Audit Report on Financial Statements
issued by an Independent Auditor

HOLALUZ-CLIDOM, S.A.
Financial Statements and Management Report
for the year ended
December 31, 2024

Building a better working world

Ernst & Young, S.L.
Torres Sarrià A
Avda. Sarrià, 102-106
08017 Barcelona
España

Tel: 933 663 700
Fax: 934 053 784
ey.com

AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

**Translation of a report and financial statements originally issued in Spanish.
In the event of discrepancy, the Spanish-language version prevails**

To the shareholders of HOLALUZ-CLIDOM, S.A.:

Report on the financial statements

Opinion

We have audited the financial statements of Holaluz-Clidom, S.A. (the Company), which comprise the balance sheet at December 31, 2024, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company at December 31, 2024 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Domicilio Social: Calle de Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3• del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1•. C.I.F. B-78970506.
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Material Uncertainty relating to Going Concern

We draw attention to Note 2b) to the accompanying financial statements, which mentions some circumstances that may cast doubt on the Company's ability to continue as a going concern. In particular, said Note indicates that the Company has incurred losses amounting to 20.5 million euros in the year 2024 and shows negative working capital amounting to 64.7 million euros at December 31, 2024. The following events, which have not yet materialized, are described as mitigating factors: the expected pay-out of a convertible loan amounting to 15.5 million euros and the expected approval of the financial debt restructuring agreement reached. These circumstances are indicative of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty relating to Going Concern* section, we have determined that the matters described below are the key audit matters to be reported herein.

Recognition of unbilled revenue accrued

Description

The Company has recorded under the "Trade and other receivables - Trade receivables for sales and services" heading in the balance sheet at December 31, 2024, an amount of 12.5 million euros corresponding to sales of energy that has been supplied but not yet billed.

We have considered this area a key audit matter due to the fact that the recognition and measurement of unbilled sales at each year end requires making estimates, which entails applying judgment for establishing the assumptions considered by Company Management regarding said estimates, and also due to the materiality of the amounts involved.

The information on the measurement accounting policies applied and the corresponding disclosures are presented in Notes 4.e.1 and 10 to the accompanying financial statements.

Our response

Our audit procedures for this area consisted, among others, in:

- Understanding the revenue recognition process established by Company Management, evaluating the design and implementation of the relevant controls established in said process and verifying the operating effectiveness thereof.
- Assessing the reasonableness of the volume of unbilled energy by analyzing historical information and other external information.
- Checking that the rates applied in estimated revenue are correct, based on the tariffs established in the corresponding contracts.

- Performing tests on the bills issued subsequent to year end and assessing the consistency of the estimates made.
- Performing substantive analytical procedures consisting in a review of the evolution of energy supply revenue, energy purchase costs and monthly margins.
- Reviewing the disclosures provided in the notes to the financial statements and assessing whether they are in accordance with the applicable regulatory framework for financial information.

Capitalization and analysis of the recovery of development costs

Description

The Company has recorded under the "Intangible assets - Development costs" heading in the balance sheet at December 31, 2024 development projects, for which internal and external resources have been used amounting to 19.3 million euros, which are amortized over their estimated five-year useful lives.

We have considered this area a key audit matter due to the materiality of the amounts involved and the high degree of judgment that Company Management needs to apply to assess whether the requirements for capitalizing development costs, identifying the existence of impairment indications and, where appropriate, estimating recoverable amount at each year end are met.

The information on the measurement accounting policies applied and the corresponding disclosures are presented in Notes 4.a.2 and 5 to the accompanying financial statements.

Our response

Our audit procedures for this area consisted, among others, in:

- Understanding the process established by Company Management for recognizing and measuring development costs, specifically, for capitalization, amortization and identification of potential impairment.
- Checking that the projects are specifically itemized, and its related costs have been clearly established and correctly calculated.
- Obtaining and reviewing the analysis conducted by Company Management of the existence of evidence of the technical success and economic and commercial profitability of capitalized projects.
- Assessing, in cooperation with our valuation specialists, the methodology used by Company Management in the impairment tests, verifying its consistency with the regulatory framework for financial information, the reasonableness of the key assumptions used for estimating the recoverable amount (including the ones related to expected future cash flows and discount and long-term growth rates) and the sensitivity of results to reasonably possible changes in the assumptions made.
- Reviewing the disclosures provided in the notes to the financial statements and assessing whether they are in accordance with the applicable regulatory framework for financial information.

Measurement of investments in group companies

Description

At December 31, 2024, the Company has recorded under the "Non-current investments in group companies and associates" heading ownership interests in group companies and loans granted to group companies amounting to 8.5 and 77.4 million euros, respectively, and under the "Current investments in group companies and associates" heading loans granted to group companies amounting to 5 million euros.

At least at year end Company Management assesses whether there is any indication of impairment and records the necessary impairment losses provided there is objective evidence that the carrying amount of an investment will not be recovered. The amount of the impairment loss recorded is the difference between the carrying amount and the recoverable amount.

We have considered this area a key audit matter due to the fact that the determination of the recoverable of said investments requires making estimates, which entails applying significant judgment for establishing the assumptions considered by Company Management regarding said estimates, and also due to the materiality of the amounts involved.

The information on the measurement accounting policies applied and the corresponding disclosures are presented in Notes 4.e.1, 8 and 9 to the accompanying financial statements.

Our response

Our audit procedures for this area consisted, among others, in:

- Understanding the process established by Company Management for identifying impairment indications and determining the recoverable amount of the investments in group companies and associates.
- Assessing the impairment test on the investments in group companies and associates done by Company Management.
- Reviewing the model used by Company Management to determine the recoverable amount, in collaboration with our valuation specialists, covering, in particular, the mathematical consistency of the model, and the reasonableness of projected cash flows, discount rates and long-term growth rates.
- Reviewing the sensitivity analyses conducted by Company Management regarding the estimates made for determining the recoverable amount in the event of changes in the relevant assumptions considered.
- Reviewing the disclosures provided in the notes to the financial statements and assessing whether they are in accordance with the applicable regulatory framework for financial information.

Other information: management report

Other information refers exclusively to the 2024 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility for the management report, in conformity with prevailing audit regulations in Spain, entails:

a) Checking only that the non-financial statement was provided as stipulated by applicable regulations and, if not, disclose this fact.

b) Assessing and reporting on the consistency of the remaining information included in the management report with the financial statements, based on the knowledge of the Company obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the management report are in conformity with applicable regulations. If, based on the work carried out, we conclude that there are material misstatements, we are required to disclose them.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the management report is consistent with that provided in the 2024 financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the audit committee for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2 to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee of the Company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee of the Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee on April 30, 2025.

Term of engagement

The Ordinary General Shareholders' meeting held on June 9, 2023 appointed us as auditors for 3 years, commencing on December 31, 2023.

Previously, we were appointed as auditors by the shareholders for 3 years and we have been carrying out the audit of the financial statements continuously since September 30, 2018.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

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Alfredo Eguiagaray

April 30, 2025

HOLALUZ-CLIDOM, S.A.

Financial Statements and Management Report
for the year ended December 31, 2024

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

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MANAGEMENT REPORT

AUTHORIZATION OF THE FINANCIAL STATEMENTS FOR ISSUE

HOLALUZ-CLIDOM, S.A.
BALANCE SHEET
ON DECEMBER 31, 2024, AND DECEMBER 31, 2023

ASSETS	NOTE	12/31/2024	12/31/2023 (*)
NON-CURRENT ASSETS		**119,307,349**	**95,750,262**
Intangible assets	**5**	**19,768,752**	**22,516,900**
Patents, licenses, trademarks et al.		721	916
Development		19,331,630	21,921,586
Software		54,065	87,415
Other intangible assets		382,336	506,983
Property, plant, and equipment	**6**	**719,905**	**1,165,249**
Land and buildings		291,293	474,146
Technical installations, machinery and other PP&E items		428,612	691,103
Investments in group companies and associates		**85,946,810**	**53,243,660**
Equity instruments	8	8,577,037	8,577,037
Loans to companies	9, 22	77,369,773	44,666,623
Financial investments	**9**	**673,720**	**1,356,646**
Derivatives	17	426,000	1,101,326
Other financial assets	9	247,720	255,320
Deferred tax assets	**19**	**7,802,757**	**8,496,252**
Accruals	**12**	**4,395,405**	**8,971,555**
CURRENT ASSETS		**47,851,485**	**111,490,427**
Inventories	**11**	**-**	**1,273,645**
Commercial inventories		-	1,273,645
Prepayments to suppliers		-	-
Trade and other receivables	**10**	**22,751,820**	**70,388,914**
Trade receivables for sales and services		16,595,739	29,276,416
Trade receivables from group companies and associates	22	419,529	24,850,076
Other receivables		5,589,804	8,590,158
Receivables from employees		39,050	49,234
Current income tax assets	19	4,260	4,191
Other receivables from Public Administrations	19	103,438	7,618,839
Investments in group companies and associates		**5,231,017**	**5,695,185**
Loans to companies	9, 22	5,038,766	1,561,117
Other financial assets		192,251	4,134,068
Financial investments		**10,992,255**	**18,549,572**
Derivatives	17	8,260,107	17,097,768
Other financial assets	9	2,732,148	1,451,804
Accruals	**12**	**7,763,891**	**11,729,238**
Cash and cash equivalents	**13**	**1,112,502**	**3,853,873**
Cash		1,112,502	3,853,873
TOTAL ASSETS		**167,158,834**	**207,240,689**

(*) Restated figures (see Note 2.1)

HOLALUZ-CLIDOM, S.A.
BALANCE SHEET
ON DECEMBER 31, 2024, AND DECEMBER 31, 2023

EQUITY AND LIABILITIES	NOTE	12/31/2024	12/31/2023 (*)
EQUITY		**34,432,645**	**50,390,636**
Shareholders' equity	**14**	**38,838,626**	**54,893,744**
Share capital		**731,329**	**656,662**
Issued capital		731,329	656,662
Share premium		**66,177,477**	**61,772,144**
Reserves		**(7,460,469)**	**38,144**
Legal and statutory reserves		131,332	131,332
Other reserves		(7,591,801)	(93,188)
Treasury shares		**(139,239)**	**(193,342)**
Profit/(loss) for the year		**(20,470,472)**	**(7,379,864)**
Valuation adjustments		**(4,405,981)**	**(4,503,108)**
Hedging transactions	17	(4,405,981)	(4,503,108)
NON-CURRENT LIABILITIES		**20,105,556**	**22,555,628**
Payables		**20,105,556**	**22,555,628**
Bank borrowings	15	16,522,978	15,951,955
Derivatives	17	82,578	6,603,673
Other financial liabilities		3,500,000	-
CURRENT LIABILITIES		**112,620,633**	**134,294,424**
Payables		**31,106,790**	**63,619,750**
Bank borrowings	15	19,714,355	36,313,957
Other financial liabilities	15	3,464,167	20,761,417
Derivatives	**17**	7,928,268	6,544,376
Payables to group companies and associates	**22**	**23,667,870**	**8,652,455**
Trade and other payables	**16**	**57,845,973**	**62,022,219**
Suppliers		50,356,586	46,869,024
Suppliers, group companies and associates	**22**	507,466	5,773,765
Other payables		5,238,859	6,822,793
Employee benefits payable		683,525	237,744
Other payables to Public Administrations	**19**	1,059,537	1,019,987
Customer advances		-	1,298,906
TOTAL EQUITY AND LIABILITIES		**167,158,834**	**207,240,689**

(*) Restated figures (see Note 2.1)

HOLALUZ-CLIDOM, S.A.
INCOME STATEMENT FOR
THE YEARS ENDED DECEMBER 31, 2024, AND DECEMBER 31, 2023

	NOTE	12/31/2024	12/31/2023 (*)
Revenue	**20**	**238,213,711**	**552,771,590**
Sales		238,117,076	552,405,076
Rendering of services		96,635	366,514
Work performed by the entity and capitalized	**5.1**	**2,872,081**	**4,329,465**
Cost of sales	**20**	**(200,412,265)**	**(500,283,718)**
Consumption of goods		(200,412,265)	(500,283,718)
		-	-
Other operating income	**20**	**9,652,280**	**17,208,616**
Ancillary income		9,652,280	17,196,941
Grants related to income		-	11,675
Employee benefits expense	**20**	**(17,944,662)**	**(27,659,292)**
Wages, salaries et al.		(14,298,053)	(21,582,994)
Social security costs et al.		(3,646,609)	(6,076,298)
Other operating expenses		**(29,031,975)**	**(44,919,805)**
External services	**20**	(25,441,025)	(34,312,301)
Taxes		(64,953)	(89,169)
Losses on, impairment of and change in trade provisions	**10.2**	(3,359,710)	(10,279,544)
Other current management expenses		(166,287)	(238,791)
Depreciation and amortization	**5.6, 20**	**(8,138,633)**	**(7,468,795)**
Impairment losses and gains (losses) on disposal of non-current assets	**6**	**(127,469)**	-
Other gains and losses	**20**	**(1,064,368)**	**(374,181)**
Non-recurring expenses		(2,059,505)	(753,955)
Non-recurring income		995,137	379,774
OPERATING PROFIT/(LOSS)		**(5,981,300)**	**(6,396,120)**
Finance income		**2,299,977**	**1,204,381**
From marketable securities and other financial instruments		25,943	286,381
Of group companies and associates	22	2,274,034	918,000
Finance costs		**(3,730,578)**	**(4,241,340)**
Third-party borrowings	**20**	(3,730,578)	(4,241,340)
Exchange gains (losses)		**(12,049)**	**26,810**
Impairment losses and gains (losses) on disposals of financial instruments		**(13,046,522)**	**(1,011,629)**
FINANCE COST		**(14,489,172)**	**(4,021,778)**
PROFIT/(LOSS) BEFORE TAX		**(20,470,472)**	**(10,417,898)**
Income tax	**19**	**-**	**3,038,034**
PROFIT/(LOSS) FOR THE YEAR		**(20,470,472)**	**(7,379,864)**

(*) Restated figures (see Note 2.1)

HOLALUZ-CLIDOM, S.A.

