, S.A. is the Parent of the tax group and recognizes the total consolidated income tax payable or recoverable with a charge or credit to tax receivable from or tax payable to Group companies and associates.

Regarding the amendment to income tax on dividends and capital gains included in Law 11/2020, of December 30, on the General State Budget for 2021, published in the Official State Gazette on December 31, 2020, in terms of the exemption provided for income under Article 21 of the Spanish Corporate Income Tax (CIS) Act for equity investments of over 5% or a cost of over 20 million euros in Spanish companies or companies resident in a country with a double taxation treaty or minimum nominal tax rate of 10%, which until now were 100% exempt, for tax periods beginning on or after January 1, 2021, this exemption is now limited to 95% of reported income. In practice, this means the effective taxation of 1.25% of the dividend distributed or the capital gain realized. In relation to this matter, the Group does not recognize a deferred tax liability since it considers that it can control the timing of the reversal of the temporary difference and it is probable that the difference will not reverse in the foreseeable future.

According to Additional Provision 19 of Law 38/2022, of December 27, 2022, and Law 7/2024, for tax periods beginning in 2023, 2024, and 2025, for the purposes of determining the taxable profit or loss of the tax group, 100% of taxable profit is considered and only 50% of individual tax losses generated by the companies included in the tax group.

Individual tax losses not offset by the Group are included in the Group's tax base in subsequent tax periods, apportioned equally over the first 10 tax periods beginning on or after January 1, 2024, 2025 and 2026, as applicable. This inclusion is not contingent on the entity that generated the unused tax loss obtaining taxable profit or on the Group obtaining a taxable profit before this inclusion, so the limits of the tax group as a function of revenue do not apply.

The Group did not submit any claims against the constitutionality of Royal Decree-Law 3/2016. Therefore, there was no impact on the consolidated financial statements.

#### **4.9 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding indirect taxes or any duties.

Specifically, revenue from energy sales is recognized when the power is supplied to customers, irrespective of when it is billed. At the end of the reporting period, any revenue recognized and not invoiced is classified as a contract asset in accordance with IFRS 15. This revenue is estimated based on information obtained from reading meters and applying the corresponding rates or tariffs and the estimates are compared with the invoice received the following month (Note 15).

#### **4.10 Non-current assets held for sale (Notes 7 and 10.2)**

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

#### **4.11 Current versus non-current classification**

Assets and liabilities are classified in the consolidated statement of financial position as current or non-current. Accordingly, assets and liabilities are classified as current when they are associated with the Group's operating cycle and it is expected that they will be sold, consumed, realized or settled within the normal course of that cycle; when they differ from the aforementioned assets and are expected to mature, to be sold or settled within one year; and when they are held for trading or are cash and cash equivalents whose use is not restricted to one year. All other assets and liabilities are

classified as non-current assets and non-current liabilities.

The normal operating cycle is less than one year for all the activities.

#### **4.12 Environmental assets and liabilities**

Expenses relating to work by the company to protect and improve the environment and other expenses incurred to comply with environmental protection legislation are recognized in the period in which they are incurred, unless they correspond to purchases of assets incorporated in equity to be used over an extended period, in which case they are recognized in the corresponding line of "Property, plant and equipment" and depreciated using the same criteria.

#### **4.13 Earnings per share**

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

## **5. Segment information**

As explained in Note 1 to the accompanying consolidated financial statements, the Group obtains revenue mainly from the sale of renewable energy. In this respect, Group executive management monitors the business by projects by classifying them into the following geographical areas:

- *Segment 1: Spain.*
- *Segment 2: Italy.*
- *Segment 3: Uruguay.*
- *Segment 4: Portugal and Greece.*
- *Segment 5: Corporate.*

Segment performance is measured based on profit before tax. Segment profit is used as a performance measure since the Group considers this information to be the most relevant in assessing segment results.

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The Group segment income statement is as follows:

(Thousands of euros)	Spain		Italy		Uruguay		Portugal and Greece		Corporate		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Sales to external customers	154,975	169,091	15,065	10,953	3,396	3,360	3,050	7,498	420	420	176,906	191,322
<b>Total revenue from external customers</b>	<b>154,975</b>	<b>169,091</b>	<b>15,065</b>	<b>10,953</b>	<b>3,396</b>	<b>3,360</b>	<b>3,050</b>	<b>7,498</b>	<b>420</b>	<b>420</b>	<b>176,906</b>	<b>191,322</b>
Amortization and depreciation, and impairments	(37,533)	(25,709)	(2,958)	(2,958)	(1,217)	(1,141)	(1,404)	(1,124)	(544)	(544)	(43,656)	(31,476)
Other segment income and expense	(1,427)	10,663	(1,993)	(1,287)	(364)	(517)	(796)	(304)	28,944	-	24,364	8,555
<b>Operating profit/(loss)</b>	<b>116,015</b>	<b>154,045</b>	<b>10,114</b>	<b>6,708</b>	<b>1,815</b>	<b>1,702</b>	<b>850</b>	<b>6,070</b>	<b>28,820</b>	<b>(124)</b>	<b>157,613</b>	<b>168,401</b>
Net finance income/(expense)	(34,754)	(30,643)	(1,365)	(1,321)	(1,216)	(1,206)	(531)	(999)	395	1,439	(37,471)	(32,730)
<b>Profit/(loss) before tax</b>	<b>81,261</b>	<b>123,402</b>	<b>8,749</b>	<b>5,387</b>	<b>599</b>	<b>496</b>	<b>319</b>	<b>5,071</b>	<b>29,215</b>	<b>1,315</b>	<b>120,142</b>	<b>135,671</b>

Set out below are segment assets and liabilities:

(Thousands of euros)	Spain		Italy		Uruguay		Portugal and Greece		Corporate		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Segment assets</b>	<b>1,692,692</b>	<b>1,421,924</b>	<b>45,227</b>	<b>49,935</b>	<b>25,180</b>	<b>26,016</b>	<b>47,597</b>	<b>53,816</b>	<b>157,946</b>	<b>97,231</b>	<b>1,968,642</b>	<b>1,648,922</b>
Non-current assets	1,378,627	1,151,721	32,831	33,915	22,179	23,170	44,661	46,109	49,695	21,288	1,527,993	1,276,203
Surface rights	140,802	106,604	2,666	2,861	645	699	-	-	-	-	144,113	110,164
Derivatives	88,698	65,105	1,196	2,571	-	-	2,113	2,750	-	-	92,007	70,426
Trade and other receivables	49,837	50,106	5,869	7,560	746	596	226	939	13,288	754	69,966	59,955
Cash and cash equivalents	34,728	48,388	2,665	3,028	1,610	1,551	597	4,018	14,749	20,309	54,349	77,294
Unallocated assets	-	-	-	-	-	-	-	-	80,214	54,880	80,214	54,880
<b>Total assets</b>	<b>1,692,692</b>	<b>1,421,924</b>	<b>45,227</b>	<b>49,935</b>	<b>25,180</b>	<b>26,016</b>	<b>47,597</b>	<b>53,816</b>	<b>157,946</b>	<b>97,231</b>	<b>1,968,642</b>	<b>1,648,922</b>

(Thousands of euros)	Spain		Italy		Uruguay		Portugal and Greece		Corporate		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Bank borrowings and bonds and debentures	843,998	769,405	25,492	29,816	22,152	21,785	18,250	20,327	82,000	107,909	991,892	949,242
Finance lease liabilities (IFRS 16) and other	154,664	109,729	165	197	456	628	-	-	255	255	155,540	110,809
Derivatives	24,365	6,033	-	-	-	-	-	-	-	-	24,365	6,033
Trade and other payables	138,342	2,129	143	454	213	377	215	244	388	29,280	139,301	32,484
Unallocated liabilities	-	-	-	-	-	-	-	-	39,708	26,236	39,708	26,236
<b>Total liabilities</b>	<b>1,161,369</b>	<b>887,296</b>	<b>25,800</b>	<b>30,467</b>	<b>22,821</b>	<b>22,790</b>	<b>18,465</b>	<b>20,571</b>	<b>122,351</b>	<b>163,681</b>	<b>1,350,806</b>	<b>1,124,804</b>

At December 31, 2024, revenue from no single customer represented more than 10% of the Group's total revenue (2023: no single customer).

## 6. Intangible assets

Reconciliation of the carrying amount at the beginning and end of the period:

(Thousands of euros)	Balance at January 1	Additions, disposals and allowances	Balance at December 31
<b>2024</b>			
<b>Cost</b>			
Intellectual property	76	-	76
Computer software	307	3	310
	383	-	386
<b>Accumulated amortization</b>			
Computer software	(40)	(20)	(60)
<b>Carrying amount</b>	<b>343</b>		<b>326</b>

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(Thousands of euros)	Balance at January 1	Additions, disposals and allowances	Balance at December 31
<b>2023</b>			
<b>Cost</b>			
Intellectual property	76	-	76
Computer software	129	178	307
	205		383
<b>Accumulated amortization</b>			
Computer software	(40)	-	(40)
<b>Carrying amount</b>	<b>165</b>		<b>343</b>

Additions in 2024 amounted to 3 thousand euros (2023: 178 thousand euros) and related to development of the Scada software application.

There were no firm commitments to purchase or sell any intangible assets at the date of preparation of the accompanying consolidated financial statements.

All intangible assets are used in the Group's operations.

## 7. Property, plant and equipment

Reconciliation of the carrying amount at the beginning and end of the period:

(Thousands of euros)	Balance at January 1	Additions and depreciation	Unused amounts reversed	Held for sale	Disposals	Balance at December 31
<b>2024</b>						
<b>Cost</b>						
Land and buildings	71,443		-	(17,144)	-	54,299
Plant and machinery	1,233,268		-	(37,924)	-	1,195,344
Property, plant and equipment under construction	208,584	290,866	-	-	-	499,450
	1,513,295					1,749,093
<b>Accumulated depreciation</b>						
Buildings	(16,731)	(300)	-	6,669	-	(10,362)
Plant and machinery	(187,003)	(38,776)	-	15,496	-	(210,283)
	(203,734)					(220,645)
<b>Impairment losses</b>						
Land and buildings	(10,930)		9,601	-	874	(455)
Plant	(22,428)		19,343	-	3,085	-
	(33,358)					(455)
<b>Carrying amount</b>	<b>1,276,203</b>					<b>1,527,993</b>

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(Thousands of euros)	Balance at January 1	Additions and depreciation	Transfers	Balance at December 31
<b>2023</b>				
<b>Cost</b>				
Land and buildings	64,606	6,837	-	71,443
Plant and machinery	925,202	-	308,066	1,233,268
Property, plant and equipment under construction	195,289	321,361	(308,066)	208,584
	1,185,097			1,513,295
<b>Accumulated depreciation</b>				
Buildings	(16,431)	(300)	-	(16,731)
Plant and machinery	(158,991)	(28,012)	-	(187,003)
	(175,422)			(203,734)
<b>Impairment losses</b>				
Land and buildings	(10,930)	-	-	(10,930)
Plant	(22,428)	-	-	(22,428)
	(33,358)			(33,358)
<b>Carrying amount</b>	<b>976,317</b>			<b>1,276,203</b>

## 7.1 Changes

Additions in 2024 and 2023 related mainly to investments in new plants under construction and purchases of land. Transfers in 2023 related to the start-up of projects on completion of construction and connection.

