

SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A.

Financial Statements and Management Report



December 31, 2024

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AUTHORIZATION FOR ISSUE OF THE FINANCIAL STATEMENTS AND MANAGEMENT REPORT

SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A.
Balance sheet as at December 31, 2024
(Thousands of euros)

ASSETS	Notes	2024	2023
NON-CURRENT ASSETS		675,259	465,659
Intangible assets	5	286	303
Computer software		286	303
Property, plant and equipment	6	21,213	21,329
Land and buildings		20,500	20,378
Plant and other property, plant and equipment		713	951
Non-current investments in group companies and associates		645,261	427,557
Equity instruments	7	645,261	95,818
Loans to group companies	8	-	331,739
Non-current investments	8	394	375
Non-current guarantees and deposits		394	375
Deferred tax assets	13	8,105	16,095
CURRENT ASSETS		69,102	84,613
Non-current assets held for sale	14	28,944	-
Inventories	9	14,288	16,207
Finished goods		14,288	16,207
Trade and other receivables		4,586	16,624
Current trade receivables	8	1,058	754
Trade receivables from group companies and associates	8	3,199	13,862
Current tax assets	13	19	1,688
Other taxes receivable	13	310	321
Current loans to group companies and associates	8	8,881	40,615
Cash and cash equivalents	10	12,403	11,167
TOTAL ASSETS		744,361	550,272

SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A.
Balance sheet as at December 31, 2024
(Thousands of euros)

EQUITY AND LIABILITIES	Notes	2024	2023
EQUITY		608,878	437,501
CAPITAL AND RESERVES		608,878	437,501
Capital	11.1	1,250	1,250
Registered capital		1,250	1,250
Share premium	11.2	309,676	309,676
Reserves	11.3	126,577	97,651
Legal reserve		5,311	5,311
Other reserves		121,266	92,340
Profit for the year	3	171,375	28,924
NON-CURRENT LIABILITIES		4,960	-
Non-current loans and borrowings with group companies and associates	12	4,960	-
CURRENT LIABILITIES		130,523	112,771
Current loans and borrowings	12	72,000	107,742
Bonds and other marketable securities		72,000	104,100
Bank borrowings		-	3,642
Loans and borrowings with group companies and associates	12	44,571	1,596
Trade and other payables		13,952	3,433
Suppliers	12	348	429
Suppliers, group companies and associates	12	1,283	-
Personnel (salaries payable)	12	3,032	3,004
Current tax liabilities	13	9,168	-
Other taxes payable	13	121	-
TOTAL EQUITY AND LIABILITIES		744,361	550,272

SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A.
Income statement for the year ended December 31, 2024
(Thousands of euros)

	Notes	12/31/2024	12/31/2023
CONTINUING OPERATIONS			
Revenue	15.1	199,849	63,269
Sales		177,515	38,879
Rendering of services		22,334	24,390
Changes in inventories of finished goods		(1,921)	(10,743)
Cost of sales	15.2	(6,889)	(10,445)
Subcontracted work		(6,889)	(10,445)
Other operating income		37	301
Non-trading and other operating income		37	301
Personnel expenses	15.4	(12,686)	(13,368)
Salaries, wages and similar		(10,722)	(11,383)
Employee benefits expense		(1,964)	(1,985)
Other operating expenses		(1,954)	(1,358)
External services	15.5	(1,844)	(1,333)
Taxes other than income tax		(110)	(25)
Amortization and depreciation	5 and 6	(604)	(544)
Other income/(expense)	6, 14, 15.3	28,944	-
OPERATING PROFIT		204,776	27,112
Finance income	15.6	105	16,159
Marketable securities and other financial instruments		105	16,159
Group companies and associates		-	15,294
Other		105	865
Finance costs	15.7	(4,532)	(4,236)
Loans and borrowings with group companies and associates		(215)	-
On third-party borrowings		(4,317)	(4,236)
NET FINANCE INCOME/(EXPENSE)		(4,427)	11,923
PROFIT BEFORE TAX		200,349	39,035
Income tax expense	13.1	(28,974)	(10,111)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		171,375	28,924

SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A.**Statement of recognized income and expense and statement of total changes in equity for the year ended December 31, 2024
(Thousands of euros)****A) Statement of recognized income and expense for the year ended December 31, 2024**

(Thousands of euros)	Notes	12/31/2024	12/31/2023
Profit for the year	3	171,375	28,924
Income and expense recognized directly in equity		-	-
Total income and expense recognized directly in equity		-	-
Amounts transferred to the income statement		-	-
TOTAL RECOGNIZED INCOME AND EXPENSE		171,375	28,924

B) Statement of total changes in equity for the year ended December 31, 2024

(Thousands of euros)	Registered capital (Note 11.1)	Share premium (Note 11.2)	Reserves (Note 11.3)	Retained earnings (prior years' losses) (Note 11.3)	Profit/(loss) for the year (Note 3)	Total
Balance at December 31, 2022	1,250	309,676	45,359	(50,182)	102,474	408,577
Recognized income and expense	-	-	-	-	28,924	28,924
Distribution of prior year profit/(loss)	-	-	52,292	50,182	(102,474)	-
Balance at December 31, 2023	1,250	309,676	97,651	-	28,924	437,501
Recognized income and expense	-	-	-	-	171,375	171,375
Distribution of prior year profit/(loss)	-	-	28,924	-	(28,924)	-
Balance at December 31, 2024	1,250	309,676	126,577	-	171,375	608,878

SOLARIA ENERGÍA Y MEDIO AMBIENTE, S.A.
Statement of cash flows
for the year ended December 31, 2024
(Thousands of euros)

	Notes	12/31/2024	12/31/2023
OPERATING ACTIVITIES			
Profit for the year before tax		200,349	39,035
Adjustments for:		(24,500)	(11,379)
Amortization and depreciation	5 and 6	604	544
Finance income	15.6	(105)	(16,159)
Finance costs	15.7	3,945	4,236
Other income/(expense)	15.3	(28,944)	-
Working capital changes		76,808	9,865
Inventories		1,919	10,743
Trade and other receivables		42,084	(1,255)
Trade and other payables		32,805	377
Other cash flows used in operating activities		(2,571)	(13,992)
Other amounts paid/received		-	(9,756)
Interest paid		(3,730)	(4,236)
Income tax received (paid)		1,159	-
Net cash flows from operating activities		250,086	23,529
INVESTING ACTIVITIES			
Payments for investments		(218,070)	-
Group companies		(217,599)	-
Property, plant and equipment		(468)	-
Intangible assets		(3)	-
Net cash flows used in investing activities		(218,070)	-
FINANCING ACTIVITIES			
Proceeds from and payments for financial instruments		(30,782)	(62,544)
Issue/repayment			
Borrowings from group companies and associates	12	(32,100)	(126,218)
Bonds and other marketable securities	12	(3,642)	59,864
Bank borrowings	12	4,960	3,810
Net cash flows used in financing activities		(30,782)	(62,544)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,234	(39,015)
Cash and cash equivalents at January 1		11,167	50,182
Cash and cash equivalents at December 31	10	12,403	11,167

1. Corporate information

Solaria Energía y Medio Ambiente, S.A. ("Solaria" or "the Company") was incorporated on November 27, 2002 as a limited liability company (sociedad anónima) in Spain for an indefinite period. On April 28, 2008, the Company changed its registered address to Calle Velázquez, 47, Madrid, and on July 1, 2009 to c/ Princesa, 2, Madrid.

The Company's object includes mainly:

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.

Solaria's main activities in 2024 and 2023 were the provision of development services for photovoltaic (PV) plants, and the operation and maintenance of its own PV plants.

The Company'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 directly or indirectly. All Solaria Group companies engage mainly in the operation of photovoltaic (PV) solar plants in Spain and other countries where they are located abroad. Accordingly, it is the parent of a group of companies under prevailing legislation.

On the same date as the accompanying financial statements, the directors of the Company authorized for issue the consolidated financial statements of Solaria Energía y Medio Ambiente, S.A. and Subsidiaries 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 Company is controlled by DTL Corporación, S.L. (Note 15), based in Madrid. The consolidated financial statements for DTL Corporación, S.L. and Subsidiaries for the year ended December 31, 2024, will be authorized for issue and filed with the Madrid Companies Register within the legal deadline.

The Company's functional currency is the euro.

2. Basis of preparation

The financial statements have been prepared in accordance with the financial reporting framework applicable to the Company, as set out in the Spanish General Accounting Plan (*Plan General de Contabilidad*) approved by Royal Decree 1514/2007, of November 16, which has been amended several times since its publication, the latest by Royal Decree 7/2024, of December 20, and its implementing regulations, and other prevailing company law.

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

The figures shown in these financial statements are presented in thousands of euros, unless stated otherwise.

2.1 True and fair view

The accompanying financial statements have been prepared from the auxiliary accounting records of the Company in accordance with prevailing accounting legislation to give a true and fair view of the Company's equity, financial position and results. The statement of cash flows was prepared to present fairly the origin and use of the Company's monetary assets representing cash and cash equivalents.

2.2 Comparative information

In accordance with company law, for comparative purposes, for each item of the balance sheet, the income statement, the statement of changes in equity and the 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 financial statements unless an accounting standard specifically states that this is not required.

2.3 Critical issues regarding the measurement and estimation of uncertainties

The preparation of the Company's financial statements required the Company's directors to make certain estimates that affect the reported amounts of certain assets, liabilities, revenue and expenses, and the disclosure of contingent liabilities. These estimates were made based on the best information available at the end of the reporting period. However, given the uncertainty inherent in estimates, future events could require these estimates to be modified in subsequent reporting periods. Any changes in accounting estimates would be made prospectively.