STATEMENT OF CHANGES IN EQUITY ON DECEMBER 31, 2024, AND DECEMBER 31, 2023

A) STATEMENT OF RECOGNIZED INCOME AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2024, AND DECEMBER 31, 2023

	Notes	12/31/2024	12/ 31/2023
PROFIT/(LOSS) FOR THE YEAR	**3**	**(20,470,472)**	**(7,379,864)**
INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY			
From cash flow hedges		(2,248,803)	49,109,320
Tax effect		562,201	(12,277,330)
TOTAL INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY		(1,686,602)	36,831,990
AMOUNTS TRANSFERRED TO INCOME STATEMENT			
From cash flow hedges		2,378,305	(24,220,531)
Tax effect		(594,576)	6,055,133
TOTAL AMOUNTS TRANSFERRED TO INCOME STATEMENT		1,783,729	(18,165,398)
TOTAL RECOGNIZED INCOME AND EXPENSES		**(20,373,345)**	**11,286,728**

HOLALUZ-CLIDOM, S.A.

STATEMENT OF CHANGES IN EQUITY ON DECEMBER 31, 2024, AND DECEMBER 31, 2023

	Share capital (Note 14.1)	Share premium (Note 14.3)	Reserves (Note 14.2)	Treasury shares (Note 14.1)	Profit/(loss) for the year	Valuation adjustments (Note 17)	Total Equity
Balance on December 31, 2023	**656,662**	**61,772,144**	**38,144**	**(193,342)**	**(7,379,864)**	**(4,503,108)**	**50,390,636**
Balance on January 1, 2024	**656,662**	**61,772,144**	**38,144**	**(193,342)**	**(7,379,864)**	**(4,503,108)**	**50,390,636**
Total recognized income / expenses	-	-	-	-	(20,470,472)	97,127	**(16,373,345)**
Transactions with the Sole Shareholder	-	-	-	-	-	-	-
Other transactions	74,667	4,405,333	(118,749)	54,103	-	-	**4,415,354**
Appropriation of prior-year profit/(loss)	-	-	**(7,379,864)**	-	**7,379,864**	-	-
Balance at December 31, 2024	**731,329**	**66,177,477**	**(7,460,469)**	**(139,239)**	**(20,470,472)**	**(4,405,981)**	**34,432,936**

	Share capital (Note 14.1)	Share premium (Note 14.3)	Reserves (Note 14.2)	Treasury shares (Note 14.1)	Profit/(loss) for the year	Valuation adjustments (Note 17)	Total Equity
Balance on December 31, 2022	**656,662**	**61,772,144**	**(7,111,230)**	**(300,217)**	**8,049,216**	**(23,169,700)**	**39,896,875**
Adjustments for errors in 2022 (Note 2.1)					**(696,142)**		**(696,142)**
ADJUSTED BALANCE AT JANUARY 1, 2023	**656,662**	**61,772,144**	**(7,111,230)**	**(300,217)**	**7,353,074**	**(23,169,700)**	**39,200,733**
Total recognized income / expenses	-	-	-	-	(7,379,864)	18,666,592	**13,217,385**
Transactions with the Sole Shareholder	-	-	-	-	-	-	-
Other transactions		-	(899,842)	106,875	696,142	-	**(96,825)**
Appropriation of prior-year profit/(loss)	-	-	**8,049,216**	-	**(8,049,216)**	-	-
Balance on December 31, 2023	**656,662**	**61,772,144**	**38,144**	**(193,342)**	**(7,379,864)**	**(4,503,108)**	**50,390,636**

HOLALUZ-CLIDOM, S.A.
CASH FLOW STATEMENT
ON DECEMBER 31, 2024, AND DECEMBER 31, 2023

	NOTE	12/31/2024	12/31/2023
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		**60,322,374**	**28,490,606**
Profit/(loss) before tax		**(20,470,472)**	**(10,417,898)**
Adjustments to profit		**44,157,313**	**56,953,130**
Depreciation and amortization (+)		8,138,633	7,468,795
Impairment losses (+/-)		16,533,701	15,918,294
Finance income (-)		(2,299,978)	(1,204,381)
Finance costs (+)		3,742,627	4,214,527
Other income and expenses (-/+)		18,042,330	30,555,895
Change in working capital:		**41,636,152**	**(18,517,990)**
Inventories (+/-)		1,273,645	1,904,528
Trade and other receivables (+/-)		42,978,546	(3,192,452)
Trade and other payables (+/-)		(1,142,359)	(17,230,066)
Other current liabilities (+/-)		(2,167,107)	-
Other non-current assets and liabilities (+/-)		693,427	-
Other cash flows from/(used in) operating activities		**(5,000,619)**	**473,364**
Interest paid (-)		(3,716,683)	(691,794)
Interest received (+)		0	-
Other payments (receipts) (+/-)		(1,283,936)	1,165,158
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		**(37,717,918)**	**(30,992,354)**
Payments on investments (-):		**(37,742,474)**	**(32,862,164)**
Group companies and associates		(27,996,054)	(19,865,013)
Intangible assets	5	(2,217,486)	(2,531,507)
Property, plant and equipment	6	0	(83,819)
Other financial assets		(6,183,943)	8,400
Other assets		(1,344,991)	(10,390,225)
Proceeds from disposals (+):		**24,556**	**1,869,810**
Property, plant and equipment	6	**16,956**	(83,819)
Other financial assets		7,600	1,869,810
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**(25,345,827)**	**(3,139,225)**
Proceeds from and payments on equity instruments		**4,480,000**	**-**
Issuance of equity instruments (+)		4,480,000	-
Disposal of own equity instruments (+)			-
Proceeds from and payments on financial liabilities:		**(29,825,827)**	**(3,139,225)**
Issues:		32,470,277	169,900,000
Bank borrowings (+)		2,470,277	2,000,000
Payables to group companies and associates (+)			-
Other payables		30,000,000	167,900,000
Repayment and redemption of:		(62,296,104)	(173,039,225)
Bank borrowings (-)		(20,696,104)	(15,844,384)
Payables to group companies and associates (-)			-
Other payables		(41,600,000)	(157,194,841)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**(2,741,371)**	**(5,640,973)**
Cash and cash equivalents at January 1	13	3,853,873	9,494,846
Cash and cash equivalents at December 31	13	1,112,502	3,853,873

1. Activity

HOLALUZ-CLIDOM, S.A. (hereinafter Holaluz or the Company) was incorporated on November 12, 2010. It is domiciled in Barcelona at Passeig de Joan de Borbó, 99, 08039, 4th floor. On September 6, 2019, the Company changed its corporate name to HOLALUZ-CLIDOM, S.A. (formerly CLIDOM ENERGY, SL).

Pursuant to its bylaws, the Company's corporate purpose consists in the purchase and sale, even at an international level, production and commercialization 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 commercialization of energy in general.

The Company's functional currency is the euro.

At the general meeting held on October 25, 2019, the shareholders resolved to increase capital through a public offering of shares paid with monetary contributions to increase the Company's shareholders' equity by a maximum effective amount of 30M 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, currently BME Growth Bolsas y Mercados Españoles), 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 14), and shares were admitted to trading on the MAB-EE on that same date.

2. Basis of presentation of the financial statements

The Company's financial statements at December 31, 2024 have been prepared in accordance with the regulatory framework for financial information applicable to the Company and established by Spanish GAAP, which were passed by Real Decreto 1514/2007 of November 16, and amended several times since publication (last time through Law 7/2024, of December 20), and enacting regulations, as well as prevailing mercantile law, and, should no disagreement with the former exist, by Real Decreto 437/1998 of March 20, approving the electricity sector adaptation standards.

HOLALUZ-CLIDOM, S.A. is the parent company of the Holaluz Group, as it wholly owns the share capital of its subsidiaries. The Group's consolidated financial statements for the year ending December 31, 2024, have been authorized for issue by the Company's Directors.

Since November 2019 the Company shares have been traded on BME Growth (formerly MAB); Growth Company Segment (see Note 14).

a) True and fair view

These financial statements give a true and fair view of the Company's equity and financial position on December 31, 2024, as well as the results of its operations, changes in equity and cash flows for the year ended December 31, 2024, and have been prepared from the Company's accounting records.

b) Going concern principle

Given the current situation of the Company, there are some circumstances that may cast doubt as to its ability to continue as a going concern. However, there are some mitigating factors.

At 2024-year end, the balance sheet shows negative working capital amounting to 64.7 million euros (negative working capital amounting to 22.8 million euros on December 31, 2023) and operating losses of 6.0 million euros (operating losses of 6.4 million euros in 2023). This result has been affected by financial losses of 14.9 million euros (losses of 4 million euros in 2023), which mainly include the impact of impairment on financial instruments amounting to 13 million euros (1 million euros in 2023). Consequently, the Company incurred losses for the year amounting to 20.5 million euros (2023: losses of 7.4 million euros in the prior year).

As indicated in Note 24, on March 10, 2025, the Company signed a financial debt restructuring agreement that is pending judicial approval at the date these financial statements are authorized for issue.

As indicated also in Note 24, the Company has carried out several corporate transactions related to the integration of a new strategic partner, Icosium Investment, S.L. (Note 14.1).

Additionally, in connection with the second phase of this transaction, on March 13, 2025, the Company and Icosium Investment, S.L. signed a convertible loan for an amount of 15.52 million euros at a conversion price of 2.10 euros per share that must be paid out no later than April 30, 2025.

The restructuring plan and the convertible loan from Icosium include mutually suspensive clauses in the case that judicial approval of the plan is not obtained or the expected capital increase as a result of the convertible loan is not carried out.

At the date these financial statements are authorized for issue, the Company's Management has prepared cash flow projections for the next twelve months, considering the following assumptions:

- - the convertible loan amounting to 15.52 million euros will be paid out.
- - the aforementioned financial debt restructuring agreement will be approved and, hence, the full effectiveness of the new maturities detailed in Note 15 and 24.

The Board of Directors of the Company has prepared the financial statements under the going concern principle, considering the milestones already achieved, the high expectations that the aforementioned convertible loan already signed will be successfully paid out and that the aforementioned financial debt restructuring plan will be approved, which will allow the Company to develop its business normally and meet the expected payment obligations.

c) Comparison of information

In accordance with prevailing mercantile legislation, for comparative purposes the Company has included the figures for 2023 in addition to those of the current year for each item of the balance sheet, the income statement, the statement of changes in equity and the cash flow statement. The explanatory notes to the financial statements also include quantitative and qualitative information at said dates, presented in the balance sheet or the income statement, as appropriate, except where disallowed by an accounting standard.

d) Accounting principles

The Company's financial statements on December 31, 2024, were prepared in accordance with the generally accepted accounting principles and measurement standards described in section 3 to the explanatory notes. All mandatory accounting principles have been applied.

e) Critical issues concerning the assessment of uncertainty

The Company’s Directors are responsible for the information included in these financial statements.

The accompanying financial statements were prepared using estimates made by the 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 (Notes 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 (Note 4j).

- The estimated projections for assessing the recovery of tax credits related to deductions (Notes 4g and 19).