## 7.2 Impairment of property, plant, and equipment

In prior years, the Group recognized impairment losses on assets related to its solar panel construction business. The breakdown of impairments at December 31, 2024 and 2023 is as follows:

(Thousands of euros)	Asset	Nature	Segment	Impairment	
				12/31/2024	12/31/2023
	Land in Dehesa Vaqueros	Rural property	Spain	(455)	(455)
	Puertollano (Ciudad Real)	Warehouses and facilities		-	(32,903)

*Puertollano (industrial warehouses and facilities):* In 2024, given the increasing development of new businesses (Data Centers) at the Puertollano facilities, the previously recognized impairment loss on the plant was reversed, for a net amount of 28.9 million euros, applying the related depreciation for the years during which the asset was impaired, amounting to 4 million euros (recognized as unused amounts reversed in table presenting the reconciliation of property, plant and equipment for 2024).

Subsequently, in compliance with the requirements of IFRS 5, the carrying amount of Puertollano was reclassified to "Non-current assets held for sale" (Note 9).

In the last quarter of 2024, in light of the growing interest in data centers, Solaria received several third-party offers based on its privileged position, with a consolidated capacity of 40 MW—expandable to 100 Mw—and the associated land and facilities. All these offers were worth over 28.9 million euros (i.e., the net carrying amount of the Puertollano warehouses and facilities).

*Rural and agricultural land - Dehesa Vaqueros:* The carrying amount of this asset at December 31, 2024 and 2023 was 1,245 thousand euros based on an appraisal by an independent consultant made in prior years. The Parent's directors, based on their internal annual market research, have considered that the assumptions underlying the appraisal remain valid. The Group's new business outlook

supports at least the carrying amount recognized.

In 2024 and 2023, the rest of the assets were tested for impairment. The tests did not show any indication of impairment as the carrying amount of the company's property, plant and equipment did not exceed their recoverable amount.

### 7.3 Other disclosures

The Company did not have any fully depreciated items of property, plant and equipment still in use at December 31, 2024 and 2023.

Capitalized interest costs related to these assets at December 31, 2024 amounted to 6,998 thousand euros (2023: 13,142 thousand euros).

The Group has taken out insurance policies to cover the risk of damage to its property, plant and equipment. The coverage of these policies is considered sufficient. At the date of authorization for issue of the consolidated financial statements there were no commitments to acquire any items of property, plant, and equipment.

At December 31, 2024, the solar plants secured the bank borrowings disclosed in Note 13. At December 31, 2024 and 2023, all the photovoltaic plants in operation were subject to the fulfillment of financial obligations (Note 13).

## 8. Surface rights

The Group's leased assets relate mainly to land on which the photovoltaic parks are built. The contracts have an initial lease term of 26 years plus an option to extend the leases for two 5-year periods each. The leases include fixed lease payments and no variable payments, incentives or purchase options. The Group renegotiated its contracts in 2024 and 2023.

Reconciliation of the carrying amount of items composing surface rights at the beginning and end of the period:

(Thousands of euros)	Balance at January 1	Additions and allowances	Disposals	Balance at December 31
<b>2024</b>				
<b>Cost</b>				
Surface rights	121,832	38,509	-	160,341
	121,832	38,509	-	160,341
<b>Accumulated amortization</b>				
Surface rights	(11,668)	(4,560)	-	(16,228)
	(11,668)	(4,560)	-	(16,228)
<b>Carrying amount</b>	<b>110,164</b>			<b>144,113</b>

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(Thousands of euros)	Balance at January 1	Additions and allowances	Disposals	Balance at December 31
<b>2023</b>				
<b>Cost</b>				
Surface rights	112,309	9,523	-	121,832
	112,309	9,523	-	121,832
<b>Accumulated amortization</b>				
Surface rights	(8,504)	(3,164)	-	(11,668)
	(8,504)	(3,164)	-	(11,668)
<b>Carrying amount</b>	<b>103,805</b>			<b>110,164</b>

## 8.1 Changes

Additions in 2024 and 2023 related to new contracts entered into during the year.

## 8.2 Other disclosures

Finance costs recognized for leases under IFRS 16 (surface rights) in 2024 amounted to 4,478 thousand euros (2023: 3,035 thousand euros).

There are no subleases to third parties outside the Group and no sale and leaseback transactions.

The average discount rates applied were 3.5% for 2024 and around 4% in previous years. Factors used in calculating the discount rates included the Group's rating.

No indications of impairment of assets were identified as at December 31, 2024 and 2023 considering the profitability of the related photovoltaic (PV) plants.

## 9. Non-current assets held for sale

In 2024, the Group publicly announced its decision to dispose of the Puertollano factory, with a net carrying amount of 28.9 million euros (Note 7). This disposal is expected to be completed over the course of 2025. Negotiations for the sale were in progress as at the date of authorization for issue of these financial statements. The assets comprising this activity in 2024 were classified as a disposal group held for sale.

## 10. Financial assets

Except for the derivatives disclosed in Note 13.3, all the Group's other financial assets are assets at amortized cost. The fair value of these assets does not differ significantly from their carrying amounts.

### 10.1 Trade receivables

#### *Contract assets*

Trade receivables include contract assets for revenue recognized for energy consumption not billed as at the reporting date. At December 31, 2024, these assets amounted to 41,312 thousand euros (2023: 37,318 thousand euros). The related revenue is recognized based on meter readings at the PV plants at the stipulated price in the PPA or the related market price. Upon issue of the invoice, the actual amount is compared to the estimated amount.

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### *Impairment losses*

At December 31, 2024 and 2023, the Group did not recognize any impairment allowance for expected loss based on its customers' high creditworthiness.

### **10.2 Non-current financial assets**

The breakdown of this heading at December 31 is as follows:

<b>(Thousands of euros)</b>	<b>2024</b>	<b>2023</b>
<b>Other financial assets</b>	<b>1,851</b>	<b>1,326</b>
Long-term guarantees given	999	816
Long-term deposits	852	510
<b>Non-current financial assets</b>	<b>1,851</b>	<b>1,326</b>

The amount recognized in "Other financial assets" consists of long-term financial investments, guarantees and deposits made by the Group. Solaria Casiopea, S.A.U., a Group subsidiary, has a long-term deposit of 298 thousand euros related to land on which its solar plant is located.

Subsidiaries Natelu and Yarnel have a guarantee amounting to 151 thousand euros each deposited as performance bonds related to contracts with Usinas y Transmisiones Eléctricas (a temporary business association or UTE for its acronym in Spanish).

### **10.3 Cash and cash equivalents**

The breakdown of this heading at December 31 is as follows:

<b>(Thousands of euros)</b>	<b>2024</b>	<b>2023</b>
Demand deposits in current accounts	54,349	77,294

Current accounts earn market interest rates.

There are restrictions on the availability of the amount of current accounts for certain energy generation subsidiaries financed using project finance and project bonds. The companies' Debt Service Reserve Account (DSRA) at December 31, 2024, which guarantees servicing of bank borrowings, amounted to 9,882 thousand euros (2023: 11,457 thousand euros). The remaining balance of current accounts is freely distributable, once the contractual obligations for distribution with the Group's lender banks/bondholders have been met (Note 13).

## **11. Equity**

### **11.1 Registered capital**

The Parent's registered capital at December 31, 2024 and 2023 recognized under "Equity" amounted to 1,250 thousand euros and consisted of 124,950,876 bearer shares of 0.01 euros par value each.

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Shareholders and ownership interests at December 31 were as follows:

(Thousands of euros)	2024	2023
DTL Corporación, S.L.	34.91%	34.91%
Other shareholders	65.09%	65.09%
	<b>100.00%</b>	<b>100.00%</b>

The shares comprising the Parent's share capital are admitted for trading on Spain's four official stock exchanges and are quoted on the Spanish electronic trading platform (continuous market). They were included in the IBEX 35 in October 2020. There are no restrictions on the free transferability of the shares. The share price at year-end 2024 was 7.82 euros (2023: 18.61 euros).

The Group's objective is to have enough capital so it can raise the necessary financing from external sources for its expansion without jeopardizing its solvency, while maximizing the returns shareholder can obtain on capital invested.

Financial leverage ratios at December 31, 2024 and 2023 were as follows:

(Thousands of euros)	2024	2023
Bank borrowings, bonds and lease liabilities	1,147,432	1,060,051
Less: Cash and cash equivalents (Note 9.3)	(54,349)	(77,294)
Net debt	1,093,083	982,757
Total equity	617,836	524,118
Debt-to-equity ratio	177%	188%

## 11.2 Share premium

The share premium is unrestricted provided that its distribution does not reduce shareholders' equity to below share capital. There were no changes in the share premium in 2024 or 2023.

## 11.3 Reserves

The Group's reserves are unrestricted except for the non-distributable portion of the companies' mandatory legal reserves.

## 11.4 Valuation adjustments

The movement in this heading in 2024 and 2023 was as follows:

(Thousands of euros)	Balance at January 1	Additions and losses	Tax effect	Balance at December 31
<b>2024</b>				
Cash flow hedges	45,847	2,188	(547)	47,488
Translation differences	(967)	713	-	(254)
	<b>44,880</b>	<b>2,901</b>	<b>(547)</b>	<b>47,234</b>
<b>2023</b>				
Cash flow hedges	(26,744)	96,788	(24,197)	45,847
Translation differences	(413)	(554)	-	(967)
	<b>(27,157)</b>	<b>96,234</b>	<b>(24,197)</b>	<b>44,880</b>

## 11.5 Non-controlling interests

In 2024, the Parent of the Group and the Basque Country energy agency, Ente Vasco de la Energía

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(EVE), set up a company, Indarberri, S.L., to carry out photovoltaic solar energy projects. It was 70%-owned by Solaria and 30%-owned by EVE. EVE made a monetary contribution in 2022 to incorporate this company of 1,440 thousand euros.

On November 29, 2023, the Group acquired a 5% shareholding in Indarberri, S.L. for 240 thousand euros.

In 2024, EVE made contributions totaling 2,750 thousand euros.

## 12. Provisions and contingencies

There were no provisions at December 31, 2024 and 2023.

The Parent's directors and legal advisors consider that there are no lawsuits, litigation or civil, criminal or administrative proceedings requiring the recognition of provisions in these consolidated financial statements as it is not probable that the outflow of resources will be required in those proceedings (Note 4.7).

## 13. Financial liabilities

Except for the derivatives disclosed in Note 13.3, all the Group's other financial liabilities are liabilities at amortized cost.