3. Appropriation of profit

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

(Thousands of euros)	2024
Basis of appropriation	
Profit for the year	171,375
	171,375
Appropriation of profit	
To voluntary reserves	171,375
	171,375

3.1 Limitations on the distribution of dividends

The Company 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 Company's capital, profits shall be used to offset such losses.

4. Significant accounting policies

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

4.1 Intangible assets

Intangible assets are initially measured at cost, determined as the purchase price or production cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

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 tested for impairment at least at each financial period end and any impairment is recognized.

Computer software

Computer software includes the amounts paid for applications developed internally by the Company 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.

Costs attributed to in-house personnel involved in the development of computer software are capitalized as an increase in the value of the software, with a credit to "Self-constructed assets" in the income statement.

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.

4.2 Property, plant and equipment

Property, plant and equipment includes mainly land, buildings, plant and machinery.

Property, plant and equipment are initially measured at cost, determined as the purchase price or production cost. After initial recognition, property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment, if any.

Borrowing costs accrued that meet the requirement for capitalization for assets acquired or produced after January 1, 2008 that need more than one year to be brought into working condition are included in the purchase price or production cost.

The value of an item of property, plant and equipment also includes the initial estimate of the present value of obligations for dismantling or removing the item, as well as other obligations associated with the asset, such as restoration, when these obligations give rise to the recognition of provisions.

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. Costs incurred to renovate, enlarge or improve items of property, plant and equipment which increase capacity or productivity or extend the useful life of the asset are capitalized as an increase in the value of the asset. The carrying amount of items that are replaced are derecognized.

Costs of major repairs of items of property, plant and equipment, irrespective of whether the items affected are replaced, are identified as a component of the cost of servicing the asset at the date of recognition of the asset, and depreciated over the period until the subsequent service.

When available for use, property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of the assets.

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

	Years of useful life
Buildings	33
Plant (other)	33-4
Machinery	8
Other property, plant and equipment	8

Land on which the buildings and other constructions are located has an indefinite useful life and, therefore, is not depreciated.

The Company reviews the residual value, useful life and depreciation methods of property, plant and equipment at the end of each reporting period and adjusts them prospectively where applicable.

4.3 Impairment of non-financial assets

At least at the end of each reporting period, the Company 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.

The recoverable amount is the higher of the fair value of the asset less costs to sell and its value in use. The asset is considered impaired when its carrying amount exceeds its recoverable amount. The value in use is the present value of the future cash flows expected to be obtained, discounted at a market risk-free rate and adjusted for any risks specific to the asset. For those assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets, the recoverable amount is determined, where appropriate, for the cash-generating unit to which the asset belongs. A cash-generating unit is understood as the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets.

Impairment losses and any reversals thereof are recognized in the income statement. Impairment losses are reversed only if the circumstances that gave rise to the impairment cease to exist. Goodwill impairment losses cannot be reversed. Impairment is only reversed up to the limit of the carrying amount of the asset that would have been determined had the impairment loss not been recognized.

4.4 Leases

Arrangements are classified as finance leases when the economic conditions of the lease indicate that substantially all the risks and rewards incidental to ownership of the asset are transferred. All other lease arrangements are classified as operating leases.

Company as lessee

At the commencement of the lease term, the Company recognizes assets acquired under a finance lease according to the nature of the asset, and a financial liability for the same amount, at the lower of the fair value of the leased asset and the present value of the minimum lease payments, including the purchase option. Minimum lease payments exclude contingent rents, costs for services and taxes that may be passed on by the lessor. Lease payments are apportioned between finance charges and reduction of the lease liability. The total finance charge is allocated over the lease term and recognized in profit or loss for the reporting period in which it is accrued, using the effective interest rate method. The lessee applies the same depreciation, amortization, impairment and derecognition criteria as applied to assets of a similar nature.

Operating lease payments are recognized as expenses in the income statement when accrued.

Company as lessor

Income from operating leases is recognized in the income statement when accrued. The carrying amount is increased by the amount of directly attributable contract costs, which are recognized as an expense over the lease term using the same criteria as for the recognition of lease income.

4.5 Financial assets

Classification and measurement

The Company classifies all its financial assets, at initial recognition, into one of the categories listed below, which determines how the asset will be measured initially and subsequently:

- Financial assets at amortized cost
- Financial assets at cost

Financial assets at amortized cost

The Company classifies financial assets in this category, even if they are admitted to trading on an organized market, if the following conditions are met:

- The Company holds the financial assets within a business model whose objective is to collect contractual cash flows.

Management of a portfolio of financial assets to collect contractual cash flows does not necessarily imply that all the instruments must be held to maturity. Financial assets can be managed with this objective when sales occur or are expected to occur in the future. For this purpose, the Company considers the frequency, value and timing of sales in prior periods, the reasons for those sales and expectations about future sales activity.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These contractual cash flows are inherent to a basic lending agreement, but the loan agreed could be interest-free or at a below-market interest rate.

This condition is presumed to be met in the case of a bond or simple loan with a specified maturity date whereby the Company receives a floating interest rate, which could be subject to a cap. Conversely, this condition is presumed to be met in the case of instruments that are convertible into equity instruments of the issuer, loans that pay an inverse floating rate (i.e. the interest rate has an inverse relationship to market interest rates) or those in which the issuer may defer interest payments if payment would affect its solvency, without the deferred interest accruing additional interest.

In general, this category includes receivables from trade transactions ("trade receivables") and receivables from non-trade transactions ("other receivables").

Financial assets classified in this category are measured initially at fair value. In the absence of evidence to the contrary, this is presumed to be the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs. There are costs inherent in the transaction, which are capitalized.

Nonetheless, trade receivables falling due within one year for which there is no contractual interest rate, and loans to personnel, dividends receivable and receivables on called-up equity instruments expected to be collected in the short term are measured at their nominal amount, provided that the effect of not discounting the cash flows is not material.

They are measured subsequently at amortized cost. Accrued interest is recognized in profit or loss (finance income) using the effective interest rate method.

Receivables falling due within one year, as explained previously, are measured both initially and subsequently at their nominal amount unless they are credit-impaired.

In general, when contractual cash flows from a financial asset at amortized cost are modified due to financial difficulty of the issuer, the Company assesses whether to recognize an impairment loss.

Financial assets at cost

The Company includes, in any event, the follow assets in this category:

- a) Equity investments in group companies, jointly controlled entities and associates (in the separate financial statements).
- b) Other equity investments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument or cannot be estimated reliably, and derivatives in which the underlyings are these investments.
- c) Hybrid financial assets whose fair value cannot be estimated reliably, except those that qualify for measurement at amortized cost.
- d) Contributions made under unincorporated joint venture or similar agreements.
- e) Profit participating loans with contingent interest payments, either because a fixed interest rate or a floating rate contingent on compliance with a milestone by the borrower (e.g. obtaining profits) is agreed or because it is calculated exclusively by reference to the borrower's financial performance.

- f) Any other financial asset classified initially in the portfolio of financial assets at fair value through profit or loss when it is not possible to obtain a reliable estimate of fair value.

Investments included in this category are measured initially at cost, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs. There are costs inherent in the transaction, which are capitalized.

For investments in group companies, when an investment existed before its classification as an investment in a group company, jointly controlled entity or associate, cost is deemed to be the investment's recognized carrying amount immediately prior to the investee being classified as such.

The investment is also subsequently measured at cost, less any accumulated impairment.

Contributions made under unincorporated joint venture agreements are measured at cost, increased or decreased by the share of profits or losses, respectively, that correspond to the Company as non-managing venturer, less impairment losses, if any.

The same criteria are applied to profit participating loans with contingent interest payments, either because a fixed interest rate or a floating rate contingent on compliance with a milestone by the borrower (e.g. obtaining profits) is agreed or because it is calculated exclusively by reference to the borrower's financial performance. If an irrevocable fixed interest rate is agreed in addition to contingent interest, the fixed interest is recognized as finance income as accrued. Transaction costs are recognized in profit or loss on a straight-line basis over the term of the profit participation loan.

Derecognition of financial assets

The Company derecognizes a financial asset when:

- The contractual rights to the cash flows from the financial asset expire. In this case, a financial asset is derecognized when it has matured and the Company has received the related amount.
- The contractual rights to the cash flows from the financial asset have been transferred. In this case, the financial asset is derecognized when substantially all the risks and rewards incidental to ownership of the asset have been transferred. Specifically, in sales under repurchase agreements, factoring transactions and securitization of financial assets, after comparing the Company's exposure before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset, it is presumed that the risks and rewards have been transferred.

After evaluating the risks and rewards, the Company recognizes the derecognition of the financial assets as follows:

- a) The risks and rewards inherent to ownership of the asset have been substantially transferred. The transferred asset is derecognized and the Company recognizes the gain or loss on the transaction: the difference between the consideration received net of attributable transaction costs (considering any new asset obtained less any new liability assumed) and the carrying amount of the financial asset, plus any cumulative gain or loss previously recognized directly in equity.
- b) The Company retains substantially all the risks and rewards incidental to ownership of the asset. The financial asset is not derecognized and a financial liability is recognized for the amount of the consideration received.
- c) The Company has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset. In this case, there are two possible situations:
 - Control is transferred (the transferee has the practical ability to sell the asset to a third party): the asset is removed from the balance sheet.
 - Control is not transferred (the transferee does not have the practical ability to sell the asset to a third party): the Company continues to recognize the asset at the amount of its exposure to the variability in the value of the asset transferred asset, i.e. to the extent of its continuing involvement, and recognizes an associated liability.

