

holaluz

Annual Results Report *2020*

September 2019 - September 2020

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FOUNDERS LETTER

"A well-managed company, which is capable of finding its way to profitability, must become a tool to change the world"
Professor José Antonio Segarra.

With this in mind, we founded Holaluz, focusing on working for a 100% renewable world by connecting people to green energy.

Ten years later, Holaluz is leading the transformation of the Spanish energy sector with a clear commitment to the new distributed generation model and a differential proposal in self-consumption.



We believe that companies by themselves are nothing. **Companies are the people who make them up and that's why Holaluz has created a work ecosystem in which employees can develop holistically by being the best version of themselves.** This is only achieved by choosing the best professionals and following a corporate culture that puts the company values into action every single day, in everything, 1000 times over: **#esPosible, #KeepRowing, #PeopleFirstAlways, #SayThingsAsTheyAre and #HaveFun.**

Over these 10 years, we've connected more than 297,000 customers to green energy, and we've transformed 4,022 rooftops into photovoltaic installations as of December 2020. Together we've avoided the emission of more than 2 million tons of CO2 into the atmosphere.

In 2017, we launched the first unlimited flat rate in Europe and we were the first to set up a shared self-consumption facility. Likewise, we were pioneers in offering simplified compensation through Holaluz Cloud. 2018 was the year for Bcorp and the founding of the Spanish chapter of the Conscious Capitalism movement.

We debuted on the Spanish Alternative Stock Market (BME Growth) on November 29, 2019. We have some ambitious objectives: to reach one million customers, 50,000 photovoltaic installations by the end of 2023 and 1000 MW in representation.

We've managed the COVID-19 crisis by strictly following our values and we're proud of the results we have achieved: 31% growth in customers, 350% increase in solar installation and 69% in gross margin. We have reached an EBITDA of €3.5M.



In June, Holaluz launched The Revolution of the Rooftops. A movement aiming to transform the maximum possible number of m2 of underused rooftops into green energy. Once every m2 of roof has been transformed for green energy generation, the production of renewable electricity in Spain could reach 81% (in 2019 was a 39.3%).

In September, the world's leading ESG and corporate governance research and ratings agency, Sustainalytics, positioned us at number 1 in the world in its power companies category.

Today, Holaluz is a company that has found its way to profitability. This, together with a unique team of 197 people - **50% women, at all levels and teams** - allows us to approach our 2023 objectives with enthusiasm and optimism and with it, continue to change the world.

Carlota, Oriol and Ferran



HOLALUZ'S CONTRIBUTION TO THE SDGs

In 2015, promoted and led by the United Nations, several countries, including Spain, set the 2030 Agenda, an action plan in favour of people, the planet and prosperity, which also intends to strengthen universal peace and access to justice. It details the 17 Sustainable Development Goals (SDGs) that will guarantee a better future for all.

At Holaluz we work tirelessly towards 9 of these goals:



SDG 7 - Affordable and Clean Energy: Through our vision of connecting people to green energy and turning every roof into a solar roof





SDG 13 - Climate Action: Holaluz is the first company commercialising purely green energy from renewable sources, and among the leading companies in the solar sector in Spain.





SDG 11- Sustainable Cities and Communities: Thanks to commercializing green energy, enabling communities to access self-consumption and fostering distributed generation





SDG 12 - Responsible Consumption and Production: Holaluz enables responsible energy consumption and promotes responsible production through partnerships with independent green energy producers and prosumers





SDG 5 - Gender Equality: At Holaluz we take women's empowerment seriously, and make sure there's a gender balance across our teams





SDG 3 - Good Health and Well-being:

For our employees, customers and suppliers through our products, services and our way of working





SDG 8 - Decent Work and Economic Growth:

We are an employee-centric company, understanding the importance of work-life balance. Furthermore, our 2023 strategic plan has a direct impact on economic growth





SDG 9 - Industry, Innovation and Infrastructure:

We have a breakthrough business model which is largely sustained by what we call "Invisible Technology", in the sense that our customer doesn't see what we do, but obtains all the benefits in terms of rate customization according to their energy consumption





SDG 17 - Partnerships to achieve the Goals:

Holaluz works with public institutions and non-profit organizations to achieve a planet 100% powered by green energy





HOLALUZ IN BIG NUMBERS

	dec - 2020	sep - 2020	2019	Growth	Dif 2020-2019
Customers	297.816	272.272	212.862	27,91%	59.410
Photovoltaic Installations	4.022	3.033	498	509,04%	2.535
EBITDA		3,5	2,6	34,62%	1,1M
GM		27,3	16,3	67,48%	11M
Avoided CO_2 tons	480.262		417.281	15,09%	62.981

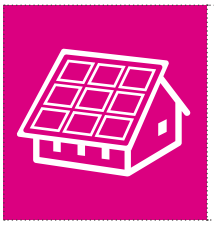


FINANCIAL RESULTS REPORT

Main milestones of 2020



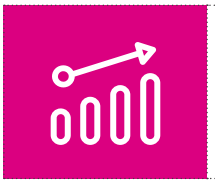
The financial results as of September 30, 2020 place Holaluz one step closer to its purpose of creating a 100% renewable world and reaching its objectives by the end of 2023: **one million clients, 50,000 photovoltaic installations managed and 1000 MW in representation.**



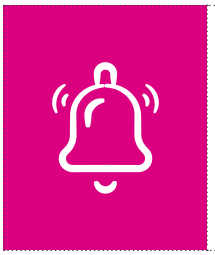
The Rooftop Revolution, a movement born with the aim of transforming each square meter of underused roofs into green energy, has been consolidated. Since its launch, in June 2020, the management of photovoltaic facilities has grown by 350%, reaching 4,022 as of December 31, 2020.



The company gained 70,608 new clients during the calendar year, which represents **a growth of more than 31%** from last year, and totals 297,816 clients as of December 31, 2020.



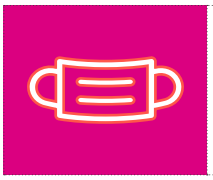
The company closed on September 30, 2020 with consolidated sales of 235.9 million euros, **which represents an annual sales increase of 13.0%.** Consolidated EBITDA grew to 3.5 million euros, **representing a growth of 35% compared to the previous year.**



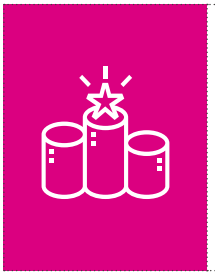
On November 29, 2019, **Holaluz made its debut in the capital market, being part of BME Growth** (previously, Mercado Alternativo Bursátil - MAB). The operation included a capital increase of 30 million, and another increase of 10 million before being listed, to execute the plan for the end of 2023.



In June, Holaluz reached an agreement with Copenhagen Infrastructure Partners (CIP), which includes the representation of 12 wind farms in Los Monegros (Aragon), with a total power of 487.3 MW and an estimated annual generation of approximately 1,400 GWh. Together with the other contracts signed, **Holaluz has reached its goal of managing 1,000MW of renewable energy three years ahead of schedule.**



During the health and economic crisis caused by Covid-19, **Holaluz maintained 100% of the team and their salaries**, and designed a tireless work plan to maximize personalized support for domestic clients and SMEs, as well as to continue working to achieve the targets for 2023.



Holaluz ranks number 1 in Sustainalytics' ESG world ranking for power companies. This rating recognizes Holaluz's leadership position in its efforts towards the energy transition and places it among the 2% of companies with the best valuation within the global Sustainalytics universe, which includes 13,028 companies, number 2 worldwide in the Utilities category (446) and includes Holaluz in the "low risk" category, with a score of 12 ("low risk" is between 20 and 10).



With the energy sold during 2020, Holaluz has contributed to saving 480,262 tons of CO_2, **equivalent to not producing any plastic bags for 15 years.**

Annual Consolidated Financial Results Report as of September 30, 2020

	30 of September 2020	30 of September 2019	30 of September 2018	Source [1]	Varc 19-20	Var18-19
Sales (Net Value of Turnover) (Euros)	235.978.032	208.818.249	150.233.042	FFSS	13,0%	39,0%
Electricity	182.849.869	163.249.177	111.610.862	FFSS	12,0%	46,3%
Gas	12.304.925	6.746.010	3.000.190	FFSS	82,4%	124,9%
Self consumption and Distributed Generation	2.423.246	885.834	-	FFSS	173,6%	
Representation	38.399.992	37.837.228	35.621.990	FFSS	1,5%	6,2%
Customers (Electricity & Gas)	272.727	212.862	141.639	Internal	28,1%	50,3%
Managed Power [2] (MW)	458	135	100	Internal	239,3%	34,7%
Prosumers	3.033	498	47	Internal	509,0%	959,6%
Energy sold covered by PPAs (MWh)			-	Internal		
Number of producers represented	939	817	327	Internal	14,9%	149,8%
Gross Margin [3] (Euros)	27.476.863	16.271.128	9.914.614	FFSS	68,9%	64,1%
Gross Margin (% on sales)(Euros)	11,6%	7,8%	6,6%	FFSS		
Operating Expenditures (Opex) 4 (Euros)	24.017.481	13.652.545	8.694.469	FFSS	75,9%	57,0%
Operating Expenditures (% on sales)	10,2%	6,5%	5,8%	FFSS		
EBITDA [5] (Euros)	2.487.350	2.491.349	1.951.617	FFSS	(0,2%)	27,7%
EBITDA (% on sales)	1,1%	1,2%	1,3%	FFSS		
EBITDA normalized [6] (Euros)	3.462.550	2.639.682	1.610.154	FFSS	31,2%	63,9%
EBITDA normalized (% on sales)	1,5%	1,3%	1,1%	FFSS		

Note: The Company's accounting period is from October to September.
[1] Financial Statements (FFSS): DData according to Holaluz's audited annual accounts for the year ended September 30, 2020, figures for the year ended September 30, 2019 and September 30, 2018 included in the annual accounts for comparative purposes.
[2] Includes representation, PPAS and minority interests in own generation
[3] Calculated as „Turnover" less „Supplies"
[4] Calculated as „Personnel expenses" plus „Other operating expenses", reduced by „Work carried out by the company for its assets"
[5] Calculated as „Operating income" plus „Amortization of fixed assets".
[6] Calculated as EBITDA minus „Other results"

Analysis of the main items of the Income Statement and Balance Sheet:

Income Statement

	30/09/2020	30/09/2019
Net value of turnover	**235.978.032**	**208.818.249**
Work carried out by the company for its assets	3.335.979	2.550.098
Procurements	(208.501.169)	(192.547.121)
Other operating income	3.168	21.099
Personnel expenditures	(9.943.890)	(8.129.231)
Other operating expenses	(17.409.570)	(8.073.412)
Fixed assets amortization	(3.820.234)	(2.597.710)
Impairment losses and gains/losses of non-current assets	(34.516)	(95.243)
Other results	(940.684)	(53.090)
OPERATING RESULT	**(1.332.884)**	**(106.361)**
Financial income	31.603	1.807
Financial expenses	(561.324)	(696.853)
Variation in the fair value of financial instruments	-	750
Exchange rate differences	-	(292)
FINANCIAL RESULT	**(529.721)**	**(694.588)**
EARNINGS BEFORE TAXES	**(1.862.605)**	**(800.949))**
Income tax expense	1.147.394	165.468
NET EARNINGS	**(715.210)**	**(635.481)**

In 2020, sales reached 235.9 million euros, an increase of 13% over sales of 208.8 million euros the previous year. On the other hand, supplies reached the figure of 208.5 million, with an increase of 8% over the 192.5 million of the previous year. Consequently, the gross margin has increased from 16.3 million in 2019, representing a gross margin of 7.8%, to 27.4 million in 2020, equivalent to a gross margin of 11.6%.

The improvement in gross margin is the consequence of a greater focus on the residential customer. Personnel expenses reached 9.9 million, an increase of 22% over the 8.1 million of the previous year, resulting from new hires. Other operating expenses reached 17.4 million, with an increase of 116% over the 8.1 million of the previous year. This increase, in turn, is explained by the increase in external services, the breakdown of which is attached below:

External services	30/09/2020	30/09/2019
Leases (*)	459.400	448.656
Reparations and conservation	711.033	384.474
Independent profesional services	4.979.032	2.360.959
Insurance premiums	151.003	86.700
Banking services	554.676	275.976
Advertising, propaganda, and public relations	7.290.636	2.671.563
Supplies	573.319	501.433
Other services	846.310	821.590
	15.565.408	**7.551.350**

The two accounting items that explain the increase in external services are independent professional services and advertising. Professional services increased due to the increase in outsourcing of customer service and the increase in intermediation costs. Advertising increased due to investment in brand advertising (which includes the two campaigns launched during the 2020 financial year, #Poralgoseempieza and #larevolucióndelostejados) along with a significant increase in investments in customer loyalty made during the pandemic.

Normalized consolidated EBITDA grew to 3.5 million, 35% higher than the previous year's EBITDA of 2.6 million. However, EBITDA was penalized as a result of:

- COVID has impacted our business, not only due to the slowdown in deposits during Q2, but also due to the negative impact of the hedging that the reduction in consumption of our customers had.
- During 2020 **The Rooftop Revolution** has been launched, with a direct investment of more than 2 million euros.
- Increase in loyalty costs during COVID.

The impact on the EBITDA of the three components mentioned is greater than approximately 4 million euros

The Operating Income reached -1.3 million euros and the Profit before Tax reached -1.8 million, with a decrease of €1.0 million over the previous year.

After-tax Profits reached -0.7 million.

Balance Sheet

Assets

	30/09/2020	30/09/2019
NON-CURRENT ASSETS	**31.470.471**	**20.480.342**
Intangible assets	20.846.582	13.250.712
Property, plant and equipment	589.518	833.610
Long-term financial investments	7.203.656	4.712.730
Deferred tax assets	2.830.715	1.683.290
CURRENT ASSETS	**63.675.073**	**43.565.745**
Inventories	7.581	38.365
Trade and other receivables	29.196.218	28.871.514
Short-term financial investments	1.960.303	6.040.807
Short-term accrual accounts	1.564.090	1.195.237
Cash and cash equivalents	30.946.881	7.419.822
TOTAL ASSETS	**95.145.544**	**64.046.087**

Liabilities and shareholders' equity

	30/09/2020	30/09/2019
SHAREHOLDERS' EQUITY	**41.413.800**	**15.857.887**
NON-CURRENT LIABILITIES	**13.825.070**	**2.081.442**
Long-term financial debt	13.127.743	920.238
Liabilities by deferred tax	697.327	1.161.204
PASIVO CORRIENTE	**39.906.674**	**46.106.758**
Short-term provisions	136.573	145.846
Short-term financial debt	15.087.931	15.833.138
Trade and other payables	23.802.008	29.534.508
Short-term accrual accounts	880.163	593.266
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**95.145.544**	**64.046.087**

Total assets increased 49% to €95.1 million, compared to €64.0 million the previous year, **due to the increase in the Company's commercial activity and the capital increase carried out in November 2019.**

Assets

Non-current assets increased to €31.4 million. Intangible assets increased to €20.8 million with an increase of 57% over the €13.2 million of the previous year. The increase corresponds to the capitalization of the acquisition costs of new customers as well as investment in computer applications. Long-term financial investments increased to €7.2 million, mainly due to the accounting of derivatives to hedge long-term electricity purchases.

Current Assets rose to €63.6 million, which represents an increase of 46% over the €43.5 million from the previous year, due to increased commercial activity and the increase in cash from the capital increase.

Liabilities

Equity increased to €41.4 million, 161% on the €15.8 million of the previous year. This increase mainly includes the rise in capital, from the incorporation to BME Growth in November 2019.