### 13.1 Bank borrowings, bonds, and other marketable securities

The breakdown of these financial liabilities at December 31, 2024, and 2023 is as follows:

(Thousands of euros)	Current	Non-current	Total
<b>2024:</b>			
Bank borrowings	57,661	777,591	835,252
Debt arrangement expenses	(986)	(30,631)	(31,617)
	56,675	746,960	803,635
Bonds and other marketable securities	79,232	110,208	189,440
Accrued bond interest payable	56	-	56
Bond arrangement expenses	(99)	(1,140)	(1,239)
	79,189	109,068	188,257
	<b>135,864</b>	<b>856,028</b>	<b>991,892</b>

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(Thousands of euros)	Current	Non-current	Total
<b>2023:</b>			
Bank borrowings	57,826	687,026	744,852
Debt arrangement expenses	(929)	(23,343)	(24,272)
	56,897	663,682	720,579
Bonds and other marketable securities	111,175	118,795	229,970
Accrued bond interest payable	112	-	112
Bond arrangement expenses	(91)	(1,329)	(1,420)
	111,196	117,467	228,663
	<b>168,093</b>	<b>781,149</b>	<b>949,242</b>

The Group's outstanding debentures and bonds and its main loans at December 31, 2024 and 2023 are as follows (in thousands of euros):

Type of contract	Company	Original lender	Date of original agreement	Final maturity	Original amount of the loan (thousands of euros)	Amount at 12/31/2024	Amount at 12/31/2023	Non-current at 12/31/2024	Current at 12/31/2024
Bonds and debentures	Solaria Casiopea	Bondholders	12/22/2017	09/30/2040	9,200	6,651	7,034	6,249	402
Bonds and debentures	Globasol Villanueva 1.	Bondholders	05/25/2016	01/31/2037	45,300	30,282	32,234	28,270	2,012
Bonds and debentures	Planta Solar Puertollano 6	Bondholders	02/28/2017	12/31/2037	45,100	30,663	32,558	28,741	1,922
Bonds and debentures	Magacela Solar	Bondholders	07/24/2017	06/30/2037	47,100	31,594	33,717	29,571	2,023
Bonds and debentures	Prodigy	Bondholders	08/09/2021	12/31/2032	21,800	18,250	20,327	17,377	873
Promissory notes	Solaria Energia y Medio Ambiente	Promissory notes	12/15/2024	12/15/2025	150,000	72,000	104,100	-	72,000
Loan	Solaria Ingeniería y construcción fotovoltaica, S.L.	Credit facility	07/03/2024	07/03/2025	10,000	10,000	-	-	10,000
Loan	Natelu	MetLife Investment Management, LLC	11/16/2020	11/15/2040	11,810	11,661	11,643	11,104	556
Loan	YarneI	MetLife Investment Management, LLC	11/16/2020	11/15/2040	12,699	12,090	11,760	11,513	577
Loan	Solaria Lyra	Banco Santander, S.A.	02/14/2019	04/30/2030	52,172	25,492	30,446	21,410	4,082
Loan	CFV Triangulum Australe	Natixis Sucursal, S.A.	07/18/2019	06/30/2034	132,570	77,704	86,455	73,606	4,098
Loan	Vía Lactea	Banco Sabadell	11/12/2019	06/30/2027	57,000	44,165	47,370	40,907	3,258
Loan	Andrómeda	BayernLB	01/01/2020	04/01/2035	51,500	37,888	42,547	34,088	3,800
Loan	Corona Borealis	Natixis Sucursal, S.A.	03/25/2021	06/30/2030	115,489	92,477	100,055	84,464	8,013
Loan	Kraken	La Banque Postale S.A.	12/30/2021	06/30/2032	87,940	77,737	80,975	73,919	3,817
Loan	Adhara	Commerzbank	06/30/2022	12/31/2031	371,946	270,092	289,278	252,696	17,396
Loan	Hydra	Sabadell	12/21/2022	06/30/2038	132,890	62,702	35,582	60,641	2,062
Loan	Serpens	Banco Santander, S.A.	09/21/2023	12/31/2031	553,000	113,244	4,932	113,244	-
Debt arrangement expenses						(32,856)	(25,692)	(31,771)	(1,085)
Accrued interest						56	112		
<b>Total</b>						<b>991,892</b>	<b>945,433</b>	<b>856,028</b>	<b>135,808</b>

The breakdown by nominal amount and maturity of the Group's financial liabilities at December 31, 2024 and 2023 is as follows:

(Thousands of euros)	2024	2023
2024	-	169,001
2025	136,893	69,690
2026	78,686	63,520
2027	112,163	96,300
2028	72,724	55,900
2028 and beyond	624,226	520,410
<b>Total</b>	<b>1,024,692</b>	<b>974,822</b>

In the years ended December 31, 2024, and 2023, the Group did breach any covenants of its project bonds or project finance loans triggering early repayment. They are guaranteed by the plant they finance (Note 7). Details of these financings are as follows:

Solaria Casiopea, S.A.U.:

On December 21, 2017, Solaria Casiopea issued a 22.8-year project bond for a nominal amount of 9,200 thousand euros, disbursed on December 22, 2017. The bond accrues interest of 4.15%, with monthly payments. As a result of this issue, the Group canceled its outstanding bank borrowings and part of its subordinated debt with related parties.

The issue contract stipulates early repayment in the event of failure to comply with a minimum Debt Service Coverage Ratio (DSCR) of 1.05x.

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Distributions out of the Restricted Account up to the limit of the balance, with a charge to the corresponding Relevant Distribution Period, are subject to compliance with the following terms and conditions:

- That the ratio Compliance Certificate for the Relevant Distribution Period has been submitted;
- That the DSCR is at least 1.20x;
- That the minimum balances of the DSRA, the Main Account, and the Capex Account are allocated;
- That there are no outstanding amounts payable related to any early repayments;
- That there has not occurred, or likely to occur, a circumstance triggering early repayment.
- That the merger has been completed.

Solaria Casiopea, S.A. complied with the DSCR at December 31, 2024 and 2023.

Global Sol Villanueva 1, S.A.U.:

On May 20, 2016, Global Sol Villanueva 1, S.A.U. issued a 20.7-year project bond for a nominal amount of 45,300 thousand euros, disbursed at an amount net of arrangement costs of 43,438 thousand euros on May 25, 2016. The bond accrues interest of 4.20%, with monthly payments. As a result of this issue, the Group canceled its outstanding bank loan at that date, the related derivative contracts, and part of its subordinated debt with related parties.

The issue contract stipulates early repayment in the event of failure to comply with a minimum DSCR of 1.05x.

Distributions out of the Restricted Account up to the limit of the balance, with a charge to the corresponding Relevant Distribution Period, are subject to compliance with the following terms and conditions:

- That the ratio Compliance Certificate for the Relevant Distribution Period has been submitted;
- That the DSCR, backed by the ratio Compliance Certificate for the relevant distribution period against which payment is made, is at least 1.20x;
- That the DSRA and the Capex Account are fully allocated;
- That there are no outstanding amounts payable related to any early repayments;
- That there has not occurred, or likely to occur, a circumstance triggering early repayment.

Global Sol Villanueva 1, S.A. complied with the DSCR at December 31, 2024 and 2023.

Planta Solar Puertollano 6, S.A.

On February 28, 2017, Planta Solar Puertollano 6, S.A. issued a 20-year project bond for a nominal amount of 45,100 thousand euros. The bond accrues interest of 3.75%, with monthly payments. As a result of this issue, the Group canceled its outstanding bank loan at that date, the related derivative contracts, and part of its subordinated debt with related parties.

The issue contract stipulates early repayment in the event of failure to comply with a minimum DSCR of 1.20x.

Distributions out of the Restricted Account up to the limit of the balance, with a charge to the

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corresponding Relevant Distribution Period, are subject to compliance with the following terms and conditions:

- That the ratio Compliance Certificate for the relevant distribution period has been submitted and reviewed by an auditor;
- That the DSCR, backed by the ratio compliance certificate for the relevant distribution period against which payment is made, is at least 1.20x;
- That the DSRA and the Capex Account are fully allocated;
- That there are no outstanding amounts payable related to any early repayments; and
- That there has not occurred, or likely to occur, a circumstance triggering early repayment.

Planta Solar Puertollano 6, S.A. complied with the debt service coverage ratio at December 31, 2024 and 2023.

Magacela Solar 1, S.A.

On July 24, 2017, Magacela Solar 1, S.A. issued a 20-year project bond for a nominal amount of 47,100 thousand euros, disbursed on July 24, 2017. The bond accrues interest of 3.679%, with monthly payments. As a result of this issue, the Group canceled its outstanding bank loan at that date, the related derivative contracts, and part of its subordinated debt with related parties.

The issue contract stipulates early repayment in the event of failure to comply with a minimum DSCR of 1.05x.

Distributions out of the Restricted Account up to the limit of the balance, with a charge to the corresponding Relevant Distribution Period, are subject to compliance with the following terms and conditions:

- That the ratio Compliance Certificate for the Relevant Distribution Period has been submitted;
- That the DSCR, backed by the ratio compliance certificate for the relevant distribution period against which payment is made, is at least 1.20x, and that the bond life coverage ratio is at least 1.25x;
- That the minimum balances for the DSRA, the Operating Account, and the Capex Account are allocated;
- That there are no outstanding amounts payable related to any early repayments;
- That there has not occurred, or likely to occur, a circumstance triggering early repayment.

Magacela Solar 1, S.A. complied with the DSCR at December 31, 2024 and 2023.

Natelu, S.A. and Yarnel, S.A.:

On November 16, 2020, Yarnel, S.A. and Natelu, S.A. entered into a debt agreement with MetLife Investment Management, LLC. This enabled the two companies to refinance their entire debt and cancel their outstanding debt at that date. Natelu's principal amount stands at 13 million US dollars and Yarnel's principal amount at 14 million US dollars. The refinancing package has a term of 20 years.

Solaria Lyra, S.r.l.:

On February 14, 2019, the Group refinanced its project portfolio in Italy with the project finance

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arranged with Banco Santander for 52,172 thousand euros, with a term of 11.2 years. The financing accrues interest at the 3-month Euribor rate + 2.50%, with quarterly repayments, including an interest rate swap. As a result of this issue, the Group canceled its outstanding bank loans at that date, the related derivative contracts, and part of its subordinated debt with related parties.

The issue contract stipulates early repayment in the event of failure to comply with a minimum DSCR of 1.05x.

Distributions out of the Restricted Account up to the limit of the balance, with a charge to the corresponding Relevant Distribution Period, are subject to compliance with the following terms and conditions:

- That the ratio Compliance Certificate for the Relevant Distribution Period has been submitted;
- That the DSCR and Projected DSCR, backed by the ratio compliance certification for the relevant distribution period against which payment is made, is at least 1.20x;
- That there are no outstanding balances payable related to financing of the Debt Service Reserve Account.
- That the Maintenance Account is allocated for the required amount.
- That no events have occurred triggering early redemption.

Solaria Lyra, S.r.l complied with the DSCR at December 31, 2024 and 2023.

CFV Triangulum Australe, S.L.

On July 18, 2019, CFV Triangulum Australe, S.L. financed the promotion, construction, and development of eight projects in Spain through a 15-year project finance arrangement with Natixis S.A. for 132,570 thousand euros. The financing accrues interest at a market rate, with half-yearly payments, including an interest rate swap.

The issue contract stipulates early repayment in the event of failure to comply with a minimum DSCR of 1.05x.

Distributions out of the Restricted Account up to the limit of the balance, with a charge to the corresponding Relevant Distribution Period, are subject to compliance with the following terms and conditions:

- That the ratio Compliance Certificate for the Relevant Distribution Period has been submitted;
- That the Historical DSCR and the Projected DSCR, backed by the ratio compliance certificate for the relevant distribution period against which payment is made, is at least 1.10x;
- That the debt-to-equity ratio is no greater than 75%;
- That the Maintenance Account and the DSRA are allocated for the required amount; and
- That no events have occurred triggering early redemption.

CFV Triangulum Australe, S.L. complied with the DSCR at December 31, 2024 and 2023.

Vía Láctea Fotovoltaica, S.L.

On November 12, 2019, Vía Láctea Fotovoltaica, S.L. financed the promotion, construction, and development of four projects in Spain through a 16-year project finance arranged with Banco de

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Sabadell for 57,000 thousand euros. The financing accrues interest at a market rate, with half-yearly payments, including an interest rate swap.