Impairment of non-financial assets

Debt instruments at amortized cost or fair value through profit or loss

At least at each reporting date, the Company assess whether there is objective evidence that a financial asset, or group of financial assets with similar risk characteristics assessed on a collective basis, is impaired as a result of one or more events that occurred after initial recognition that result in a reduction or delay in the estimated future cash flows due to debtor insolvency.

Where such evidence exists, the impairment loss is calculated as the difference between the carrying amount of the asset and the present value of the future cash flows, including any cash flows from enforcement of collateral and personal guarantees, expected to be generated by the asset discounted at the effective interest rate calculated at initial recognition. For floating-rate financial assets, the effective interest rate at the reporting date, in accordance with the contractual terms, is used. The Company uses formula-based approaches or statistical methods to determine impairment losses in a group of financial assets.

Impairment losses and reversals thereof where the amount of the impairment loss decreases due to an event occurring after recognition are recognized as expenses and income, respectively, in profit or loss. The reversal is limited to the carrying amount of the asset that would have been recognized at the reversal date had no impairment loss been recognized.

The Company uses the instrument's market value as a substitute for the present value of future cash flows, provided that this value is sufficiently reliable to be considered representative of the amount the Company could recover.

For assets at fair value through equity, where there is objective evidence that the asset is impaired, accumulated losses recognized in equity for a decrease in fair value are recognized in profit or loss.

Equity instruments at fair value through equity

With this type of investment, the Company considers the instrument to be impaired after a decline of a year and a half or forty percent of its quoted price with no recovery in value. However, it may be necessary to recognize an impairment loss before this period has elapsed or before the quoted price has dropped by that percentage.

Impairment losses are recognized as an expense in profit or loss.

Where the fair value increases, the impairment recognized in prior periods shall not be reversed with a credit to the income statement; rather, the increase in fair value is recognized directly in equity.

Financial assets at cost

In this case, the impairment loss is measured as the difference between the carrying amount and the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the present value of future cash flows from the investment, estimated as either those from dividends expected to be received from the investee and the disposal or derecognition of the investment, or from the share in the cash flows expected to be generated by the investee in the ordinary course of business and from disposal or derecognition. When estimating impairment of these types of assets, the investee's equity is taken into consideration, corrected for any unrealized gains existing at the measurement date, net of the related tax effect, unless better evidence of the recoverable amount of the investment in equity instruments is available.

Impairment, and reversals thereof, are recognized as an expense or as income, respectively, in profit or loss. The loss can only be reversed up to the limit of the carrying amount of the investment that would have been disclosed at the reversal date had the impairment loss not been recognized.

Interest and dividends received from financial assets

Interest and dividends accrued on financial assets are recognized as income in the income statement. Interest is accounted for using the effective interest rate method, while dividends are recognized when the right to receive payment is established.

If distributed dividends are clearly derived from profits generated prior to the acquisition date because amounts have been distributed which are higher than the profits generated by the investee since acquisition, the difference is accounted for as a reduction in the carrying amount of the investment and not recognized as income. Judgment about whether gains have been generated by the investee is made based exclusively on profits recognized in the separate financial statements from the acquisition date, unless the dividend charged to those profits clearly represents a recovery of the investment for the entity receiving the dividend.

4.6 Financial liabilities

Classification and measurement

The Company classifies all its financial liabilities, at initial recognition, into one of the categories listed below:

Financial liabilities at amortized cost

The Company classifies all its financial liabilities in this category except those that must be measured at fair value through profit or loss.

In general, this category includes payables from trade transactions ("trade payables") and payable from non-trade transactions ("other payables").

Profit participation loans that have the characteristics of a basic lending agreement are also included in this category, but the loan agreed could be interest-free or at a below-market interest rate.

Financial liabilities classified in this category are measured initially at fair value. In the absence of evidence to the contrary, this is assumed to be the transaction price, which is equivalent to the fair value of the consideration received adjusted by directly attributable transaction costs. There are costs inherent in the transaction, which are capitalized.

Nonetheless, trade payables falling due within one year for which there is no contractual interest rate, and called-up equity holdings expected to be settled in the short term are measured at their nominal amount, provided that the effect of not discounting the cash flows is immaterial.

They are measured subsequently at amortized cost. Accrued interest is recognized in profit or loss (finance cost) using the effective interest rate method.

Nonetheless, payables falling due within one year measured at the nominal amount, in accordance with the preceding section, continue to be measured at that amount.

Contributions made under unincorporated joint venture agreements and similar are measured at cost, increased or decreased by the share of profits or losses, respectively, that correspond to the Company as non-managing venturer.

The same criteria are applied to profit participating loans with contingent interest payments, either because a fixed interest rate or a floating rate contingent on compliance with a milestone by the borrower (e.g. obtaining profits) is agreed or because it is calculated exclusively by reference to the borrower's financial performance. Finance costs are recognized in profit or loss on an accrual basis, while transaction costs are recognized in profit or loss based on financial criteria or, if this does not apply, a straight-line basis over the term of the profit participating loan.

Derecognition of financial liabilities

The Company derecognizes a previously recognized financial liability in any of the following circumstances:

- The obligation is extinguished because the debtor has paid the creditor to discharge the liability (with cash or other goods or services) or the debtor is legally released from any responsibility for the liability.
- The Company repurchases financial liabilities, even if it intends to reissue them in the future.
- There is an exchange between a borrower and a lender of debt instruments with substantially different terms, in which case the new financial liability is recognized. Similarly, a substantial modification of the terms of an existing financial liability, as explained for debt restructuring, is also accounted for as an extinguishment.

Derecognition of a financial liability is accounted for as follows: the difference between the carrying amount of a financial liability (or part of that liability) extinguished and the consideration paid, including attributable transaction costs and any non-cash asset transferred or liability assumed, is recognized in profit or loss for the reporting period in which it arises.

4.7 Inventories

Inventories are measured at purchase price or production cost. The purchase price comprises the amount invoiced by the seller, after deduction of any discounts, rebates or other similar items, plus any additional costs incurred to bring the goods to a saleable condition, such as transport, import duties, insurance and other costs directly attributable to the acquisition of inventories. Production cost is determined by adding to the purchase price of the raw materials and other consumables, the costs directly attributable to the product. Also included is the proportional amount of costs indirectly attributable to the products that reasonably relates to the production, construction or manufacturing period incurred to bring the item into a saleable condition and are based on the level of usage of normal production capacity.

Borrowing costs are not included in the purchase price or production cost since the Company's inventories do not need more than one year to bring them to a saleable condition.

The Company uses the weighted average cost method to allocate value to inventories.

Write-downs are made and recognized as an expense in the income statement when the purchase price or production cost of inventories exceeds the net realizable value. No write-downs are made for raw materials and other consumables used in the production process if the finished products into which they will be incorporated are expected to be sold above cost.

4.8 Cash and cash equivalents

Cash and cash equivalents include cash, current accounts, short-term deposits and purchases of assets under resale agreements which meet the following criteria:

- They are convertible to cash.
- They have a maturity of three months or less from the date of acquisition.
- There is no significant risk of changes in value.
- They form part of the Company's usual cash management strategy.

For the purposes of the statement of cash flows, occasional overdrafts may also be included as a decrease in cash and cash equivalents when these form an integral part of the Company's cash management.

4.9 Current versus non-current classification

Assets and liabilities are classified in the balance sheet as current or non-current. Accordingly, assets and liabilities are classified as current when they are associated with the Company'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.

4.10 Equity

Share capital is represented by ordinary shares.

The costs of issuing new shares or options are taken directly to equity as a reduction in reserves.

When the Company buys back own shares, the consideration paid, including any directly attributable incremental costs, is deducted from equity until the shares are canceled, reissued or sold. Where these shares are sold or subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs, is included in equity.

4.11 Revenue and expenses

Revenue and expenses are recognized on an accrual basis, i.e. when they are accrued or incurred, regardless of when actual collection or payment occurs. Revenue is measured at the fair value of the consideration received less discounts and taxes.

The Company recognizes revenue following a five-step process:

- a) Identify the contract(s) with the customer, understood as an agreement between two or more parties that creates enforceable rights and obligations.
- b) Identify the performance obligation or obligations in the contract, i.e. the promise to transfer goods or provide services to the customer.
- c) Determine the transaction price, or the amount of consideration to which the Company expects to be entitled from the contract in exchange for transferring promised goods or services to a customer.
- d) Allocate the transaction price to the performance obligations on a relative stand-alone selling price basis of each distinct good or service promised in the contract or, where applicable, based on an estimate of the stand-alone selling price when it is not directly observable.

- e) Recognize revenue when (or as) the Company satisfies a performance obligation by transferring a promised good or service. A good or service is considered to be transferred when the customer obtains control, so the amount of revenue recognized is the amount allocated to the performance obligation satisfied.

Recognition

The Company recognizes revenue from a contract when it transfers to the customer control of the promised goods or services (i.e. the performance obligation or obligations).

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or at a point in time.

Revenue from performance obligations satisfied over time is recognized by measuring the progress towards complete satisfaction of the contractual obligations provided that the Company has reliable information for measuring progress.

For contractual obligations satisfied at a point in time, the contract revenue is recognized on satisfaction at that date. Costs incurred in producing or manufacturing the product are accounted for as inventories.

Satisfaction of the performance obligation over time

The Company transfers control of an asset over time if one of the following criteria are met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.
- The Company creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

Performance obligations satisfied at a point in time

To identify the point in time at which a customer obtains control of the asset, the Company considers the following indicators:

- The customer assumes the significant risks and rewards of ownership of the asset.

- The Company transfers physical possession of the asset.
- The customer receives the asset in accordance with the agree-upon specifications.
- The Company is entitled to collect consideration for transferring the asset.
- The customer has title to the asset.