Non-Current Liabilities increased to €13.8 million, which represents an increase of 564% over the €2.0 million of the previous year. This increase is mainly motivated by the extraordinary financing that the Company has obtained from the ICO through the different financial entities of the Banking Pool since April 2020.

Cash Flow Statements

	30/09/2020	30/09/2019
CASH FLOWS FROM OPERATING ACTIVITIES	**(4.126.465)**	**612.639**
Income before taxes	(1.862.605)	(800.949)
Adjustments of the results	5.826231	3.886.184
Changes in working capital	(7.560.370)	(1.777.550)
Other cash flows from operations	(529.721)	(695.046)
CASH FLOWS FROM INVESTMENT ACTIVITIES	**(8.485.761)**	**(10.322.241)**
Payments made fron investments	(11.385.299)	(10.388.241)
Divestments receipts	2.909.538	-
CASH FLOWS FROM FINANCING ACTIVITIES	**36.139.285**	**13.239.629**
Receivables and payments from equity investments	27.663.685	10.000.000
Receivables and payments from financial liabilities	8.475.600	3.239.629
NET CHANGE IN CASH AND CASH EQUIVALENTS	**23.527.059**	**3.530.027**
Cash and cash equivalents at the beginning of the exercise	7.419.822	3.889.795
Cash and cash equivalents at the end of the exercise	30.946.881	7.419.822

During the financial year 2020, the operating cash flow was -4.1 million euros compared to +0.61 million euros in 2019. This increase is mainly explained by the difference in the management of working capital. During the financial year 2020, the margin was financially optimized and, consequently, the working capital has increased. This effect is a one-off that's not expected to be repeated in the future. In parallel, different representation agreements have been signed that will help to finance future working capital operationally.

The investment cash flow was reduced by 1.84 million euros to 8.48 million euros due to the impact of financial derivatives.

Finally, the financial capacity has been increased by 36 million euros, 27.6 corresponding to the exit to the alternative stock market and 8.4 million euros due to the increase in debt.



RELEVANT FACTS

November 2019:

- **Joining BME Growth:** Holaluz joins the Expanding Companies segment of BME Growth (formerly Mercado Alternativo Bursátil -MAB).

January 2020:

- **Breakfast with Andbank Investors:** Holaluz corporate presentation to investors invited by Andbank.
- **Annual Results Report Presentation:** Presentation of the annual consolidated results report as of September 30, 2019.

February 2020:

- **XXVI Iberian Conference:** Presentation at the Renewable Energies panel, organized by Santander CIB, and meetings with both national and international investors.

March 2020:

- **Implementation of Covid-19 measures** Flexibility and personalized support for all our clients, to face the situation together. Holaluz kept 100% of the team, without firing anyone and maintaining the same salary.
- **General Meeting of Shareholders:** Holaluz holds its first Ordinary and Extraordinary General Meeting since joining BME Growth.

May 2020:

- **MedCap Forum:** Participation and presentation in the MedCap Forum. Medcap Forum is the meeting point between the main medium and small capitalization companies with institutional, national and international investors.

July 2020:

- **Green Deal Rountable - European Comission:** Holaluz was the only European company invited to participate in the "Green Deal Roundtable", organized by the European Commission.
- **Interim Financial Statements Presentation:** Holaluz published the consolidated financial statements, balance sheet until March 31, 2020.
- **Presentation with Investors:** Roadshow to present to the main investors, national and international, the results of Q1 2020..

October 2020:

- **#1 in the ESG world ranking:** Sustainalytics places Holaluz at number 1 in the world in its electricity companies category, out of more than 189 companies around the world..

June 2020:

- **Representation agreement with CIP:** Agreement with Copenhagen Infrastructure Partners (CIP) for the contract of 12 wind farms, with a capacity of 1,400 GWh. Holaluz will be able to increase its customer base by more than 300,000 without the need to consume additional working capital for said growth.
- **Launch of the Rooftop Revolution:** Movement born with the aim of transforming the maximum possible number of m2 of underused roofs into green energy.

September 2020:

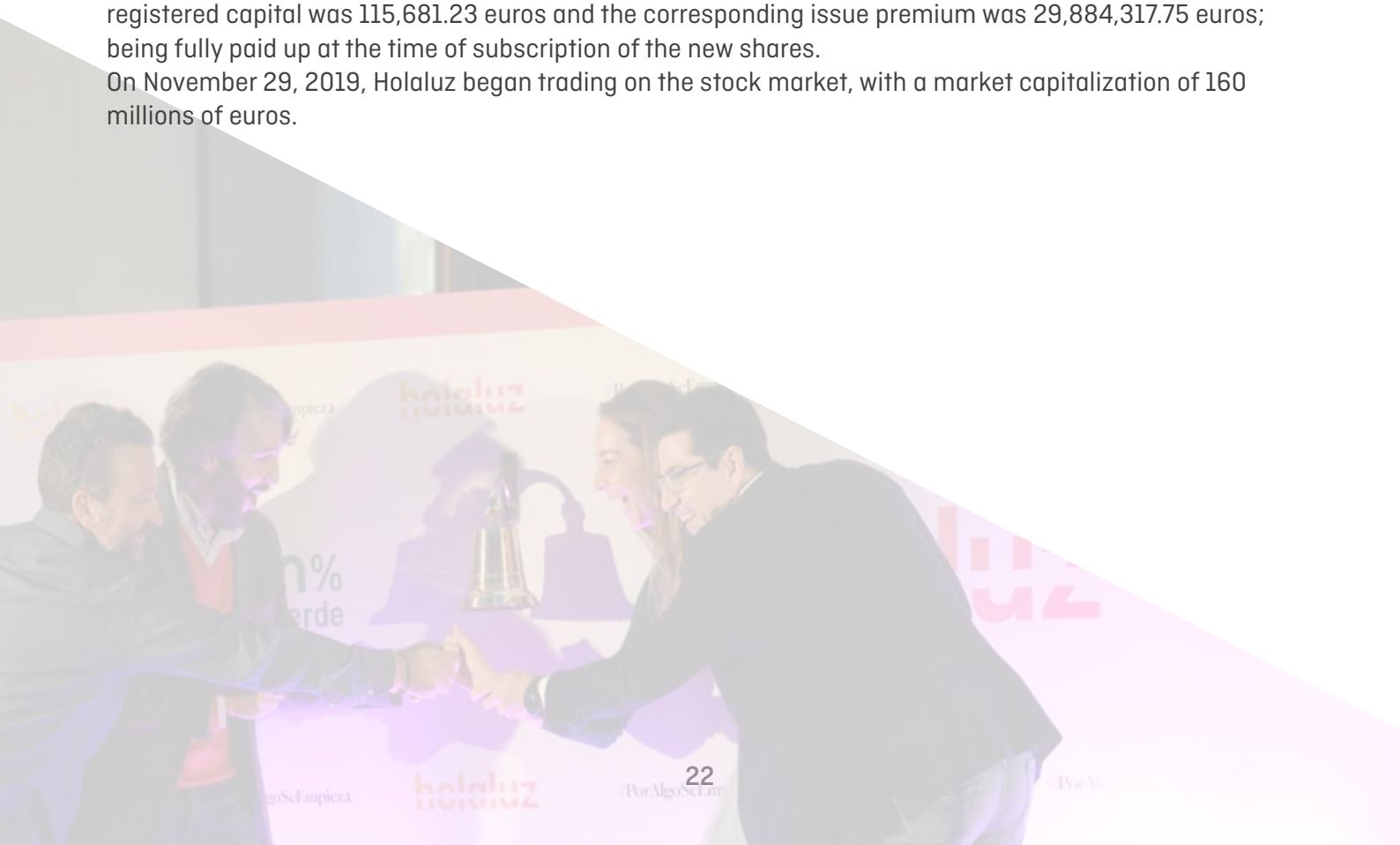
- **Signing of a PPA with Wirtgen:** which involves the purchase of the energy generated by 97 MW of photovoltaics. The energy generated will supply around 53,300 new Holaluz customers.

Capital market premiere: 30 million and a plan to change the world

On October 25, 2019, the General Shareholders' Meeting approved a capital increase of the parent company through a public offer of subscription of shares, through monetary contributions, in order to increase the company's equity by a maximum effective amount of 30M euros (nominal + premium).

The General Meeting also agreed to request incorporation to **BME Growth, previously known as the Alternative Stock Market - MAB**, of all the outstanding shares representing the capital of the Company and, in particular, of the shares issued within the framework of the offer of subscription.

On November 21, 2019, the Board of Directors of the parent company carried out the capital increase for an effective amount of 29,999,998.98 euros by issuing and placing 3,856,041 new ordinary shares into circulation at a nominal value of 0.03 euros per share; plus an issue premium of 7.75 euros per share. Consequently, the issue rate for the new shares is 7.78 euros per share. Therefore, the increase in registered capital was 115,681.23 euros and the corresponding issue premium was 29,884,317.75 euros; being fully paid up at the time of subscription of the new shares.
On November 29, 2019, Holaluz began trading on the stock market, with a market capitalization of 160 millions of euros.



Covid-19: global health and economic crisis

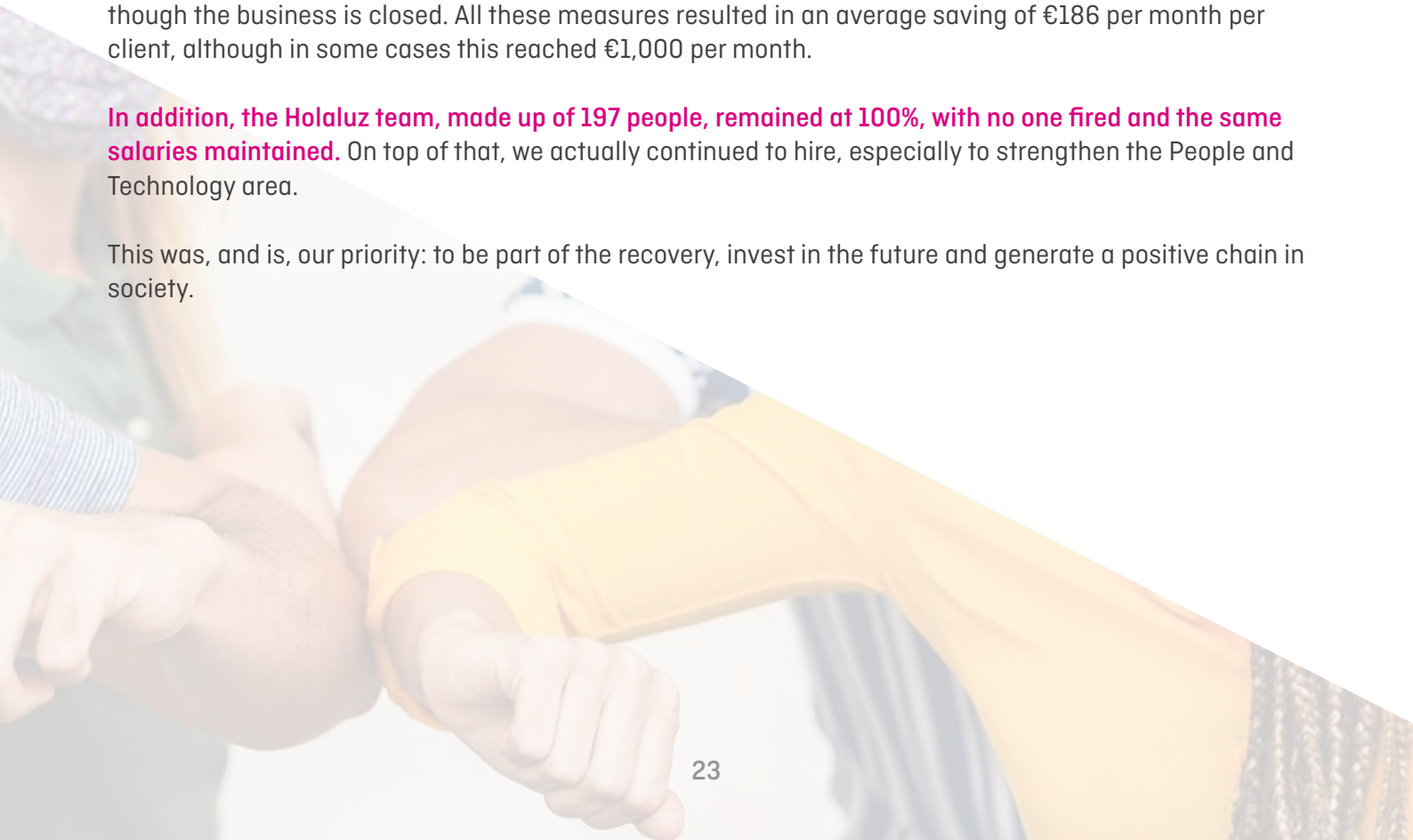
In March Covid-19 arrived and with it, a health and economic crisis that we handled with confusion and uncertainty (and that, unfortunately, still goes on). The day that the state of alarm was declared in Spain, and motivated by one of our core values, (people come first, always and in every way) we launched a work plan. The plan was anchored in our founding values, which have always been our guiding light during difficult times. We designed a tireless work plan based on building trust with customers.

With our domestic customers in mind, we intensified our efforts in the technological area, putting data management, personalization algorithms and technological tools at the service of customers in record time. Through personalized studies based on needs, we were able to detect savings options, such as contracted power, which help to reduce the monthly fee to the minimum possible. With this strategy we achieved savings of €4.5M euros for our clients, corresponding to an average of €57 per family (approximately the average monthly consumption of a family). In addition, we advanced the return of the excess amount of the social bonus, which amounted to €215,000.

With the aim of helping SMEs and freelancers who stopped or reduced their activity due to the state of alarm, we launched a series of measures, including reducing power to a technical minimum, trying to reduce their monthly bills as much as possible. In addition, and adapting to individual circumstances, we facilitated the payment of these invoices, agreeing on postponements with clients. These measures meant a significant reduction in fixed costs for this type of customer, which they continue to pay even though the business is closed. All these measures resulted in an average saving of €186 per month per client, although in some cases this reached €1,000 per month.

In addition, the Holaluz team, made up of 197 people, remained at 100%, with no one fired and the same salaries maintained. On top of that, we actually continued to hire, especially to strengthen the People and Technology area.

This was, and is, our priority: to be part of the recovery, invest in the future and generate a positive chain in society.



The Rooftop Revolution

In June 2020, Holaluz took another step towards its goal of achieving 100% renewable planet by connecting people to green energy with The Rooftop Revolution.

The Rooftop Revolution a movement that was born with the aim of transforming the maximum possible number of m2 of underused roofs into green energy. More than 40 million people could benefit from this proposal, which could double the current generation of renewable energy in Spain (in 2019 it was 39.3%).

This proposal allows us to transform the current electricity generation model - centralized and non-renewable - to a model that combines centralized generation with distributed generation, making it possible to achieve 100% renewable generation. To change the generation model forever, we need to make using rooftops as a source of energy as normal and standard as it is today to have a bathroom when 100 years ago it was not.

Holaluz installs solar panels for rooftop owners for free and manages their energy by offering a fixed monthly discount (based on the characteristics of the installation) on their electricity bill. This formula means that the initial cost of investment in the installation of photovoltaic panels, which many people cannot afford, is no longer a factor. It becomes the first step in a revolution that was born with the aim of involving all customers, whether they have a roof or not, and generating a positive impact on the world.

The Rooftop Revolution encourages 100% of people, not just rooftop owners, to join a movement that seeks to achieve a 100% renewable world.

The panels, owned by the client but managed by Holaluz, will become the client's property after 15 years, when the panels reach savings rates of up to 63% on monthly bills. With the payment of the monthly invoice, customers can enjoy a free solar installation in addition to a fixed saving.