The issue contract stipulates early repayment in the event of failure to comply with a minimum DSCR of 1.05x.

Distributions out of the Restricted Account up to the limit of the balance, with a charge to the corresponding Relevant Distribution Period, are subject to compliance with the following terms and conditions:

- That the ratio Compliance Certificate for the Relevant Distribution Period has been submitted;
- That the Historical DSCR and the Projected DSCR, backed by the ratio compliance certificate for the relevant distribution period against which payment is made, is at least 1.20x; and
- That no events have occurred triggering early redemption.

Vía Lactea Fotovoltaica, S.L. complied with the DSCR at December 31, 2024 and 2023.

Andrómeda Fotovoltaica, S.L.

On January 1, 2020, Andrómeda Fotovoltaica, S.L. financed the promotion, construction and development of three projects in Spain through a 15-year project finance arranged with BayernLB for 51,500 thousand euros.

The issue contract stipulates early repayment in the event of failure to comply with a minimum DSCR of 1.05x.

Andrómeda Fotovoltaica, S.L. complied with the debt service coverage ratio at December 31, 2024 and 2023.

Corona Borealis Fotovoltaica, S.L.U.

On March 25, 2021, Corona Borealis Fotovoltaica, S.L.U. financed the promotion, construction, and development of seven projects in Spain through a 9-year project finance arrangement with Natixis S.A. for 115,489 thousand euros. The financing accrues interest at a market rate, with monthly payments.

The issue contract stipulates early repayment in the event of failure to comply with a minimum Debt Service Coverage Ratio (DSCR) of 1.10x.

Distributions out of the Restricted Account up to the limit of the balance, with a charge to the corresponding Relevant Distribution Period, are subject to compliance with the following terms and conditions:

- That at least the first payment of principal has been made;
- That there is no default or default events at the time, or as a result, of the proposed distribution;
- That the Compliance Certificate relative to the test date immediately preceding the proposed distribution indicates that the DSCR is equal to or greater than 1.10x and the projected DSCR is greater than 1.10x;
- That there are amounts outstanding under the DSR financing agreement.

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Corona Borealis Fotovoltaica, S.L.U. complied with the DSCR at December 31, 2024 and 2023.

Prodigy Orbit, LDA.

On August 9, 2021, Prodigy Orbit LDA financed the research, design, implementation, development and maintenance of four plants in Portugal through a bond arranged with La Banque Postale, S.A. for 21,800 thousand euros maturing December 31, 2032.

Distributions out of the Restricted Account up to the limit of the balance, with a charge to the corresponding Relevant Distribution Period, are subject to compliance with the following terms and conditions:

- The Borrower undertakes to maintain an average DSCR equal to or greater than 1.05x throughout the term of the Agreement;
- Distributions permitted include any distributions made within 30 days of each calculation date via transfer to the distributions account) provided that all of the following conditions are met:
  - (i) that first payment of the Scheduled Repayment of Senior Bonds and VAT bonds has been made;
  - (ii) that all solar plants have reached their end date;
  - (iii) that the average DSCR of the preceding calculation is at least 1.10x;
  - (iv) that no amounts under the DSRF are outstanding;
  - (v) that the maintenance reserve account is fully funded with the required maintenance amount;
  - (vi) that the distribution did not trigger and has yet to trigger any potential default event or default event;
  - (vii) that no capital transfers have been carried out in the last 12 months in accordance with Clause 28;
  - (viii) that the financial statements for the most recent calculation period have been delivered, together with the required financing information; and
  - (ix) that the Compliance Certificate has been delivered to the agent.

At December 31, 2024 and 2023, Prodigy Orbit, LDA complied with the DSCR.

Kraken Solar, S.L.U.

On December 30, 2021, Kraken Solar, S.L.U. financed the promotion, construction, and development of three projects through an 11-year Credit Facility Agreement with Banco de Sabadell for 87,940 thousand euros. The interest accrued on the facility is the sum of two applicable interest rates: the margin earmarked for each period and the EURIBOR rate applicable for the related interest period. Interest is settled on a half-yearly basis.

Distributions out of the Restricted Account up to the limit of the balance, with a charge to the corresponding Relevant Distribution Period, are subject to compliance with the following terms and conditions:

- That at least the first payment on principal has been made;
- That the proposed distribution has not triggered or may not trigger any predetermined default

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- value;
- That the Compliance Certificate for the period immediately preceding the proposed distribution indicates that:
    - (i) The DCSR is equal to or greater than 1.10x; and
    - (ii) The projected DCSR is greater than 1.10x
  - That there are no outstanding amounts under the framework of the DSR mechanism.

Kraken Solar, S.L.U. complied with the DSCR at December 31, 2024 and 2023.

Adhara Solar, S.L.U.

On June 30, 2022, Adhara Solar, S.L.U. financed the promotion, construction and development of 15 photovoltaic projects through a 16-year Credit Facility Agreement entered into with COMMERZBANK AKTIENGESELLSCHAFT, ABN AMRO Bank N.V and the European Investment Bank for 371,946 thousand euros. The interest accrued on the facility is the sum of two applicable interest rates: the margin earmarked for each period and the EURIBOR rate applicable for the related interest period. Interest is settled on a half-yearly basis.

At December 31, 2024, Adhara Solar, S.L.U. complied with the DSCR. Adhara Solar, S.L.U. had no obligation to comply with the DSCR at December 31, 2023.

Hydra Solar, S.L.U.

On December 21, 2022, Hydra Fotovoltaica Solar, S.L.U. financed the promotion, construction, and development of four photovoltaic projects through a 16-year Credit Facility Agreement with Banco de Sabadell for 132,890 thousand euros. The interest accrued on the facility is the sum of two applicable interest rates: the margin earmarked for each period and the EURIBOR rate applicable for the related interest period. Interest is settled on a half-yearly basis.

Hydra Fotovoltaica, S.L.U. had no obligation to comply with the DSCR at December 31, 2024 and 2023.

Serpens Solar, S.L.U.

On September 21, 2023, Serpens Solar, S.L.U. financed the promotion, construction and development of 15 photovoltaic projects through a Common Terms Agreement entered into with Banco Santander and the European Investment Bank for 553,097 thousand euros, with legal maturity at December 31, 2031. The interest accrued on the facility is the sum of two applicable interest rates: the margin earmarked for each period and the EURIBOR rate applicable for the related interest period. Interest is settled on a half-yearly basis.

Serpens Solar, S.L.U. had no obligation to comply with the DSCR at December 31, 2024 and 2023.

Bonds and other marketable securities

On December 15, 2023, the Parent issued promissory notes on Spain's alternative fixed-income market (Mercado Alternativo de Renta Fija or "MARF"), with an outstanding balance of up to 150,000 thousand euros. The notes accrue fixed interest at market rates. At December 31, 2023, the amount stood at 104,100 thousand euros.

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On December 15, 2024, on maturity of the previous issue, the Parent issued new promissory notes on the MARF, with an outstanding balance of up to 150,000 thousand euros. The notes accrue fixed interest at market rates. At December 31, 2024, the outstanding amount was 72,000 thousand euros.

At December 31, 2023, the Group had a short-term loan for taxes in the amount of 3.7 million euros that accrued interest at the market rate.

### 13.2 Lease liabilities (IFRS 16) and other financial liabilities

The Group's main leases in force at December 31, 2024, and 2023 are disclosed in Note 8.

The breakdown by maturity of the Group's total lease liabilities at December 31, 2024, and 2023 is as follows:

(Thousands of euros)	2024	2023
Within one year	7,036	5,458
After one year but not more than five years	34,872	26,856
More than five years	165,029	123,676
<b>Undiscounted value of lease liabilities</b>	<b>206,938</b>	<b>155,990</b>

The Group has supplier financial arrangements—reverse factoring—offered by some of its key suppliers. Participation in the arrangement is at the supplier's discretion. Those participating will receive early payment on invoices sent to the Group from the Group's external finance provider.

If suppliers choose to receive early payment, they pay a fee to the finance provider, to which the Group is not party. In order for the finance provider to pay the invoices, the goods must have been received or supplied and the invoices approved by the Group.

Payments to suppliers ahead of the invoice due date are processed by the finance provider and, in all cases, the Group settles the original invoice by paying the finance provider in line with the original invoice maturity date described above. The Group provides no security to the finance provider. The term of the reverse factoring is up to six months from acceptance of the invoice. All trade payables subject to the supplier finance arrangement are included in trade and other payables in the consolidated statement of financial position.

The balance of trade payables from reverse factoring arrangements at December 31, 2024 was 34,212 thousand euros (Note 13.5). The balances of reverse factoring past due, amounting to 9,998 thousand euros, were recognized under liabilities in "Lease liabilities and other financial liabilities."

### 13.3 Derivatives

As explained in Note 11.4 above, the Group is exposed to financial risks, mainly interest rate and electricity sale price risk, relating to its business operations. In line with its risk management policy, the Group has entered into several financial derivatives to reduce the impact of these risks.

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Interest rate

As it considers these derivatives as hedges, at the end of each reporting period the Group recognizes the fair value of the derivatives in the consolidated statement of financial position. At 31 December 2024, the fair value of the interest-rate derivatives stood at 636 thousand euros (2023: 32.9 million euros).

To hedge exposure of existing loans to changes in interest rates, the following companies entered into interest rate hedges, the main characteristics of which are as follows:

	Solaria Lyra, S.r.l	CFV Triangulum Australe, S.L.	Vía Láctea Fotovoltaica, S.L.	Prodigy Orbit, LDA.
Initial notional amount (thousands of euros)	49,460	82,273	11,980	18,561
Expiry	04/30/2030	06/30/2034	06/30/2027	06/30/2032
Interest rate payable	0.45%	0.71%	0.49%	0.168%
Settlement of the notional amount of the derivative	Quarterly	Half-yearly	Half-yearly	Half-yearly

	Corona Borealis, S.L.	Kraken Solar, S.L.	Adhara Solar, S.L.	Hydra Solar, S.L.	Serpens Solar, S.L.
Initial notional amount (thousands of euros)	85,689	72,224	238,471	99,668	386,107
Expiry	12/31/2033	12/31/2038	12/31/2033	06/30/2036	12/31/2031
Interest rate payable	0.62%	0.63%	2.26%	2.96%	3.31%
Settlement of the notional amount of the derivative	Half-yearly	Half-yearly	Half-yearly	Half-yearly	Half-yearly

Financial PPAs

To hedge against changes in electricity prices, several companies have entered into price hedges (financial PPAs).

At December 31, 2024 and 2023, Solaria Group had 10 'financial' purchase price agreements (PPAs) entered into with three counterparties. All the agreements entail the sale of electricity at a fixed price, with net settlement.

The Group has considered that these agreements meet the definition of derivative provided in Appendix A of IFRS 9 and that, as they are agreements that can only be settled net, it cannot apply the exception provided in paragraph 2.4 of IFRS 9 for instruments held for own use. Therefore, they are treated as derivative financial instruments and not as executory contracts.

The done 10 PPAs include plots of land and have the following characteristics:

- Solaria Group has the position of "seller", i.e. it sells electricity at a fixed price. Under the contracts, the Group receives fixed amounts (as a function of the strike price) and pays the amounts indexed to the Iberian electricity market price (OMIE).
- Settlements are monthly by multiplying the price by the associated MWh.
- The nominal (MWh) is calculated as a percentage of the output of a specific solar plant. Depending on the plant, this is usually around 70%.
- Maturity is long term (between 2030 and 2032).