Measurement

Revenue from the sale of goods and the rendering of services is measured at the monetary amount or, where applicable, the fair value of the consideration received or receivable. The consideration is the agreed price for the assets transferred to the customer less: the amount of any trade discount, rebates or similar items granted by the Company and interest on the nominal amount.

4.12 Income tax

The Company is head of tax group 0191/10, which includes all the Spanish subsidiaries.

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 corresponding tax expense is recognized in the income statement, except when it relates to transactions recognized directly in equity, in which case the corresponding tax expense is likewise recognized in equity, and in the initial recognition of business combinations, for which it is recognized in a similar manner to the other assets and liabilities of the acquiree.

Deferred taxes are recognized for 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 balance sheet, as appropriate.

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

The Company 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 Company reassesses recognized and previously unrecognized deferred tax assets. Based on this analysis, the Company 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.

In addition to the aforementioned parameters used for the purposes of individual taxation, the determination of the income tax expense of the companies filing consolidated tax returns also takes into account the following:

- a) The temporary and permanent differences arising as a result of the elimination of the results of transactions between Group companies in the process used to calculate consolidated taxable profit or tax loss.
- b) The tax credits and tax relief of each company in the consolidated tax group; for these purposes, the tax credits or tax relief are allocated to the company that performed the activity or obtained the income required to give entitlement to the tax credit or tax relief.
- c) 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.
- d) 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.

4.13 Foreign currency transactions

The Company's functional and presentation currency is the euro.

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.

4.14 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.

4.15 Related party transactions

Related party transactions are measured using the same criteria described above.

4.16 Provisions and contingencies

Liabilities for which the amount and settlement date are uncertain are recognized as provisions in the balance sheet when the Company 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.

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.

Reimbursements receivable from a third party on settlement of the obligation do not reduce the amount of the debt. The related receivable is recognized as an asset provided that there is no doubt as to its collection. Where a risk is externalized by means of a legal or contractual agreement, provision is only made for the part of the risk assumed by the Company.

Contingent liabilities are 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 Company and present obligations that arise from past events for which it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or for which the amount of the obligation cannot be measured with sufficient reliability. These liabilities are not recognized, but are disclosed in the accompanying notes, unless the possibility of an outflow of resources is remote.

4.17 Termination benefits

In accordance with prevailing labor legislation, the Company is required to pay indemnities to employees whose contracts are terminated under certain circumstances. Reasonably quantifiable termination benefits are recognized as an expense in the year in which the Company has created a valid expectation with respect to third parties that it will assume an obligation.

4.18 Non-current assets and disposal groups held for sale

The Company classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use and provided that the following requirements are met:

- the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets; and
- its sale must be highly probable.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for deferred tax assets, assets arising from employee benefits, and financial assets that are not equity investments in group companies, jointly controlled entities and associates, which are measured in accordance with their specific standards. These assets are not depreciated and, where necessary, the corresponding impairment is recognized so that the carrying amount does not exceed the fair value less costs to sell.

Disposal groups held for sale are measured applying the same rules as in the preceding paragraph. After classification, the group of assets as a whole is measured at the lower of its carrying amount and fair value less costs to sell.

The associated liabilities are classified under "Liabilities associated with non-current assets held for sale". There were no discontinued operations at December 31, 2024 and 2023.

5. Intangible assets

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

(Thousands of euros)	Balance at January 1	Additions and allowances	Disposals and reversals	Balance at December 31
2024				
Cost				
Computer software	383	3	-	386
Accumulated amortization				
Computer software	(80)	(20)	-	(100)
Carrying amount	303			286
2023				
Cost				
Computer software	128	255	-	383
Accumulated amortization				
Computer software	(40)	(40)	-	(80)
Carrying amount	88			303

5.1 Significant movements

Additions in 2024 amounted to 3 thousand euros.

Additions in 2023 amounted to 255 thousand euros and related primarily to the implementation of different software by the Company for its cybersecurity systems.

The Company did not have any fully amortized items of intangible assets still in use at December 31, 2024 and 2023.

6. Property, plant and equipment

Reconciliation of the carrying amount of property, plant and equipment at the beginning and end of the period:

(Thousands of euros)	Balance at January 1	Additions and depreciation	Unused amounts reversed	Held for sale (Note 6.3)	Disposals	Balance at December 31
2024						
Cost						
Land and buildings	43,119	463	-	(17,144)	-	26,438
Plant	44,865	5	-	(37,924)	-	6,946
Other property, plant, and equipment	323	-	-	-	-	323
	88,307					33,707
Accumulated depreciation						
Buildings	(11,812)	(340)	-	6,669	-	(5,483)
Plant	(21,702)	(244)	-	15,496	-	(6,450)
Other property, plant, and equipment	(106)	-	-	-	-	(106)
	(33,620)					(12,039)
Impairment losses						
Land and buildings	(10,930)	-	9,601	-	874	(455)
Plant	(22,428)	-	19,343	-	3,085	-
	(33,358)					(455)
Carrying amount	21,329					21,213

(Thousands of euros)	Balance at January 1	Additions and allowances	Transfers	Balance at December 31
2023				
Cost				
Land and buildings	43,119	-	-	43,119
Plant	44,865	-	-	44,865
Other property, plant, and equipment	304	19	-	323
	88,288			88,307
Accumulated depreciation				
Buildings	(11,552)	(260)	-	(11,812)
Plant	(21,458)	(244)	-	(21,702)
Other property, plant, and equipment	(106)	-	-	(106)
	(33,116)			(33,620)
Impairment losses				
Land and buildings	(10,930)	-	-	(10,930)
Plant	(22,428)	-	-	(22,428)
	(33,358)			(33,358)
Carrying amount	21,814			21,329

6.1 Significant movements

Movements in 2024 and 2023 related primarily to depreciation.

6.2 Operating leases

Operating leases - Company as lessee

Future minimum rentals payable under non-cancellable operating leases as at December 31 are as follows:

(Thousands of euros)	2024	2023
Within one year	613	550
After one year but not more than five years	-	529
	613	1,079

The Company has leased its central offices in Madrid, at calle Princesa 2, from DTL Corporación, S.L., the Company's majority shareholder, under the lease agreements entered into on July 1, 2009. The Company paid 594 thousand euros of rent in 2024 for these offices (2023: 508 thousand euros). The lease contract includes parking spaces.

Operating leases - Company as lessor

The Company has leased land to subsidiaries since 2009. It owns the assets, while the subsidiaries hold the permits, licenses and authorizations. The Company leases land in Fuenmayor to the Planta Solar Puertollano 6, S.A. subsidiary, and the covering of an industrial warehouse in Puertollano to Solaria Casiopea, S.A. It also leases land in Fuenmayor to third parties.

Rental income in 2024 from these leases, which are renewed annually and linked to revenue from power generation from the leases, amounted to 609 thousand euros (2023: 672 thousand euros), recognized under "Rendering of services" in the income statement (Note 15.1).

Future minimum rentals receivable under non-cancellable operating leases as at December 31 are as follows:

(Thousands of euros)	2024	2023
Within one year	657	672
After one year but not more than five years	2,841	2,841
More than five years	5,179	5,851
	8,677	9,364

6.3 Impairment of property, plant, and equipment

In prior years, the Company 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:

<i>(Thousands of euros)</i>			Impairment	
Asset	Nature	Segment	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 standards, the carrying amount of Puertollano was reclassified to "Non-current assets held for sale" (Note 14).

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 point of consumption, land and warehouses. All these offers were worth over 28.9 million euros (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.

6.4 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.

There were no commitments to acquire any items of property, plant, and equipment at December 31, 2024, and 2023. The Company also did not have any capitalized interest expenses.

The Company 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.

7. Equity investments in group companies

The movements in items composing this item are as follows:

(Thousands of euros)	Balance at January 1	Additions	Balance at December 31
2024			
Equity instruments			
Cost	95,834	549,443	645,277
Impairment losses	(16)	-	(16)
	95,818	549,443	645,261
2023			
Equity instruments			
Cost	80,987	14,847	95,834
Impairment losses	(16)	-	(16)
	80,971	14,847	95,818

7.1 Significant movements

Additions in 2024 related primarily to capital contributions through loans forgiveness taken out with subsidiaries, essentially Generia Land, S.L for 4,582 thousand euros, Solaria Energía y Generación Renovables, S.L. for 506,408 thousand euros, and Solaria Promoción y Desarrollo Fotovoltaico, S.L. for 38,033 thousand euros. Additions in 2023 reflected an additional capital contribution through forgiveness of a loan with subsidiary Generia Land, S.L for 14,847 thousand euros.