Holaluz ranks number 1 in Sustainalytics' ESG world ranking for electricity companies

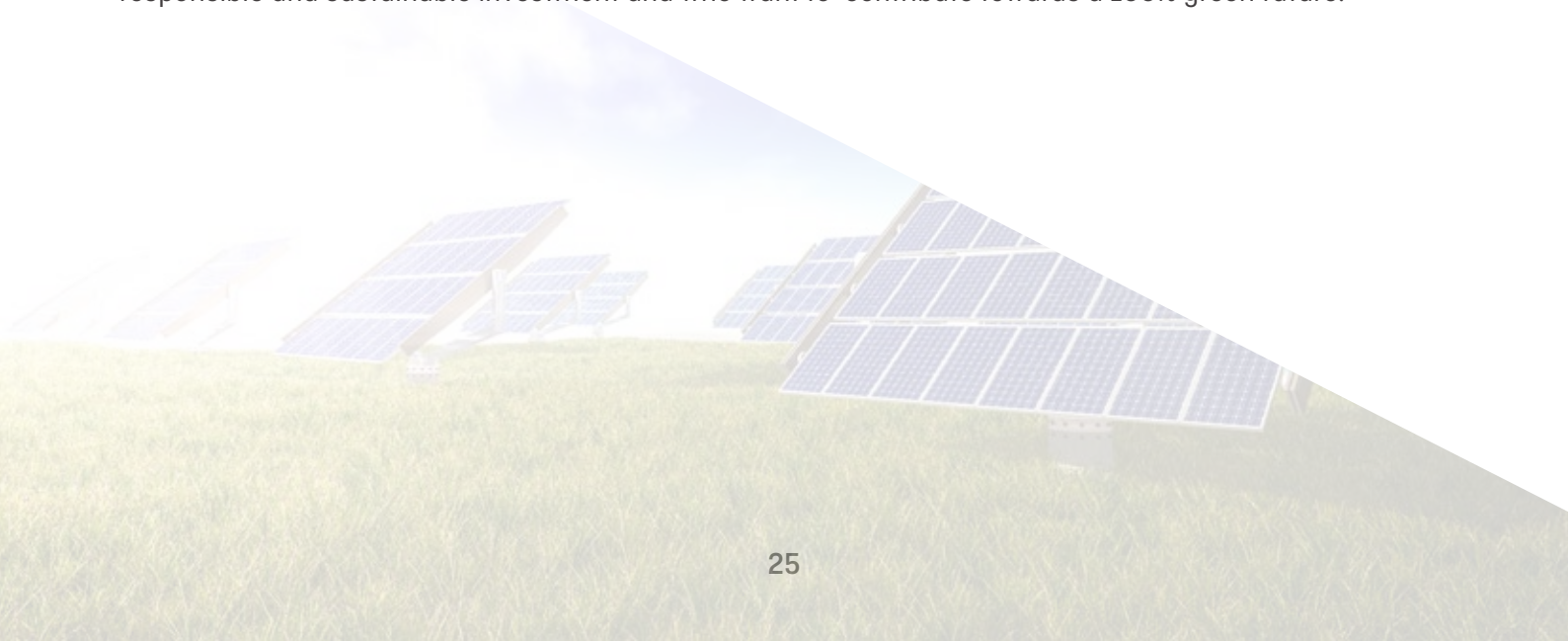
Holaluz has been ranked number 1 in the ESG Risk Rating ranking prepared by Sustainalytics in the electricity companies category, which included 189 companies from all around the world. The report assesses the overall positive impact of Holaluz on the environment and the society and places it at a low level of ESG risk, ensuring a firm and consolidated position to face future challenges.

With this outstanding position, Sustainalytics is recognising Holaluz's leadership in its efforts towards the energy transition and places it among the 2% of companies with the best valuation within the global Sustainalytics universe (13,028 companies), number 2 worldwide in the Utilities category (446) and includes Holaluz in the "low risk" category, with a score of 12 ("low risk" is between 20 and 10).

The ESG Risk Rating index is one of the main benchmarks in the capital market that offers information about a universe that represents more than 80% of the total capitalization of the stock markets.

The analysis first evaluates the risks that affect the company by its nature (sector, activity, public exposure, etc.) and, secondly, the risks derived from its management (transparency, criteria that govern governance, policies of equality, etc.) This involves the analysis of more than 450 data points to evaluate 70 variables around ESG practices and calculate a level of risk that investors from all over the world take as a variable when considering whether or not to invest in a company.

For Holaluz, being able to certify a low risk level and reach the top position in the ESG Risk Rating is a huge achievement and, at the same time, confirmation that we remain faithful to our purpose in all areas of our business. This milestone, together with the positive evolution of our financial results with an increase in turnover of 22.8% this first semester, make Holaluz an unbeatable attraction for investors seeking responsible and sustainable investment and who want to contribute towards a 100% green future.



Agency Agreements and PPAs

Holaluz set the goal of reaching 1,000 MW in representation by the end of 2023. This is goal that has already been met thanks to the agreement reached with Copenhagen Infrastructure Partners (CIP) in September 2020, which includes the representation of 12 wind farms in Los Monegros (Aragón), with a total power of 487.3 MW and an estimated annual generation of approximately 1,400 GWh. This agreement has allowed it to add 300,000 new clients without the need to consume any additional working capital for said growth.

Since November 2018, Holaluz has also signed several PPAs. The first with Raiola Future for the purchase of energy generated over 10 years in 10 photovoltaic plants in Spain and Portugal with a total power of 20 MW. The second with EDF Solar for the purchase of energy generated in photovoltaic plants with a total capacity of 120 MW located in Spain and Portugal.

In 2019 Holaluz signed a PPA with Falck for the purchase of energy produced in a wind installation with a total power of 10 MW. It also signed a framework agreement with Chint Energy to acquire the energy produced by its photovoltaic installations in Spain of up to 500 MW.

An agreement with Fundeen was also signed to launch the first collaborative PPA in Spain and thus acquire the energy produced by the photovoltaic installations it promotes.

In 2020, a PPA was signed with Wirtgen Invest for 4 photovoltaic parks in Portugal with a total power of 97 MW, and with Enerparc for the acquisition of 84 MW of photovoltaic renewable energy in the Balearic Islands.

This agreement adds the renewable energy generated by 23 photovoltaic projects located in the Balearic Islands, with powers of between 3 and 5 MW. This generated energy will supply around 43,000 new Holaluz customers.

La potencia representada a final de septiembre de 2020 alcanzó los 458MW.



MILESTONES ACHIEVED IN 10 YEARS OF HOLALUZ

Milestones achieved in 10 years of Holaluz

3 friends, some beers and a purpose: **to achieve a 100% renewable world**

A 100% equal team of more than 197 people

More than **297,816 customers** connected to green energy

4.022 managed facilities

Launching **The Rooftop Revolution:** transforming every m2 of roof into 100% green energy

Founders of the **Conscious Capitalism** chapter in Spain

2 million tons of CO2 saved

First in the **ESG world ranking** of electricity companies

1st unlimited flat rate for electricity in Europe

First and only electricity company in Europe with **BCorp certificate**

First shared **self-consumption installation** in 2017

First power company to move towards simplified compensation with HolaCloud



ABOUT HOLALUZ

The goal of Holaluz is to achieve a world powered by 100% green energy.

The company works towards this aim by connecting people to green energy, offering 100% renewable energy, fair prices that translate into average savings of 10% thanks to the intensive use of technology, putting the customer at the heart of things and establishing a relationship of mutual trust.

Created with the conviction that a company can be a positive force to change the world, Holaluz leads the transformation of the Spanish energy sector with a clear commitment to distributed generation as a new model, leaders not only in numbers, but in product innovation and service. Holaluz has been the first electricity company in the Spanish market to move towards simplified compensation by launching Holaluz Cloud, a system that allows surpluses to be deducted from the electricity bill, that is, excess energy produced by customers' solar panels.

The company expects to reach one million customers and 50,000 photovoltaic installations by the end of 2023.

Within its strategy, Holaluz proposes a business model in which employees can develop holistically. This means providing all the tools so that people can have flexibility and autonomy to develop their responsibilities, as well as being able to combine them with their personal life. Examples of this are work-by-objectives and flexible hours. All of this has contributed to making Holaluz a practically equal company, at all decision-making levels and across all teams. This is something the company is proud of and has been generated in a totally organic way. There is only one team in which it has been, and continues to be, necessary to apply quotas:Technology. The company is focused on making this 100% equal.

All this has made Holaluz the first European electricity company to receive the B Corp certification, a seal that encompasses more than 2,400 companies from 50 countries. It aims to give visibility to companies that, beyond generating economic profits, innovate to maximize their positive impact on employees, the communities they serve and the environment. Similarly, Holaluz is the founding company of Conscious Capitalism in Spain, a philosophy that recognizes the innate potential of business to have a positive impact on the world.

Holaluz is ranked number 1 in the world ESG ranking of electricity companies by Sustainalytics, the world's leading agency for ESG research and ratings and corporate governance.

This rating recognizes Holaluz's leadership position in its efforts towards the energy transition. It places it among the 2% of companies with the best valuation within the global Sustainalytics universe (which includes 13,028 companies) at number 2 worldwide in the Utilities category (446) and includes Holaluz in the "low risk" category, with a score of 12 ("low risk" is between 20 and 10).

Members of the Board of Directors



Carlota Pi. President

Degree in Industrial Engineering from the Escola Técnica Superior d'Enginyeria Industrial de Barcelona, Master in Business Administration and Management from IESE (Executive MBA) and Master in mathematical methods for financial markets from the Polytechnic University of Catalonia (UPC). She has also studied Business Management at New York University (USA).

She is co-founder, advisor and Executive President of Holaluz. She has received numerous awards for her professional career, including the 2017 Executive of the Year Award (SME category) from the Spanish Association of Directors and the Jaume I Award.

She participated in the Blackbox Connect 2017 program (an acceleration program for female founders promoted by Google) and was included by Forbes Spain on the list of the 100 most creative people in 2018.

Mother of three daughters of twelve, ten and eight years of age.



Alfonso de León. Vice President

Graduated with honors in Economics from the Universidad Pontificia de Comillas - ICADE in Madrid. Director of Holaluz on behalf of Axon Capital e Inversiones. CEO of Axon Partners Group, and co-founder of Axon Partners Group Investment (company originated from the Investment division of Axon Partners Group).

Professor at the IE Business School within the Masters in Advanced Finance program and member of the organization of business leaders, YPO. Previously he was Managing Partner and Co-Head of Global Fixed Income, Investment Banking and Capital Markets and a member of the Board of Directors of Exotix Partners LLP, a London-based investment banking firm focused on emerging economies and the energy sector.

Furthermore, he was Managing Director and Co-Head of the Alternative Investment Group of the Proprietary Trading division of Mizuho International Plc in London.
He has also been Director of Global Principal Finance, Head of the Special Credit Situations Group, in charge of investments in renewable energy and cleantech, and was part of Deutsche Bank's fixed income structuring and distribution team in London.

He is the father of two children, eleven and eight years old.



Ferran Nogué. Executive Advisor

Industrial Engineer from the University of Navarra, and Master in Business Administration and Management from IESE (Executive MBA).

Co-founder and director of Holaluz. Within the Company, he has worked in different roles, responsible for the management of the financial area, the treasury, the launch of the "B2B" commercial area and the development and launch of the gas service, and the self-consumption team.

He is currently responsible for the area of PPAs as well as new business ideas.

Before founding Holaluz, he worked as a manager for infrastructure and civil engineering projects, as well as for the public administration.

He is the father of two girls, aged nine and seven, and a runner.



Oriol Vila. Executive Advisor

Industrial Engineer from the Polytechnic University of Catalonia and Master's Degree in Business Administration and Management from IESE (Executive MBA).

He is co-founder, director and Managing Director of Holaluz. He had previously developed his professional career in information technology companies (Accenture), renewable energy (Totvent 2000) and online comparators (Helpmycash).

He is a co-founder of the IESE Entrepreneurs Club and a founding member of the Barcelona chapter of Conscious Capitalism.



Enrique Tellado. Independent Advisor

Degree in Business Administration from the Complutense University - CEU San Pablo, having completed his training at the ESCE (École Supérieure du Commerce Extérieur) in Paris and at the London School of Economics. He is currently Managing Director of EVO Banco, within the Bankinter Group.

He has been CEO of EVO Banco, directing its restructuring and growth plan under the ownership of Apollo Global Management (American Private Equity firm listed on NYSE). Advisor for the Spanish market of Elliott Associates (American activist Hedge Fund) participating in different "special situations" transactions.

Chief Financial Officer at Novacaixagalicia and consultant at McKinsey & Co. and The Boston Consulting Group, participating mainly in projects related to the financial sector.

He is married and the father of a fifteen-year-old girl and a twelve-year-old boy.



Isabela Pérez. Independent Advisor

Isabela Pérez Nivela has a degree in Law from the University of Navarra.

In 2000, she joined the state's body of lawyers and for 13 years she held different positions of responsibility in the public sector. In 2013 she joined Coca Cola Iberian Partners as General Secretary of the Board and Legal Director of compliance and risks. She currently combines her executive work with that of an independent advisor and intense teaching and outreach activity.

She is a member of the corporate governance advisory council of the ESADE faculty and of the corporate governance committee of the Princesa de Girona Foundation. She has studied at the University of Cambridge and at IESE. She has been distinguished with various awards such as the European Awards as the best lawyer of mergers and acquisitions in 2015, and as an influential in-house lawyer in 2018 by the prestigious guide Chambers.

She is the mother of three daughters aged eighteen, fifteen and fourteen.



Virginia Oregui. Dominical Counselor

Degree in Business from CUNEF. Director of Holaluz on behalf of Geroa Pentsioak E.P.S.V. of Employment.

She has held numerous positions of responsibility during her professional career, being, since 1996, General Director of Geroa, a pension fund that manages around 2,150 million euros.