As it considers these derivatives as hedges, at the end of each reporting period the Group recognizes the fair value of the derivatives in the consolidated statement of financial position. At 31 December 2024, the fair value stood at 67 million euros (2023: 31.4 million euros). The positive value was because, on average, the fixed prices receivable were above the estimated market price.

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Fair value (categorized within Level 3 of the fair value hierarchy due to the lack of liquidity of long-term electricity prices) is calculated by discounting estimated future cash flows. Future cash flows are calculated as the differences between the amounts receivable (at a fixed price) and the amounts payable (which depend on the estimate of future electricity prices).

In all cases, the PPAs are contracts which consider the hourly scheduling period of power generation of the photovoltaic plants. Settlement of these is carried out against the hourly price and the matching power volume.

Considering the inputs used by the Group to determine the fair value of assets and liabilities measured at fair value, the interest rate swaps (IRS) are categorized within Level 2 and the PPAs within Level 3.

The cash flows associated with the PPA swaps for 2024 are as follows:

(Thousands of euros)	2024
2025	6,395
2026	10,127
Subsequent years	50,474
	66,996

The cash flows associated with the PPA swaps for 2023 were as follows:

(Thousands of euros)	2023
2024	(7,778)
2025	(638)
Subsequent years	39,869
	31,453

#### 13.4 Changes in liabilities arising from financing activities

	January 1, 2024	Cash inflows	Cash outflows	Changes in consolidation scope and other	Changes in fair value	December 31, 2024
Interest-bearing loans and borrowings	1,066,084	155,258	(106,136)	38,259	18,332	1,171,797
<b>Total liabilities arising from financing activities</b>	<b>1,066,084</b>	<b>155,258</b>	<b>(106,136)</b>	<b>38,259</b>	<b>18,332</b>	<b>1,171,797</b>

	January 1, 2023	Cash inflows	Cash outflows	Changes in consolidation scope and other	Changes in fair value	December 31, 2023
Interest-bearing loans and borrowings	977,754	216,758	(59,595)	21,337	(90,170)	1,066,084
<b>Total liabilities arising from financing activities</b>	<b>977,754</b>	<b>216,758</b>	<b>(59,595)</b>	<b>21,337</b>	<b>(90,170)</b>	<b>1,066,084</b>

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### 13.5 Trade and other payables

The breakdown of this heading at December 31 is as follows:

(Thousands of euros)	2024	2023
Suppliers and other payables	122,304	28,319
Personnel - salaries payable (bonus)	3,229	3,130
	<b>125,534</b>	<b>31,449</b>

"Suppliers and other payables" at December 31, 2024, included fixed-asset suppliers for 118,162 thousand euros (2023: 23,835 thousand euros).

## 14. Tax situation

The breakdown of balances related to tax assets and tax liabilities at December 31, 2024 and 2023 is as follows:

(Thousands of euros)	2024	2023
Deferred tax assets	46,981	52,123
Deferred tax liabilities	(39,708)	(26,236)
Current tax assets	-	1,520
Other taxes receivable	559	-
<i>Value added tax</i>	559	-
	<b>7,832</b>	<b>27,407</b>
Current tax liabilities	10,904	411
Other taxes payable	2,864	624
<i>Personal income tax withholdings</i>	457	243
<i>Social Security</i>	400	381
<i>IVPEE</i>	2,007	-
	<b>13,768</b>	<b>1,035</b>

Since 2010, the Parent has filed consolidated tax returns as head of the tax group. Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by the tax authorities or until the four-year inspection period from the filing of tax returns for Spanish companies has expired. Subsidiaries outside Spain are also open to inspection for all financial years in accordance with their local tax laws. The Parent's directors consider that, in the event of a tax inspection, no significant tax contingencies would arise as a result of varying interpretations of the tax legislation applicable to the Parent's or subsidiaries' transactions.

### 14.1 Calculation of income tax expense

Reconciliation of profit before tax and income tax expense/(income):

Thousands of euros	Income statement	
	2024	2023
Current tax	(10,999)	(12,915)
Deferred tax	(18,618)	(12,780)
Adjustment in respect of prior years	(1,911)	(2,462)
Income tax - (expense)/ income	<b>(31,528)</b>	<b>(28,157)</b>

Thousands of euros	Income statement	
	2024	2023
Spain Tax Group	(25,796)	(34,335)
Foreign subsidiaries	(3,822)	8,640
Adjustment in respect of prior years	(1,911)	(2,462)
Income tax - (expense)/ income	<b>(31,528)</b>	<b>(28,157)</b>

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**14.2 Deferred tax assets and liabilities**

Reconciliation of deferred tax assets and deferred tax liabilities at the beginning and end of the period:

(Thousands of euros)	Balance at January 1	Changes reflected in		Balance at December 31
		Income statement	Equity	
<b>2024</b>				
Deferred tax assets				
Tax losses	13,197	(6,709)	-	6,488
Unused tax credits	16,790	(5,280)	-	11,510
Hedging transactions and other	4,134	(550)	4,423	8,007
Other temporary differences that will reverse	18,003	2,973	-	20,976
Deferred tax liabilities				
Hedging transactions (power)	(8,359)	-	(8,418)	(16,777)
Hedging transactions (interest rate)	(10,174)	-	3,998	(6,176)
Other temporary differences that will reverse	(7,702)	(9,052)	-	(16,754)
	<b>25,888</b>	<b>(18,618)</b>	<b>3</b>	<b>7,274</b>
(Thousands of euros)	Balance at January 1	Profit or loss	Equity	Balance at December 31
<b>2023</b>				
Deferred tax assets				
Tax losses	29,499	(16,302)	-	13,197
Unused tax credits	6,370	10,420	-	16,790
Hedging transactions and other	27,548	-	(23,414)	4,134
Other temporary differences that will reverse	16,690	1,313	-	18,003
Deferred tax liabilities				
Hedging transactions (power)	-	-	(8,359)	(8,359)
Hedging transactions (interest rate)	(16,231)	-	6,058	(10,173)
Other temporary differences that will reverse	-	(7,702)	-	(7,702)
	<b>63,875</b>	<b>(12,271)</b>	<b>(25,715)</b>	<b>25,888</b>

**Unused tax losses**

The breakdown of the Group's tax losses is as follows:

Year arising	Thousands of euros	
	2024	2023
2008	-	5,321
2009	-	4,277
2013	23,684	40,920
2014	2,269	2,269
	<b>25,953</b>	<b>52,787</b>

At December 31, 2024 and 2023, the Group recognized deferred tax assets for all unused tax losses.

**Unused tax credits**

At December 31, 2024, the Group had unused tax credits amounting to 11,510 thousand euros, the entire amount of which was recognized as deferred tax assets (2023: 16,790 thousand euros). In 2023, the Group recognized 10 million euros of tax credits for investments in renewables in Uruguay which, according to the business plan, will be utilized over the next four years.

### **Other temporary differences**

"Other temporary differences" in deferred taxes receivable reflects primarily the elimination of internal margins that reverse as the underlying assets are depreciated, the adjustment for the 30% limit on non-tax-deductible amortization and depreciation charges for Spanish companies, applied temporarily to the 2013 and 2014 tax years and which began reversing in 2015, and the limit on the offset of individual tax losses for 2023 to 50% (Note 4.8).

It also includes deferred taxes payable mostly arising from differences between accounting and tax depreciation, which will reverse as the underlying assets are depreciated.

### **Assessment of the recoverability of deferred tax assets**

The Parent's directors estimated the Group's future taxable profits. They also analyzed the timing of the reversal of taxable temporary differences, identifying those expected to reverse in periods in which the unused tax losses can be utilized. Based on this analysis and the Group's business plan presented to the market in September 2023, which envisages significant growth in the Group's earnings in the coming years, the Group recognized deferred tax assets for all the items shown above, recognizing a total amount at December 31, 2024 of 46,981 thousand euros (2023: 52,123 thousand euros). In 2024 and 2023, the Group recognized unused tax losses as envisaged in the business plan.

### **14.3 Reconciliation of accounting profit to taxable profit**

Reconciliation of accounting profit before tax and the income tax expense for 2024 and 2023:

(Thousands of euros)	2024	2023
Consolidated profit before tax	120,143	135,671
Permanent differences	(5,998)	163
Adjusted accounting profit before tax	114,145	135,834
Accounting income tax expense at the tax rate in Spain (25%)	28,536	33,959
Current tax	10,999	12,915
Deferred tax and other	18,618	25,650
Adjustment in respect of prior years	1,911	2,462
Recognition of DTAs in profit or loss	-	(12,870)
<b>Income tax expense in the income statement</b>	<b>31,528</b>	<b>28,157</b>

## **15. Revenue and expenses**

The nature of the main changes in revenue and expense items for the current year compared to the previous year is described in the consolidated management report.

### **15.1 Revenue and other income**

The breakdown of revenue is provided in the segment reporting (Note 5).

Other income relates primarily to capitalized personnel expenses related with construction projects for 18.1 million euros (2023: 16.6 million euros).

Finally, the Group recognized 28.9 million euros for the Puertollano plant under "Other income/(expense)" (Note 9).

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## 15.2 Personnel expenses

The breakdown of "Personnel expenses" is as follows:

<b>(Thousands of euros)</b>	<b>2024</b>	<b>2023</b>
Salaries, wages and similar		
Salaries and wages	17,413	16,185
Employee benefits expense		
Social Security	3,749	3,363
	<b>21,162</b>	<b>19,548</b>

## 15.3 Other operating expenses

The breakdown of other operating expenses is as follows:

<b>(Thousands of euros)</b>	<b>2024</b>	<b>2023</b>
Repairs and maintenance	1,123	373
Independent professional services	910	866
Insurance premiums	2,245	1,887
Banking services	81	183
Utilities	910	1,043
Other services	2,123	3,812
Taxes other than income tax	9,565	2,414
	<b>16,957</b>	<b>10,578</b>

The increase in "Taxes other than income" was primarily the result of the resumption of the gradual "IVPEE" after the suspension extended to December 31, 2023, in accordance with Royal Decree-Law 20/2022 of December 27, 2023 (Note 2.8).

## 15.4 Net finance income/(expense)

The breakdown of "Finance costs" is as follows:

<b>(Thousands of euros)</b>	<b>2024</b>	<b>2023</b>
Finance income		
Other finance income	625	1,439
Finance costs		
Interest on third-party borrowings	(38,096)	(34,169)
	<b>(37,471)</b>	<b>(32,730)</b>

## 16. Related party transactions

The only related party with which the Group carried out transactions in 2024 and 2023 was the parent of the DTL Corporación, from which the Parent has leased the offices where it carries out business since July 2009 and which are owned by DTL Corporación, S.L. Rental payments in 2024 amounted to 594 thousand euros (2023: 503 thousand euros). The lease is accounted for in accordance with IFRS 16 (Note 8).

### 16.1 Directors and senior management

The breakdown of remuneration accrued by members of the Parent's Board of Directors and senior

**SOLARIA ENERGIA Y MEDIO AMBIENTE, S.A.**  
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management is as follows:

(Thousands of euros)	2024	2023
Directors	620	498
Senior management	3,076	3,032
	<b>3,696</b>	<b>3,530</b>

The Group did not pay any civil liability insurance premiums on behalf of its directors for damages caused in 2024 or 2023.