- Current and non-current accrued expenses and useful lives of contracts with customers (Note 4n).

Although these estimates were made based on the best information available, for the preparation of the financial statements on December 31, 2024, events may occur in the future that require prospective adjustments (upwards or downwards) to these estimates in subsequent years.

f) Grouping of items and Current/non-current classification of items

Certain items in the balance sheet, the income statement, the cash flow statement, and the statement of changes in equity have been aggregated with other items to make them easier to understand; however, whenever the amounts involved are material, the information is disclosed separately in the related notes.

For items to be classified as current, a maximum period of 1 year from the reporting date of these financial statements on December 31, 2024, has been considered.

g) Regulatory framework General overview

Electricity sector regulations in Spain are 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 of 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 transmission, 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 marketer. As of July 1, 2009, consumers that meet certain characteristics may choose to contract the supply of electricity with a Marketer of Reference and they will be applied the 'voluntary price for the small consumer's tariff. This tariff is linked to the hourly price set in the daily market.

• The tariff chosen by most household consumers is called Voluntary Price for Small Consumers (VPSC), whereas the Last Resort Tariff (LRT) is for vulnerable consumers and for consumers who do not meet the requirements for being entitled to the Voluntary Price for Small Consumers (VPSC) but do not temporarily have an agreement in force with a power marketer in the free market.

Access tariffs and electric charges are the same throughout Spain and are collected by the marketers and paid to the distributors and transmitters.

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

Real Decreto 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 Real Decreto 1995/2000, of December 1st, regulating the transmission, distribution and commercialization 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 most significant items established by this regulation 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 and 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. Also, 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), driving 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 direct economic aid so that vulnerable households can pay the heating and hot water bills, among others.

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

Real Decreto Ley 29/2021 adopting urgent measures on energy to encourage e-mobility, self-consumption and deployment of renewable energies introduced two significant amendments regarding self-consumption:

• It also eliminated the requirement for nearby facilities to be connected in low voltage to distribution and transmission systems through the grid.

• It amended RD 1183/2020 on access and connection to transmission and distribution systems, releasing self-consumption facilities with excess power installed not exceeding 100 kW from having to deposit economic guarantees for processing the connection to the grid.

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 commercialization activity. The main measures established in Real Decreto Ley 11/2020 were 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 Real Decreto Ley 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 marketer (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 marketers 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.

The lack of a caption for the commercialization of electricity was eradicated by passing Spain's 2021 General State Budget Act 11/2020, whereby RDL 1175/1990 was modified and a caption for the commercialization of electricity activity (151.6) was added that considers a national tax charge for this tax.

As for the Special Electricity Tax, a reform has been introduced whereby the electricity supplied subject to compensation with the surplus hourly energy of the customers adhered to simplified compensation is exempt from this tax.

As for electric tariffs and charges, the Spanish National Markets and Competition Commission (CNMC) approved Circular 3/2020, which establishes the methodology for calculating electricity transmission and distribution tariffs. Furthermore, the Ministry for Ecological Transition and Demographic Challenge approved Real Decreto 148/2021 of March 9, establishing a methodology for calculating electrical system charges, setting a new methodology for charges and tariffs that came into force last June 1, 2021.

Additionally, as for the gas industry, the Spanish National Markets and Competition Commission (CNMC) approved Circular 6/2020, which establishes the methodology for calculating electricity transmission and distribution tariffs. Furthermore, the Ministry for Ecological Transition and Demographic Challenge approved Real Decreto 1184/2020 of December 29, establishing the methodologies for calculating gas system charges, regulated remuneration for basic underground storage and fees applied for their use, setting a new methodology for gas charges and tariffs that came into force last October 1, 2021.

To mitigate the rise in the prices of gas and electricity in 2021, Real Decreto Ley 12/2021 on urgent energy taxation measures approved to reduce to 10% the tax rate applicable to the value added tax in electricity supply contracts where the power contracted is lower than or equal to 10kW provided that the average arithmetic price of the daily market corresponding to the last calendar month prior to the last day of the billing period is greater than 45 €/MWh during the period comprised between June 26 and December 31, 2021. This period was extended to April 30, 2021, through Real Decreto Ley 29/2021, of December 21, adopting urgent measures on energy to encourage e-mobility, self-consumption and deployment of renewable energies. The period of validity was extended again to December 31, 2022, through Real Decreto Ley 6/2022.

This period was extended to December 31, 2022, through Real Decreto Ley 11/2022. Finally, Real Decreto Ley 8/2023, of December 27, adopting measures for dealing with the economic and social impacts of the conflicts in Ukraine and the Middle East, and for mitigating the effects of the drought, establishes the following measures:

- Extension of the VAT rate reduction on energy products, setting a 10% VAT from January 1 to December 31, 2024 for EU deliveries, imports and acquisitions of electricity made in favor of: i) a) holders of electricity supply contracts with contracted power lower than or equal to 10kW regardless of the level of voltage and type of contract, when the average arithmetic price of the daily market corresponding to the last calendar month prior to the last day of the billing period is greater than 45€/MWh; b) holders of electricity supply contracts that are receivers of the electricity social tariff and are recognized as acutely vulnerable consumers and acutely vulnerable consumers at risk of social exclusion.
- From January 1 to March 31, 2024, a 2.5% tax rate has been established for the excise tax on electricity, which will increase to 3.8% from April 1 to June 30, 2024.
- The tax on the value of electricity production (IVPEE by its acronym in Spanish) has been reintroduced during 2024.
- The discount percentages on the electricity social tariff set forth in Real Decreto Ley 18/2022 on anticrisis measures have been extended to June 30, 2024. The temporary application of the electricity social tariff for low-income households that are especially affected by the energy crisis has also been extended to June 30, 2024.

Also in this line, Real Decreto Ley of September 14, on urgent measures to mitigate the impact of the rise in the prices of natural gas in the gas and electricity retail markets, approved a discount in electric charges for the period comprised between September 16 and December 31, 2021.

Additionally, Decreto Ley 17/2021 approved an amendment to the tax rate applicable to the excise tax on electricity effective from September 16 to December 31, 2021, which has been reduced from 5.1% to 0.5%, which is the lowest tax rate allowed by EU regulations, provided that the lowest taxation level is not below 0.5 euros per megawatt-hour, if said electricity is used for professional purposes, and 1 euro per megawatt-hour in the rest of cases. This period was extended to April 30, 2022, through Real Decreto Ley 29/2021 and subsequently it was extended again to December 31, 2022, through Real Decreto Ley 6/2022. This period was extended to December 31, 2022, through Real Decreto Ley 11/2022. The aforementioned information shall be considered, as in accordance with Real Decreto Ley 8/2023, of December 27, a 2.5% tax rate has been established for the excise tax on electricity, which will increase to 3.8% until June 30, 2024.

Real Decreto Ley 6/2022 effective from March 31, 2022, adopting urgent measures within the Spanish national plan to deal with the economic and social consequences of the war in Ukraine, has adopted measures such as the reduction of electric charges as from March 31, 2022 until the end of the year and has revised the social tariff, in relation to both beneficiaries and the mechanism used to fund it: the social tariff and the co-financing cost of supply and default by highly vulnerable customers is assumed by the entities operating in the electricity industry participating in power supply chain activities, including the production, transmission, distribution and commercialization of electricity, as well as direct consumers.

In addition to the measures indicated above, Real Decreto Ley 6/2022 has passed further measures such as reducing the remuneration of the electricity production activity carried out at production facilities that do not emit GHG, amending the obligation to maintain minimum emergency stocks, diversifying natural gas supply, reducing access tariffs by 80% for electrointensive industry, and revising the special regime (RECORE), among others. All these measures are aimed at mitigating the rise in the prices of electricity and natural gas caused by the war in Ukraine.

Another measure to mitigate the rise in prices has been the one approved through Real Decreto Ley 10/2022, which establishes a temporary mechanism, until May 1, 2023, at the latest, for adjusting the production cost of marginal fossil technologies. The amounts corresponding to this adjustment are paid by the consumers that benefit from said reduction, which in the end results in a lower final price than the one that would be applied should the measure not have been implemented. However, if a hedging instrument was arranged before April 26, 2022, it can be used to exempt related energy from the payment of the adjustment cost.

Also, Real Decreto Ley 11/2022 adopts and extends certain measures taken to face the economic and social consequences of the war in Ukraine, to address social and economic vulnerabilities and to stimulate economic and social recovery in the island of La Palma. Among others, the following measures will remain in force until December 31, 2022: extension of taxable base at 0 euros of the Tax on the value of electricity production, flexible gas supply contracts, social tariff discounts, prohibition of cutting off electricity or gas to vulnerable and acutely vulnerable consumers and consumers at risk of social exclusion, and reduction of remuneration of the electricity production activity carried out at production facilities that do not emit GHG. Additionally, revisions of the price of the last resort gas tariff have been extended and the scope of application of the fast-track procedure for processing renewable plants has changed from moderate environmental sensitivity areas to just low environmental sensitivity areas.

Real Decreto Ley 20/2022, of December 27, on measures for addressing the economic and social consequences of the war in Ukraine and for supporting reconstruction in the island of La Palma and other situations of vulnerability, was passed, extending certain measures previously adopted in the field of energy. Among these measures there is the extension until December 31, 2023, of the reduction in the Value Added Tax (reduced rate at 5%) of deliveries of electricity, natural gas and briquettes or pellets from biomass and tinder used as fuel in heating systems. In the case of electricity, the reduction is limited to EU deliveries, imports and acquisitions of electricity made in favor of: a) holders of electricity supply contracts with contracted power lower than or equal to 10kW regardless of the level of voltage and type of contract, when the average arithmetic price of the daily market corresponding to the last calendar month prior to the last day of the billing period is greater than 45€/MWh; b) holders of electricity supply contracts that are receivers of the electricity social tariff and are recognized as acutely vulnerable consumers and acutely vulnerable consumers at risk of social exclusion; the extension until December 31, 2023 of the reduction in the excise tax on electricity, applying a tax rate of 0.5%; and the extension until December 31, 2023 of taxable income at 0 euros of the Tax on the value of electricity production. All these measures will no longer be in force because of the publication of Real Decreto Ley 8/2023, of December 27, adopting measures for dealing with the economic and social impacts of the conflicts in Ukraine and the Middle East, and for mitigating the effects of the drought.

Finally, Real Decreto Ley 7/2024, of November 11, was passed, adopting urgent measures to promote the Immediate Response, Reconstruction and Relaunch Plan addressing the damage caused by the flash floods that struck several towns between October 28 and November 4, 2024 in order to incorporate certain energy measures applicable to the people affected by the floods. Until December 31, 2025, the feed points located in the towns listed in appendix RD 6/2024, of November 5, may adhere to the following measures:

- Temporary suspension of or modification to electricity supply contracts, or extension thereof, to contract another option with the current marketer, and adapt the contracts to new consumption patterns without any penalty whatsoever.

- As from December 31, 2025, and within three months, consumers that had requested the suspension of their supply contracts may request that they are reactivated. Within this three-month period, consumers that have requested a modification to their contracts may request a new modification, or new values in the technical parameters of the third-party network access contract.

- Temporary suspension of supply contracts and third-party network access contracts, in the feed points of any of the towns in the appendix where supply was interrupted because of the floods.

- Exceptionally, and until December 31, 2025:
    - Electricity supply contracts cannot be suspended in the household of a consumer that is a natural person if the household is in any of the listed towns.
    - The owners of the feed points located in the towns listed in the appendix may request that their marketer suspend the payment of the bills corresponding to invoicing periods that contain days integrated into the period, including all billing items.

- In the event of postponement of bills, the marketers:
    - will be freed from the duty to pay the tariff for accessing transport and distribution networks and electric system charges corresponding to the bills that the distributing companies requested to be postponed, set forth in paragraph d) of article 46.1 to Law 24/2013, of December 26, on the Electricity Sector, until the consumer settles the bill in full.
    - will have to provide the distributing company with the information on the owners of the feed points, and related Universal Feed Point Code (CUPS by its acronym in Spanish), that have requested that payment be postponed.
    - will be exempt from the settlement of VAT, if applicable, corresponding to the bills the payment of which was suspended in accordance with this measure, until the consumer settles them in full or six months have passed since this royal-decree law came into force.

- Once this postponement period ends, the amounts owed will be adjusted in equal parts in the bills issued by the power marketers, corresponding to the invoicing periods into which the following six months are integrated. The consumers that adhere to the suspension of bills set forth in this article may not change to another power marketer until said adjustment is completed.