7.2 Description of investments

The amounts of capital, reserves, profit or loss and other relevant information of direct investees as at December 31, 2024, are shown below:

12/31/2024 - Thousands of euros	%					
Ownership interest	Direct ownership interest	Carrying amount	Capital	Share premium + reserves	Profit/(loss)	Total equity
Planta Solar Puertollano 4, S.L. (unaudited)	100%	96	3	25	7	35
Planta Solar Puertollano 8, S.L. (unaudited)	100%	321	3	(3)	-	-
Pronature, S.L. (unaudited)	6%	-	50	267	(45)	273
Generia Land, S.L. (unaudited)	100%	19,432	3	20,172	701	20,876
Prodigy Orbit, LDA (unaudited)	50%	155	-	16,417	161	16,578
Solaria energía y generación renovables, S.L. (unaudited)	100%	587,215	1,965	610,223	1,649	613,837
Solaria Promoción y Desarrollo Fotovoltaico, S.L. (unaudited)	100%	38,036	3	51,843	20,381	72,227
Solaria Ingeniería y Construcción Fotovoltaica, S.L. (unaudited)	100%	3	3	224,842	58,887	283,732
Solaria Data Center, S.L. (unaudited)	100%	-	3	-	-	3
Solaria Representación en Mercado, S.L. (Unaudited)	100%	3	3	-	-	3
		645,261				

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The amounts of capital, reserves, profit or loss and other relevant information of direct investees as at December 31, 2023, are shown below:

12/31/2023 - Thousands of euros	% Direct ownership interest	Carrying amount	Capital	Share premium + reserves	Profit/(los s)	Total equity
Ownership interest						
Planta Solar Puertollano 4, S.L. (unaudited)	100%	-	3	(78)	8	(67)
Planta Solar Puertollano 8, S.L. (unaudited)	100%	-	3	(324)	-	(321)
Pronature, S.L. (unaudited)	6%	-	50	212	55	317
Planta FV 4, S.L. (unaudited)	100%	-	3	678	-	681
Generia Land, S.L. (unaudited)	100%	14,850	3	15,282	410	15,695
Prodigy Orbit, LDA (audited)	50%	155	-	15,495	4,027	19,522
Solaria Energía y Generación Renovables, S.L. (unaudited)	100%	80,807	1,965	108,175	(439)	109,701
Solaria Energía y Proyectos Internacionales, S.L. (unaudited)	100%	-	3	(176)	-	(173)
Solaria Promoción y Desarrollo Fotovoltaico, S.L. (unaudited)	100%	3	3	5,605	12,840	18,448
Solaria Ingeniería y Construcción Fotovoltaica, S.L. (unaudited)	100%	3	3	179,135	50,162	229,300
		95,818				

The profit or loss of the companies in the preceding table correspond entirely to continuing operations. None of the companies is listed on a stock exchange.

The main shareholding included under "Non-current investments in group companies and associates" relates to Solaria Energía Generación Renovable, S.L. The Company's management verified that there was no indication of impairment of its shareholdings, either in this company or the rest of its investees.

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.

8. Financial assets

The breakdown of "Financial assets", excluding equity investments in group companies, jointly controlled entities and associates (Note 7), at December 31, is as follows:

(Thousands of euros)	Loans to group		Loans, derivatives and		Total	
	2024	2023	2024	2023	2024	2023
Non-current financial assets						
Financial assets at amortized cost						
Loans to related parties (Note 16.1)	-	331,739	-	-	-	331,739
Non-current guarantees and deposits	-	-	394	375	394	375
	-	331,739	394	375	394	332,114
Current financial assets						
Financial assets at amortized cost						
Trade receivables	-	-	1,058	754	1,058	754
Trade receivables from group companies and	-	-	3,199	13,862	3,199	13,862
Current accounts with group companies (Note 16.1)	8,881	40,615	-	-	8,881	40,615
	8,881	40,615	4,257	14,616	13,138	55,231
	8,881	372,354	4,651	14,991	13,532	387,345

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All the financial assets are measured at cost or amortized cost and their carrying amount does not differ significantly from their fair value.

Loans to group companies

This item at December 31, 2024, included all loans granted by the Company to the subsidiaries transferred to Group companies.

At December 31, 2023, it included a long-term loan to Solaria Energía Generación Renovable, S.L.U. for 226,057 thousand euros and other long-term credit facilities arranged by the Company at December 31, 2023, and granted to Solaria Ingeniería y Construcción Fotovoltaica S.L., for 78,848 thousand euros, and Solaria Promoción y Desarrollo Fotovoltaico S.L., for 26,827 thousand euros. Finance income in the year ended December 31, 2023, amounted to 15,294 thousand euros (Notes 15.7 and 16.1). In early 2024, an agreement was reached for forgiveness and conversion into equity of these loans (Note 7).

At December 31, 2024, current accounts with Group companies included primarily 8,881 thousand euros for consolidated tax and prepayments to various international subsidiaries (2023: 40,615 thousand euros) (Note 13).

Trade and other receivables

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

(Thousands of euros)	2024	2023
Trade receivables	1,058	754
Trade receivables from group companies and associates (Note 16)	3,199	13,862
	4,257	14,616

The fair values of these financial assets do not differ from their carrying amounts.

Impairment losses

The balance of "Trade receivables" at December 31, 2024 and 2023 is presented net of impairment losses.

9. Inventories

Inventories at December 31, 2024 and 2023 relate to costs incurred to develop new PV plants for sale to other Group companies on completion of construction. Capitalized finance costs in the year amounted to 4,314 thousand euros (2023: 4,237 thousand euros). No allowances were made for write-downs at December 31, 2024 and 2023.

10. Cash and cash equivalents

The amount shown under this item includes only balances in current accounts with banks and cash at December 31, 2024 and 2023. The current accounts earn market rates of interest.

11. Equity – capital and reserves

11.1 Registered capital

The Company'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.

The main shareholders and ownership interests at December 31, 2024 and 2023 are as follows:

	2024	2023
DTL Corporación, S.L.	34.91%	34.91%
Other shareholders	65.09%	65.09%
	100%	100%

The shares comprising 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.

11.2 Share premium

At December 31, 2024 and 2023, the share premium amounted to 309,676 thousand euros.

The share premium is unrestricted provided that its distribution does not reduce shareholders' equity to below share capital.

11.3 Reserves and retained earnings (prior years' losses)

The movement of items composing "Reserves" and "Retained earnings (prior years' losses)" is as follows:

(Thousands of euros)	Adjusted balance at January 1	Other changes	Distribution of profit/(loss)	Balance at December 31
2024				
Legal reserve	5,311	-	-	5,311
Voluntary reserves	92,342	-	28,924	121,266
	97,651	-	28,924	126,577
2023				
Legal reserve	5,311	-	-	5,311
Voluntary reserves	40,050	-	52,292	92,342
	45,359			97,651
Prior years' losses	(50,182)	-	50,182	-
	(4,823)	-	102,474	97,651

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Voluntary reserves are unrestricted provided that their distribution does not reduce shareholders' equity to below share capital.

Legal reserve

In accordance with the consolidated text of the Spanish Corporate Enterprises Act (*texto refundido de la Ley de Sociedades de Capital*), until the legal reserve exceeds the limit of 20% of share capital, it cannot be distributed to shareholders and can only be used to offset losses, if no other reserves are available for this purpose. This reserve can be used to increase capital by the amount exceeding 10% of the new capital after the increase.

The Company's legal reserve at both December 31, 2024 and 2023 amounted to 5,311 thousand euros, above the minimum threshold.

It may not be distributed and can only be used to offset losses if no other reserves are available. Any amount of the reserve used for this purpose must be restored with future profits.

12. Financial liabilities

The breakdown of "Financial liabilities" at December 31 is as follows:

(Thousands of euros)	Bank borrowings		Bonds and other marketable securities		Loans and borrowings with related parties		Derivatives and other		Total	
	(Note 12.1)		(Note 12.2)		(Note 16.1)		(Note 12.2)			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Non-current financial liabilities										
Liabilities at amortized cost or cost										
Non-current loans and borrowings with group companies and associates (Note 16.1)	-	-	-	-	4,960	-	-	-	4,960	-
	-	-	-	-	4,960	-	-	-	4,960	-
Current financial liabilities										
Liabilities at amortized cost or cost										
Current loans and borrowings	-	3,642	72,000	104,100	-	-	-	-	72,000	107,742
Current loans and borrowings with group companies and associates (Note 16.1)	-	-	-	-	44,571	1,596	-	-	44,571	1,596
Suppliers	-	-	-	-	-	-	348	429	348	429
Suppliers, group companies	-	-	-	-	-	-	1,283	-	1,283	-
Payable to employees	-	-	-	-	-	-	3,032	3,004	3,032	3,004
	-	3,642	72,000	104,100	44,571	1,596	4,663	3,433	121,234	112,771
	-	3,642	72,000	104,100	49,531	1,596	4,663	3,433	126,194	112,771

All the liabilities are measured at cost or amortized cost and their carrying amount does not differ significantly from their fair value.

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12.1 Bank borrowings

The breakdown of "Bank borrowings" at December 31 is as follows:

(Thousands of euros)	2024	2023
Current		
Bank loans and borrowings	-	3,642
	-	3,642

The loan matured in the short term and carried a fixed rate of interest.

12.2 Other financial liabilities

Other financial liabilities at December 31:

(Thousands of euros)	2024	2023
Non-current		
Loans and borrowings with group companies and associates (Note 16)	4,960	-
	4,960	-
Current		
Bonds and other marketable securities	72,000	104,100
Loans and borrowings with group companies and associates (Note 16)	44,571	1,596
Trade and other payables	4,663	3,433
	121,234	109,129
	126,194	109,129

Loans and borrowings with group companies and associates

Long-term loans and borrowings related to the loan granted to Solaria Eguzki Sorkuntza, S.L., with maximum maturity at May 29, 2028, carrying interest at the Euribor rate plus a 0.5% spread.

At December 31, 2024, current accounts with Group companies, under current assets, included primarily 11,306 thousand euros for consolidated income tax.

Bonds and other marketable securities

This relates to the promissory notes program for institutional investors on Spain's alternative fixed-income market (Mercado Alternativo de Renta Fija or "MARF") with maturities at 12 months. At December 31, 2024, the balance stood at 72,000 thousand euros, with maturities between January and June 2025 (2023: 104,100 thousand euros). This liability accrues fixed interest at market rates.