Previously, among other positions, she was the sole administrator of the Banco Guipuzcoano pension funds.



holaluz

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Barcelona, 25th January 2021

HOLALUZ-CLIDOM, S.A. And SUBSIDIARIES

Consolidated Financial Statements and Consolidated Management Report
for the year ended September 30, 2020

(Translation of consolidated financial statements and consolidated management report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails)

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CONSOLIDATED MANAGEMENT REPORT

HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES
Consolidated Balance Sheet for the year ended September 30, 2020

ASSETS	NOTE	09/30/2020	09/30/2019
NON-CURRENT ASSETS		**31,470,471**	**20,480,342**
Intangible assets	**5**	**20,846,582**	**13,250,712**
Patents, licenses, trademarks et al.		2,599	4,194
Software		9,310,223	6,956,435
Other intangible assets		11,533,760	6,290,083
Property, plant, and equipment	**6**	**589,518**	**833,610**
Land and buildings		359,220	426,140
Property, plant and equipment under construction		-	188,771
Technical installations, machinery and other PP&E items		230,298	218,699
Financial investments	**8**	**7,203,656**	**4,712,730**
Derivatives	15	5,053,878	4,310,930
Other financial assets		2,149,778	401,800
Deferred tax assets	**17**	**2,830,715**	**1,683,290**
CURRENT ASSETS		**63,675,073**	**43,565,745**
Inventories		**7,581**	**38,365**
Commercial inventories		-	34,402
Prepayments to suppliers		7,581	3,963
Trade and other receivables	**9**	**29,196,218**	**28,871,514**
Trade receivables		27,743,880	27,935,003
Other receivables		35,088	3,173
Receivables from employees		36,954	1,658
Current income tax assets	**17**	1,809	1,810
Other receivables from Public Administrations	**17**	1,378,487	929,869
Financial investments		**1,960,303**	**6,040,807**
Derivatives	**8, 15**	-	3,856,917
Other financial assets	**8**	1,960,303	2,183,890
Accruals	8	**1,564,090**	**1,195,237**
Cash and cash equivalents	**10**	**30,946,881**	**7,419,822**
Cash		30,946,881	7,419,822
TOTAL ASSETS		**95,145,544**	**64,046,087**

HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES
Consolidated Balance Sheet for the year ended September 30, 2020

EQUITY AND LIABILITIES	NOTE	09/30/2020	09/30/2019
EQUITY		**41,413,800**	**15,857,887**
Capital and reserves	**11**	**39,321,820**	**12,374,276**
Share capital		**617,385**	**506,771**
Issued capital		617,385	506,771
Share premium		**43,730,866**	**13,846,548**
Reserves		**(3,996,060)**	**(1,343,562)**
Legal and statutory reserves		101,354	91,219
Other reserves		(4,097,414)	(1,434,781)
Treasury shares		**(315,161)**	
Profit/(loss) for the year		**(715,210)**	**(635,481)**
Valuation adjustments		**2,091,980**	**3,483,611**
Hedging transactions	**15**	2,091,980	3,483,611
NON-CURRENT LIABILITIES		**13,825,070**	**2,081,442**
Payables	**13**	**13,127,743**	**920,238**
Bank borrowings		10,892,683	236,118
Derivatives	15	2,235,060	684,120
Deferred tax liabilities	**17**	**697,327**	**1,161,204**
CURRENT LIABILITIES		**39,906,674**	**46,106,758**
Provisions	**12**	**136,573**	**145,846**
Payables		**15,087,931**	**15,833,138**
Bank borrowings	**13**	11,763,568	13,909,775
Other financial liabilities	**13**	20,944	55,702
Derivatives	**15**	3,303,419	1,867,661
Trade and other payables		**23,802,008**	**29,534,508**
Suppliers	**14**	17,054,074	13,308,835
Other payables	**14**	2,783,873	12,007,381
Employee benefits payable	**14**	527,040	275,022
Other payables to Public Administrations	**14, 17**	2,014,115	1,676,197
Customer advances	**14**	1,422,906	2,267,073
Accruals		**880,163**	**593,266**
TOTAL EQUITY AND LIABILITIES		**95,145,544**	**64,046,087**

HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES
Consolidated Income Statement for the year ended September 30, 2020

	NOTES	09/30/2020	09/30/2019
Revenue	**18**	**235,978,032**	**208,818,249**
Sales		235,978,032	208,818,249
Work performed by the entity and capitalized	**5.1**	**3,335,979**	**2,550,098**
Cost of sales		**(208,501,169)**	**(192,547,121)**
Consumption of goods		(208,501,169)	(192,547,121)
Other operating income	**18**	**3,168**	**21,099**
Grants related to income		3,168	21,099
Employee benefits expense	**18**	**(9,943,890)**	**(8,129,231)**
Wages, salaries et al.		(7,902,868)	(6,227,606)
Social security costs et al.		(2,041,022)	(1,901,615)
Other operating expenses		**(17,409,570)**	**(8,073,412)**
External services	**18**	(15,565,408)	(7,551,350)
Taxes		(393,035)	(41,235)
Losses on, impairment of and change in trade provisions	**9**	(1,451,033)	(480,181)
Other current management expenses		(94)	(646)
Depreciation and amortization	**5, 6, 18**	**(3,820,234)**	**(2,597,710)**
Impairment losses and gains (losses) on disposal of non-current assets	**6**	**(34,516)**	**(95,243)**
Other gains and losses	**18**	**(940,684)**	**(53,090)**
Non-recurring expenses		(1,384,269)	(154,352)
Non-recurring income		443,584	101,262
OPERATING PROFIT/(LOSS)		**(1,332,884)**	**(106,361)**
Finance income		**31,603**	**1,807**
From marketable securities and other financial instruments		31,603	1,807
Finance costs		**(561,324)**	**(696,853)**
Third-party borrowings	**18**	(561,324)	(696,853)
Change in fair value of financial instruments		**-**	**750**
Trading portfolio and other securities		-	750
Exchange gains (losses)		**-**	**(292)**
FINANCE COST		**(529,721)**	**(694,588)**
PROFIT/(LOSS) BEFORE TAX	**17**	**(1,862,605)**	**(800,949)**
Income tax	**17**	**1,147,394**	**165,468**
PROFIT/(LOSS) FOR THE YEAR		**(715,210)**	**(635,481)**

HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES
Consolidated Statement of Changes in Equity for the year ended September 30, 2020

	09/30/2020	09/30/2019
PROFIT/(LOSS) FOR THE YEAR	**(715,210)**	**(635,481)**
INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY	(24,512,231)	(3,599,081)
From cash flow hedges	6,128,058	899,770
Tax effect		
TOTAL INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY	**(18,384,173)**	**(2,699,311)**
AMOUNTS TRANSFERRED TO INCOME STATEMENT		
From cash flow hedges	22,656,724	1,502,521
Tax effect	(5,664,181)	(375,630)
TOTAL AMOUNTS TRANSFERRED TO INCOME STATEMENT	**16,992,543**	**1,126,891**
TOTAL RECOGNIZED INCOME AND EXPENSES	**(2,106,840)**	**(2,207,901)**

HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES
Consolidated Statement of Changes in Equity for the year ended September 30, 2020

	Issued capital (Note 11)	Share premium (Note 11)	Reserves (Note 11)	Retained earnings	Treasury shares (Note 11)	Profit/(loss) for the year	Valuation adjustments (Note 15)	TOTAL
BALANCE AT OCTOBER 1, 2018	**456,094**	**3,897,225**	**(1,728,184)**	**30**		**381,141**	**5,056,031**	**8,062,337**
Total recognized income and expenses						(635,481)	(1,572,420)	(2,207,901)
Transactions with shareholders and owners	50,677	9,949,323						10,000,000
Capital increase	50,677	9,949,323						10,000,000
Distribution of prior-year profit/(loss)			384,622	(30)		(381,141)		3,451
BALANCE AT SEPTEMBER 30, 2019	**506,771**	**13,846,548**	**(1,343,562)**	**-**		**(635,481)**	**3,483,611**	**15,857,887**
Total recognized income and expenses						(715,210)	(1,391,631)	(2-106,841)
Transactions with shareholders and owners	110,614	29,884,318	(2,016,085)		(315,161)			27,663,685
Capital increase	110,614	29,884,318	(2,016,085)		(315,161)			27,663,685
Distribution of prior-year profit/(loss)			(636,413)			635,481		1,403,782
BALANCE AT SEPTEMBER 30, 2020	**617,385**	**43,730,866**	**(3,996,060)**	**-**	**(315,161)**	**(715,210)**	**2,091,980**	**41,413,800**

	NOTE	09/30/2020	09/30/2019
CASH FLOWS FROM OPERATING ACTIVITIES		**(4,126,465)**	**612,639**
Profit/(loss) before tax		**(1,862,605)**	**(800,949)**
Adjustments to profit		**5.826231**	**3,886,184**
Depreciation and amortization (+)		3,820,234	2,597,710
Impairment losses (+/-)		1,451,033	480,181
Changes in provisions (+/-)		(9,273)	18,004
(Gains)/losses on derecognition and disposal of non-current assets (+/-)		34,516	95,243
Finance income (+)		(31,603)	(1,807)
Finance costs (-)		561,324	696,853
Change in working capital:		**(7,560,370)**	**(1,777,550)**
Inventories (+/-)		30,787	(33,633)
Trade and other receivables (+/-)		(1,776,698)	(10,330,719)
Other current assets (+/-)		(368,853)	638,376
Trade and other payables (+/-)		(5,732,500)	8,631,912
Other non-current assets and liabilities		286,897	593,266
Other cash flows from operating activities		**(529,721)**	**(695,046)**
Interest paid (-)		(561,324)	(696,853)
Interest received (+)		31,603	1,807
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		**(8,485,761)**	**(10,322,241)**
Payments on investments (-):		**(11,385,299)**	**(10,388,241)**
Intangible assets	**5**	(11,278,472)	(6,483,206)
Property, plant and equipment	**6**	(116,828)	(312,728)
Other financial assets		-	(3,526,307)
Proceeds from disposals (+):		2,909,538	-
Property, plant and equipment		188,771	-
Other financial assets		2,720,767	-
CASH FLOWS FROM FINANCING ACTIVITIES		**36,139,285**	**13,239,629**
Proceeds from and payments on equity instruments		**27,663,685**	**10,000,000**
Issuance of equity instruments (+)		27,663,685	10,000,000
Proceeds from and payments on financial liabilities:		**8,475,600**	**3,239,629**
Issues:		**9,739,508**	**4,301,624**
Bank borrowings (+)		9,739,508	4,301,624
Repayment and redemption of:		**(1,263,908)**	**(1,061,995)**
Bank borrowings (-)		(1,263,908)	(1,061,995)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		23,527,059	3,530,027
Cash and cash equivalents at the beginning of the period	**10**	7,419,822	3,889,795
Cash and cash equivalents at the end of the period	**10**	30,946,881	7,419,822

1. Activity

The Parent Company, HOLALUZ-CLIDOM, SA (hereinafter Holaluz or the Parent) was incorporated under the name CLIDOM ENERGY, S.L. on November 12, 2010. It is domiciled in Barcelona at Passeig de Joan de Borbó, 99, 08039, 4th floor.

The Group's activity consists in:

a) Running and managing, as the parent company, the entire business dynamic of the Group's subsidiaries.
b) The purchase and sale, even at an international level, production and marketing of energy in general, natural gas and telecommunications, even their transfer, regardless of their source of generation and production. Additionally, the Company provides energy, environment and telecommunications advisory and engineering services.

It also acts as a representative before third parties, and specifically in the electricity market, of power stations that produce electricity under a special regime applicable to electricity produced from renewable energy sources.

Its main activity is the marketing of energy in general.

As defined in article 42 of the Spanish Commercial Code, the Parent Company is the parent of a group of companies (hereinafter "the Group") that consists of the parent itself and the subsidiaries listed below and prepares consolidated financial statements.

The Group's functional currency is the euro.

At the general meeting held on October 25, 2019 the Company's shareholders resolved to increase capital through a public offering of shares paid with monetary contributions in order to increase the Company's shareholders' equity by a maximum effective amount of 30 million euros (nominal amount + share premium). It was also resolved to make a request for all Company outstanding shares to be traded on the Alternative Stock Market (MAB; Growth Company Segment: MAB-EE by its acronym in Spanish), specifically shares issued within the public offering framework. Said capital increase was approved on November 21, 2019 by the Company's Board of Directors (Note 11), and shares were admitted to trading on the MAB-EE on that same date.

1.1. Subsidiaries

At September 30, 2020 the Parent Company holds a direct ownership interest in the following companies:

- Clidomer Unipessoal, LDA (wholly owned at September 30, 2020) is a sole shareholder company that was incorporated on December 22, 2017 and is domiciled in Lisbon, at plaza Nuno Rodriguez dos Santos, 14-B. Its main activity is the manufacture, purchase, sale and marketing of energy and goods inherent to the electricity market.

- Clidom Italia, SRL (wholly owned at September 30, 2020) is a limited liability company that was incorporated on May 8, 2018 and is domiciled in Milan at via Gabba Fratelli, 4. Its corporate purpose consists in the sale of electricity, gas and other energy products. At the date the notes to the consolidated financial statements at September 30, 2020 were prepared, the company is dormant.

- Clidom France, SARL (wholly owned at September 30, 2020) is a limited liability company that was incorporated on September 10, 2018 and is domiciled in Paris at Avenue de l'Opera 75001. Its corporate purpose consists in the sale of gas, electricity and other energy products in France. At the date the notes to the consolidated financial statements at September 30, 2020 were prepared, the company is dormant.

- Holaluz Generación, S.L. (formerly, Orwell Power, SL, wholly owned at September 30, 2020) is a sole shareholder limited liability company that was incorporated on April 6, 2018 and is domiciled in Barcelona at Passeig Joan de Borbó, 99-101. Its corporate purpose consists in the purchase and sale, even at an international level, production and marketing of energy in general, natural gas and telecommunications, even their transfer, regardless of their source of generation and production. It also provides energy, environmental and telecommunications advisory and engineering services. The company started its activity in the current year 2019-20. Additionally, said subsidiary is the sole shareholder of the company Holaluz Rooftop Revolution, SL.

- Clidom Solar, SL (wholly owned at September 30, 2020) is a sole shareholder limited liability company that was incorporated on April 6, 2018 and is domiciled in Barcelona at Passeig Joan de Borbó, 99-101. Its corporate purpose consists in the purchase and sale, even at an international level, production and marketing of energy in general, natural gas and telecommunications, even their transfer, regardless of their source of generation and production. It also provides energy, environmental and telecommunications advisory and engineering services.

- Clidom Generación, SL (wholly owned at September 30, 2020) is a sole shareholder limited liability company that was incorporated on September 26, 2019 and is domiciled in Barcelona at Passeig Joan de Borbó, 99-101. Its corporate purpose consists in the production or generation of electricity, including the generation of renewable electricity, and the construction, operation and maintenance of production facilities. This activity can be carried out directly or through the acquisition of an ownership interest in special purpose vehicles that own the generation projects. At the date the notes to the consolidated financial statements at September 30, 2020 were prepared, the company is dormant.

At September 30, 2020 the Parent Company holds an indirect ownership interest in the following company:

- Holaluz Rooftop Revolution, SL is a sole shareholder limited liability company domiciled in Barcelona at Passeig Joan de Borbó, 99-101. Its corporate purpose is to provide financial support for private projects consisting in the purchase or installation of solar panels and to grant loans and credits (including consumer loans) and other funding transactions for developing the self-consumption business and distributed generation of energy. Its corporate purpose also consists in transactions or activities related or supplementary to the abovementioned ones or any transactions or activities that are necessary or advisable for the development of these activities or favor their development. Said company is dormant at September 30, 2020.

2. Basis of presentation of the consolidated financial statements

The consolidated financial statements for the year ended September 30, 2020 have been prepared from the accounting records of the Parent Company and the companies detailed in point 1.1., applying the Spanish GAAP approved by Royal Decree 1514/2007 of November 16, which was modified in 2016 by Royal Decree 602/2016 of December 2, and are presented in accordance with Royal Decree 1159/2010 of September 17, approving the standards for the preparation of consolidated financial statements, and prevailing mercantile legislation.

The consolidated financial statements have been authorized for issue by the Parent Company's Directors and will be submitted for approval by the shareholders in general meeting. It is expected that they will be approved without modification.

As indicated in Note 11 to the consolidated financial statements, since November 2019, the Parent Company's shares have been quoted on the MAB (the Spanish Alternative Stock Market) on the Growth Company Segment.

Unless otherwise indicated, all figures in the notes to the consolidated financial statements are presented in euros.

The business year ends on September 30.

a) True and fair view

The consolidated financial statements, which consist of the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes thereto, have been prepared from the Parent Company's and subsidiaries' accounting records in accordance with prevailing general provisions in order to give a true and fair view of the equity, financial position and results of the Group.

b) Consolidation principles

The consolidated financial statements have been prepared using the full consolidation method for all subsidiaries over which the Parent Company has control (Clidomer Unipessoal, LDA, Clidom France, SARL, Clidom Italia, SRL, Clidom Solar, SL, Holaluz Generación, SL, Holaluz Rooftop Revolution, SL and Clidom Generación, SL).

The Parent Company's investment therein has been eliminated on consolidation in the percentage corresponding to the shareholders' equity of the subsidiaries. The differences arisen have been assigned, as far as possible, to the assets and liabilities of the subsidiaries, whose fair value at the date of first consolidation is different from that recorded in the books. The remaining amounts, if any, have been allocated to goodwill on consolidation or to the negative consolidation reserve.