2.1 Correction of errors

In July 2024, when the Company filed the 2023 income tax return, it detected that IT deductions arisen in prior years had not been correctly recorded. Additionally, the Company has recorded the impairment of investments in equity instruments of Clidom Energía Ibérica, S.L., as this company is now dormant.

The Company has corrected this error retroactively, amending the 2023 figures as well as the initial reserves for that year.

Thus, corrections to comparative figures for each of the items in the documents comprising the financial statements are as follows:

- Balance sheet on December 31, 2023

(Thousands of euros)	Debit/(Credit)
Deferred tax assets – Decrease	(1,615)
Equity instruments – Decrease	(1,012)
Reserves – Decrease	696
Profit/(loss) for the year – Decrease	1,931

- Statement of changes in equity:

	Debit/(Credit)		
(Thousands of euros)	Reserves	Profit/(loss) for the year	Total
Adjusted balance at January 1, 2023	-	(696)	(696)
Movements in 2023	(696)	2,627	(1,931)
Adjusted balance at January 1, 2024	(696)	(1,931)	(2,627)

3. Appropriation of profit/(loss)

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

Proposed appropriation on December 31, 2024	**Euros**
Profit and Loss: Loss	(20,470,472)
Total	**(20,470,472)**
Appropriation to:	
Retained earnings	(20,470,472)
Total	**(20,470,472)**

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 because 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 the financial statements for the year ended December 31, 2024, are the following:

a) Intangible assets

As a general rule, intangible assets are recorded provided that the identifiability criteria are 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 Company 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 used.

Work performed by the Company 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.

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 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:

Property, plant and equipment	Percentage applied	
	12.31.2024	12.31.2023
Technical installations	10%	10%
Furniture	10%	10%
Data processing equipment	25%	25%
Other items	10%	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 Company 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 Company estimates the assets' 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 assets are provided or received.

e) Financial instruments

e.1) Financial assets

Recognition and measurement

At initial recognition, the Company classifies all financial assets into one of the categories listed below, which determines the initial and subsequent measurement methods used:

- Financial assets at fair value through profit or loss
- Financial assets at amortized cost
- Financial assets at fair value through equity
- Financial assets at cost

Financial assets at fair value through profit or loss

The Company classifies a financial asset in this category unless it should be classified into one of the other categories.

Financial assets held for trading are classified into this category. The Company considers that a financial asset is held for trading when it meets at least one of the following three circumstances:

a) It will be acquired for the purpose of selling in the near future.

b) At initial recognition, it is part of a portfolio of identified financial instruments managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

c) It is a derivative financial instrument, if it is not a financial guarantee contract or has been designated as a hedge.

Additionally, upon initial recognition the Company has the possibility of irrevocably measuring a financial asset at fair value through profit or loss that would otherwise have been included in another category (the "fair value option"). This option is permitted if the Group eliminates a measurement inconsistency or accounting mismatch that would otherwise arise from measuring assets or liabilities on different bases.

The financial assets classified into this category are initially measured at fair value, which unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration paid. Directly attributable transaction costs are recognized in the income statement for the year (that is, they are not capitalized).

After initial recognition, the Company measures the financial assets included in this category at fair value through profit or loss (financial profit/loss).

Financial assets at amortized cost

The Company classifies a financial asset in this category, even when it is admitted to trading on an organized market, if the following conditions are met:

- The Company keeps the investment under a management model whose purpose is to receive the cash flows derived from the execution of the contract.

Managing a portfolio of financial assets to obtain contractual cash flows does not mean that all instruments should be held to maturity; they can be managed for that purpose even when they are sold or are expected to be sold in the future. In this regard, the Company considers the frequency, the amount and timetable of sales in prior years, the reasons for these sales and expectations for future sales.

- The contractual characteristics of the financial asset give rise on specified dates to cash flows that are solely collections of principal and interest on the principal amount outstanding. That is, cash flows are inherent to an agreement that is an ordinary or common loan in nature, without prejudice that a zero interest rate or below-market interest rate is agreed for the transaction.

  It is considered that this condition is met with the case of a note or a basic loan with a specific maturity date on which the Company receives interest at a floating market rate and may be subject to a limit. On the contrary, it is considered that this condition is not met in the case of instruments convertible into equity instruments of the issuer, reverse floating rate loans (that is, a rate that carries a spread inversely related to market interest rates) or loans where the issuer can defer payment of interest if that could impact its solvency, with deferred interest not accruing further interest.

In general, trade receivables and non-trade receivables (other receivables) are included in this category.

At initial recognition, financial assets in this category are recognized at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration paid plus directly attributable transaction costs. That is, inherent transaction costs are capitalized.

Nevertheless, trade receivables which mature within less than one year with no specific contractual interest rate, as well as loans to personnel, receivable dividends and called-up payments on equity instruments, the amount of which is expected in the short term, are carried at nominal value when the effect of not discounting cash flows is not significant.

Subsequently, they are measured at amortized cost. Interest is recognized in the income statement (finance income) using the effective interest method.

Receivables maturing within a year that, as explained above, are initially stated at nominal value will continue to be measured at nominal value unless they have become impaired.

In general, when contractual cash flows from a financial asset to amortized cost change because of financial difficulties of the issuer, the Company analyzes whether an impairment loss should be recorded.

Financial assets at fair value through equity

This category includes the financial assets that meet the following conditions:

- The financial instrument is not held for trading and cannot be classified at amortized cost.

- The contractual characteristics of the financial asset give rise on specified dates to cash flows that are solely collections of principal and interest on the principal amount outstanding.

The Company does not apply the option of classifying investments in equity instruments in this category.

At initial recognition, financial assets in this category are recognized at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration paid plus directly attributable transaction costs. That is, inherent transaction costs are capitalized.

They are subsequently measured at fair value without deducting any transaction costs that may be incurred upon disposal. Changes in fair value are recognized directly in equity until the financial asset is derecognized or determined to be impaired at which time the cumulative gain or loss previously recorded in equity is recognized in the income statement.

Impairment losses and foreign exchange gains and losses on monetary assets are recognized in the income statement rather than in equity.

Interest earned is also recognized in the income statement, calculated using the effective interest method, as well as any dividends (finance income).

Financial assets at cost

The Company includes in this category:

a) Investments in group companies, joint ventures and associates (separate financial statements).

b) Other investments in equity instruments whose fair value cannot be determined by reference to a quoted price on an active market for an identical instrument or be reliably measured, and derivatives whose underlying assets are these investments.

c) Hybrid financial assets whose fair value cannot be reliably measured, unless they meet the requirements for them to be recorded at amortized cost.

d) Contributions made because of joint accounting contracts or similar agreements.

e) Participation loans that accrue contingent interest, either because they are agreed at a fixed or floating interest rate conditional on the fulfilment of a milestone at the borrower (e.g. obtaining profit) or because they are calculated by reference exclusively to the evolution of the borrower's activity.

f) Any other financial asset that should initially be classified at fair value through profit or loss when fair value cannot be reliably estimated.

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

In the case of investments in group companies, if an investment exists prior to its classification as an investment in a group company, joint venture or associate, cost value is deemed to be the investment's recognized carrying amount immediately prior to the company being classified as such.

Subsequent measurement is also at cost, less any accumulated impairment losses.

Contributions made because of joint account contracts and similar agreements shall be measured at cost plus or minus the gain or loss, respectively, attributable to the company as a non-trustee venturer, less any accumulated impairment.

The same principle is applied to participation loans that accrue contingent interest, either because they are agreed at a fixed or floating interest rate conditional on the fulfilment of a milestone at the borrower (e.g. obtaining profit) or because they are calculated by reference exclusively to the evolution of the borrower's activity. If in addition to a contingent interest an irrevocable fixed interest is agreed on, the irrevocable fixed interest is recorded as finance income on an accrual's basis. Transaction costs are recorded in the income statement on a straight-line basis over the life of the participation loan.

Derecognition of financial assets

The Company derecognizes a financial asset from the balance sheet when:

- The contractual rights to receive cash flows from the asset have expired. In this regard, a financial asset is derecognized when it matures, and the Company has received the corresponding amount.

- The contractual rights to the cash flows from the financial asset have been transferred. In this case, the financial asset is derecognized when the risks and rewards incidental to its ownership have been substantially transferred. In sale transactions under repurchase agreements, factoring or securitizations, the financial asset is derecognized once the Company's exposure to changes in amounts has been compared before and after the transfer, and it has been deducted from the timetable of net cash flows from the transferred asset that the risks and rewards have been transferred.

After analyzing the risks and rewards, the Company derecognizes the financial assets in accordance with the following situations:

a) The risks and rewards incidental to the ownership of the asset have been substantially transferred. The asset transferred is derecognized from the balance sheet and the Company recognizes the gain or loss on the transaction: the difference between the consideration received, net of attributable transaction costs (including any new asset obtained, less any liability assumed) and the carrying amount of the financial asset transferred, plus any cumulative gain or loss directly recognized in equity.

b) The risks and rewards incidental to the ownership of the asset have been substantially retained by the Company. The financial asset is not derecognized and a financial liability at an amount equal to the consideration received is recorded.

c) The risks and rewards incidental to the ownership of the asset have neither been substantially transferred nor retained. In this case, there are two possibilities:

    - Control is transferred (the transferee has the practical ability to transfer the asset again to a third party): the assets are derecognized from the balance sheet.

    - Control is not transferred (the transferee has no practical ability to transfer the asset again to a third party): the Company continues to recognize the asset to the extent to which it is exposed to changes in the value of the transferred asset, i.e. due to its continuing involvement, recognizing as well the associated liability.

Impairment of financial assets

Debt instruments at amortized cost or fair value through equity

At least at year end, the Company analyzes whether there is objective evidence that a financial asset or group of financial assets with collectively measured similar credit risk characteristics is impaired because of one or more events which have occurred following initial measurement and which lead to a reduction or delay in estimated future cash flows due to debtor insolvency.

If there is such objective evidence, impairment losses are calculated as the difference between the book value and the present value of future cash flows, including, where appropriate, estimated future cash flows from the execution of in rem and personal guarantees, discounted at the effective interest rate calculated upon initial recognition. For financial assets carrying floating interest rates, the effective interest rate used is prevailing at the balance sheet date as per the instrument's contractual terms. Impairment losses in groups of financial assets are computed using formula-based approaches and statistical methods.

Impairment losses, and any reversals in a subsequent period when the decrease in the impairment loss can be related objectively to an event occurring after recognition of the impairment, are recognized as an expense or income, respectively, in the income statement. Reversal of impairment is limited to the book value of the asset that would have been recognized on the reversal date had no impairment loss been recognized.

The present value of future cash flow can be substituted by the instrument's market value, if this is considered a sufficiently reliable indicator of the amount that could be recovered by the company.

In the case of assets measured at fair value through equity, accumulated impairment losses are recognized in equity as a decrease in fair value, if there is objective evidence of impairment, are recognized in the income statement.

Equity instruments at fair value through equity

In this type of investment, the Company considers that equity instruments are impaired when their value has decreased over 18 months and by 40% of their initial quoted price without having recovered their initial value, without prejudice that an impairment loss may need to be recorded before said period has ended or the 40% drop has been reached.

Impairment loss and its reversion are recognized as an expense in the income statement.

Should fair value increase, impairment losses recognized in prior years shall not reverse with a credit to the income statement and the increase in fair value shall be recognized directly in equity.

Financial assets at cost

In this case, the impairment loss is the difference between the carrying amount and the recoverable amount. The recoverable amount is understood to be the greater amount of either the fair value amount less cost to sell or the present value of the cash flows derived from the investment, which for equity instruments are calculated either by estimating the expected flows due to dividend payments made by the investee or the disposal or withdrawal of the investment, or by estimating the participation by the investee in the expected cash flow to be generated, coming from their ordinary activities as well as from disposal or withdrawal of investment. Unless better evidence of the recoverable amount of investments in equity instruments is available, impairment of this type of asset is estimated considering the equity of the investee and any unrealized capital gains existing on the measurement date, net of tax effect.

Impairment loss and its reversion are recognized as an expense or as income, respectively, in the income statement. The reversal is limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset.

Interest and dividends received from financial assets

Interest and dividends from financial assets accrued after acquisition are recognized as income in the income statement. Interest is recognized using the effective interest method; dividends are recognized when the right to receive them is established.