Current trade and other payables

The breakdown of this item at December 31, 2024, and 2023 is as follows:

(Thousands of euros)	2024	2023
Suppliers	348	429
Suppliers, group companies and associates	1,283	-
Payable to employees	3,032	3,004
	4,663	3,433

13. Tax position

The breakdown of tax assets and tax liabilities at December 31 is as follows:

(Thousands of euros)	2024	2023
Deferred tax assets	8,105	16,095
Current tax assets	19	1,688
Other receivables from public authorities	310	321
	8,434	18,104
Current tax liabilities	9,168	-
Other taxes payable	121	-
	9,289	-

Since 2010, the Company 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 has expired. The Company is open to inspection of all taxes to which it is liable for the last four years.

The Company'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 Company's transactions.

13.1 Calculation of income tax expense

Set out below is the reconciliation of net income and expense for the year to taxable income (tax loss):

(Thousands of euros)	2024		
	Income statement		
	Increases	Decreases	Total
Profit for the year			171,375
Income tax			28,974
Profit before tax			200,349
Permanent differences			
Of the parent	190	-	190
Temporary differences			
Of the parent	-	(277)	(277)
Elimination/addition of internal re invoicing among companies in the tax group	12,015	(96,618)	(84,603)
Offset of unused tax losses	-	(18,609)	(18,609)
Taxable income/(tax loss)			97,050

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Set out below is the reconciliation of net income and expense for the year to taxable income (tax loss):

(Thousands of euros)	2023		
	Income statement		
	Increases	Decreases	Total
Profit for the year			28,924
Income tax			10,111
Profit before tax			39,035
Permanent differences			
Of the parent	163	-	163
Temporary differences			
Of the parent	-	(277)	(277)
Elimination/addition of internal re invoicing among companies in the tax group	9,317	(7,914)	1,403
Offset of unused tax losses	-	(63,969)	(63,969)
Taxable income/(tax loss)			(23,645)

The reconciliation between income tax expense/(income) and the result of multiplying total recognized income and expenses by the applicable tax rates is as follows:

(Thousands of euros)	2024	2023
Profit before tax	200,349	39,035
Theoretical tax charge (25%)	50,087	9,759
Permanent differences	38	40
Elimination/addition of internal re invoicing among companies in the tax group	(21,151)	351
Other / adjustments in respect of prior years	-	(39)
Effective tax expense/(income)	28,974	10,111

The breakdown of income tax expense/(income) is as follows:

(Thousands of euros)	2024	2023
Current tax (taxable income at 25%)	20,924	(5,910)
Changes in deferred taxes		
Tax credits used in the year	3,338	65
Change in deferred taxes with impact on the income statement (tax losses and temporary differences)	4,722	15,992
Other / adjustments in respect of prior years	-	(35)
Effective tax expense/(income)	28,974	10,111

Income tax payable/(refundable) is as follows:

(Thousands of euros)	2024	2023
Tax	28,974	10,111
Recognized tax credits and carry forward of tax losses	(7,990)	(16,057)
Withholdings and payments on account	(510)	(6,818)
Payable on behalf of subsidiaries as head of the tax group	(11,306)	11,076
Total amount payable/(refundable)	9,168	(1,688)

13.2 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 Income statement	Balance at December 31
2024			
Deferred tax assets			
Tax losses	12,572	(4,652)	7,920
Unused tax credits and other	3,523	(3,407)	116
	16,095	(8,059)	8,105

(Thousands of euros)	Balance at January 1	Changes reflected in Income statement	Balance at December 31
2023			
Deferred tax assets			
Tax losses	28,564	(15,992)	12,572
Unused tax credits and other	3,588	(65)	3,523
	32,152	(16,057)	16,095

The amount of changes in deferred tax assets under "Other movements" relates to the recognition of tax losses for consolidated tax.

Unused tax losses

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

Year arising	Thousands of euros	
	2024	2023
2008	-	5,321
2009	-	4,252
2013	29,427	38,462
2014	2,252	2,252
	31,679	50,287

In 2024, the tax group to which the Company belongs utilized tax losses of the Company in the amount of 18,609 thousand euros related to a deferred tax asset of 4,652 thousand euros.

Assessment of the recoverability of deferred tax assets

The directors estimated the Company's future taxable profit and that of the tax group. 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 installed capacity and, therefore, the Group's earnings in the coming years, the Company recognized deferred tax assets for all the items shown above, recognizing a total amount at December 31, 2024 of 8,105 thousand euros (2023: 16,095 thousand euros). In 2024, the Company recognized unused tax losses as envisaged in the business plan.

14. Non-current assets held for sale

In 2024, the Company 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.

15. Revenue and expenses

15.1 Revenue

The breakdown of the Company's revenue from continuing operations by business segment is as follows:

(Thousands of euros)	2024	2023
Sale of inventories	177,515	38,879
Rendering of operation and maintenance services	4,188	1,096
Management services for the group	18,146	22,622
Leases and other services (Note 6.2)	609	672
	199,849	63,269

Revenue arises primarily from transactions with other Solaria Group companies (Note 16). The increase compared to the year before was due, among other things, to the performance of construction of PV projects that were transferred to different Group companies in the current year, as provided for in the business plan to achieve the operational capacity envisaged.

15.2 Cost of sales

The breakdown of cost of sales is as follows:

(Thousands of euros)	2024	2023
Subcontracted work	6,889	10,445
	6,889	10,445

15.3 Other income/(expense)

Finally, the Group recognized 28.9 million euros for the Puertollano plant under "Other income/(expense)" (Note 14).

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15.4 Personnel expenses

The breakdown of "Personnel expenses" is as follows:

(Thousands of euros)	2024	2023
Salaries, wages and similar		
Salaries and wages	10,722	11,383
Employee benefits expense		
Social Security	1,964	1,985
	12,686	13,368

There are no pension or similar commitments with Company employees.

15.5 External services

The breakdown of "External services" is as follows:

(Thousands of euros)	2024	2023
Leases (Note 6.2)	763	515
Repairs and maintenance	13	-
Independent professional services	288	257
Insurance premiums	327	44
Banking services	-	19
Utilities	48	-
Other services	405	498
	1,844	1,333

15.6 Finance income

The breakdown of "Finance income" is as follows:

(Thousands of euros)	2024	2023
Interest on loans to group companies (Note 16)	-	15,294
Interest on loans to third parties	105	865
	105	16,159

15.7 Finance costs

The breakdown of "Finance costs" is as follows:

(Thousands of euros)	2024	2023
Interest on loans to group companies (Note 16)	(215)	-
Interest on third-party borrowings	(4,317)	(4,236)
	(4,532)	(4,236)

16. Related party transactions

Related parties with which the Company carried out transactions in 2024 and 2023 and the nature of the relationship are as follows:

	Nature of the relationship
DTL Corporación, S.L.	Direct parent
Solaria Ingeniería y Construcción Fotovoltaica, S.L.	Group company
Solaria Promoción y Desarrollo Fotovoltaico, S.L.	Group company
Adhara Solar, S.L.	Group company
Planta FV 108, S.L.	Group company
Planta FV 110, S.L.	Group company
Planta FV 137, S.L.	Group company
Planta FV 120, S.L.	Group company
Planta FV 125, S.L.	Group company
Planta FV 119, S.L.	Group company
Planta FV 109, S.L.	Group company
Planta FV 106, S.L.	Group company
Planta FV 105, S.L.	Group company
Planta Solar Puertollano 10, S.L.	Group company
Planta FV 3, S.L.	Group company
Guleve Investments, S.L.	Group company
Lerapa Investments, S.L.	Group company
Planta FV 4, S.L.	Group company
Planta FV 104, S.L.	Group company
Planta FV 102, S.L.	Group company
Planta FV 101, S.L.	Group company
Planta FV 100, S.L.	Group company
Planta FV 116, S.L.	Group company
Planta FV 114, S.L.	Group company
Planta FV 107, S.L.	Group company
Planta FV 103, S.L.	Group company
Hydra Solar, S.L.	Group company
Serpens Solar, S.L.	Group company
Globasol Villanueva 1, S.A.U.	Group company
Solaria Casiopea, S.A.U.	Group company
Magacela Solar 1, S.A.U.	Group company
Planta FV 127, S.L.	Group company
Planta FV 122, S.L.	Group company
Planta FV 128, S.L.	Group company
Planta FV 129, S.L.	Group company
Planta FV 133, S.L.	Group company
Planta FV 134, S.L.	Group company
Planta FV 136, S.L.	Group company
Planta FV 132, S.L.	Group company
Planta FV 153, S.L.	Group company
Planta FV 152, S.L.	Group company
Planta FV 151, S.L.	Group company
Planta FV Europa, S.L.	Group company
Planta FV Calisto, S.L.	Group company
Planta FV 117, S.L.	Group company
Elassona	Group company
Planta FV 123, S.L.	Group company
Planta FV 130, S.L.	Group company
Planta FV 135, S.L.	Group company
Planta FV 139, S.L.	Group company
Planta FV 140, S.L.	Group company
Planta Solar Puertollano 4, S.L.	Group company
Planta Solar Puertollano 6, S.A.U.	Group company
Planta FV 141, S.L.	Group company
Pronature S.L.	Group company

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Natelu, S.A.	Group company
Radiant Jupiter Lda.	Group company
Solaria Energia Renovaveis Portugal S.L.	Group company
Solaria Services Italy S.r.l.	Group company
Solaria Promozione e Sviluppo Fotovoltaico, S.r.l.	Group company
Solaria Ingeniería y Construcción Fotovoltaica, S.L. sucursal em Portugal	Group company
Solaria Deutschland GmbH	Group company
Solaria Energia Inversiones FV S.L.	Group company
Solaria Eguzki Sorkuntza S.I.	Group company
Solaria Eraikuntza S.L.	Group company
Marche Energia S.r.l.	Group company
Ollastra Energia S.r.l.	Group company
Serre UTA 1 Societa Agricola S.r.l.	Group company
Directors	Directors
Senior management	Executives

16.1 Related parties

The breakdown of related party balances is as follows:

(Thousands of euros)	Other group companies
2024	
Current loans (Note 8)	8,881
Trade receivables and current account (Note 8)	3,199
Non-current loans and borrowings with group companies and associates (Note 12)	(4,960)
Current loans and borrowings with group companies and associates (Note 12)	(44,571)
Group suppliers (Note 12)	(1,283)
2023	
Non-current loans (Note 8)	331,739
Current loans (Note 8)	40,615
Trade receivables and current account (Note 8)	13,862
Loans and borrowings with group companies and associates (Note 12)	(1,596)

The breakdown of related party transactions is as follows:

(Thousands of euros)	Direct parent	Other group companies	Total
2024			
Sales	-	177,243	177,243
Rendering of services	-	20,956	20,956
Other income	-	2	2
External services (Note 6)	(609)	-	(609)
Finance costs - Interest (Note 15.7)	-	(215)	(215)
2023			
Sales	-	37,686	37,686
Rendering of services	-	22,348	22,348
Other income	-	26	26
External services (Note 6)	(508)	-	(508)
Finance income - Interest (Note 15.6)	-	15,294	15,294

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

All related party transactions relate to the Company's normal trade operations and are carried out on an arm's length basis, similar to transactions with unrelated parties.