The companies composing the Group apply basically the same accounting policies in their separate financial statements and close their business year at September 30. Reciprocal balances in the balances sheet and the income statement, as well as significant unrealized margins, have been eliminated.

c) Comparison of information

The financial year 2018-19 was the first year in which the Parent Company prepared consolidated financial statements under prevailing regulations, taking October 1, 2018 as first-time consolidation date. In accordance with prevailing mercantile legislation, for comparative purposes the Company has included the figures for the year ended September 30, 2019 in addition to those of the current year (2019-20) for each item of the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement. The explanatory notes to the consolidated financial statements also include quantitative information at said dates, presented in the balance sheet or the income statement, as appropriate, except where disallowed by an accounting standard.

c) Accounting principles

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles and measurement standards described in chapter 4 of these notes to the consolidated financial statements. All mandatory accounting principles have been applied.

d) Critical issues concerning the assessment of uncertainty

The accompanying consolidated financial statements were prepared using estimates made by the Parent Company's Directors to measure the assets, liabilities and commitments recognized therein. These estimates basically refer to:

- The capitalization and useful lives of property, plant and equipment and intangible assets (Note 4a and 4b).

- The assessment of possible impairment losses on certain assets (Note 4c).

- The fair value of certain financial instruments (Note 4e).

- Provisions for unbilled income from energy supplied to customers and provisions for expenses for the purchase of energy and cost of tariffs pending invoice.

- The estimated projections for assessing the recovery of tax credits related to deductions (Notes 4g and 17).

Although these estimates were made on the basis of the best information available at September 30, 2020, events may occur in the future that require prospective adjustments (upwards or downwards) to these estimates in subsequent years.

e) Current/non-current classification of items

For items to be classified as current, a maximum period of 1 year from the reporting date of these consolidated financial statements has been considered.

f) Changes in accounting criteria

No significant changes have been made in the accounting criteria used in the preparation of the consolidated financial statements for the year ended September 30, 2020 from the criteria used in the preparation of the separate financial statements of the Parent Company.

g) Regulatory framework General overview

Electricity sector regulations in Spain are basically detailed in Law 24/2013, of December 26, 2013 on the Electricity Sector (hereinafter 'Electricity Sector Law'), repealing Law 54/1997, of November 27. The most significant matters set out by said Law and subsequent regulations for its implementation are as follows:

- Electrical energy production is carried out in a free market.
- The energy dispatch of power plants is established through a daily market that consists in 24 hourly auctions that match supply with demand. The matching price corresponds to the marginal price of the auctions. Production under the specific remuneration system receives the price resulting from the market and is supplemented by regulated remuneration.
- The transport, distribution and economic and technical management of the system are considered regulated activities.
- The supply of electricity is fully deregulated and all consumers must contract the supply of electricity with a power supplier. As of July 1, 2009 consumers that meet certain characteristics may choose to contract the supply of electricity with a Supplier of Reference and they will be applied the 'voluntary price for the small consumer' tariff. This tariff is linked to the hourly price set in the daily market.

Access tariffs are the same throughout Spain and are collected by the suppliers and paid to the distributors and transporters.

Royal Decree 413/2014 of June 6, regulating the production of electrical energy by means of renewable energy sources, cogeneration and waste.

Royal Decree 15/2018, of October 5, regulating urgent measures for energy transition and consumer protection and modifying and repealing certain terms of the Electricity Sector Law, of Royal Decree 1995/2000, of December 1, regulating the transport, distribution and marketing activities, among others, of RD 900/2015, of October 9, regulating the administrative, technical and economic conditions of the supply of electrical energy with self-consumption models, of Law 15/2012, of December 27, on tax measures for energy system sustainability, and of Law 38/1992 of December 28, on Special Taxes. The main developments are as follows:

- The right to consume electrical energy without charges is recognized, as well as shared supply by one or several consumers to take advantage of the economies of scale; lastly, administrative and technical procedures for small-power facilities are simplified.

- Self-consumed energy of a renewable, cogeneration and waste origin is exempt from charges and tariffs. Consequently, the charge imposed to self-consumers for the energy generated and consumed in their own facilities, the so-called 'sun tax' has been repealed.

- The administrative procedures for facilities of up to 100kW included in the self-consumption without surplus model are simplified, and must exclusively meet the requirements of the corresponding technical regulations and, specifically, the Low-Voltage Electro-technical Regulations. Additionally, the need to process certain access and connection permits for facilities of less than 15kW included in the self-consumption without surplus model is eliminated. Lastly, self-consumption facilities with less than 100kW power, are exempt from registration in the Administrative Register of Electrical Energy Production Facilities.

- Any consumer is allowed (even if it is not the direct consumer of the market) to purchase power by means of a bilateral agreement with a producer (PPA), which drives economy towards decentralization.

- The coverage of the electricity social tariff is extended, so it is now prohibited to cut off the power supply to households adhered to the social tariff with at least a 16 year old minor or with at least one person with a disability equal to or greater than 33%, among others.

- Additionally, the thermal social tariff is created. This is a direct economic aid so that vulnerable households can pay the heating, and hot water bills, among others.

- Self-consumption regulations have been developed by Royal Decree 244/2019 of April 5, regulating the administrative, technical and economic terms and conditions of electricity self-consumption.

- As for tariffs, the Spanish National Markets and Competition Commission (CNMC) recently approved Circular 3/2020, which establishes the methodology for calculating electricity transportation and distribution tariffs, while the electricity tariff regulations are pending approval by the Ministry for Ecological Transition and Demographic Challenge.

- During the state of emergency comprised between March 14 and June 21, 2020 exceptional social and economic measures were implemented to tackle the social and economic crisis generated by the COVID-19 pandemic that affected the electricity and gas sales activity. The main measures established in Royal Decree Law 11/2020 are as follows:

    - The coverage of the social tariff was extended to the following consumers: (i) professionals who were entitled to this benefit as a result of total cessation of business or a 75% decrease in turnover in the month prior to applying for the social tariff; (ii) and who also showed joint household income thresholds of 2.5 (childless), 3 (one child) or 3.5 (two or more children) times the IPREM (public indicator of income of multiple effects) at 14 pays.
    - Bans on electricity or gas shutoffs at the consumers' usual homes were imposed until April 11, a period that was extended to September 20, 2020 through Royal Decree Law 26/2020.

- Flexible electricity and gas supply contracts for freelancers and companies were offered, with the possibility of fully suspending or amending the contract to change to another option with the same supplier (change in power contracted, daily volume contracted, inclusion into a level of tariffs corresponding to lower consumption...) with no penalty to end consumers.

- Finally, the payment of electricity and gas invoices for invoicing periods comprising days included in the state of emergency was suspended for freelancers and SMEs. This measure freed suppliers from the duty to pay the access tariff in these invoices until the end customer paid all invoices, and from settling VAT, Special Tax on Electricity and Tax on Hydrocarbons until six months had passed since the end of the state of emergency.

h) Significant events in the year

On March 11, 2020 the World Health Organization labelled the public health emergency situation caused by the coronavirus (COVID-19) outbreak a global pandemic. The rapid escalation of events, in both Spain and worldwide, resulted in an unprecedented health crisis that had an impact on the macroeconomic environment and business evolution. To tackle the issue, the Spanish Government declared, among other measures, a state of emergency through Royal Decree 463/2020, of March 14, and approved a set of extraordinary urgent measures to address the economic and social impact of COVID-19, through Royal Decree Law 8/2020 of March 17, among others.

Taking this into account and the current lack of efficient medical treatment for the virus, the consequences for the economy in general, and for the Group's operations in particular, are uncertain and will largely depend on the evolution and spread of the pandemic in the next months, as well as on the economic agents' capacity to respond and adapt to this situation.

To date, the Group has maintained its operations and considers that the potential impacts of the pandemic have already been presented in the activity of the current year and the accompanying financial statements. However, the impact on next year will depend on the evolution and potential development of the pandemic, although it is not expected that any additional impacts will be significant.

The Group will continue taking appropriate action to deal with the events and minimize their impact, and considers that this is a temporary situation that according to the latest estimates and current cash position will not compromise its ability to continue as a going concern.

i) Consolidation methodology

Consolidation method

All subsidiaries have been accounted for using the full consolidation method.

Standardization

To standardize the presentation of the various items comprising the accompanying consolidated financial statements, the recognition and measurement accounting policies of the Parent Company have been applied to all companies included in the scope of consolidation.

Elimination of internal transactions

The balances and transactions between the several companies composing the Group have been eliminated.

3. Appropriation of profit/(loss)

The appropriation of the Parent Company's profit/(loss) proposed by the directors and submitted for approval by the Parent Company's shareholders in general meeting is as follows:

Proposed appropriation	
Profit and loss (profit)	**598,539**
Appropriation to:	
Legal reserve	**22,123**
Voluntary reserves	**576,416**

Limitations on the distribution of dividends

Once the legal and company bylaw requirements have been met, dividends may only be distributed against profit for the year or freely distributable reserves, if the value of equity is not lower than share capital or would not become lower than share capital plus the legal reserve as a result of distributing dividends. Accordingly, profit recognized directly in equity cannot be directly or indirectly distributed.

4. Recognition and measurement accounting policies

The main recognition and measurement accounting policies applied in the preparation of these consolidated financial statements are the following:

a) Intangible assets

As a general rule, intangible assets are recorded provided that the identifiability criteria is met and are initially measured at acquisition or production cost. Subsequently, they are stated at cost less accumulated amortization and any recognized impairment loss.

Intangible assets are amortized on a straight-line basis over their estimated useful lives and residual values. Amortization methods and periods are reviewed at year end, and adjusted prospectively where applicable. Intangible assets are tested for impairment at least at year end and are written down where applicable.

a.1) Industrial property

It is initially measured at acquisition or production cost, including registration and processing costs. It is amortized on a straight-line basis over its useful life (10 years).

a.2) Development costs

Technical innovation expenses incurred during the year are recorded in the income statement. However, the Group capitalizes these expenses as an intangible asset provided that the following conditions are met:

The related assets are specifically itemized by project and costs are clearly established so that they can be distributed over time.

It is possible to demonstrate the technical feasibility and financial profitability of the project.

They are amortized on a straight-line basis over their useful lives (5 years).

a.3) Software

This caption includes the amounts paid for the ownership or use of software programs.

Software programs that meet the recognition criteria are capitalized at their acquisition or production cost. They are amortized on a straight-line basis over a period of three and six years from the date each application is put to use.

Work performed by the Group and capitalized as intangible assets is recorded following the same criteria as for determining the production cost of inventories. Production cost is capitalized with a credit to the costs attributable to the asset in the 'Work performed by the Company and capitalized' caption in the income statement.

Software maintenance costs are recognized in the income statement for the year in which they are incurred.

a.4) Customer acquisition costs

The Group recognizes as an asset all costs incurred for obtaining a new contract with a customer only if the Group estimates that these costs will be recovered in the future.

These acquisition costs are those that the Group would not have incurred had the contract not been concluded.

These costs are amortized over a period of 5 to 9 years in accordance with the average life of the contracts that the Parent Company signs with its customers.

b) Property, plant and equipment

Property, plant and equipment items are measured at acquisition or production cost. Subsequently, they are stated at cost less accumulated depreciation and any recognized impairment loss.

Indirect taxes levied on the acquisition of property, plant and equipment are included only in the acquisition cost when that amount is directly recoverable from the tax authorities.

Expenses incurred for expansion, remodeling or improvements which increase the productivity, capacity, or prolong the useful life of the asset are recorded as an increase in the cost of the assets. Repairs and maintenance expenses are charged to the profit and loss account of the year incurred.

Property, plant and equipment items are depreciated on a straight-line basis over the estimated useful life of the asset in accordance with the following annual percentages:

Item	Percentage applied
Technical installations	10%
Furniture	10%
Data processing equipment	25%
Other items	10%

c) Impairment loss on intangible assets and property, plant, and equipment items

Property, plant and equipment items and intangible assets are deemed to be impaired when carrying amount exceeds recoverable value, which is understood to be the higher of fair value less costs to sell and value in use.

The Group assesses at each year end whether there is an indication that a non-current asset or, where applicable, a cash-generating unit may be impaired. If any indication exists, the Group estimates the asset's recoverable amount.

The recoverable amount is the higher of fair value of the asset less cost to sell and value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired. To assess value in use, expected future cash flows are discounted to their present value using risk free market rates, adjusted by the 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 for the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Impairment loss and its reversion are recognized in the income statement. Impairment loss is reversed only if the circumstances giving rise to it have ceased to exist. Any such reversal is limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset.

d) Operating leases

Operating lease expenses are recognized in the income statement in the year in which they accrue.

Any collection or payment that is made when arranging an operating lease is treated as advance collection or payment, which is allocated to profit or loss over the lease term as the benefits of the leased asset are provided or received.

e) Financial instruments

e.1) Financial assets

For measurement purposes, the Group's financial assets are classified as follows:

e.1.1) Loans and receivables

This caption corresponds to trade and non-trade receivables from the sale of goods, cash inflows and rendering of services with fixed or determinable payments not quoted on active markets.

They are initially measured at the fair value of the consideration given plus directly attributable transaction costs. Loans and receivables are subsequently measured at amortized cost, with accrued interest recorded in the income statement using the effective interest rate method.

However, receivables maturing within less than one year initially stated at nominal value will continue to be measured at nominal value unless they have become impaired.

For receivables whose estimated maturity date exceeds one year interest is recorded provided that the corresponding claim has been made and it is estimated that they will be recovered.

Impairment losses are recorded based on the difference between the carrying amount and the present value at year end of the estimated future cash flows discounted at the effective interest rates calculated at initial recognition. Impairment losses are recognized in the income statement.

e.1.2) Held-to-maturity investments

This category includes debt securities with fixed or determinable payments traded in an active market which the Company intends and is able to hold to maturity.

They are initially measured at the fair value of the consideration given plus directly attributable transaction costs. These investments are subsequent measured at amortized cost and interest accrued in the period are calculated using the effective interest rate method.

Impairment losses are recorded in the income statement and calculated based on the difference between the carrying amount and the present value at year end of the estimated future cash flows discounted at the effective interest rates determined at initial recognition.

e.1.3) Financial assets held for trading

This category includes the financial assets acquired for the purpose of being sold in the short term or which are part of a portfolio of identified financial instruments that the Company manages together and for which there is evidence of a recent pattern of short-term profit-taking, and derivative financial instruments that have been favorably measured for the Company provided that they are not financial guarantee contracts or have been designated as hedges.

They are initially recorded at the fair value of the consideration given. Directly attributable transaction costs are recognized in the income statement for the year. They are subsequently measured at fair value and any changes therein are directly recorded in the income statement.

e.2) Financial liabilities

- Recognition and measurement

Debts and payables

The Parent Company or a subsidiary recognize a financial liability in their balance sheet when they become party to the agreement or legal business in accordance with the related terms.

Debts and payables arising on the purchase of goods or services in the Company's trade operations are initially measured at the fair value of the consideration received, adjusted by directly attributable transaction costs.

Nevertheless, trade payables which mature within less than one year with no contractual interest rate are initially carried at the nominal value provided that the effect of not discounting cash flows is not significant.

Debts and payables are subsequently measured at amortized cost using the effective interest rate method. Those that are initially measured at nominal value as indicated above continue to be measured at nominal value.

Financial liabilities held for trading

This category includes financial liabilities issued with the intention of repurchasing them in the short term and derivative instruments that have not been designated as hedging instruments.

These financial liabilities are recognized and measured using the same criteria that apply to financial assets held for trading.

Hedging derivatives

Derivative financial instruments presenting a liability balance, that is, those that have been unfavorably measured for the company, are measured at fair value in the same manner as the financial liabilities held for trading outlined in the preceding section.

e.3) Deposits given and received

Deposits given in the short and long terms are measured at nominal value and cash flows are not discounted as the effect is not material.