If distributed dividends are derived unmistakably from profit generated prior to the date of acquisition given that the amounts of distributed dividends exceeded the profit generated by the associate since acquisition, the dividends are not recognized as income and decrease the cost of the investment. Judgment on whether the investee has generated profit shall be based exclusively on the profits recorded in the separate income statement since acquisition date, unless the distribution of said profit must be classified undoubtedly as a recovery of the investment from the perspective of the entity receiving the dividends.

e.2) Financial liabilities

Recognition and measurement

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

- Financial liabilities at amortized cost
- Financial liabilities at fair value through profit or loss

Financial Liabilities at amortized cost

The Company classifies all financial liabilities into this category except when they must be measured at fair value through profit or loss.

In general, trade payables ("suppliers") and non-trade payables ("other creditors") are included in this category.

Participation loans that have the characteristics of an ordinary or common loan are also included in this category without prejudice that a zero-interest rate or below-market rate is agreed for the transaction.

At initial recognition, financial liabilities in this category are recognized at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received adjusted by directly attributable transaction costs. That is, inherent transaction costs are capitalized.

Nevertheless, trade payables which mature within less than one year with no contractual interest rate, as well as called-up payments on shares, the amount of which is expected in the short term, are carried at the nominal value when the effect of not discounting cash flows is not significant.

Subsequently, they are measured at amortized cost. Interest is recognized in the income statement (finance expense) using the effective interest method.

However, payables maturing within a year that in keeping with the description above are initially stated at nominal value shall continue to be measured at nominal value.

Contributions received because of joint account contracts and similar agreements shall be measured at cost plus or minus the gain or loss, respectively, that shall be attributed to the non-trustee venturers.

The same principle is applied to participation loans that accrue contingent interest, either because they are agreed at a fixed or floating interest rate conditional on the fulfilment of a milestone at the borrower (e.g. obtaining profit) or because they are calculated by reference exclusively to the evolution of the borrower's activity. Finance expenses are recognized in the income statement in accordance with the accrual's principle, and transaction costs shall be recorded in the income statement in accordance with a financial criterion or, should that not be applicable, on a straight-line basis over the life of the participation loan.

Financial liabilities at fair value through profit or loss

In this category the Company includes the financial liabilities that meet one of the following conditions:

- These are liabilities held for trading. Financial liability is considered for trading if it meets one of the following conditions:
    - It is issued or assumed mainly for the purpose of repurchasing it in the short term (e.g. bonds or other quoted marketable securities that the company may purchase in the short term based on changes in value).
    - It is an obligation that short sellers must deliver the financial assets that have been lent to them ("short selling").
    - At initial recognition, it is part of a portfolio of identified financial instruments managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.
    - It is a derivative financial instrument, if it is not a financial guarantee contract or has been designated as a hedge.
- Since initial recognition it has irrevocably been designated as at fair value through profit or loss ("fair value option"), since:
    - An inconsistency or "accounting mismatch" is eliminated or significantly reduced against other instruments at fair value through profit or loss; or
    - A group of financial assets and/or financial liabilities that is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy and information about the assets and/or liabilities is provided internally to the entity's key management personnel.
- Optionally and irrevocably, hybrid financial liabilities with a separable embedded derivative may be entirely included in this category.

The financial liabilities included in this category are initially measured at fair value, which unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received. Directly attributable transaction costs are recognized in the income statement.

After initial recognition, the company measures the financial liabilities included in this category at fair value through profit or loss.

Derecognition of financial liabilities

The Company derecognizes a previously recognized financial liability when one of the following circumstances occurs:

- The obligation under the liability is extinguished because payment to the creditor for cancelling the debt has been made (through payments in cash or other goods or services) or because the debtor is legally released from any responsibility for the liability.

- Own financial liabilities are acquired, even if the Company intends to resell them in the future.

- An exchange between a borrower and a lender of debt instruments with substantially different terms, recognizing the new financial liability. Similarly, any substantial modification of the terms of an existing financial liability shall also be recognized, as indicated for debt restructuring.

A financial liability is derecognized as follows: the difference between the carrying amount of the financial liability (or the part of it that has been derecognized) and the consideration paid, including any attributable transaction costs, which also has to include any new asset transferred other than cash or liability assumed, is recognized in the income statement in the year to which it relates.

f) Hedge accounting

The Company 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 Company adequately documents its hedges when the hedging relationship is determined, including how they are intended to achieve and measure effectiveness under current risk management policies.

To determine whether hedge accounting can be applied, the Company does 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 flow 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 date the financial statements on December 31, 2024, were prepared, the Company's hedging strategy includes PPAs (Power Purchase Agreements) with producers of renewable plants at a fixed price for a period of 4.5 years on average (until 2033) that meet the required conditions.

g) Income tax

Since the year 2023, Holaluz Clidom and subsidiaries (Clidom Solar S, L, Katae Energía S.L., Holaluz Generación S.L, Holaluz Rooftop Revolution S.L, Clidom Generación S.L, Clidom Energía Iberica S.L and Gestión Hidráulica Canarias, S.L) will file a consolidated income tax return, with the company as the parent of the tax group. On December 22, 2022, the company informed the tax authorities of the formation of said tax group.

Income tax paid or received is calculated as the sum of the current 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.

To determine the amount of deferred tax assets that can be recognized, the directors estimate the amounts and dates on which future taxable profits will be obtained and the reversion period of taxable temporary differences. Deferred tax assets recognized in the balance sheet on December 31, 2024, amount to 7.8 million euros (8.5 million euros on December 31, 2023), of which 1.5 million euros correspond to 25% adjustments for changes in value of derivatives, recorded in equity and to be materialized in the coming years, as the derivatives reach their maturity dates. In summary, tax loss carryforwards and other temporary differences on December 31, 2024, amount to 6.3 million euros.

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 a change in value is insignificant.
- They are part of the Company'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 financial statements, the Company's Directors make a distinction between:

j.1) Provisions

Liabilities existing at the balance sheet date, arising as a result of past events, the settlement of which is likely to cause an outflow of resources, but which are uncertain as to their amount and/or date of settlement., are recognized in the balance sheet as provisions at the present value of the amount that the Company deems most likely will have to be paid to settle the obligation.

Provisions are quantified based on the best information available at the balance sheet date on the consequences of the event giving rise to them and are reviewed and adjusted at the end of each year.

The financial effect of the provisions is recognized as a financial expense on the income statement. No discounts are made on those provisions falling due within twelve months that do not have a significant financial effect.

If it is no longer probable that an outflow of resources will be required to settle an obligation, the provision is reversed.

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 Company.

The financial statements for the year ended December 31, 2024, include provisions when the Company considers that it will more likely than not have to settle related obligations. Provisions 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 balance sheet but disclosed in the notes to the 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 considering the economic substance of the transaction. Subsequent measures follow prevailing accounting regulations.

l) Income and expenses

In the recognition of revenue, the Company follows a process consisting of the following stages:

a) Identifying the contract (or contracts) with the customer, understood as an agreement between two or more parties that creates enforceable rights and obligations.

b) Identifying the obligation or obligations to be satisfied in the contract, representative of the commitments to transfer goods or render services to a customer.

c) Determining the transaction price, or consideration of the contract that the Company expects to be entitled to in exchange for the promised transfer of goods or rendering of services to the customer.

d) Allocating the transaction price to the obligations to be satisfied, which shall be done based on separate selling prices of each good or service promised in the contract or, where appropriate, following an estimate of the selling price when it cannot be observed independently.

e) Recognizing revenue from ordinary activities when the Company satisfies a promised obligation through the transfer of a good or rendering of a service; the obligation is satisfied when the customer obtains control over said asset or service and, thus, recognized revenue from ordinary activities shall be the amount allocated to the satisfied contractual obligation.

The Company recognizes revenue from a contract when control over the promised goods or services (that is, the obligation or obligations to be satisfied) is transferred to the customer. For each identified obligation to be satisfied, at inception of the contract the Company determines whether the commitment is met overtime or at a point in time.

Income from commitments met over time is recognized based on the stage of completion towards complete fulfillment of contractual obligations provided that reliable information is available to the Company for measuring the stage of completion.

In the event of contractual obligations that are satisfied at a given point in time, income from their execution is recognized at that date. The costs incurred in the production or manufacture of a product are accounted for as inventory.

Ordinary income from the sale of goods and the rendering of services is measured at the monetary amount or, where appropriate, the fair value of the consideration received or receivable. The consideration is the price agreed on for the assets to be transferred to the customer less any discounts, rebates, other similar items given by the Company, and any interest included in the nominal amount of loans.

In accordance with the accrual's principle, income is recognized when control is transferred and expenses are recognized when they arise, regardless of when actual payment or collection occurs.

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.

Income from representation of renewable energy producers is recorded when this energy is generated, which is notified by Red Eléctrica de España and other official agencies in their respective calculations. These are the best estimates that the company has access to.

Income from installations is recorded when contracts with customers are signed and invoices corresponding to these installations are issued.

Additionally, the company recognizes income from the rendering of services over time as associated costs are incurred.

Income related to dividends is recognized in the income statement when the right to receive them is established. In case distributed dividends are derived from profit generated prior to the date of acquisition they are recognized as a decrease in the carrying amount of the investment. Interest from financial assets is recognized in the income statement using the effective interest method.

m) Termination benefits

Under prevailing labor legislation, the Company 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 Company has created a valid expectation with respect to third parties that it will assume an obligation.

n) Accrual of customer acquisition costs

Until December 31, 2020, the Company recognized as an intangible asset all costs incurred for obtaining a new contract with a customer only if the Company estimated that these costs would be recovered in the future.

These acquisition costs correspond to the incremental costs that the Company would not have incurred had the contract not been concluded.

Pursuant to the resolution issued by ICAC on February 10, 2021, since January 1, 2021, the Company has adapted its accounting records and customer acquisition costs are therefore recorded as long- and short-term accruals based on the average life of the contract.

As from January 1, 2022, as indicated in Note 12, these costs are accrued in accordance with the average life of the contracts that the Company signs with its customers. At the end of each year Management assesses the period and makes the corresponding amendments prospectively, where appropriate. On December 31, 2024, the useful life remains at 3.5 years (the same as in 2023).

Additionally, the Company records these accruals in the income statement under “Other operating expenses”.

o) Inventory

Stocks are valued at acquisition price or production cost. Costs of purchase include the invoice price after deducting any trade discounts, rebates and other similar items, plus all other costs incurred until the goods are available for sale, such as transport, customs, insurance, and others directly attributable to the acquisition of inventory items.

When the net realizable value of inventories is less than acquisition or production cost, the corresponding provision is recognized in the income statement. No provision is set aside for raw materials and other consumables used in production, if the finished products in which they are incorporated are sold above cost.

p) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer or cancel a liability in an orderly transaction between market participants at the measurement date. Fair value shall be determined without deducting any transaction costs that may be incurred because of derecognition or disposal. The amount a company would receive or pay in a forced transaction, distress sale or involuntary liquidation shall not be considered as fair value.

Fair value is estimated for a certain date and, since market conditions may change over time, fair value may not be appropriate for another date. Additionally, when estimating fair value, the company considers the conditions of the asset or liability that market participants would consider when establishing the price of the asset or liability at the measurement date.

Fair value shall generally be calculated by reference to a reliable market value. Where there is an active market for an item, fair value shall be calculated using models and valuation techniques. For example, by reference to recent arm's length transactions between knowledgeable, willing parties where available, reference to the fair value of other assets that are substantially the same, or using discounted estimated future cash flow methods or models generally used to measure options.

Valuation techniques are consistent with accepted pricing methodologies used in the market. Where possible, the valuation technique used should be that proven to obtain the most realistic price estimates. They must also consider the use of observable market data and other factors that its participants would consider when setting prices, and limit as far as possible the use of subjective considerations and non-observable or non-verifiable data.

The Company shall periodically evaluate the effectiveness of the valuation techniques used, by reference to the observable prices of recent transactions involving the same asset as that being measured, or using prices based on any available and applicable observable market data or indices.

Thus, a hierarchy in the inputs used in determining fair value is deducted and a fair value hierarchy is established to classify estimates into three levels:

- Level 1: estimates that use unadjusted quoted prices in active markets for identical assets or liabilities that the company can access at the measurement date.

- Level 2: estimates that use quoted prices in active markets for similar instruments or other valuation methods for which the relevant inputs are based on directly or indirectly observable market data.

- Level 3: estimates in which significant inputs are not based on observable market data.

A fair value estimate is classified into the same level of the fair value hierarchy as the lowest level input that is significant to the results of the valuation. To that effect, a significant input is an input that has decisive influence on the results of the estimate. When assessing the significance of a specific input to the estimate, specific conditions of the asset or liability being measured are considered.

q) Treasury shares

Treasury shares are recognized in equity as a decrease in "Shareholders' equity" when acquired. No loss or gain is shown in the income statement on sale or cancelation. Income and expenses incurred in connection with transactions with treasury shares are recognized directly in equity as a decrease in reserves.