At December 31, 2024 and 2023, the Group had no pension or life insurance commitments with former or current members of the Board of Directors.

No advances or loans had been granted to senior executives or members of the Board of Directors at December 31, 2024 and 2023, nor had any guarantees been given on their behalf.

Also, during the year, the CEO, Arturo Díaz-Tejeiro, purchased 14,600 thousand euros of promissory notes (2023: 16,300 thousand euros).

In accordance with Article 229 of the Spanish Corporate Enterprises Act, the directors have stated that there are no situations that may involve a conflict of interest with the Group.

Senior management was composed of all the Group's directors.

## 17. Earnings per share

The following table reflects the income and share data used in the basic and diluted earnings per share calculations:

(Thousands of euros)	2024	2023
Profit attributable to ordinary equity holders of the Parent:		
Continuing operations	88,614	107,514
Weighted average number of ordinary shares outstanding	124,951	124,951
<b>Basic and diluted earnings per share (€)</b>	<b>0.71</b>	<b>0.86</b>

## 18. Other disclosures

### 18.1 Headcount

	Total number of employees at year-end			Average number of employees in the year	Average number of employees with a disability of a severity of >33% as a percentage of the total
	Men	Women	Total		
<b>2024</b>					
Executives	8	2	10	9	-
Middle managers	19	10	29	29	-
Technical personnel	181	36	217	203	2
	<b>208</b>	<b>48</b>	<b>256</b>	<b>241</b>	<b>2</b>
<b>2023</b>					

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Executives	7	1	8	8	-
Middle managers	16	9	25	26	-
Technical personnel	182	35	217	201	1
	<b>205</b>	<b>45</b>	<b>250</b>	<b>235</b>	<b>1</b>

## 18.2 Audit fees

Audit fees accrued during the year for services rendered by the statutory auditor and firms in its network were as follows:

<b>(Thousands of euros)</b>	<b>2024</b>	<b>2023</b>
Audit services	271	264
Other audit-related services	21	6
Other non-audit services	37	49
	<b>329</b>	<b>319</b>

## 18.3 Environmental disclosures

The Group takes into consideration prevailing environmental protection laws in all its business operations and considers that it substantially complies with these laws and has procedures in place to encourage and guarantee compliance.

As a result, the Parent's directors consider that no significant contingencies exist with respect to environmental protection or improvement. Therefore, they did not consider it necessary to recognize any provision for environmental liabilities and charges at December 31, 2024 or 2023.

## 18.4 Surety bonds and bank guarantees

At December 31, 2024, the Group had contingent liabilities for surety bonds, bank guarantees and other guarantees related to access and connection for generation and demand amounting to 561,633 thousand euros (2023: 387,677 thousand euros). The Group does not expect any liabilities or contingencies to arise from these guarantees.

**18.5 Information on average payment period to suppliers. Additional Provision Three. "Disclosure requirements" under Law 15/2010, of July 5, 2010.**

In accordance with the single additional provision of the Resolution of January 29, 2016, of the Spanish Institute of Accounting and Accounts Auditing (ICAC) regarding disclosures in the notes to financial statements in relation to the average supplier payment period in commercial transactions,

Disclosures regarding the average supplier payment period are as follows:

	2024	2023
<b>(Days)</b>		
Average supplier payment period	28	29
Ratio of transactions paid	29	30
Ratio of transactions outstanding	26	28
<b>(Thousands of euros)</b>		
Total payments made	5,336	5,665
Total payments outstanding	2,551	6,164
Monetary value of invoices paid within the legally stipulated deadline	5,070	5,268
Percentage of payments made within that deadline as a percentage of total payments	95%	93%
<b>(Number of invoices)</b>		
Number of invoices paid within the legally stipulated deadline	1,268	1,232
Percentage of total invoices paid	97%	96%

## 19. Nature and extent of risks arising from financial instruments

### Financial risk factors

The Group is exposed to various financial risks relating to its business operations: market risk (including foreign currency risk, price risk, and interest rate risk), credit risk, and liquidity risk. The overall risk management program focuses on mitigating unpredictable financial market risks and minimizing their potential adverse effects on the profitability of the Group, which uses derivatives to hedge foreign currency risk and interest rate risk.

Risk management is overseen by the Parent's Finance Department. This department identifies, measures, and hedges financial risks in collaboration with the Group's operating units.

#### 19.1 Credit risk

The Group does not have significant credit risk concentration. Policies are in place to ensure that sales are made to customers with a good credit history. For PV plants installed before 2019, the main customers are CNMC and GSE. For newly installed plants, PPAs are entered into with highly solvent end customers.

Transactions with derivative financial instruments and cash transactions are only arranged with financial institutions with high credit ratings. Policies are in place to limit the amount of risk with any individual financial institution.

Where customers do not have an independent credit rating, the Finance Department assesses their creditworthiness based on financial position, past experience and other factors. Group policy is to not

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extend long-term loans to customers except in certain cases and under exceptional circumstances.

The net balance of third-party trade receivables at December 31, 2024 and 2023 reflects certain future maturities, as shown below:

(Thousands of euros)	From 0 to 90 days	From 90 to 180 days	Over 180 days	Total debt
Third-party customer balance 2024	69,296	-	670	<b>69,966</b>
Third-party customer balance 2023	57,765	-	670	<b>58,435</b>

## 19.2 Market risk

### Foreign currency risk

The Group operates internationally and is therefore exposed to foreign currency risk in its transactions with foreign currency, especially the US dollar for its plants in Uruguay. The foreign currency risk is minimized with a natural hedge by carrying out all transactions, including financing, in US dollars. The unhedged items are dividend distributions.

The currency other than the euro in which the Group operates is the US dollar.

### Price risk

The Group is exposed to price risk from the sale of energy to the market. Management addresses this risk by considering current market conditions when transactions are carried out, assessing the possibility of signing contracts with fixed prices, combining part of long-term energy sales at a fixed price through PPAs and part of short-term sales at variable market rates.

To assess the impact of potential changes in prices on the Group's earnings, a simulation was performed on the sensitivity of sales to the market to a 10 euro increase and a 10 euro decrease in energy prices at December 31, 2024.

The sensitivity analysis shows that the impact on the Group's consolidated profit or loss would be an increase or decrease in revenue from energy sales of 10.4 million euros for the year ended December 31, 2024.

The impact on the Group's equity at December 31, 2024, arising from changes in energy prices based on the sensitivity analysis performed, would be as follows:

Scenario	Fair value of PPAs at 12/31/2024 (thousand euros) – Balance at December 31
<b>Base (curves used)</b>	
Percentage increase in electricity price of 5%	(6,265)
Percentage increase in electricity price of 10%	(12,541)
Percentage decrease in electricity price of 5%	6,265
Percentage decrease in electricity price of 10%	12,530

### Interest rate risk

As the Group has no significant interest-bearing assets, income and cash flows from operating activities are substantially independent of changes in market interest rates.

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Interest rate risk arises from non-current bank borrowings. The Group is exposed to cash flow interest rate from its floating-rate bank borrowings. It is the Group's policy to raise finance at fixed rates (project bonds) or enter into derivatives to hedge interest rate risk on loans indexed to a floating interest rate. All the Group's bank borrowings indexed to floating rates are denominated in euros.

The Group manages its cash flow interest rate risk based on current market conditions using floating-to-fixed interest rate swaps. The effect of these interest rate swaps is to convert floating rate borrowings into fixed rate borrowings.

The Group's debt structure at December 31, 2024, and 2023, taking into account interest rate hedging derivatives, is as follows:

(Thousands of euros)	2024	2023
Fixed-rate borrowings	856,524	813,515
Floating-rate borrowings	168,168	161,307
<b>Total</b>	<b>1,024,692</b>	<b>974,822</b>

To assess the impact of potential changes in interest rates on the Group's earnings, a simulation was performed on the sensitivity of floating-rate borrowings to a 100bp increase and a 100bp decrease in interest rates at December 31, 2024.

The sensitivity analysis shows that the impact on the Group's consolidated profit or loss would be an increase or decrease in net finance income/(expense) from interest payments of 1.7 million euros for the year ended December 31, 2024.

The analysis of the maturity schedule of interest payments included in the contracts is as follows:

(Thousands of euros)	12/31/2024	12/31/2023
2024	-	29,885
2025	35,395	27,791
2026	33,301	25,696
2027	31,207	23,636
2028 and beyond	161,343	144,908
<b>Total</b>	<b>261,246</b>	<b>251,916</b>

The impact on the Group's equity at December 31, 2024, arising from changes in interest rates based on the sensitivity analysis performed, would be as follows:

Scenario	Fair value of IRS at 12/31/2024 (thousand euros) – Balance at December 31
<b>Base (curves used)</b>	
Percentage increase in interest rate of 100bp	47,173
Percentage decrease in interest rate of 100bp	(47,882)

### 19.3 Liquidity risk

Prudent liquidity risk management entails maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities, and the ability to close out market positions.

As shown in the accompanying consolidated statement of financial position, the Group had negative working capital at December 31, 2024, amounting to 131 million euros. However, the Parent's

directors do not expect there to be any problems servicing its third-party borrowings at their maturities in accordance with the Group's budgets, which reflect management's judgment based on current circumstances, the factors considered most significant, and the trend considered most likely. They expect the Group will be able to generate sufficient funds to meet its payment obligations over the next financial year both for its improved financing capacity and the undrawn financing facilities available at year-end 2024.

## **20. Events after the reporting period**

The following events occurred between the reporting date of December 31, 2024, and the date of authorization for issue of these financial statements that are significant for the Company's investees:

- Solaria announced that Red Eléctrica de España had awarded the company feasibility of access and connection for 213 MW of demand for supply for a data processing center (DPC) in southern Madrid.