Cancelation

The Group derecognizes a financial liability when the obligation under the liability is extinguished.

When debt instruments are exchanged with a lender, provided that their contractual terms are substantially different, the original financial liability is derecognized and the new financial liability is recognized. Similarly, any substantial modification of the terms of an existing financial liability is also recognized.

The difference between the carrying amount of the derecognized financial asset (or part of it) and the compensation paid, including any attributable transaction costs, which also includes any new asset transferred other than cash or liability assumed, is recognized in the income statement in the year to which it relates.

When debt instruments are exchanged whose contractual terms are not substantially different, the original financial liability is not derecognized, and the commissions paid are recognized as an adjustment to the carrying amount. The new amortized cost of a financial liability is determined by applying the effective interest rate, which equates the carrying amount of the financial liability on the modification date to the cash flows to be paid as per the new terms.

Accordingly, the contractual terms are considered to be substantially different when the same lender granted the original loan and the present value of the cash flows from the new financial liability, including net commissions, differs by at least 10% of the present value of the cash flows yet to be paid on the original financial liability, when the effective interest rate of the original liability has been applied to both.

f) Hedge accounting

The Group carries out cash flow hedging transactions related to future energy purchases.

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

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

Hedge effectiveness is measured through tests to verify that the differences arising from changes in the value of the hedged item and the corresponding hedging instrument remain within a range of 80% to 125% over the remaining term to maturity, and comply with forecasts established at the related contract dates.

If at any time financial derivatives do not qualify to be treated as hedges, they are reclassified as held-for-trading derivatives.

For measurement purposes, cash flow hedges hedge exposure to variability in cash flows that is attributable to changes in energy purchase prices. Interest rate swaps are used to exchange floating rates for fixed rates. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized temporarily in equity; the cumulative gain or loss is reclassified to profit or loss in the year or years in which the hedged transaction affects profit or loss.

At the consolidated financial statements closing date (September 30, 2020), the Group's hedging strategy includes PPAs (Power Purchase Agreements) with producers of renewable plants at a fixed price for a period of 6 years (until 2026) that meet the required conditions.

g) Income tax

Income tax paid or received is calculated as the sum of the current income tax paid or received plus the portion corresponding to the deferred tax paid or received.

Current income tax is the amount resulting from applying the tax rate to the tax base for the year, after applying the appropriate tax deductions.

Deferred tax expense or income relates to the recognition and settlement of deferred tax assets and liabilities. These include the temporary differences, measured at the amount expected to be payable or recoverable, between the carrying amounts of assets and liabilities and their tax bases, as well as unused tax loss carryforwards and unused tax credits. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled.

Deferred tax liabilities are recognized for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profit/(loss).

Deferred tax assets are only recognized when the Company considers it probable that future taxable profit will be available against which these assets may be utilized.

Deferred tax assets and liabilities relating to transactions charged or credited directly to equity are also recognized in equity.

Deferred taxes that have been recognized are reviewed at each balance sheet date to verify that they are still applicable, making any necessary adjustments if required. Unrecognized deferred tax assets are reassessed, recognizing them to the extent that it has become probable that taxable profit will be available against which they can be utilized.

h) Cash and cash equivalents

This heading includes cash, current accounts, short-term deposits and purchases of assets under resale agreements which meet the following criteria:

- They are readily convertible to cash.
- They mature within less than three months from the acquisition date.
- The risk of change in value is insignificant.
- They are part of the Group's standard cash management strategy.

i) Grants

Grants are recognized as non-repayable when the requirements established for receiving them are met and are recognized directly in equity, net of the corresponding tax effect.

Repayable grants are recognized as liabilities until they meet the criterion for being considered non-repayable. No income is recorded until this criterion is met.

Grants received to finance specific expenses are released to the income statement in the year in which the expenses which they are intended to compensate are incurred. Grants received to acquire property, plant, and equipment are released to income in proportion to the depreciation charged for the related assets.

j) Provisions and contingencies

In preparing the interim balance sheet, the Parent Company's Directors make a distinction between:

j.1) Provisions

Credit balances covering present obligations arising from past events, the settlement of which is likely to cause an outflow of resources, but which are uncertain as to their amount and/or time of settlement.

j.2) Contingent liabilities

Possible obligations arising from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group.

The consolidated financial statements for the year ended September 30, 2020 include all provisions when the Company considers that it will more likely than not have to settle related obligations, and are measured at the present value of the best possible estimate of the amount needed to cancel or transfer the obligation to a third party. Contingent liabilities are not recognized in the consolidated balance sheet but disclosed in the notes to the consolidated financial statements.

k) Related-party transactions

Related-party transactions, independently of the degree of relationship, are recognized in accordance with general regulations, that is, initially at fair value. If the agreed-upon price of a transaction differs from its fair value, the difference is recorded taking into account the economic substance of the transaction. Subsequent measurement follows prevailing accounting regulations.

l) Income and expenses

Income and expenses are recorded according to the accruals principle, that is, at the moment the goods or services represented by them take place, regardless of when actual payment or collection occurs. Income is measured at the fair value of the consideration received, less discounts and taxes.

Income from energy supply is recognized when energy has been delivered to the customer in accordance with available information on the electrical system based on periodic meter readings and, where appropriate, considers an estimate of its accrual and the value of energy/product consumed from the date of available reading to the closing of the period. Estimated daily consumption is based on adjusted historical customer profiles considering seasonality and other measurable factors that affect consumption.

Certain electricity and gas system figures, including those corresponding to other companies used to estimate the overall settlement of the system that shall be materialized in the corresponding final settlements, may affect the determination of the deficit in the settlements of regulated electricity and gas activities in Spain.

m) Termination benefits

Under prevailing labor legislation, the Group is bound to pay indemnities for the termination of labor contracts in certain conditions. Reasonably quantifiable termination benefits are recognized as an expense in the year in which the Group has created a valid expectation with respect to third parties that it will assume an obligation.

5. Intangible assets

The balances and variations in gross values and accumulated amortization are as follows:

Gross values	**Development costs and software**	**Patents, licenses, trademarks et al.**	**Other intangible assets**	**TOTAL**
Balance at Oct. 1, 2018	***7,833,832***	***15,950***	***3,697,518***	***11,547,300***
Additions	2,865,159	0	3,639,084	6,504,243
Disposals				
Balance at Sep. 30, 2019	***10,698,990***	***15,951***	***7,336,603***	***18,051,544***
Additions	4,693,456		6,585,016	11,278,472
Disposals				
Reclassifications				
Balance at Sep. 30, 2020	***15,392,446***	***15,951***	***13,921,619***	***29,330,016***

Accumulated amortization	**Development costs and software**	**Patents, licenses, trademarks et al.**	**Other intangible assets**	**TOTAL**
Balance at Oct. 1, 2018	***-2,062,576***	***-10,161***	***-272,968***	***-2,345,705***
Amortization charge	-1,679,979	-1,596	-773,552	-2,455,127
Derecognition				
Balance at Sep. 30, 2019	***-3,742,556***	***-11,756***	***-1,046,520***	***-4,800,832***
Amortization charge	**-2,339,667**	**-1,595**	**-1,341,340**	**-3,682,602**
Derecognition				
Balance at Sep. 30, 2020	***-6,082,223***	***-13,352***	***-2,387,859***	***-8,483,434***

Net carrying amount	**Development costs and software**	**Patents, licenses, trademarks et al.**	**Other intangible assets**	**TOTAL**
Net carrying amount at Oct. 1, 2018	***5,771,255***	***5,790***	***3,424,550***	***9,201,595***
Net carrying amount at Sep. 30, 2019	***6,956,435***	***4,194***	***6,290,083***	***13,250,712***
Net carrying amount at Sep. 30, 2020	***9,310,223***	***2,599***	***11,533,760***	***20,846,582***

5.1 Significant movements

Additions in intangible assets recorded during the period comprised between 9/30/2019 and 9/30/2020 include the capitalization of work performed by the Parent Company for an amount of 3,335,979 euros (2,550,098 euros at September 30, 2019), and are part of the new technological innovation project 'SmartOp' that the Parent Company has been carrying out since the beginning of the financial year 2018-19. This is a two-year project that aims at the automation of and technological improvement in the processes involved in end-to-end billing management of Holaluz customers (algorithms that define customer consumption needs, switching and communication process with distributors, reading data acquisition process, billing algorithms, etc.). This project is comprehensively classified as a Technological Innovation project.

Additions in other assets correspond to customer acquisition costs (Note 4.a.4).

5.2 Other information

The gross value of fully amortized intangible assets still in use is as follows:

Account	Balance at Sep. 30, 2020	Balance at Sep. 30, 2019
Software	494,645	421,796
Business development	42,119	22,730
Brand	3,609	3,609
Total	540,373	448,135

No intangible assets are located outside of Spain.

6. Property, plant and equipment

The balances and variations in gross values and accumulated amortization are as follows:

Gross values	Data processing equipment	Furniture and office equipment	Installations	PP&E under construction	TOTAL
Balance at Oct. 1, 2018	***261,858***	***58,672***	***699,373***		***1,019,903***
Additions	98,572	17,572	19,254	188,771	324,170
Disposals			-210,637		-210,637
Balance at Sep. 30, 2019	***360,430***	***76,244***	***507,991***	***188,771***	***1,133,436***
Additions	97,279	4,147	15,401		116,827
Disposals	-3,481	-100	-48,135		-51,716
Reclassifications				-188,771	-188,771
Balance at Sep. 30, 2020	***454,228***	***80,291***	***475,257***	***0***	***1,009,777***

Accumulated depreciation	Data processing equipment	Furniture and office equipment	Installations	PP&E under construction	TOTAL
Balance at Oct. 1, 2018	***-120,598***	***-18,579***	***-113,308***		***-252,486***
Depreciation charge	-73,734	-5,064	-63,785		-142,583
Derecognition			95,243		95,243
Balance at Sep. 30, 2019	***-194,332***	***-23,644***	***-81,850***	***0***	***-299,826***
Depreciation charge	**-79,241**	**-7,005**	**-51,386**		**-137,632**
Derecognition			**17,200**		**17,200**
Balance at Sep. 30, 2020	***-273,573***	***-30,649***	***-116,037***	***0***	***-420,258***

Net carrying amount	Data processing equipment	Furniture and office equipment	Installations	PP&E under construction	TOTAL
Net carrying amount Oct. 1, 2018	***141,260***	***40,093***	***586,065***		***767,417***
Net carrying amount at Sep. 30, 2019	***166,098***	***52,601***	***426,140***	***188,771***	***833,610***
Net carrying amount at Sep. 30, 2020	***180,655***	***49,643***	***359,220***	***0***	***589,518***

In the year 2018-19 the Parent Company derecognized installations in the old offices that generated losses for an amount of 34,516 euros.

6.1 Significant movements

For the Parent Company, additions in data processing equipment correspond to the renewal of laptops, and new acquisitions as a result of the increase in the company's headcount.

6.2 Other information

The gross value of fully depreciated property, plant and equipment items still in use at the Parent Company is as follows:

Account	Balance at Sep. 30, 2020	Balance at Sep. 30, 2019
Data processing equipment	103,684	53,568
Furniture	1,837	147
Total	105,521	53,715

It is Group policy to take out the insurance policies necessary to cover the potential risks to which its property, plant, and equipment items are exposed. From October 1, 2019 to September 30, 2020 these potential risks were fully covered by the insurance.

No property, plant and equipment items have been acquired between the group companies at September 30, 2020. No intangible assets are located outside of Spain.

7. Leases and similar arrangements

7.1. Operating leases

The operating lease payments recognized as expenses, corresponding entirely to the Parent Company, are as follows:

	Balance at Sep. 30, 2020	Balance at Sep. 30, 2019
Lease expenses	459,400	448,656
	459,400	448,656

According to the current contracts in force, the Parent Company's future non-cancelable minimum operating lease payments that may be updated in the future based on the evolution of CPI are as follows:

	Balance at Sep. 30, 2020	Balance at Sep. 30, 2019
Within one year	450,780	446,925
Between one and five years	1,531,555	1,918,770
More than five years		63,565
	1,982,335	2,429,260

The Parent Company entered into a lease arrangement on its head offices on September 1, 2017 that expires in December 2024.

8. Current and non-current financial investments and current accruals

a) Non-current financial investment categories

Financial investments, except for cash and cash equivalents, are classified into the following categories:

	Loans, derivatives and other financial investments	
	Sep. 30, 2020	Sep. 30, 2019
Other financial assets	2,149,778	401,801
Derivatives	5,053,878	4,310,930
	7,203,656	4,712,730

The balances detailed correspond entirely to the Parent Company except for 260 thousand euros included in "Other financial assets" in the subsidiary Clidomer corresponding to deposits at OMIE, REN and EDP. Additionally, this heading substantially includes the deposit given as a lease guarantee on the offices rental maturing in 2024 (69 thousand euros), deposit of guarantees at OMIE (1.4 million euros), guarantees at MIBGAS (12 thousand euros) and long-term social contributions in Avalis (28.6 thousand euros) and Cajamar (30 thousand euros), among others. This caption also includes 300 thousand euros deposited with the liquidity provider for its daily share purchase and sale operations in MAB.

The balance of Derivatives amounting to 5 million euros is commented on in Note 15.

b) Current financial investment categories

Current financial investments are classified based on the following categories:

	Loans, derivatives and other financial investments	
	Sep. 30, 2020	Sep. 30, 2019
Other financial assets	1,960,303	2,183,890
Derivatives (*)		3,856,917
	1,960,303	6,040,807

(*) See Note 15

The balances detailed correspond entirely to the Parent Company.

At September 30, 2020 "Other financial assets" mostly corresponds to deposits given as guarantees to the electricity and gas market operators for an amount of 1,927 thousand euros (2,182 thousand euros at September 30, 2019). Deposits given to financial institutions for the hedging derivative transactions are entirely pledged as a guarantee thereof.

c) Short-term accruals

This heading includes the accruals of annual expenses that at September 30, 2020 have not yet been incurred and amount to 1.6 million euros (1.2 million euros at September 30, 2019). They include 961 thousand euros from the Parent Company (832 thousand euros at September 30, 2019), which basically correspond to sales commissions related to annual renewals amounting to 304 thousand euros (656 thousand euros at 2019 year end). They also include accruals of insurance premiums for an amount of 152 thousand euros (23 thousand euros at September 30, 2019) and advertising costs amounting to 506 thousand euros whose accrual corresponds to the months subsequent to the closing of the financial year and which have been paid in advance. Additionally, they include 602 thousand euros from the subsidiary Clidom Solar corresponding to the portion of the costs for the solar panel installation projects not completed at year end (362 thousand euros at September 30, 2019).

9. Trade and other receivables

a) The breakdown of 'Trade and other receivables' is as follows:

	Sep. 30, 2020	Sep. 30, 2019
Trade receivables	27,743,880	27,935,003
Other receivables	35,088	3,173
Receivables from employees	36,958	1,658
Current income tax assets (*)	1,809	1,810
Other receivables from public administrations (*)	1,378,487	929,869
	29,196,221	28,871,514

At September 30, 2020, the balances related to electricity and gas sales pending invoice included in "Trade receivables" amount to 21,044 thousand euros (18,939 thousand euros at September 30, 2019) and correspond to energy supplied during September, which is invoiced to customers during the first working days of the following month (in this case, October 2020). The Parent Company's operations for billing the electricity and gas sales activity consist in issuing invoices for the amount of electricity and gas consumed during the calendar month and sending the corresponding invoices to customers during the first days of the following month. This heading also includes balances receivable for invoices issued by the subsidiary Clidom Solar for solar panel installation amounting to 660 thousand euros (213 thousand euros at September 30, 2019).

b) Impairment losses arising from credit risk

The balance of 'Trade receivables' is presented net of impairment losses. The movements in impairment losses, only for the Parent Company, are as follows:

	Impairment losses due to credit risk	
	Sep. 30, 2020	Sep. 30, 2019
Opening impairment losses	-1,807,724	-1,327,543
Impairment loss	-1,800,000	-4,800,000
Derecognition and reductions	390,945	-181
	-3,216,779	-1,807,724

10. Cash and cash equivalents

The breakdown of this caption at September 30 is as follows:

	Sep. 30, 2020	Sep. 30, 2019
Cash	1,590	136
Demand current accounts	30,945,291	6,660,598
Bank deposits	0	759,089
	30,946,881	7,419,822

Current accounts earn market interest rates.