5) Intangible assets

On December 31, 2024, and December 31, 2023, the movements in Intangible Assets are as follows:

Cost	Balance on December 31, 2023	Investments and Charge for the year	Transfers and other	Disposals	Balance on December 31, 2024
Industrial property	15,950	-	-	-	15,950
Development	43,874,846	4,922,436	-	-	48,797,282
Software	1,280,759	-	-	-	1,280,759
Other intangible assets	674,298	167,131	-	-	841,429
Total	**45,845,853**	**5,089,567**	**-**	**-**	**50,935,420**
Accumulated amortization					
Industrial property	(15,034)	(195)	-	-	(15,229)
Development	(21,953,260)	(7,512,392)	-	-	(29,465,652)
Software	(1,193,344)	(33,350)	-	-	(1,226,694)
Other intangible assets	(167,315)	(291,778)	-	-	(459,093)
Total	**(23,328,953)**	**(7,837,715)**	**-**	**-**	**(31,166,668)**
NET TOTAL	**22,516,900**	**(2,748,148)**	**-**	**-**	**19,768,752**

Cost	Balance on December 31, 2022	Investments and Charge for the year	Transfers and other	Disposals	Balance on December 31, 2023
Industrial property	15,950	-	-	-	15,950
Development	37,282,928	6,591,918	-	-	43,874,846
Software	1,280,759	-	-	-	1,280,759
Other intangible assets	397,479	276,819	-	-	674,298
Total	**38,977,116**	**6,868,737**	**-**	**-**	**45,845,853**
Accumulated amortization					
Industrial property	(14,839)	(195)	-	-	(15,034)
Development	(15,015,928)	(6,937,332)	-	-	(21,953,260)
Software	(1,149,879)	(43,465)	-	-	(1,193,344)
Other intangible assets	(8,087)	(159,228)	-	-	(167,315)
Total	**(16,188,733)**	**(7,140,220)**	**-**	**-**	**(23,328,953)**
NET TOTAL	**22,788,383**	**(271,483)**	**-**	**-**	**22,516,900**

5.1. Significant movements

Additions in intangible assets recorded during the year 2024 include the capitalization of work carried out by the Company amounting to 2,872,081 euros (4,329,465 euros at December 31, 2023) and are part of the new technological innovation project (2-year period 2023-24) related to the vertical integration of all the solar business processes, including VPP (virtual power plants) projects and flexible assets (EV chargers and batteries) and the consolidation of the billing by charge project (Fair Tariff) launched in 2022. This project also includes developments by external technology consulting firms amounting to 2,050,355 euros on December 31, 2024 (2,262,453 euros at December 31, 2023).

Based on a unique strategy of two businesses, installation of solar panels and energy management, Holaluz seeks to create the largest green energy community in Europe. The objective is to build a green ecosystem in houses by transforming rooftop square meters into locally sourced 100% renewable electricity producers and optimizing efficiency in household facilities through flexible assets such as electric vehicles chargers and batteries. The generation model proposed by Holaluz maximizes the potential of each rooftop, making it possible through the development of own technology and the use of data to distribute the energy exceeding the self-consumption of the owner of the solar panels to other users, thus democratizing the access to locally sourced green energy.

The aim is to contribute to dismantling fossil fuel power plants and building the power grid of the future:

- Electricity is produced and consumed in houses through solar panels and batteries, which guarantees savings in market prices and fixed costs of the system (transport, distribution, etc.).
- Excess is transferred to the local grid so that other customers with no rooftop can benefit from green, cheap locally sourced electricity with no transport or distribution costs.
- Flexible assets such as batteries and electric vehicle chargers allow customers to use locally sourced green energy during the whole day at low fixed costs.

A holistic vision of energy management that consolidates the company’s position as a key asset in the solar segment.

5.2. Impairment test

The recoverable amount of the Company’s intangible assets has been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by the Board of Directors. The discount rate applied to cash flow projections to determine value in use is 10% (8.2% in the test conducted on December 31, 2023), and cash flows beyond 5 years are extrapolated using a growth rate of 2% (2% in 2023).

Projected EBITDA is based on current gross margin, future impact of physical PPAs arranged by the Company, and structure costs. EBITDA margin increases over the budget period for anticipated efficiency improvements.

The discount rate used is the interest rate for 10-year public debt instruments, which is adjusted to reflect the specific risk to the Company. The growth rate is based on the long-term rates expected by the industry.

On December 31, 2024, the recoverable amount of the Company’s intangible assets exceeded their carrying amount by 44 million euros.

The budgeted weighted average EBITDA margin is 8%. Should the Company be unable to maintain a minimum average EBITDA margin of 3.8%, the CGU's value in use would be reduced to less than its carrying amount.

An increase of 4.3 percentage points in this discount rate would give a value in use equal to the carrying amount. Lastly, a decrease in the growth rate to the minimum (0.1%) would reduce the excess between the recoverable amount and the net carrying amount of the Development heading in intangible assets on December 31, 2024, by 24.2 million euros.

5.3. Other information

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

Account	Balance at 12.31.2024	Balance at 12.31.2023
Development and Software	10,953,284	8,208,901
Industrial property	14,000	14,000
Total	**10,967,284**	**8,222,901**

On December 31, 2024, and December 31, 2023, no intangible assets have been acquired from group companies. No intangible assets are located outside of Spain.

6) Property, plant and equipment

On December 31, 2024, and December 31, 2023, the movements in Property, plant and equipment are as follows:

Cost	Balance on December 31, 2023	Investments and Charge for the year	Transfers and other	Disposals	Balance on December 31, 2024
Data processing equipment	1,270,304	10,706	-	(50,800)	1,230,210
Installations	853,112	-	-	(187,518)	665,594
Furniture and office equipment	205,964	-	-	-	205,964
Total	**2,329,380**	**10,706**	**-**	**(238,318)**	**2,101,768**
Accumulated depreciation					
Data processing equipment	(765,823)	(205,762)	-	44,435	(927,150)
Installations	(323,246)	(74,889)	-	38,751	(359,384)
Furniture and office equipment	(75,062)	(20,267)	-	-	(95,329)
Total	(1,164,131)	**(300,918)**	**-**	**83,186**	**(1,381,863)**
NET TOTAL	1,165,249	**(290,212)**	**-**	**(155,132)**	**719,905**

Cost	Balance on December 31, 2022	Investments and Charge for the year	Transfers and other	Disposals	Balance on December 31, 2023
Data processing equipment	1,197,067	73,237	-	-	1,270,304
Installations	846,768	6,344	-	-	853,112
Furniture and office equipment	201,726	4,238	-	-	205,964
Total	**2,245,561**	**83,819**	**-**	**-**	**2,329,380**
Accumulated depreciation					
Data processing equipment	(542,993)	(222,830)	-	-	(765,823)
Installations	(238,815)	(84,431)	-	-	(323,246)
Furniture and office equipment	(53,748)	(21,314)	-	-	(75,062)
Total	**(835,556)**	**(328,575)**	**-**	**-**	**(1,164,131)**
NET TOTAL	**1,410,005**	**(244,756)**	**-**	**-**	**1,165,249**

6.1 Significant movements

On June 17, the rental agreement on two of the three Company floors was terminated. This is the reason why accelerated depreciation has been applied to the Buildings and Other Installations heading for a net carrying amount of 148,767 euros directly related to said floors.

6.2 Other information

The gross value of fully depreciated property, plant and equipment still in use is as follows:

Account	Balance at 12.31.2024	Balance at 12.31.2023
Data processing equipment	418,410	374,026
Furniture and other properties, plant and equipment items	20,031	7,012
Total	**438,441**	**381,038**

It is Company policy to take out the insurance policies necessary to cover the potential risks to which its property, plant, and equipment items are exposed. On December 31, 2024, and December 31, 2023, these potential risks were fully covered by the insurance.

On December 31, 2024, and December 31, 2023, there are no property, plant and equipment items acquired from group companies. No property, plant and equipment items are located outside of Spain.

7) Leases and similar arrangements

7.1 Operating leases

The operating lease payments recognized as expenses in the financial statements on December 31, 2024, compared to the financial statements on December 31, 2023, are as follows:

Description	Balance at 12.31.2024	Balance at 12.31.2023
Lease expenses	221,386	716,952
Total	**221,386**	**716,952**

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

Maturity	Balance at 12.31.2024	Balance at 12.31.2023
Within one year	287,061	877,681
Between one and five years	291,003	809,498
Total	**578,064**	**1,687,179**

The Company entered a lease arrangement at its head offices on September 1, 2017, that expires in December 2026. On November 19, 2021, a new rental agreement was signed, maturing in December 2026, for extending said offices. On June 17, 2024, this agreement was terminated for two of the three floors.

8) Non-current investments in equity instruments in group companies and associates

The breakdown and movements in 2024 are as follows:

	Balance on December 31, 2023	Additions	Disposals	Balance on December 31, 2024
Equity instruments	8,577,037	-	-	8,577,037
TOTAL	**8,577,037**	**-**	**-**	**8,577,037**

The breakdown and movements in 2023 are as follows:

	Balance on December 31, 2022	Additions	Disposals	Impairment	Balance on December 31, 2023
Equity instruments	5,038,665	4,550,000	-	(1,011,629)	8,577,037
TOTAL	**5,038,665**	**4,550,000**	**-**	**(1,011,629)**	**8,577,037**

During 2024 there have been no movements in investments in equity instruments in group companies.

On March 29, 2023, the Company's Board of Directors resolved to carry out a capital increase amounting to 2.05 million euros for the subsidiary Clidomer, which were fully paid in. On December 20, 2023, another capital increase was approved, amounting to 2.5 million euros that were also fully paid in.

8.1 Significant investments

The information relating to group companies, joint ventures and associates on December 31, 2024, and 2023 is as follows:

	Net carrying amount	Direct ownership %	Indirect ownership %	Share capital	Reserves	Other contributions	Retained earnings	Net profit/(loss) 12.31.2024	Total equity
Clidomer Unipessoal	5,710,000	100%	-	5,710,000	-	-	(5,369,062)	(2,483,369)	(2,142,431)
Clidom France	10,000	100%	-	10,000	-	-	(32,453)	(1,106)	(23,559)
Holaluz Generación	3,000	100%	-	3,000	-	-	(4,409)	2	(1,407)
Clidom Solar	3,000	100%	-	3,000	-	-	(34,794,241)	(19,433,556)	(54,224,797)
Clidom Italia	35,000	100%	-	10,000	-	-	687	(6,308)	4,379
Clidom Generación	3,000	100%	-	3,000	-	-	(1,291)	(30)	1,679
Rooftop Revolution	3,000	-	100%	3,000	-	-	360,135	(1,244,360)	(881,225)
Katae Energía	-	-	100%	3,010	177,266	-	(705,972)	(539,840)	(1,065,536)
Gestión Hidráulica Canarias	-	-	100%	3,000	35,025	-	(13,923)	(83,564)	(59,462)
Clidom Energía Ibérica	2,810,037	100%	-	3,000	-	180,658	2,627,396	(251,757)	2,559,297
Total	**8,577,037**								

	Net carrying amount	Direct ownership %	Indirect ownership %	Share capital	Reserves	Other contributions	Retained earnings	Net profit/(loss) 12.31.2023	Total equity
Clidomer Unipessoal	5,710,000	100%	-	5,710,000	-	-	(3,184,515)	(2,040,028)	485,457
Clidom France	10,000	100%	-	10,000	-	-	(31,485)	(968)	(22,453)
Holaluz Generación	3,000	100%	-	3,000	-	-	(5,894)	1,485	(1,409)
Clidom Solar	3,000	100%	-	3,000	-	-	(15,395,200)	(18,824,896)	(34,217,096)
Clidom Italia	35,000	100%	-	10,000	-	-	7,095	-	17,095
Clidom Generación	3,000	100%	-	3,000	-	-	(1,201)	(90)	1,709
Rooftop Revolution	3,000	-	100%	3,000	-	-	78,143	281,992	363,135
Katae Energía	-	-	100%	3,010	177,266	-	(619,101)	(86,871)	(525,696)
Gestión Hidráulica Canarias	-	-	100%	3,000	35,025	-	(8,567)	(5,356)	24,102
Clidom Energía Ibérica	2,810,037	100%	-	3,000	-	180,658	2,670,516	(43,119)	2,811,055
Total	**8,577,037**								

The operating profit/(loss) of the group companies, joint ventures and associates shown in the table above correspond entirely to continuing operations. None of the above companies is listed on the stock exchange.