16.2 Directors and senior management

The breakdown of remuneration accrued by members of the Company's Board of Directors and senior management is as follows:

(Thousands of euros)	2024	2023
Directors	620	498
Salaries	620	498
Senior management	3,076	3,032
Salaries	3,076	3,032
	3,696	3,530

No civil liability insurance premiums were paid on behalf of directors for damages caused in 2024 or 2023.

At December 31, 2024 and 2023, the Company 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.

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 Company.

17. Nature and extent of risks arising from financial instruments

The risk management policies are established by management and were approved by the Company's directors. Based on these policies, the Finance Department has established a series of procedures and controls that make it possible to identify, measure, and manage the risks arising from financial instrument activity. These policies stipulate, *inter alia*, that the Company may not use derivatives for speculative purposes.

Financial instrument activity exposes the Company to credit, market, and liquidity risk.

17.1 Credit risk

Credit risk arises when there is a possible loss caused by the Company's counterparty not meeting its contractual obligations, i.e. the possibility that financial assets will not be recovered at their carrying amount within the established time frame.

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.

Regarding credit risk arising from receivables, the Company does not consider that credit risk is high since they relate mainly to Group companies and associates.

In addition, the Business Development Department and the Finance Department set individual credit limits for each customer based on information received from an entity specialized in analyzing the companies' solvency.

The breakdown of "Trade and other receivables" by age at December 31 is as follows:

(Thousands of euros)	Continuing operations (Note 8)	
	2024	2023
Not past due	-	-
Past due but not non-performing	1,058	754
Less than 30 days	-	-
Between 30 and 60 days	-	-
Between 60 and 90 days	-	-
Between 90 and 120 days	-	-
Over 120 days	1,058	754
Non-performing	-	-
Impairment losses (Note 8)	-	-
Total	1,058	754

17.2 Market risk

Foreign currency risk

The Company did not carry out any transactions in foreign currency in 2024 and 2023, so it was not exposed to this risk.

Price risk

The Company manages this risk by considering current market conditions when transactions are carried out, assessing the possibility of signing contracts with fixed prices.

Cash flow interest rate risk

Interest rate risk arises from bank borrowings and the promissory notes programs on MARF. The Company is exposed to cash flow interest rate from its floating-rate bank borrowings. Solaria's policy is to enter into derivatives to hedge interest rate risk on certain loans indexed to a floating interest rate.

Solaria's debt structure at December 31, 2024, and 2023 is as follows:

(Thousands of euros)	2024	2023
Fixed-rate borrowings	72,000	107,742
Floating-rate borrowings	-	-
Total	72,000	107,742

17.3 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. Due to the dynamic nature of the underlying businesses, an objective of the Company's Finance Department is to maintain flexibility in funding by maintaining availability under committed credit lines.

Management monitors the forecasts for the Company's liquidity reserves based on expected cash flows. The Company ensures its solvency and has sufficient cash to meet all its obligations.

As shown in the accompanying balance sheet, the Company had negative working capital at December 31, 2024, amounting to 61 million euros. However, the Company'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.

Capital management and indebtedness:

The objectives of the Company's capital management are to safeguard its ability to continue as a going concern, provide a return to shareholders, and maintain an optimal capital structure to reduce the cost of capital. Company management monitors capital using a gearing ratio.

This ratio is calculated as net debt divided by equity. Net debt is calculated as total interest-bearing loans and borrowings less cash and cash equivalents. Capital includes the sum of share capital plus reserves and retained earnings, as shown in the balance sheet.

The Company'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.

17.4 Development risk

Project development includes a phase involving red tape and bureaucracy with public administrations, so the Company cannot always control deadlines and outcomes since they depend on actions by third parties beyond its control. Nevertheless, the Company has vast experience with this type of actions, enabling it to achieve success with a large number of projects in different locations.

17.5 Capital management

Objectives of capital management include ensuring sustainable growth, providing sufficient returns to shareholders, and optimizing its capital structure.

The Company is not subject to strict capital management criteria, with its sound financial position enabling it to find the most suitable solution for optimal management at all times.

The Company is exposed to various financial risks relating to its business operations: market risk (including foreign currency price, 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 Company, which uses derivatives to hedge foreign currency risk and interest rate risk.

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

18. Other disclosures

18.1 Headcount

The breakdown of the Company's employees by employee category is as follows:

	Total number of employees at year-end by employee category and gender			Average number of employees with a disability of a severity of >33% as a percentage of the total
	Men	Women	Total	
2024				
Executives	8	2	10	-
Middle managers	15	8	23	-
Technical personnel	59	13	72	1
	82	23	105	1
2023				
Executives	7	1	8	-
Middle managers	15	8	23	-
Technical personnel	65	19	84	1
	87	28	115	1

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The breakdown of the Company's average number of employees by employee category is as follows:

	Average number of employees in the year by employee category and gender			Average number of employees with a disability of a severity of >33% as a percentage of the total
	Men	Women	Total	
2024				
Executives	7	2	9	-
Middle managers	15	9	24	-
Technical personnel	58	12	70	1
	80	23	103	1
2023				
Executives	7	1	8	-
Middle managers	15	8	23	-
Technical personnel	68	21	89	1
	90	30	120	1

At December 31, 2024, and 2023, the Board of Directors comprised six people, four men and two women.

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:

(Thousands of euros)	2024	2023
Audit of separate financial statements	49	48
Other services	6	27
Other services provided by firms in the network	37	49
	92	75

18.3 Environmental disclosures

The Company 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.

In 2024 and 2023, the Company did not make any environmental investments or incur costs to protect and improvement the environment, nor did it consider it necessary to record any provision for environmental liabilities or charges as it had no contingent liabilities relating to the protection or improvement of the environmental or liabilities of an environmental nature.

The directors of the Company consider that no significant contingencies exist with respect to environmental protection and improvement. Therefore, they did not consider it necessary to recognize any provision in this connection.

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

Disclosures regarding the average supplier payment period are as follows:

	2024	2023
(Days)		
Average supplier payment period	53	57
Ratio of transactions paid	52	57
Ratio of transactions outstanding	58	49
(Thousands of euros)		
Total payments made	10,448	14,183
Total payments outstanding	1,631	429
Monetary value of invoices paid within the legally stipulated deadline	10,135	13,332
Percentage of payments made within that deadline as a percentage of total payments	97%	94%
(Number of invoices)		
Number of invoices paid within the legally stipulated deadline	2,194	2,451
Percentage of total invoices paid	94%	97%

18.5 Bank guarantees

At December 31, 2024, the Company had contingent liabilities for bank and other guarantees related to its normal business operations amounting to 561,633 thousand euros (2023: 387,677 thousand euros). The Company does not expect any significant liabilities to arise from these guarantees.

19. 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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1. Situation and changes in the Group's composition

Solaria Energía y Medio Ambiente ("Solaria" or "the Company") was incorporated on November 27, 2002, for an indefinite period. At December 31, 2024, Solaria was the parent of a group comprising 105 companies (2023: 103 companies), virtually all of which are wholly owned by the Company directly or indirectly.

The companies comprising the Group and the percentage ownership interest at December 31, 2024 are as follows:

Direct wholly owned subsidiaries:

Planta Solar Puertollano 4, S.L.U., Pronature Consulting and Engineering S.L., Generia Land, S.L., Solaria Energía y Proyectos internacionales, S.L., Solaria Promoción y Desarrollo Fotovoltaico, S.L., Solaria Ingeniería y Construcción Fotovoltaica, S.L., Solaria Energía Generación Renovable, S.L.U., Solaria Data Center, S.L. and Solaria Representación en Mercado, S.L.