In August 2019 the Parent Company signed a reverse factoring agreement with a financial institution for an amount of 1.9 million euros with a pledge of 750 thousand euros recorded under the "Bank deposits" caption at September 30, 2019. In December 2019, this agreement was cancelled and the financial entity refunded the total amount of the pledge to the Parent Company.

On July 26, 2019 a capital increase was carried out with a share premium of 10 million euros which were fully paid up. On November 29, 2019 a second capital increase was recorded for an amount of 30 million euros fully paid up within the IPO on MAB (Growth Company Segment). These transactions resulted in a very significant cash inflow for the Parent Company and the whole Holaluz Group to be able to implement its growth and expansion strategy. Additionally, the global emergency situation caused by the coronavirus outbreak (COVID-19) led to additional funding to be able to meet the Group's potential cash needs. In April 2020 the Spanish Government activated stimulus package for small- and large-sized companies to tackle the economic crisis caused by the pandemic. In the case of Holaluz, and through the entities in the banking pool, long-term exceptional funding was obtained from ICO in the form of loans, facilities and reverse factoring agreements for a total amount of 29.4 million euros, of which 5.7 million euros were already part of the Parent Company's ordinary financing (Note 13). In summary, as a result of the capital increases and the exceptional funding from ICO due to the COVID-19 crisis, the cash position has substantially increased by more than 24 million euros in comparison with the balance at September 30, 2019.

There are no additional restrictions on the availability of these balances either for the Parent Company or the subsidiaries.

11. Equity

a) Share capital and Treasury shares

At September 30, 2020, the Company's consolidated share capital amounts to 617,385 euros (506,771 euros at September 30, 2019) and consists of 20,579,484 Parent Company shares with a nominal value of 0.03 euros each (506,771 shares at September 30, 2019) , fully subscribed and paid up.

On July 26, 2019 the Parent Company's extraordinary general meeting of shareholders resolved to increase capital by means of a monetary contribution of 50,677 euros and a share premium of 9,949,323 euros, equal to 50,677 Class B shares with a par value of 1 euro each.

On September 13, 2019 the Official Gazette of the Mercantile Register published the notice announcing the transformation of the Parent Company from a limited liability company into a public limited company, following the resolution passed by the shareholders in the general meeting of the Parent held on September 6, 2019, whereby it was unanimously agreed that the company should become a public limited company under the name Holaluz-Clidom, S.A. The transformation balance sheet at April 30, 2019 and the modification to the bylaws for their adaptation to the new business structure were also unanimously approved.

At the general meeting held on October 25, 2019 the Parent Company's shareholders resolved to increase capital through a public offering of shares paid with monetary contributions in order to increase the Parent Company's shareholders' equity by a maximum effective amount of 30 million euros (nominal amount + share premium). It was also resolved to make a request for all Parent Company outstanding shares to be traded on the Alternative Stock Market (MAB; Growth Company Segment: MAB-EE by its acronym in Spanish), specifically shares issued within the public offering framework. On the same date a capital decrease of 5,068 euros against Reserves for the Parent Company was approved.

On November 21, 2019 the Board of Directors of the Parent Company carried out the capital increase for an effective amount of 29,999,998.98 euros through the issuance and putting into circulation of 3,856,041 new ordinary shares with a nominal value of 0.03 euros each plus a share premium of 7.75 euros per share. Consequently, the new share issue rate is 7.78 euros per share. Therefore, the capital increase amounts to 115,681.23 euros and the corresponding share premium amounts to 29,884,317.75 euros. These amounts have been fully paid up upon subscription of the new shares. Within the framework of the IPO on MAB, the Parent Company acquired treasury shares for an amount of 300 thousand euros.

The breakdown of legal entities which hold an ownership interest greater than 10% in the Parent Company is as follows:

	Sep. 30, 2020	Sep. 30, 2019
Axon Capital e Inversiones	18%	27%
Geroa Pentsioak	8%	10%

b) Legal reserve

Under the revised text of the Spanish Capital Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve may be used to increase capital in an amount equal to the portion of the balance that exceeds 10% of capital after the increase. Otherwise, until it exceeds 20% of share capital and provided there are no sufficient available reserves, the legal reserve may only be used to offset losses.

At September 30, 2020 and 2019 the legal reserve is not fully funded.

c) Reserves and share premium

The balance of the share premium account can be freely distributed except for the amount under "Losses from prior years". Within the framework of the IPO on MAB, the Parent Company has recorded directly against Reserves costs directly attributable to said transaction for an amount of 2 million euros.

Additionally, the breakdown of consolidated reserves is as follows:

	Sep. 30, 2020		Sep. 30, 2019	
	Reserves	Losses from prior years	Reserves	Losses from prior years
HOLALUZ-CLIDOM, SA	-2,278,880		-1,031,096	
CLIDOMER, LDA		-290,176		-60,918
CL SOLAR, SL		-1,388,782		-236,602
CL. ITALIA, SRL		-15,629		-6,550
CL. FRANCE, SARL		-22,500		8,371
HOLALUZ GENERACIÓN, SL		-93		-25
HL ROOFTOP REVOLUTION, SL				
CL. GENERAC., SL				
TOTAL RESERVES	**-2,278,880**	**-1,717,180**	**-1,031,096**	**-312,466**

12. Provisions

The Parent Company has recorded a provision for all payment settlements received from the city councils corresponding to local tax payments, most of them related to the tax on economic activities pending payment at September 30, 2020. The Parent Company has lodged an appeal as it considers that there are no grounds for demanding this payment and considers that it is not liable to it.

The movements in provisions were as follows:

	Balance at Sep. 30, 2019	Additions	Disposals	Balance at Sep. 30, 2020
Provisions	145,846	289,602	-298,875	136,573
	145,846	**289,602**	**-298,875**	**136,573**

13. Non-current and current payables

Non-current and current payables correspond entirely to the Parent Company. They are classified into the following categories:

	Non-current payables					
	Bank borrowings		Derivatives		Total	
	Sep.30, 2020	Sep.30, 2019	Sep.30, 2020	Sep.30, 2019	Sep.30, 2020	Sep.30, 2019
Debits and payables	10,892,683	236,118	2,235,060	684,120	13,127,743	920,239
	10,892,683	**236,118**	**2,235,060**	**684,120**	**13,127,743**	**920,239**

Non-current financial liabilities at September 30, 2020 has increased significantly relative to September 2019 due to the non-recurring funding that the Company has received from ICO since April 2020 through the several financial institutions in the banking pool. Specifically, at year end ICO has granted loans for an amount of 11.5 million euros. Additionally, the Company has been granted an ordinary loan by Institut Català de Finances (ICF) for the outstanding amount of 701 thousand euros. At 2019 year end only one loan had been granted by ICF.

The balance of Derivatives amounting to 2.2 million euros is commented on in Note 15.

	Current payables							
	Bank borrowings		Other financial liabilities		Derivatives		Total	
	Sep.30, 2020	Sep.30, 2019	Sep.30, 2020	Sep.30, 2019	Sep.30, 2020	Sep.30, 2019	Sep.30, 2020	Sep.30, 2019
Debits and payables	11,763,568	13,909,775	20,944	55,702	3,303,419	1,867,661	15,087,931	15,833,138
	11,763,568	**13,909,775**	**20,944**	**55,702**	**3,303,419**	**1,867,661**	**15,087,931**	**15,833,138**

Bank borrowings include the portion of current loans indicated in the paragraph above. They also include the amounts utilized from credit lines and the amounts utilized from reverse factoring facilities, factoring facilities and funded payments (Note 13 b). Most of these borrowings at September 30, 2020 correspond to Bankia, Bankinter, Ibercaja, Deutsche Bank and Liberbank.

The balance of Derivatives amounting to 3.3 million euros is commented on in Note 15.

a) Classification by maturity

The breakdown by maturity of the Parent Company's loans, with fixed or determinable maturity, at September 30, 2020, is as follows:

September, 30, 2020

	2020-21	2021-22	2022-23	2023-24	2024-25	TOTAL
Payables						
Bank borrowings	2,492,588	4,861,601	3,343,472	1,635,172	1,052,438	13,385,271
	2,492,588	**4,861,601**	**3,343,472**	**1,635,172**	**1,052,438**	**13,385,271**

September, 30, 2019

	2019-20	2020-21	2021-22	TOTAL
Payables				
Bank borrowings	835,068	114,432	121,688	1,071,188
	835,068	**114,432**	**121,688**	**1,071,188**

b) Other information

The breakdown of the Parent Company's bank borrowings is as follows:

	2019-2020		
	Limit	Current at Sep. 30, 2020	Non-current at Sep. 30, 2020
Bank loans	13,385,270	2,492,588	10,892,683
Credit facilities	15,650,000	5,763,157	
Factoring, reverse factoring and funded payments	4,276,005	3,476,005	
Bills discounted	7,137,343	0	
Credit cards	280,943	31,818	
	40,729,561	**11,763,568**	**10,892,683**

	2018-2019 (September 30, 2019)		
	Limit	Current at Sep. 30, 2019	Non-current at Sep. 30, 2019
Bank loans	1,071,186	835,068	236,118
Credit facilities	9,150,000	7,932,086	
Factoring, reverse factoring and funded payments	2,995,373	2,591,345	
Bills discounted	2,808,592	2,528,036	
Credit cards	282,177	23,239	
	16,307,328	**13,909,775**	**236,118**

In the period comprised between October 1, 2019 and September 30, 2020 the Parent Company has increased the limit available on its net bank borrowings by more than 24 million euros. New loans have been taken out for a total amount of 12.3 million euros (11.5 million euros granted by ICO). Additionally, short-term funding has been extended by 12.1 million euros through new credit lines amounting to 6 million euros, reverse factoring facilities and funded payments to suppliers, which have increased by 1.2 million euros (2.9 million euros at September 30, 2019). Bill discounting facilities have also increased significantly by 4.3 million euros relative to the prior year. These amounts have been mainly used to fund the cash needs derived from the increase in the activity of the Group's Parent Company.

These amounts have been mainly used to fund the cash needs derived from the increase in the activity of the Group, and of the Company in particular.

Additionally, the Parent Company has drawndown lines of guarantees and security interests that have been granted by several financial institutions for an overall amount of 5.7 million euros (6 million euros at September 30, 2019), which have been provided to energy suppliers to carry out the energy purchase and marketing activity.

14. Trade and other payables

The breakdown of 'Trade and other payables' is as follows:

	Sep. 30, 2020	Sep. 30, 2019
Suppliers	17,054,074	13,308,835
Other payables	2,783,873	12,007,381
Employee benefits payables	527,040	275,022
Other payables to public administrations (*)	2,014,115	1,676,197
Customer advances (**)	1,422,906	2,267,073
	23,802,008	29,534,508

(*) See Note 17

(**) The balance corresponds entirely to the Parent Company. At each month end and, therefore, also at year end, the balance of 'Customer advances' corresponds to advance collections received from the customers that have contracted a flat rate (SinSorpresas) and to the advance collection received in prior months that will be regularized in each annuity of the customer contract.

At September 30, 2020 the balances for invoices pending receipt corresponding to supplied electricity included under "Suppliers" amount to 10 million euros (10.8 million euros at September 30, 2019).

14.1. Information on the average payment period to suppliers. Additional Provision Three. 'Disclosure requirements', of Spanish Law 15/2010

The information on the average payment period to the Parent Company's suppliers is as follows:

	Sep. 30, 2020	Sep. 30, 2019
Average payment period to suppliers and creditors	33.6	47.6
Ratio of transactions paid	27.1	42.0
Ratio of transactions pending payment	8.7	34.9
	Amount	Amount
Total payments made	274,520,829	256,118,213
Total payments outstanding	18,849,221	36,250,162

15. Hedging transactions using derivative financial instruments

The Parent Company uses derivatives to hedge the risks to which its activities, operations and projected cash flows are exposed. At September 30, 2020 base loads of energy are covered at a fixed price. All of them end at December 31, 2026 at the latest, and meet the requirements detailed in (Note 4f) on measurement policies to be classified as hedging instruments.

The summary of cash flow hedges in force at year end, whose amount has not been settled at the Parent Company's balance sheet date (September 30, 2020) since they are held to maturity, is as follows:

Clearing house	Detail	Product	COD	Asset	Liability
EEX	NC Asset	CAL-21	FEBYJAN21	4,652,348	
EEX	NC Asset	CAL-22	FEBYJAN22	124,392	
EEX	NC Asset	Q1-21	FEBQJAN21	163,695	
MEFF	NC Asset	CAL-21	SWBCCAL21	90,228	
OTC	NC Asset	CAL-21	FEBYJAN21	23,214	
EEX	C Liability	CAL-20	FEBYJAN20		-2,692,110
EEX	C Liability	NOV--20	FEBMNOV20		-21,715
EEX	C Liability	OCT--20	FEBMOCT20		-49,915
EEX	C Liability	OCT--20	FEBQOCT20		-8,009
EEX	C Liability	Q4-20	FEBQ4-20		-165,116
EEX	C Liability	Q4-20	FEBQOCT20		-119,440
OTC	C Liability	Q4-20	FEBYJAN20		-58,607
PPA	C Liability	Q42020	FEBQOCT20		-4,388
PPA	C Liability	CAL20_26			-59,056
EEX	C Liability	CAL2O	FEBYJAN20		-125,065
EEX	NC Liability	CAL-21	FEBYJAN21		-1,193,900
EEX	NC Liability	CAL-22	FEBYJAN22		-111,252
EEX	NC Liability	CAL-23	FEBYJAN23		-140,510
EEX	NC Liability	CAL-24	FEBYJAN24		-143,179
EEX	NC Liability	Q1-21	FEBQJAN21		-10,968
MEFF	NC Liability	CAL-21	SWBCCAL21		-78,841
PPA	NC Liability	CAL20_26			-556,411
			TOTAL	5,053,878	-5,538,480
			NET		-484,602

The summary of cash flow hedges in force at year end, whose amount had not been settled at the balance sheet date (September 30, 2019) since they were held to maturity, was as follows:

Description of the hedge	Type	Entity	Underlying	Fair value
MEFF Power hedge	SWBCCAL20	Investment entity	MWh	4,528
MEFF Power hedge	SWBCCAL20	Investment entity	MWh	3,514
MEFF Power hedge	SWBCQ419	Investment entity	MWh	1,304
MEFF Power hedge	SWBCCAL19	Investment entity	MWh	-
MEFF Power hedge	SWBCCAL21	Investment entity	MWh	1,105
MEFF Power hedge	SWBCMOCT19	Investment entity	MWh	76,860
MEFF Power hedge	SWBCQ319	Investment entity	MWh	230,580
MEFF Power hedge	SWBCQ419	Investment entity	MWh	203,920
Total				368,090
Power Purchase Agreements	CAL20_26	Investment entity	MWh	5,247,976

The net amounts of these transactions at year end total -484 thousand euros (+5.6 million euros at September 30, 2019) and have been recorded as follows:

	Sep. 30, 2020	Sep. 30, 2019
Non-current derivatives (asset)	5,053,878	4,310,930
Current derivatives (asset)	0	3,856,917
Non-current derivatives (liability)	-2,235,060	-684,120
Current derivatives (liability)	-3,303,419	-1,867,661
	-484,602	5,616,066

Additionally, the Parent Company's cash account includes -3.3 million euros corresponding to daily settlements of outstanding derivatives (982 thousand euros at September 30, 2019).