- Clidomer Unipessoal, LDA is the sole shareholder company domiciled in Lisbon, at Av. Jose Malhoa 16 B. Its main activity is the manufacture, purchase, sale and commercialization of energy and goods inherent to the electricity market.

- Clidom Italia, SRL is a limited liability company 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 financial statements on December 31, 2024, were prepared, the company is dormant.

- Clidom France, SARL is a limited liability company 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. On the date the financial statements on December 31, 2024, were prepared, the company is dormant.

- Holaluz Generación, SL (formerly Orwell Power, SL) is a sole shareholder limited liability company 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 commercialization of energy in general, natural gas and telecommunications, even their transfer, regardless of their source of generation and production. Its corporate purpose also includes the provision of energy, environmental and telecommunications advisory and engineering services. The company started its activity during the year ended September 30, 2020. Additionally, said subsidiary is the sole shareholder of the company Holaluz Rooftop Revolution, SL.

- 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 financing 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. This company started its activity in June 2021.

- Clidom Solar, SL is a sole shareholder limited liability company 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 commercialization 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. On July 1, 2021 Clidom Solar, SL acquired the company Katae Energía, SL, the corporate purpose of which consists in (i) the promotion of energy efficiency, sensible use of energy and integration of renewable energies, in households and bioclimatic urban spaces, to adopt a sustainable energy system; (ii) the entire construction, repair, restoration, renovation, rehabilitation and maintenance of buildings and civil works, and the intermediation in all types of real estate transactions. This transaction is framed withing the plan for installers in Spain.

- On January 21, 2022, Katae Energía, SL acquired the company Gestión Hidráulica Canarias, SL, which was incorporated on April 13, 2015, and is domiciled in Santa Cruz de Tenerife at Punta de la Vista, 3. Its corporate purpose consists, among others, in the construction, installation and maintenance of solar heating and cooling systems.

- Clidom Generación, SL is a sole shareholder limited liability company 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. On the date the financial statements on December 31, 2024, were prepared, the company is dormant.

- Clidom Energía Ibérica, S.L. (formerly Bulb Energía Ibérica, S.L. Unipersonal) is a power marketer focused on households and small- and medium-sized enterprises in Spain which had approximately 23,000 customers in December 2021, the date it was acquired by Holaluz. The company is domiciled in Barcelona at Passeig Joan de Borbó 99-101, 08039. Its corporate purpose consists in the commercialization and distribution of electricity from renewable sources.

Losses accumulated by Clidom Solar and Katae are mainly since the companies have not reached the necessary scalability to cover structure costs. As for Clidomer, losses come from deviations between nominated energy and generated energy by the Portuguese production plants, in the representation business. Current contracts are being reviewed and renegotiated to pass these deviations partially or fully on to the producer, and minimize the amounts thereof, through the implementation of the new cloud monitoring center at the end of 2022 and thus generate profits in the coming years. The Directors of the Company resolved to increase capital by 2.5 million euros to recapitalize the Portuguese subsidiary and get it back to positive shareholders' equity (Note 24 Subsequent events). They also resolved to grant participation loans amounting to 5.5 million euros to the subsidiary Clidom Solar, SL, 750,000 euros to the subsidiary Katae Energía SL and 900,000 euros to the subsidiary Rooftop Revolution, SL to correct their corresponding equity imbalances at 2024-year end.

As a result of the losses incurred by these subsidiaries, the Company has analyzed whether the book value of the investments may recover (Note 9.1.1). Based on this analysis, no impairment of investments in equity instruments in group companies and associates has arisen.

9) Current and non-current financial investments

9.1 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	
Financial assets at amortized cost	**Balance at December 31, 2024**	**Balance at December 31, 2023**
Loans to group companies and associates	77,369,773	44,666,623
Derivatives	426,000	1,101,326
Other financial assets	247,720	255,320
TOTAL	**78,043,493**	**46,023,269**

Loans to group companies and associates

This caption includes the collection rights that the Company holds with the subsidiary Holaluz Rooftop Revolution, SL after the latter started its activity. As mentioned in Note 8.1, this subsidiary's 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 financing transactions for developing the self-consumption business and distributed generation of energy. The first loans were granted in June 2021. The monthly installments thereof are paid by the customers in the electricity bill, with Holaluz-Clidom, SA acting as the servicer. Once the installments are received, the servicer (Holaluz-Clidom, SA) settles the installments with the finance company (Rooftop Revolution, SL).

On December 31, 2024, the company was impaired by 0.8 million euros the non-current loan granted to Holaluz Rooftop Revolution, SL because of the sale of 800 loans in June 2024 for 4.1 million euros, within the framework of its dynamic asset management and optimization of its financial position (Note 20.9). Said impairment had already been recorded in the interim financial statements. This transaction has not affected the daily business of the solar division.

The amount pending receipt by the Company to be paid to Holaluz Rooftop Revolution, SL on December 31, 2024, which corresponds to the total amount of loans granted up to that date and pending transfer to the finance company, totals 1.5 million euros (6.6 million euros on December 31, 2023).

Up to the current date, the parent company has granted participation loans to the subsidiary Clidom Solar for an overall amount of 50.9 million euros (36.8 million euros on December 31, 2023) to remedy the negative shareholders' equity of said company. Of this amount, 14.0 million euros were taken out in December 2024 (19.0 million euros in December 2023). The loans accrue market interest rates and mature in 2026. Additionally, in October 2024 the trade debt that the subsidiary owed to the parent for the billing of management fees was converted into a loan amounting to 31.8 million euros to be repaid in 15 years at an interest rate of 5%. On April 14, 2025, the Directors of the Company resolved to take out a participation loan amounting to 3.5 million euros to remedy the equity imbalance at 2024-year end.

The rest of the balance of this heading is detailed in Note 22.

9.1.1 Impairment test

The losses accumulated by the subsidiary Clidom Solar, SL have generated a total net debt to the parent Holaluz-Clidom SA amounting to 77.3 million euros, of which 50.9 million euros correspond to participation loans, 31.8 million euros to a loan repayable in 15 years from the trade debt for the management fees of 2023 and 2024 (until June 2024), and the remaining amount corresponds to accounts payable to the parent for management fees incurred in the current year (Note 22.1), as well as VAT payables (the companies Holaluz-Clidom, SA, Katae Energía, SL and Clidom Solar, SL have formed a single VAT group since January 2023; VAT returns are filed by the parent, Holaluz-Clidom, SA, which has VAT payables to the subsidiaries).

An impairment test has been performed to check the subsidiary's ability to repay this total debt of 77.3 million euros. First, the current debt of 31.8 million euros has been converted into a loan through a 15-year contract at an interest rate of 5% (Note 22.1). The discount rate applied to cash flow projections to determine value in use is 10.25%, and cash flows beyond 5 years are extrapolated using a growth rate of 2.1%.

Projected EBITDA based on the current gross margin has considered expected growth in the solar panel installation market and the optimization of structure costs and employee benefits expense. EBITDA margin increases over the budget period for anticipated efficiency improvements.

The discount rate used is the interest rate for 10-year public debt instruments, which is adjusted to reflect the specific risk to the Company. The growth rate is based on the long-term rates expected by the industry.

On December 31, 2024, the recoverable amount of the parent's financial investment in the subsidiary Clidom Solar, S.L. was 12.2 million euros lower than its carrying amount. Consequently, an impairment of the participation loans was recorded for said amount.

Other financial assets

This heading substantially includes the deposit given as a lease guarantee on the offices rental maturing in 2026 amounting to 133 thousand euros on December 31, 2024, guarantees at MIBGAS (12 thousand euros) and long-term social contributions in Avalis (28.6 thousand euros) and Cajamar (30 thousand euros).

Derivatives

The "Derivatives" balance on December 31, 2024, is commented on in Note 17.

9.2 Current financial investment categories

Current financial investments are classified based on the following categories:

	Loans, derivatives, and other financial investments	
Financial assets at amortized cost	**Balance at December 31, 2024**	**Balance at December 31, 2023**
Loans to group companies and associates	5,038,766	1,561,117
Derivatives	8,260,107	17,097,768
Other financial assets	2,924,399	5,585,872
TOTAL	**16,223,272**	**24,244,757**

The balance of 5 million euros corresponding to Loans to group companies is broken down in Note 22.1; it mainly relates to interest on the participation loan granted to Clidom Solar (3.8 million euros) and a long-term receivable from Katae to Holaluz corresponding to the tax consolidation (1.2 million euros).

Derivatives

The "Derivatives" balance on December 31, 2024, is commented on in Note 17.

Other financial assets

This heading mainly includes the short-term guarantees placed at the Iberian Energy Market Operator amounting to 1 million euros on December 31, 2024 (19 thousand euros on December 31, 2023) and the balance of Watt Dev. guarantees amounting to 1.3 million euros on December 31, 2024, among others.

10) Trade and other receivables

The breakdown of "Trade and other receivables" corresponding to financial assets at amortized cost is as follows:

	December 31, 2024	December 31, 2023
Trade and other receivables		
Trade receivables for sales and services	16,595,739	29,276,416
Trade receivables from group companies and associates	419,529	24,850,076
Other receivables	5,589,804	8,590,158
Receivables from employees	39,050	49,234
Current income tax assets	4,260	4,191
Other receivables from Public Administrations	103,438	7,618,839
TOTAL	**22,751,820**	**70,388,914**

On December 31, 2024, the balances related to electricity sales pending invoice included in "Trade receivables for sales and services" amount to 12.5 million euros (18.9 million euros on December 31, 2023) and correspond to energy supplied during December, which is invoiced to customers during the first working days of the following month (in this case, January 2025). The Company's operations for billing electricity commercialization activity consist in issuing invoices for the electricity consumed during the calendar month and sending the corresponding invoices to customers during the first days of the following month.

Other receivables basically correspond to balances pending receipt from OMIE (1 million euros) and CNMC (2.8 million euros) and outstanding settlements of OTC derivatives (1.3 million euros).

The balance of receivables from public administrations amounting to 104 thousand euros is commented on in Note 19.

10.2 Impairment losses arising from credit risk

The balance of "Trade receivables for sales and services" is presented net of impairment losses. The movements in impairment losses are as follows:

	December 31, 2024	December 31, 2023
Impairment losses due to credit risk		
Opening impairment losses	(24,946,894)	(14,857,622)
Impairment losses	(3,500,000)	(10,089,272)
Derecognition and reductions	5,811,186	-
Total	**(22,635,708)**	**(24,946,894)**

During the year ended December 31, 2024, uncollectible balances from prior years have been written off for an amount of 5.8 million euros, which had been previously set aside in a provision. Consequently, they have had no impact on the income statement for the current year.

11) Inventories

The breakdown of inventories at December 2024 and December 2023 is as follows:

	December 31, 2024	December 31, 2023
Commercial inventories	-	1,273,645
Total	**-**	**1,273,645**

On December 31, 2024, the Company has no commercial inventories (1.3 million euros on December 31, 2023). The gas business was discontinued in the last quarter of 2022. However, the Company had to keep a minimum level of stock (a calculation made based on the gas customer portfolio for the past 12 months) until April 2023, when it will be able to sell this mandatory minimum stock. Said stock was finally sold in August 2024, generating a net loss of 0.6 million euros.

Impaired losses on inventories are recorded based on the decrease in the market price of certain raw materials that will not be recovered from the sale of finished products. At 2023 year end the Company has no impaired inventories.

On December 31, 2024, and December 31, 2023, there were no firm commitments to purchase inventories.

12) Accruals

Current and non-current accruals include customer acquisition costs. The movement for the year is as follows:

Non-current	Balance on December 31, 2023	Additions	Accruals income statement	Transfers	Balance on December 31, 2024
Customer acquisition costs	8,971,555	2,404,677	-	(6,980,827)	4,395,405
Total	8,971,555	**2,404,677**	**-**	**(6,980,827)**	**4,395,405**
Current					
Customer acquisition costs	9,082,460	995,039	(11,354,618)	6,980,827	5,703,708
Total	9,082,460	**995,039**	**(11,354,618)**	**6,980,827**	**5,703,708**
TOTAL	**18,054,015**	**3,399,716**	**(11,354,618)**	**-**	**10,099,113**

Non-current	Balance on December 31, 2022	Additions	Accruals income statement	Transfers	Balance on December 31, 2023
Customer acquisition costs	18,376,562	3,902,177	-	(13,307,184)	8,971,555
Total	18,376,562	**3,902,177**	**-**	**(13,307,184)**	**8,971,555**
Current					
Customer acquisition costs	10,919,209	1,614,695	(16,758,628)	13,307,184	9,082,460
Total	10,919,209	**1,614,695**	**(16,758,628)**	**13,307,184**	**9,082,460**
TOTAL	**29,295,771**	**3,399,716**	**(16,758,628)**	**-**	**18,054,015**

In 2024 the useful life of customer acquisition costs remained at 3.5 years, resulting in a total capitalized amount for customer acquisition costs of 10.1 million euros at year end.