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**Appendix: Group companies at December 31, 2024:**

<b>Ownership interest</b>	<b>Tax domicile</b>	<b>Direct ownership interest</b>	<b>Indirect ownership interest</b>
Solaria Ingeniería y Construcción Fotovoltaica, S.L.	C/ Princesa 2, Madrid	100%	-
Solaria Energía y Generación Renovables, S.L.	C/ Princesa 2, Madrid	100%	-
Solaria Promoción y Desarrollo Fotovoltaico, S.L.	C/ Princesa 2, Madrid	100%	-
Globasol Villanueva 1, S.A.	C/ Princesa 2, Madrid	--	100%
Magacela solar 1, S.A.U.	C/ Princesa 2, Madrid	-	100%
Planta Solar Puertollano 6, S.A.	C/ Princesa 2, Madrid	-	100%
Solaria Casiopea, S.A.	C/ Princesa 2, Madrid	-	100%
Planta Solar Puertollano 4, S.L.	C/ Princesa 2, Madrid	100%	-
Pronature, Consulting and Engineering S.L.	C/ Princesa 2, Madrid	94%	6%
CFV Triangulum Australe, S.A.	C/ Princesa 2, Madrid	-	100%
Guleve Investments, S.L.	C/ Princesa 2, Madrid	-	100%
Lerapa Investments, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV100, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV101, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV102, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV104, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV 3, S.L.	C/ Princesa 2, Madrid	-	100%
Planta Solar Puertollano 10, S.L.	C/ Princesa 2, Madrid	-	100%
Vía Láctea Fotovoltaica, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV107, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV103, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV114, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV116, S.L.	C/ Princesa 2, Madrid	-	100%
Andrómeda Fotovoltaica, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV113, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV115, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV126, S.L.	C/ Princesa 2, Madrid	-	100%
Corona Borealis Fotovoltaica, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV105, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV106, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV109, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV119, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV120, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV125, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV137, S.L.	C/ Princesa 2, Madrid	-	100%
Kraken Solar, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV124, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV154, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV155, S.L.	C/ Princesa 2, Madrid	-	100%
Adhara Solar, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV144, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV145, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV146, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV147, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV148, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV149, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV150, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV151, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV152, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV153, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV156, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV108, S.L.	C/ Princesa 2, Madrid	-	100%

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**Appendix: Group companies at December 31, 2024:**

Ownership interest	Tax domicile	Direct ownership interest	Indirect ownership interest
Planta FV110, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV112, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV118, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV117, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV121, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV122, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV123, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV127, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV128, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV129, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV130, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV132, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV135, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV139, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV140, S.L.	C/ Princesa 2, Madrid	-	100%
Generia Land, S.L.	C/ Princesa 2, Madrid	100%	-
Indus Solar Fotovoltaica, S.L.	C/ Princesa 2, Madrid	-	100%
Hydra Solar Fotovoltaica, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV133, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV134, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV136, S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV111, S.L.	C/ Princesa 2, Madrid	-	100%
Serpens Solar S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV Europa S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV Calisto S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV Maira Alpha S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV Maira Beta S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV Maira Gamma S.L.	C/ Princesa 2, Madrid	-	100%
Planta FV Maira Delta S.L.	C/ Princesa 2, Madrid	-	100%
Sagitta Solar S.L.	C/ Princesa 2, Madrid	-	100%
Solaria Data Center Services, S.L.	C/ Princesa 2, Madrid	100%	-
Solaria Representación en Mercado, S.L.	C/ Princesa 2, Madrid	100%	-
Planta FV Marte Solar, S.L.	C/ Princesa 2, Madrid	-	100%
Solaria Energía Inversiones, S.L. (Planta FV143, S.L.)	C/ Albert Einstein no. 46, Vitoria	-	100%
Indarberri, S.L.	C/ Albert Einstein no. 46, Vitoria	-	75%
Solaria Eguzki Sorkunza S.L.	C/ Albert Einstein no. 46, Vitoria	-	100%
Solaria Eraikuntza Fotovoltaikoa, S.L.	C/ Albert Einstein no. 46, Vitoria	-	100%
Solaria Deutschland GmbH	Metzer Str. 13, Berlin	-	100%
Marche Energía, S.R.L.	Piazza dell'Indipendenza 23 B/C - Rome	-	100%
Sardegna Agrienergia UNO SRL	Piazza dell'Indipendenza 23 B/C - Rome	-	100%
Serre UTA S.R.L.	Piazza dell'Indipendenza 23 B/C - Rome	-	100%
Ollastra Energía, S.R.L.	Piazza dell'Indipendenza 23 B/C - Rome	-	100%
Solaria Lyra, S.r.l.	Piazza dell'Indipendenza 23 B/C - Rome	-	100%
Solaria Services Italia s.r.l.	Piazza dell'Indipendenza 23 B/C - Rome	-	100%
Solaria Promozione E Sviluppo Fotovoltaico s.r.l.	Piazza dell'Indipendenza 23 B/C - Rome	-	100%
Natelu, S.A.	Pedro Blanes Viales 6248- Montevideo	-	100%
Yarnel, S.A.	Pedro Blanes Viales 6248- Montevideo	-	100%
Solaria Energía Renováveis Portugal, Lda	C/ Princesa 2, Madrid	-	100%
Prodigy Orbit LDA	Rua do Alecrim, 26 Lisbon	-	100%
Radian Jupiter Lda	Rua do Alecrim, 26 Lisbon	-	100%
Solaria Ingeniería y Construcción Fotovoltaica, S.L.-Sucursal EM Portugal	Rua do Alecrim, 26 Lisbon	-	100%
Elassona Solar Energía LLC	2 Mesogion Ave. Athens	-	100%

# Consolidated Management Report

for the year ended December 31, 2024

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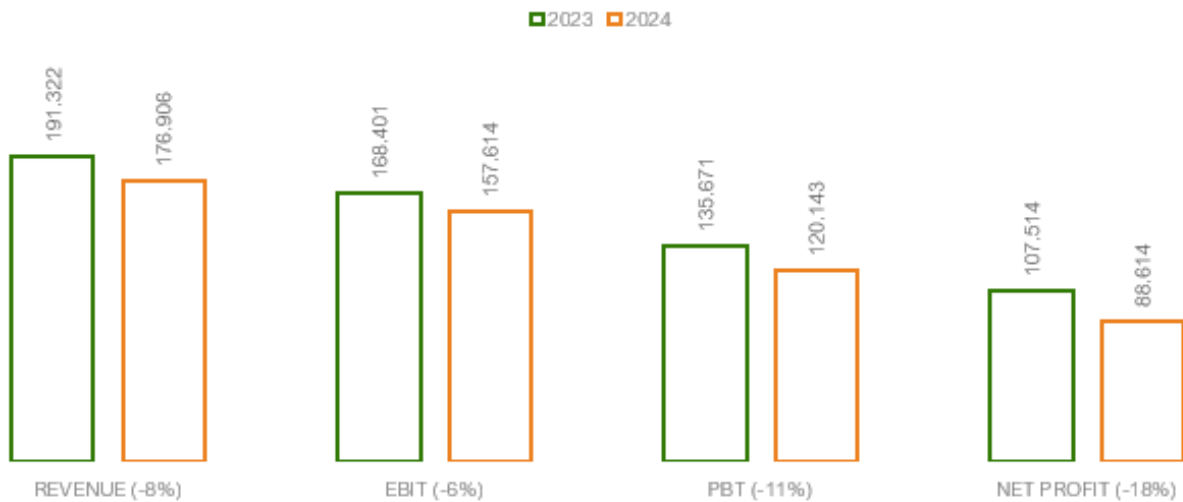
## 1. Solaria Group

The core business of Solaria Energía y Medio Ambiente, S.A. and its subsidiaries is the development and generation of renewable energy, mostly in southern Europe.

Solaria's mission is to promote the development of the use of renewable energy sources by transforming knowledge and experience into innovative solutions that contribute to the well-being and progress of humanity, promoting sustainable economic development and reducing environmental impact, positioning ourselves as leaders through our experience, transparency, flexibility, profitability and quality.

## 2. Key financial indicators in 2024

The Solaria Group reported revenue of 176,906 thousand euros (-8%), EBIT of 157,614 thousand euros (-6%), profit before tax of 120,143 thousand euros (-11%) and profit after tax of 88,614 thousand euros (-18%) for the year ended December 31, 2024.



### **3. Key highlights of 2024**

#### **Administrative Construction Authorization (AAC)**

On January 19, 2024, Solaria announced that it had obtained Administrative Construction Authorization for construction of its second flagship 595 MW Garoña project.

#### **Capex**

On May 6, 2024, Solaria announced that it had purchased photovoltaic (PV) modules at a price of 9.11 euro cents per watt from a Tier 1 manufacturer.

#### **Data Center**

On May 23, 2024, Solaria announced that Red Eléctrica de España had awarded the company feasibility of access and connection for demand of supply for a total of 155 MW for data processing centers (DPCs). To spearhead this new business, Solaria has set up a new company, SOLARIA DATA CENTERS.

#### **Italy**

On May 28, 2024, Solaria disclosed that the Italian Council of State had upheld its claim regarding the recognition of the original tariff for its Serramanna plant, implying remuneration of 422 euros/MWh rather than of 289 euros/MWh. This will result in a cash inflow of 10 million euros for the revenue the Company did not receive in the 2011/2024 period.

#### **Generia Land**

On June 4, 2024, Solaria announced that it had hired ALANTRA and KUTXABANK to draw up a strategic plan to accelerate the growth of Landco GENERIA by providing entry to new shareholders.

#### **Data Center**

On September 3, 2024, Solaria announced that it had entered into an agreement with Japanese technology company Datasection to develop an artificial intelligence data center for up to 200MW at its Puertollano facilities.

#### **Generia Land**

On September 18, 2024, Solaria disclosed that it had signed an agreement, through its LandCo Generia Land, S.L., with Repsol Renovables, S.A. to provide services for the search for land, negotiation with landowners and signing the lease contract

In cases where the owners of the land prefer to sell, GENERIA will acquire the land and, in parallel, sign a right of use for the land with Repsol Renovables.

#### **Data Center**

On February 13, 2025, Solaria announced that Red Eléctrica de España had awarded the company feasibility of access and connection for 213 MW of demand for supply for a data processing center (DPC) in southern Madrid.

### **4. Financial information**

#### **4.1. Consolidated income statement**

##### **Revenue**

The Group reported revenue of 176,906 thousand euros in 2024, down 8% from the year before due primarily to the price of energy.

The breakdown of revenue by business activity in 2024 and 2023 is as follows:

Thousands of euros (€K)	2024	2023	Absolute change	Relative change
Spain	154,975	169,091	(14,116)	-8%
Italy	15,065	10,953	4,112	38%
Uruguay	3,396	3,360	36	1%
Portugal and Greece	3,050	7,498	(4,448)	-59%
Corporate	420	420	-	0%
<b>Total</b>	<b>176,906</b>	<b>191,322</b>	<b>(14,416)</b>	<b>-8%</b>

### Personnel expenses

The growth in **personnel expenses** (8% from 2023) was the result of the higher average number of employees at the Group compared to last year. New staff was required to undertake the Group's ongoing expansion and diversification process.

### Other operating expenses

The increase in operating expenses was primarily the result of costs accrued for the new plants that came on stream between December 31, 2023, and December 31, 2024, and the tax on the value of electricity output.

### Amortization and depreciation

The increase in **amortization and depreciation** was due to the depreciation charges recognized for the new plants commissioned by the Group.

### Consolidated net finance income/(expense)

Net finance expense increased in 2024 due to the recognition of finance costs related to the transactions carried out to finance new plants whose accrual had yet to start in the same period last year.

## 4.2. Consolidated statement of financial position

### Surface rights

The increase in the balance at December 31, 2024, reflects the addition of new leases of land in accordance with IFRS 16.

### Property, plant and equipment

The Group incurred costs for property, plant and equipment in 2024 of 290,866 thousand euros for the new plants currently being built and the purchase of land by Group company Generia Land, S.L. This increase was in line with the targets disclosed.

### Interest-bearing loans and borrowings

The change in the composition of these borrowings in 2024 was the result of the following:

- The increase in bank borrowings following new drawdowns from project debt made in 2024 as construction of the PV parks proceeded. The financing arrangements included in this item are non-recourse debt.

- The change in finance leases related to the execution in a public deed of the new leases for the land where the new plants are located, accounted for in accordance with IFRS 16.
- The decrease in short-term bonds and debentures as a result of the redemptions of the Group's commercial paper in the MARF.

## **5. Main risks**

### **5.1. Risk related to financial instruments**

#### *Market risk*

##### a) Foreign currency risk

The Group operates internationally and is therefore exposed to foreign currency risk in its transactions with foreign currency, especially the US dollar for its plants in Uruguay. The foreign currency risk is minimized with a natural hedge by carrying out all transactions, including financing, in US dollars. The unhedged items are dividend distributions.

The currency other than the euro in which the Group operates is the US dollar.