Indirect wholly owned subsidiaries:

Globasol Villanueva 1, S.A.U., Magacela Solar 1, S.A.U., Planta Solar Puertollano 6, S.A.U., Solaria Casiopea S.A.U., CFV Triangulum Australe, S.A.U., Guleve Investments, S.L., Lerapa Investments S.L., Planta FV100, S.L., Planta FV101, S.L., Planta FV102, S.L., Planta FV104, S.L., Planta FV 3, S.L., Planta Solar Puertollano 10, S.L., Via Láctea Fotovoltaica, S.A.U., Planta FV107, S.L., Planta FV103, S.L., Planta FV114, S.L., Planta FV116, S.L., Andrómeda Fotovoltaica, S.L., Planta FV113, S.L., Planta FV115, S.L., Planta FV126, S.L., Corona Borealis Fotovoltaica, S.L., Planta FV105, S.L., Planta FV106, S.L., Planta FV109, S.L., Planta FV119, S.L., Planta FV120, S.L., Planta FV125, S.L., Planta FV137, S.L., Kraken Solar, S.L., Planta FV124, S.L., Planta FV154, S.L., Planta FV155, S.L., Adhara Solar, S.L., Planta FV144, S.L., Planta FV145, S.L., Planta FV146, S.L., Planta FV147, S.L., Planta FV148, S.L., Planta FV149, S.L., Planta FV150, S.L., Planta FV151, S.L., Planta FV152, S.L., Planta FV153, S.L., Planta FV156, S.L., Planta FV108, S.L., Planta FV110, S.L., Planta FV112, S.L., Planta FV118, S.L., Solaria Energía Inversiones, S.L. (formerly Planta FV143, S.L.), Planta FV117, S.L., Planta FV121, S.L., Planta FV122, S.L., Planta FV123, S.L., Planta FV127, S.L., Planta FV128, S.L., Planta FV129, S.L., Planta FV130, S.L., Planta FV132, S.L., Planta FV135, S.L., Planta FV139, S.L., Planta FV140, S.L., Indus Solar Fotovoltaica, S.L., Hydra Solar Fotovoltaica, S.L., Planta FV133, S.L., Planta FV134, S.L., Planta FV136, S.L., Planta FV111, S.L., Serpens Solar S.L., Planta FV Europa S.L., Planta FV Calisto S.L., Planta FV Maira Alpha S.L., Planta FV Maira Beta S.L., Planta FV Maira Gamma S.L., Planta FV Maira Delta S.L., Planta FV Marte Solar, S.L., Solaria Eguzki Sorkunza S.L., Solaria Eraikuntza S.L., Solaria Deutschland GmbH, Sagitta Solar S.L., Marche Energia, S.r.l., Sardegna Agrienergia Uno, S.r.l., Serre UTA S.r.l., Ollastra Energia, S.r.l., Solaria Lyra, S.r.l., Solaria Italia Services, S.r.l., Solaria Promozione e Sviluppo, S.r.l., Natelu, S.A., Yarnel, S.A., Solaria Energia Renováveis Portugal, Lda, Prodigy Orbit, Lda, Radian Jupiter, Lda, Solaria Ingeniería y Construcción Fotovoltaica, S.L.-Sucursal EM Portugal, and Ellassona Solar Energiaki, L.L.C.

Indirect 75%-owned subsidiary: Indarberri, S.L

2. Key highlights

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.

3. Financial information

3.1 Income statement

The key income statement items in relation to the accompanying financial statements are discussed below.

For the year ended December 31, 2024, the Company reported revenue of 199,849 thousand euros, profit before tax of 200,349 thousand euros, and profit for the year of 171,375 thousand euros. The breakdown of revenue in 2024 and 2023 is as follows:

	2024	2023
Sale of inventories	177,515	38,879
Rendering of operation and maintenance services	4,188	1,096
Management services for the group	18,146	22,622
Leases and other services	609	672
Total	199,849	63,269

The increase in revenue compared to the year before was mostly due to the performance of construction of PV projects that were transferred to different Group companies in 2024, as provided for in the business plan.

Net finance expense for 2024 amounted to 4,427 thousand euros.

3.2 Balance sheet

Balance sheet highlights included a decrease in inventories from 2023 following the sale of new projects located in Spain to SPVs that will oversee their development and construction.

As for liabilities, the Company redeemed 32 million euros of promissory notes.

4. Main risks

4.1. Market risk

The main market risk to which the Company is exposed arises from the strong positioning of its investees in the Iberian market. Plans are to expand in new geographic markets to reduce this risk.

As explained in the outlook section, over the next few years management will focus on developing projects outside Spain, specifically Italy, the United Kingdom, and Germany, where it already has operations through a local team and its first projects.

Geographical diversification not only reduces market risk, but also the regulatory risk inherent in the sector.

4.2. Development risk

Project development includes a phase involving red tape and bureaucracy with public administrations, so the Company cannot always control deadlines and outcomes since they depend on actions by these third parties that are beyond its control. Nevertheless, the Company has vast experience with this type of actions, enabling it to achieve success with a large number of projects in different locations.

4.3. Liquidity risk

The Company ensures its solvency and has sufficient cash and financing to meet all its obligations.

4.4. Capital management

Objectives of capital management include ensuring sustainable growth, providing sufficient returns to shareholders, and optimizing its capital structure.

The Company is not subject to strict capital management criteria, with its sound financial position enabling it to find the most suitable solution for optimal management at all times.

The Company is exposed to various financial risks relating to the business operations of its investees: 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 price risk and interest rate risk.

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

4.5. Risk related to financial instruments

Market risk

a) Foreign currency risk

The Company operates internationally and is therefore exposed to foreign currency risk in its transactions with foreign currency, especially the US dollars. Foreign currency risk arises mainly from distributions from subsidiaries. This risk is largely minimized since they operate in the same currency.

The currency other than the euro in which the Company primarily operates is the US dollar. It did not carry out any transactions denominated in US dollar during the year,

b) Price risk

The Company is exposed to commodity price risk. Management addresses this risk by considering current market conditions when transactions are carried out, assessing the possibility of signing contracts with fixed prices.

c) Cash flow interest rate risk

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

The Company 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. Due to the dynamic nature of the underlying businesses, an objective of the Company's Finance Department is to maintain flexibility in funding by maintaining availability under committed credit lines.

Management monitors the forecasts for the Company's liquidity reserves based on expected cash flows.

5. Average supplier payment period

See Note 17.1 to the 2024 financial statements.

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 data 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.

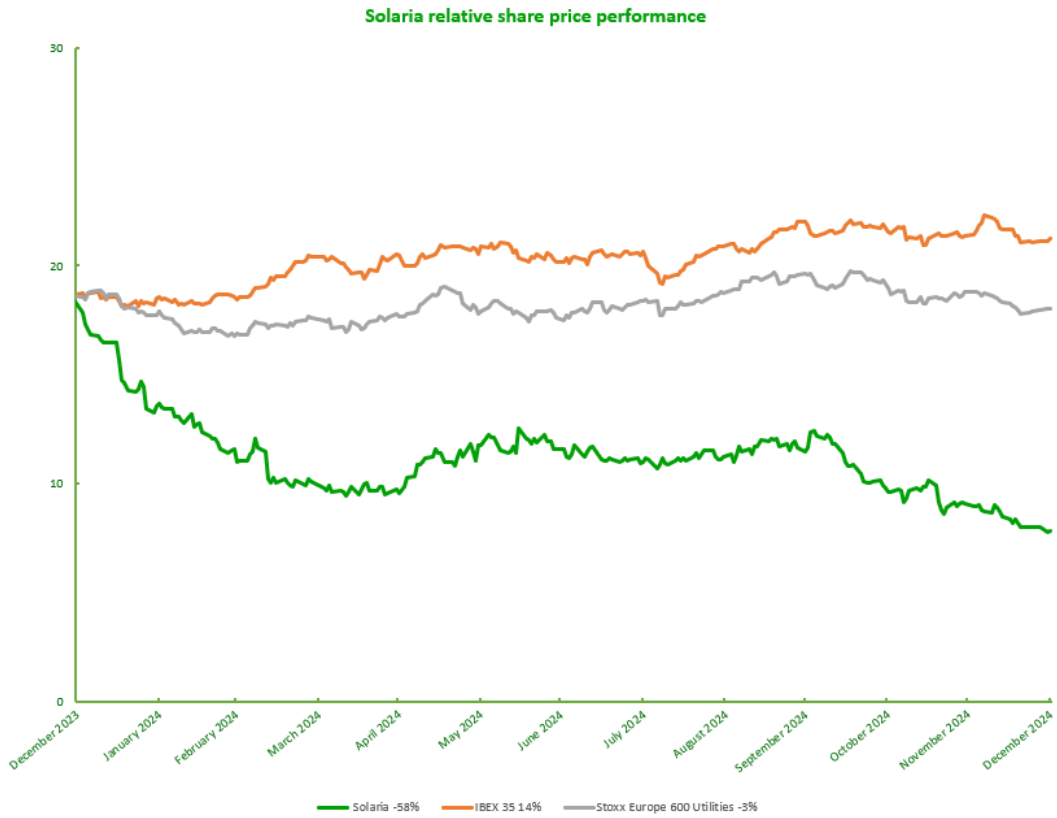
Meanwhile, Solaria remains focused on doubling its installed capacity, from 1.6 GW today to 3.1 GW, with projects under construction that are set to come on stream over the course of 2025. This year, the Company is working on securing funding for an additional package of 1.1 GW. It already has the necessary 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. 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 155 MW of demand for supply for a data processing center (DPC) in southern Madrid.

8. Share price performance



Authorization for issue of the financial statements and management report for the year ended December 31, 2024

On February 25, 2025, the Board of Directors of SOLARIA ENERGIA Y MEDIO AMBIENTE, S.A., in compliance with article 253 of the Spanish Corporate Enterprises Act and article 37 of the Spanish Commercial Code, authorized for issue the financial statements and management for the year ended December 31, 2024, which consist of the foregoing documents attached to this statement.

SIGNATORIES

Enrique Díaz-Tejeiro Gutiérrez
Chairman of the Board

Manuel Azpilicueta Ferrer
Director

Carlos Francisco Abad Rico
Director

Maria Jose Canel Crespo
Director

Arturo Díaz-Tejeiro Larrañaga
Director

María Dolores Larrañaga Horna
Director