The amounts recognized in the Parent Company's equity and income statement during the year related to the hedging transactions above are as follows:

	Sep. 30, 2020	Sep. 30, 2019
Amount recognized in equity - Profit / (loss)	2,091,980	3,483,611
Amount recorded directly in income statement - Profit / (loss) *	-16,992,543	-1,126,891
	-14,900,563	2,356,719

(*) According to their nature, they are included in the consumption of goods caption.

16. Nature and extent of risks arising from financial instruments

Qualitative information

The Group centralizes financial risk management in the Finance Department, which has the necessary mechanisms in place to control exposure to fluctuations in interest rates, as well as to credit and liquidity risk. The main financial risks to which the Company is exposed are as follows:

a) Credit risk

In general, the Group keeps their cash and cash equivalents in financial entities with high credit ratings, and there is no significant concentration of credit risk with third parties. The guarantees deposited at the market operators (OMIE, MIBGAS and REE) mature within less than 12 months.

Additionally, the breakdown of trade receivables and their maturities is as follows:

	Sep. 30, 2020	Sep. 30, 2019
Not due	20,252,982	23,835,105
Past due, not impaired		
Less than 30 days	481,708	480,247
Between 30 and 60 days	723,426	376,878
More than 60 days	6,285,763	3,242,773
	27,743,880	27,935,003
Doubtful receivables	3,216,779	1,807,724
Impairment allowances	-3,216,779	-1,807,724
TOTAL	27,743,880	27,935,003

b) Liquidity risk

In order to ensure ongoing liquidity and the ability to service all payment commitments arising from its activity, the Group holds the cash balances reflected in the balance sheet and the credit lines detailed in the note about financial institutions (Note 13b).

c) Market risk

Market risk exists when a potential loss may arise from fluctuations in the fair value or future cash flows of a financial instrument due to changes in market prices. Market risk comprises interest rate risk, currency risk, and other price risks.

Both cash and interest-bearing debt are exposed to interest rate risk, since almost the entire interest-bearing debt is linked to fixed interest rates. However, it is estimated that in no case will they have a negative impact on the financial results or cash flows.

As for the market price risk of energy, the Parent Company's policy is to arrange hedging financial instruments to minimize fluctuations in the Megawatt-hour (MWh) market price of energy (Note 15) and thus ensure trade margin.

17. Taxes

The breakdown of this heading in the consolidated financial statements at September 30, 2020 is as follows:

	Sep. 30, 2020			
	Debit balances		Credit balances	
Item	Non-current	Current	Non-current	Current
Value added tax		1,346,676		908,270
Canary Islands general indirect tax		30,002		
Current income tax assets				
Deferred tax assets	2,830,715			
Deferred tax liabilities			697,327	
Current income tax liabilities		1,809		
Electricity tax				761,941
Gas tax				7,869
Personal income tax				136,849
Social security agencies		0		199,185
	2,830,715	1,378,487	697,327	2,014,115

	Sep. 30, 2019			
	Debit balances		Credit balances	
Item	Non-current	Current	Non-current	Current
Value added tax		780,858		629,107
Canary Islands general indirect tax		139,638		
Current income tax assets		1,810		
Deferred tax assets	1,683,290			
Deferred tax liabilities			1,161,204	
Current income tax liabilities				
Electricity tax				812,110
Gas tax				5,131
Personal income tax				90,107
Social security agencies		9,373		139,743
	1,683,290	931,680	1,161,204	1,676,198

The reconciliation of consolidated profit/(loss) before tax corresponding to the interim consolidated financial statements at September 30, 2020 is as follows:

	2020		2019	
	Tax accrued	Tax payable	Tax accrued	Tax payable
Profit before income tax	-1,862,605	-1,862,605	-800,949	-800,949
Adjustments to profit			55,951	
Permanent differences	-1,179,938	-1,179,938		
Temporary differences arising in prior years				
Tax result	**-3,042,542**	**-3,042,542**	**-744,998**	**-800,949**
Total tax liability (25% of tax result)	760,636	760,636	-164,696	-164,696
Deductions	386,758		330,164	
Net tax payable	**1,147,394**	**760,636**	**165,468**	**-164,696**
Withholdings and Payments on account				1,535
Income tax expense / Income tax refund	**1,147,394**	**0**	**165,468**	**1,535**

Deferred tax assets recorded

The breakdown of the balance of this account in euros is as follows:

Item	Sep. 30, 2020		Sep. 30, 2019	
	Amount	Maturity	Amount	Maturity
Tax credits related to unused tax loss carryforward	1,190,687	no maturity	429,586	no maturity
Unused deductions:				
2014 deduction for investment of profit	26,604	2029	29,604	2029
2011 deduction for IT	1,482	2026	1,482	2026
2012 deduction for IT	1,978	2027	1,978	2027
2013 deduction for IT	4,678	2028	4,678	2028
2014-15 deduction for IT	60,298	2029	24,278	2029
2015-16 deduction for IT	282,753	2030	282,753	2030
2016-17 deduction for IT	297,887	2031	297,887	2031
2017-18 deduction for IT	259,636	2032	259,637	2032
2018-19 deduction for IT	282,991	2033	330,164	2033
2019-20 deduction for IT	384,843	2034		
2014-15 deduction for donation	729	2030	729	2030
2016-17 deduction for donation	4,200	2031	4,200	2030
2017-18 deduction for donation	4,350	2032		
2018-19 deduction for donation	7,659	2033		
Temporary differences				
2013-15 Amortization (30%)	16,938	2025-33	16,314	2025
	2,830,715		1,683,290	

Technological innovation deductions derive from the technological transformation project that the Parent Company is developing (Note 5) and independent experts have certified that they meet the R&D&i requirements set forth in article 35 of Law 27/2014, of November 27, on the Income Tax.

The deferred tax assets have been recognized in the balance sheet due to the Parent Company's Directors' belief, based on the best estimate of future profits, that it is expected that these assets will be recovered by the Parent Company and also by the subsidiaries Clidom Solar, SL. and Clidomer Unipessoal LDA.

Deferred tax liabilities recognized

The breakdown of this account, which corresponds entirely to the Parent Company, is as follows:

Temporary differences (deferred tax liabilities)	Sep. 30, 2020	Sep. 30, 2019
Hedging transactions	697,327	1,161,204
	697,327	1,161,204

Years open to inspection and tax inspections

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by tax authorities or until the four-year inspection period has expired. At September 30, 2020, the Parent Company is open to inspection for the income tax for 2016 and subsequent years and for all other applicable taxes for 2016 and subsequent years. The Parent Company's directors consider that all applicable taxes have been duly paid so that even in the event of discrepancies in the interpretation of prevailing tax legislation with respect to the treatment applied, the resulting potential tax liabilities, in the event that they materialize as a result of a tax inspection, would not have a material impact on the consolidated financial statements for the year ended September 30, 2020.

18. Income and expenses

a) Revenue

The distribution of revenue by activity and geographical segments is as follows:

Activities	Sep. 30, 2020	Sep. 30, 2019
Marketing of electricity	182,849,869	163,249,177
Marketing of gas	12,304,925	6,746,010
Representation of electricity	38,399,992	37,837,228
Self-consumption sales	2,423,246	985,834
	235,978,032	208,818,249

Revenue has been entirely generated in Spain, except for 878 thousand euros (1.9 million euros at September 30, 2019) corresponding to electricity representation in Portugal.

b) Energy consumption

Net purchases	Sep. 30, 2020	Sep. 30, 2019
Purchases of electricity from the market	140,639,775	146,742,716
Purchases of gas from the market	10,412,706	5,677,339
Purchases of electricity for representation	38,335,051	38,180,499
Cost of financial derivatives	16,992,543	1,126,891
Purchase of material for self-consumption sales	2,121,094	819,677
	208,501,169	192,547,121

All the purchases by the Parent Company and by the subsidiary Clidom Solar are carried out in the Spanish market. All the purchases by the subsidiary Clidomer are carried out in the Portuguese market.

c) Employee benefits expense

Only the Parent Company has employees. Neither of the subsidiaries has employees and they are all managed directly from the parent.

Employee benefits expense	Sep. 30, 2020	Sep. 30, 2019
Wages and salaries	7,902,868	6,227,606
Social security paid by the company	2,041,022	1,901,625
Other employee welfare expenses		
	9,943,890	8,129,231

d) External services

External services	Sep. 30, 2020	Sep. 30, 2019
Leases payments (*)	459,400	448,656
Repairs and maintenance	711,033	384,474
Independent professional services	4,979,032	2,360,959
Insurance premiums	151,003	86,700
Bank services	554,676	275,976
Publicity, advertising and publi relations	7,290,636	2,671,563
Utilities	573,319	501,433
Other services	846,310	821,590
	15,565,408	7,551,350

(*) note 7.1 (leases)

e) Depreciation and amortization

	Sep. 30, 2020	Sep. 30, 2019
Property, plant and equipment	137,632	143,468
Intangible assets	3,682,601	2,454,241
	3,820,234	2,597,710

f) Other gains/(losses)

	Sep. 30, 2020	Sep. 30, 2019
Non-recurring expenses	1,384,269	154,352
(Non-recurring income)	-443,584	-101,262
	940,685	53,090

Other gains/(losses) include penalties and fines, as well as adjustments to balance sheet balances.

g) Finance costs

	Sep. 30, 2020	Sep. 30, 2019
Interest on bank borrowings	556,835	677,254
Interst on discounted bills at other financial institutions	4,489	19,599
	561,324	696,853

h) Segment information

Sep. 20, 2020	Marketing (electricity & gas)	Representation (electricity)	Self-consumption	TOTAL
Revenue	195,154,794	38,399,992	2,423,246	235,978,032
Work performed and capitalized	3,335,979			3,335,979
Cost of sales	-168,045,024	-38,335,051	-2,121,094	-208,501,169
Employee benefits expense	-9,943,890			-9,943,890
Other operating income and expense	-14,993,820	-37,950	-2,374,632	-17,406,402
Other gains / (losses)	-924,423	-50,799	22	-975,200
Depreciation and amortization	-3,813,722		-6,512	-3,820,234
OPERATING PROFIT / (LOSS)	769,894	-23,808	-2,078,970	-1,332,884
Finance results	-465,942	-30,017	-33,761	-529,721
PROFIT / (LOSS) BEFORE TAX	303,952	-53,825	-2,112,731	-1,862,605
Segment assets	90,785,058	1,614,045	2,757,786	95,156,890
Segment liabilities	90,785,058	1,614,045	2,757,786	95,156,889

Sep. 20, 2019	Marketing (electricity & gas)	Representation (electricity)	Self-consumption	TOTAL
Revenue	169,995,187	37,837,228	985,834	208,818,249
Work performed and capitalized	2,550,098			2,550,098
Cost of sales	-153,946,180	-37,781,264	-819,677	-192,547,121
Employee benefits expense	-8,294,631	165,400		-8,129,231
Other operating income and expense	-6,475,683	-259,478	-1,317,152	-8,052,313
Other gains / (losses)	-143,179	-4,854	-300	-148,333
Depreciation and amortization	-2,596,824		-886	-2,597,710
OPERATING PROFIT / (LOSS)	1,088,787	-42,969	-1,152,179	-106,361
Finance results	-694,551	-35	-2	-694,588
PROFIT / (LOSS) BEFORE TAX	394,236	-43,003	-1,152,181	-800,949
Segment assets	59,014,109	4,105,809	926,169	64,046,087
Segment liabilities	59,014,109	4,105,809	926,169	64,046,087

19. Information on environmental issues

The Group's activity and fixed assets do not fall within the scope of application of the European regulations on CO2 emissions. Thus, the Company has no provisions for environmental risks and expenses since it considers that no risks exist for this matter.

Consequently, there have been no environmental investments during the period comprised between September 30, 2019 and September 30, 2020.

20. Related-party transactions

Company transactions in 2019-20 with related parties, as well as the nature of the relationship, were as follows:

Related party	Nature of the relationship
Carlota Pi Amorós	Shareholder and Director
Ferran Nogué Collgròs	Shareholder and Director
Oriol Vila Grifoll	Shareholder and Director
Carles Leg Clos	Shareholder
Fondo Axon ICT III, FCR de Rég. Simplificado	Shareholder
Axon Capital e Inversiones	Shareholder and Director
Geroa Pentsioak	Shareholder and Director

a) Directors and senior executives

The remuneration earned by the members of the Parent Company's Board of Directors at September 30, 2020 amount to 635 thousand euros (510 thousand euros at September 30, 2019). Senior executive duties are carried out by the members of the Board of Directors.

At September 30, 2019 and September 30, 2020 the Parent Company had no pension plans or life insurance policies for former or current members of the Board of Directors.

At September 30, 2019 and September 30, 2020 no advances or loans had been given to senior executives or members of the Board of Directors, nor had the Company given any guarantees on their behalf.

At September 30, 2020 the Parent Company's Directors' liability insurance premiums for damages arising in the performance of the Directors' duties have been paid for an amount of 8.5 thousand euros (2.2 thousand euros at 2018-19 year end).

For the purposes of article 229 of the Corporate Enterprises Act, the Parent Company's Directors have expressly stated that there are no situations representing a conflict of interest for the Parent.

21. Other information

The Group's average headcount during 2018-19 and at the closing date of the consolidated financial statements (September 30, 2020) by categories, and the breakdown of headcount by gender at year end, are as follows:

2019-2020				
		Headcount at Sep. 30, 2020		
Professional category	Average headcount	Men	Women	Disabled employees >33%
Directors	3	2	1	
Production personnel	137	65	71	4
Sales personnel	37	28	14	1
Administrative personnel	21	3	21	
	197	**98**	**107**	**5**

2018-2019				
		Headcount at Sep. 30, 2019		
Professional category	Average headcount	Men	Women	Disabled employees >33%
Directors	3	2	1	
Production personnel	135	72	66	3
Sales personnel	26	20	11	1
Administrative personnel	13	5	12	
	176	**99**	**90**	**4**

Since May 2018 the Parent Company has complied with the Disability Act (formerly Social Integration for Disabled People Act) whereby at least 2% of the Company's staff has to include people with a disability equal to or greater than 33%, as its average headcount is higher than 50 employees.

The fees accrued by the auditors of the Parent Company for the limited review of the separate and consolidated interim financial statements at March 31, 2020 and the audit of the year ended September 30, 2020 (separate and consolidated financial statements) amount to 95 thousand euros (65 thousand euros for the audit of the separate and consolidated financial statements for the year ended September 30, 2019).

22. Subsequent events

No significant additional subsequent events have occurred.

AUTHORIZATION FOR ISSUE BY THE PARENT COMPANY'S MANAGEMENT BODY OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2020

Pursuant to prevailing legislation, the consolidated financial statements for the year ended September 30, 2020 have been authorized for issue by the Directors of HOLALUZ-CLIDOM, S.A.

Additionally, the Directors hereby confirm that they have put their handwritten signature to the aforementioned documents by signing this single-sided page that accompanies the interim consolidated financial statements, which have been drawn up from page 1 to page 39.

Barcelona, December 23, 2020

_____
Ms. Carlota Pi Amorós
Chair

_____
Mr. Ferran Nogué Collgròs

_____
Mr. Oriol Vila Grifoll

_____
Axon Capital e Inversiones
Represented by
Mr. Alfonso Juan de León Castillejo

_____
Ms. Isabela Pérez Nivela

_____
Mr. Enrique Tellado Nogueira

_____
Geroa Pensioak
Represented by
Ms. Virginia Oregi Navarrete