##### b) Price risk

The Group is exposed to price risk from the sale of energy to the market. Management addresses this risk by considering current market conditions when transactions are carried out, assessing the possibility of signing contracts with fixed prices, combining part of long-term energy sales at a fixed price through PPAs and part of short-term sales at variable market rates.

##### c) Cash flow interest rate risk

As the Group has no significant interest-bearing assets, income and cash flows from operating activities are substantially independent of changes in market interest rates.

Interest rate risk arises from non-current bank borrowings. The Group is exposed to cash flow interest rate from its floating-rate bank borrowings. It is the Group's policy to raise finance at fixed rates (project bonds) or enter into derivatives to hedge interest rate risk on loans indexed to a floating interest rate (project finance). All the Group's bank borrowings indexed to floating rates are denominated in euros.

The Group manages its cash flow interest rate risk based on current market conditions using floating-to-fixed interest rate swaps. The effect of these interest rate swaps is to convert floating rate borrowings into fixed rate borrowings.

##### d) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments, and deposits with banks and financial institutions. Transactions are only carried out with institutions with high credit ratings and taking into account past experience and other factors. Where customers do not have an independent credit

rating, the Finance Department assesses their creditworthiness based on financial position, past experience and other factors.

e) Liquidity risk

Prudent liquidity risk management entails maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities, and the ability to close out market positions.

As shown in the accompanying consolidated statement of financial position, the Group had negative working capital at December 31, 2024, amounting to 131 million euros. However, the Parent's directors do not expect there to be any problems servicing its third-party borrowings at their maturities in accordance with the Group's budgets, which reflect management's judgment based on current circumstances, the factors considered most significant, and the trend considered most likely. They expect the Group will be able to generate sufficient funds to meet its payment obligations over the next financial year both for its improved financing capacity and the undrawn financing facilities available at year-end 2024.

## 6. Strategy and outlook

For Solaria, 2024 was a transformational year. It marked a strategic shift at all levels, with the company evolving from a pure PV solar generation company into a diversified multi-sector group with operations in energy, infrastructure, real estate, and data centers. During the year, we laid the foundations for the new business segments and international markets with the aim of lead emerging trends in technology and infrastructure and continuing to grow over the long term. Key achievements during the year included:

**Hybridization of facilities** The integration of wind energy and batteries into Solaria's facilities optimizes the use of its evacuation infrastructures. During the year, the Company secured hybridization permits for a significant portion of its portfolio, enabling it to install the batteries for optimization of plant energy management. Lower battery prices, coupled with own network availability, were key to achieving a rapid and efficient rollout that should boost return on assets. Meanwhile, Italy is expected to introduce new regulations that will support the deployment of renewable energies.

**Italy:** In 2024, Solaria reached Ready-to-Build (RtB) status for its first projects, with execution set to begin in 2025. At the same time, among the rest of the projects in the pipeline in Italy, further advances were made in flagship projects, such as Spinazzola (700 MW capacity already secured) and Garaguso (200 MW). The Fer-X regulations, which were only recently published, will speed up execution of these projects.

**Germany:** Solaria obtained full municipal approvals in 2024 for the development of two large-scale PV solar projects. The first is in Friedland (60 MW) and the second in Atterwasch (50 MW), both located in the state of Brandenburg. These are the first two projects in a large portfolio that the Company is developing.

**Data Centers:** Solaria has secured a capacity for 401 MW of demand, primarily linked to the connection infrastructure of the Group's plants. The Group's existing renewable energy generation and transmission infrastructures provide it with a strong competitive advantage by enabling the energization of digital infrastructure in record time and ensuring supply of power to data centers under highly favorable terms and conditions. Solaria is currently in advanced negotiations with a number of leading industry players to unlock the value of these assets (powered land / powered shield). The Company is positioned to be leader in two key global trends: digital transformation and the energy transition.

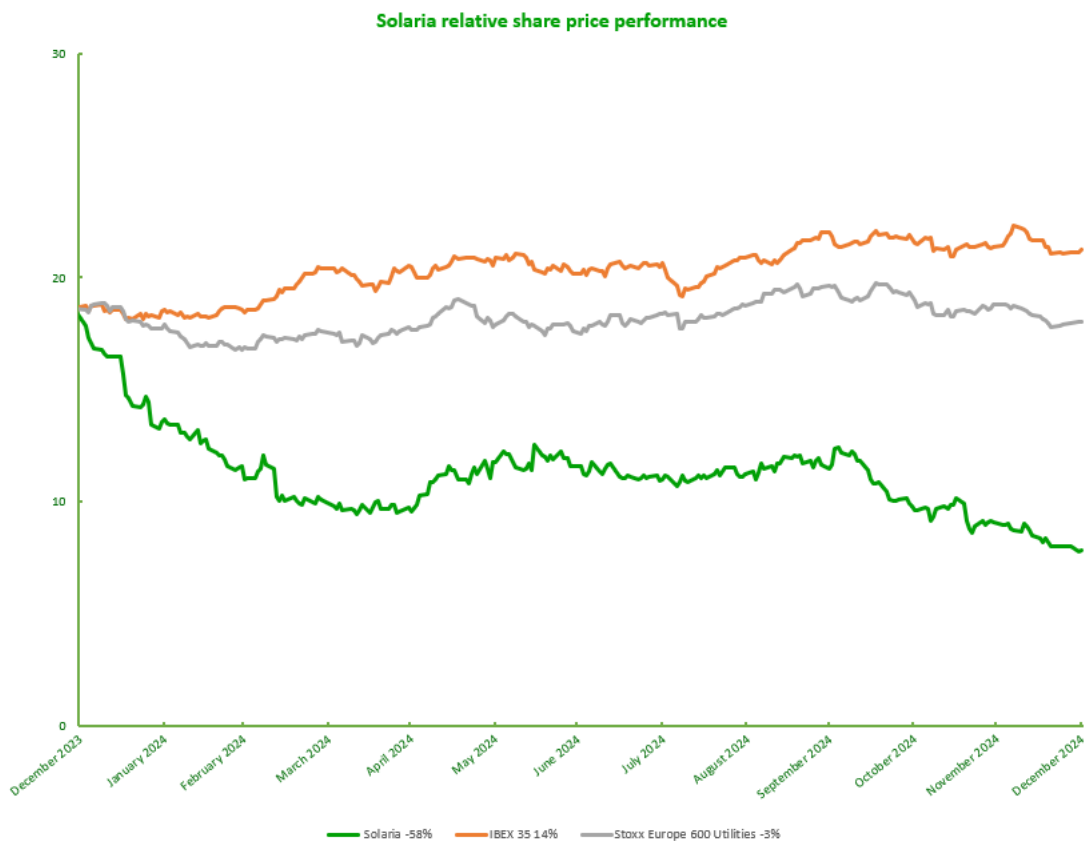
**Expansion into the United Kingdom:** Solaria continues to extend its European footprint, launching operations during the year in the United Kingdom. This market is investing considerably in a center development, becoming a key hub for the Company going forward.

**Generia:** Solaria entered into an exclusive agreement with an infrastructure fund to jointly invest in renewable energy land assets. This operation unlocks the value of the Group’s land assets and highlights its potential for business expansion over the coming years.

Meanwhile, Solaria remains focused on doubling its installed capacity, from 1.6 GW today to 3.1 GW, with projects under construction that are set to come on stream over the course of 2025. This year, the Company is working on securing funding for an additional package of 1.1 GW. It already has the necessary permits, with execution expected to begin in the second half of 2025.

Solaria is positioned as a key player in Europe's digital and energy transition over the coming years.

## 7. Share price performance



## **8. Other relevant information disclosed in the period**

Other relevant information disclosed by the Group parent in 2024 is available by clicking on the following link:

<https://www.cnmv.es/portal/otra-informacion-relevante/resultado-oir.aspx?nif=A83511501&lang=en>

## **9. Disclaimer**

This report has been prepared by Solaria Energía y Medio Ambiente, S.A. for information purposes only. It includes forward-looking statements regarding operations and the Group's strategies.

The report does not constitute an invitation to purchase shares in accordance with the Spanish Securities Market Act approved by Legislative Royal Decree 4/2015 of October 23.

## SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. AND SUBSIDIARIES

### APPENDIX I - APM

Item	Calculation	Reconciliation (€K)		Relevance of use
		2024	2023	
Working capital	Current assets – Current liabilities	161,767 - 293,269 = (131,502)	138,377 - 205,711 = (67,374)	Measure of ability to continue with normal business operations in the short term
EBIT	Revenue + Other income + Other income/(expense) - Personnel expenses - Other operating expenses - Amortization and depreciation	176,905 + 33,538 + 28,944 - 21,161 - 16,957 - 43,656 = 157,613	191,322 + 38,681 - 19,548 - 10,578 - 31,476 = 168,401	Measure of operating profitability without considering interest and taxes
Profit after tax	EBIT ± Net finance income/(expense)	157,613 - 37,471 = 120,141	168,401 - 32,730 = 135,671	Measure of operating profitability without considering taxes
Net finance income/(expense)	Finance income - Finance costs ± Exchange differences	625 - 38,096 = (37,471)	1,439 - 34,169 = (32,730)	Measure of finance cost
EBIT/revenue	$\frac{\text{Revenue} + \text{Other income} + \text{Other income}/(\text{expense}) - \text{Personnel expenses} - \text{Other operating expenses} - \text{Amortization and depreciation}}{\text{Revenue}}$	$\frac{157,613}{176,905} = 89\%$	$\frac{168,401}{191,322} = 88\%$	Measure of operating profitability considering direct and indirect variable generation costs
Net profit/revenue	$\frac{\text{Revenue} + \text{Other income} + \text{Other income}/(\text{expense}) - \text{Personnel expenses} - \text{Other operating expenses} - \text{Depreciation and amortization} + \text{Finance income} - \text{Finance costs} \pm \text{Exchange differences} \pm \text{Income tax}}{\text{Revenue}}$	$\frac{88,613}{176,905} = 50\%$	$\frac{107,514}{191,322} = 56\%$	Measure of operating profitability considering direct and indirect variable generation costs, finance costs and taxes
Personnel expenses/revenue	$\frac{\text{Personnel expenses}}{\text{Revenue}}$	$\frac{21,161}{176,905} = 12\%$	$\frac{19,548}{191,322} = 10\%$	Measure of the relationship between personnel expenses and revenue from energy sales.
Operating expenses/revenue	$\frac{\text{Operating expenses}}{\text{Revenue}}$	$\frac{16,957}{176,905} = 9\%$	$\frac{10,578}{191,322} = 5\%$	Measure of the relationship between direct variable generation costs and revenue from energy sales.
Finance costs/revenue	$\frac{\text{Finance costs}}{\text{Revenue}}$	$\frac{37,471}{176,905} = 21\%$	$\frac{32,730}{191,322} = 17\%$	Measure of the relationship between project finance costs and project revenue from energy sales.

**SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A. AND SUBSIDIARIES**  
**AUTHORIZATION FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The members of the Board of Directors authorized for issue the accompanying 2024 consolidated financial statements and management report at their meeting held on February 25, 2025.

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Enrique Díaz-Tejeiro Gutiérrez  
Chairman

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Arturo Díaz-Tejeiro Larrañaga  
First Vice-Chairman of the Board

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Maria Dolores Larrañaga Horna  
Director

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Manuel Azpilicueta Ferrer  
Director

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Carlos Abad Rico Board member  
Director

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María José Canel Crespo  
Director