Current accruals

Current accruals include, in addition to the customer acquisition costs broken down above, the following unaccrued expenses at year end:

- Sales commissions for an amount of 1,450 thousand euros (1,452 thousand euros on December 31, 2023) for the capitalization of annual customer contracts.
- Insurance premiums amounting to 133 thousand euros (286 thousand euros on December 31, 2023).
- Other general expenses amounting to 478 thousand euros (908 thousand euros on December 31, 2023).

13) Cash and cash equivalents

The breakdown of this caption on December 31, 2024, and December 31, 2023, is as follows:

	December 31, 2024	December 31, 2023
Cash and cash equivalents		
Cash	946	946
Demand current accounts	1,111,556	3,852,927
Total	**1,112,502**	**3,853,873**

Current accounts earn market interest rates.

Cash and cash equivalents are unrestricted.

14) Equity

14.1 Share capital and Treasury shares

On December 31, 2020, the Company's share capital amounted to 617,385 euros and consisted of 20,579,484 shares with a nominal value of 0.03 euros each, fully subscribed and paid in.

On September 30, 2021, given the chance of carrying out potential acquisitions of power marketers, arisen as a result of the upward trend in the wholesale market electricity prices, and thus speed up its organic growth plan, Holaluz entered into a subordinated financing transaction convertible into Company shares for the amount of 11.36 million euros, whose conversion was approved by the shareholders at the general meeting held on November 9, 2021, through the corresponding capital increase for the same amount.

On December 10, 2021, the Company's board of directors, pursuant to the authorization granted by the shareholders in general meeting, and following the board of director's report, resolved to increase capital through monetary contributions waving pre-emptive subscription rights, for an effective aggregate amount of 7,499,990.04 euros (aggregate nominal amount of 16,292.52 euros and aggregate share premium of 7,483,697.52 euros). Additionally, the Company's board of directors resolved to carry out the capital increase by issuing and putting into circulation 543,084 ordinary Company shares of the same class and series as currently outstanding shares, represented by book entries. The shares are issued at a unit nominal value of 0.03 euros plus a share premium of 13.78 euros per share, giving an effective issue price of 13.81 euros per share. The board of director's agreement envisaged the possibility that the capital increase may be subscribed incompletely and delegates the power to some board directors of establishing the final terms and conditions of the capital increase, among others. On December 28, 2021, a capital increase of 6,699,990.55 euros was carried out (aggregate nominal amount of 14,554.65 euros and aggregate share premium of 6,685,435.90 euros), declaring the subscription incomplete in the amount of 799,999.49 euros. Thus, the capital increase was carried out by the issuance and putting into circulation of 485,155 new ordinary Company shares. This capital increase was subscribed by three qualified investors: Abacon Invest GmbH, Pelion Green Future Alpha GMBH and MDR Inversiones, S.L.

On December 31, 2023, the Company's share capital amounted to 656,661.57 euros, fully subscribed and paid in, and consists of 21,888,719 ordinary shares with a par value of 0.03 euros each.

On November 4, 2024, the parent company, Holaluz-Clidom, SA, announced Icosium Investment, S.L., an industrial investor committed to advancing energy transition, as its new strategic partner with a 22 million euros investment, structured into several phases and subject to the corresponding approvals. This transaction will enable Holaluz to strengthen its growth strategy. The first phase consists in an investment of 6.48 million euros through a capital increase, issuing new ordinary shares at 1.80 euros per share without preferential subscription rights, using the approval previously given by the shareholders at the Extraordinary General Meeting held on November 9, 2021. This will give ICOSIUM a 14.12% stake in Holaluz-Clidom, SA. and two Board seats. The second phase will consist in an investment of 15.52 million euros. On December 31, 2024, 4.48 million euros of the first phase had been paid out. As the first phase of the capital increase was filed before these financial statements were authorized for issue (Note 24), it has been recorded in the share capital heading (74,667 euros) and share premium heading (4,405,333 euros), respectively, for the amount paid out before year end, as required by the applicable regulatory framework for financial information. The Company's share capital is currently as follows:

	December 31, 2024	**December 31, 2023**
Share capital	764,662	656,662
Share capital, uncalled capital	(33,333)	-
	731.ll329	656,662

All Company shares, including the new ones, are ordinary shares and bear the same voting and dividend rights.

At year end, the breakdown of legal entities which hold an ownership interest greater than 10% in the Company is as follows:

	December 31, 2024	December 31, 2023
Fondo Axon ICT III, FCR de Régimen Simplificado	16.81%	16.81%
ICOSIUM Investment, S.L. (*)	(*) %	-

(*) The Company registered this capital increase in the Mercantile Registry on April 2, 2025. As of that date, the percentages have changed and Icosium Investment, S.L., currently holds 10.21% in the Company's share capital. The ownership percentage held by Fondo Axon ICT III, FCR has decreased to 15.09% (Note 24).

14.2 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.

On December 31, 2024, the legal reserve is fully funded.

14.3 Reserves and share premium

The balance of the share premium account can be freely distributed except for the amount under "Losses from prior years".

14.4 Transactions with treasury shares

Treasury shares on December 31, 2024, account for 0.42% of the total Company shares (0.27% on December 31, 2023) and amount to 93,369 shares (60,044 shares on December 31, 2023), at an average acquisition price of 1.46 euros per share.

The number of treasury shares in the Company has been changing based on the purchase and sale of shares in the market. The losses from this change have been recorded against reserves.

15) Non-current and current payables

Non-current payables are classified based on the following categories:

	Bank borrowings	
	Balance on December 31, 2024	Balance on December 31, 2023
Financial liabilities at amortized cost	16,522,978	15,951,955
Other financial liabilities	3,500,000	-
TOTAL	**20,022,978**	**15,951,955**

On December 31, 2024, non-current payables amounting to 16.5 million euros (15.9 million euros on December 31, 2023) include:

- 3.0 million euros corresponding to capital pending repayment mainly on ICO loans taken out by the Company in 2020 and 2021 within programs launched by the Government to mitigate the effect of COVID on Spanish companies (7.6 million on December 31, 2023).

- 13.5 million euros (8.3 million euros on December 31, 2023) corresponding to ICO credit facilities taken out by the Company. They correspond to the amounts drawn down on these credit facilities at year end. The credit facilities total 1.6 million euros.

- 3.5 million euros corresponding to the Green Commercial Paper Notes maturing after December 31, 2025.

No new non-current loans have been taken out in 2024.

The breakdown of "Derivatives" is commented on in Note 17.

Current payables are classified based on the following categories:

	Bank borrowings		Other items	
	Balance at December 31, 2024	**Balance on December 31, 2023**	**Balance at December 31, 2024**	**Balance on December 31, 2023**
Financial liabilities at amortized cost	19,714,355	36,313,957	3,464,167	20,761,417
TOTAL	**19,714,355**	**36,313,957**	**3,464,167**	**20,761,417**

On December 31, 2024, current payables amounting to 19.7 million (36.3 million on December 31, 2023) include:

- 8.1 million euros corresponding to capital pending repayment on ICO loans taken out by the Company in 2020 and 2021 within programs launched by the Government to mitigate the effect of COVID on Spanish companies, and 1.0 million euros (non-ICO) corresponding to the repayment of a loan granted by ICF.

  During 2024 2 two new loans have been taken out. They mature in the short-term and amount to 819 thousand euros and 871 thousand euros, respectively, within the framework for the negotiation of finance debt with banks. These are guarantees that were executed and subsequently converted into loans to be repaid in accordance with the terms agreed upon in the restructuring plan.

- 7.8 million euros (8.7 million euros on December 31, 2023) corresponding to ordinary and ICO credit facilities taken out by the Company. They correspond to the amounts drawn down on these credit facilities at year end.

- 3.8 million euros corresponding to ordinary and ICO reverse factoring agreements taken out by the Company. They correspond to the amounts drawn down on these reverse factoring agreements at year end. From the total amount drawn down, 3.3 million corresponds to ICO agreements maturing in 2026. However, this is a short-term product.

On September 13, 2024, the Company signed a "Modification, Maintenance, and Other Standstill Measures Agreement in Relation to Certain Financing Instruments" with its primary financial creditors to support the continuity of the Company's ordinary business activities and strengthen the financial structure of its operations, thanks to the broad support of the financial market. Said Standstill Agreement, which matures on December 18, 2024, was renewed until February 18, 2025, then until February 28, 2025, and lastly until March 14, 2025. Finally, the Financial Debt Restructuring Plan was signed on March 10, 2025 (see details in Note 24 Subsequent events).

Green Commercial Paper Note Program

On November 21, 2022, BME's Fixed-Income Market (MARF) registered the first Green Commercial Paper Notes Program of Holaluz-Clidom, SA amounting to 100 million euros. Through this program, the Company has since been able to have flexible access to qualified investors over the next twelve months (and corresponding annual renewals), within a strategy to diversify its financing sources. Holaluz structured the commercial paper notes issued under these Green Commercial Paper Notes Program so that they were considered a green instrument in accordance with the Holaluz Green Finance Framework, whereby the company can issue notes and promissory notes in accordance with the Green Bond Principles 2021 and take out financing agreements in accordance with the Green Loan Principles 2021 of the International Capital Markets Association (ICMA). To that end, Holaluz obtained a favorable opinion from Sustainalytics, which confirms that the Holaluz Green Finance Framework is aligned with the four core ideas integrating both Principles. The balance at December 31, 2024 amounts to 6.7 million euros (19.8 million euros at December 31, 2023), of which 3.5 million euros have been classified as non-current under "Other financial liabilities". In October 2024 the Company did not renew the program. The green commercial paper notes in force for 2025 and subsequent years correspond to the notes in force at year end derived from the negotiation of the note that matured in July 2024 amounting to 7 million euros and was restructured into 9 notes maturing on a quarterly basis, until July 2026, and of an increasing amount.

The breakdown of "Derivatives" is commented on in Note 17.

15.1 Classification by maturity

The breakdown by maturity of the loans, with fixed or determinable maturity, on December 31, 2024, and December 31, 2023, is as follows:

December 31, 2024	**2025**	**2026**	**2027**	**2028**	**Subsequent years**	**TOTAL**
Bank loans	8,126,349	2,422,714	555,775	35,278	0	**11,140,116**
Credit facilities	7,844,239	10,815,401	2,693,810			**21,353,450**
TOTAL	**15,970,588**	**13,238,115**	**3,249,585**	**35,278**	**0**	**32,493,566**

December 31, 2023	**2024**	**2025**	**2026**	**2027**	**Subsequent years**	**TOTAL**
Bank loans	7,481,142	4,634,227	2,422,714	555,775	35,749	15,129,608
Credit facilities	8,673,351	2,416,153	5,887,336	-	-	16,976,840
TOTAL	**16,154,493**	**7,050,380**	**8,310,050**	**555,775**	**35,749**	**32,106,448**

The 32.5 million euros outstanding on December 31, 2024, mainly corresponds to credit facilities and loans. As for loans, the initial capital amounted to 20.3 million euros: It should be noted that the classification by maturity of current and non-current payables will be restructured because of the Financial Debt Restructuring Plan (Note 24 Subsequent events). The breakdown of said maturity is as follows:

December 31, 2024	2025	2026	2027	2028	Subsequent years	TOTAL
Bank loans	111,401	1,726,718	3,286,334	6,015,663	0	**11,140,116**
Credit facilities	15,289	786,686	1,497,240	19,054,235		**21,353,450**
TOTAL	**126,691**	**2,513,404**	**4,783,574**	**25,069,897**	**0**	**32,493,566**

15.2 Other information

The breakdown of bank borrowings by item is as follows:

December 31, 2024			
	Limit (*)	**Current**	**Non-current**
Bank loans	18,650,000	8,126,349	3,013,768
Credit facilities	22,950,000	7,844,239	13,509,211
Factoring, reverse factoring and funded payments	7,300,000	3,772,791	0
Bills discounted	0	0	0
Credit cards	81,500	(29,023)	0
TOTAL	**48,981,500**	**19,714,355**	**16,522,978**

(*) In the case of bank loans, initial amount obtained.

December 31, 2023			
	Limit (*)	**Current**	**Non-current**
Bank loans	21,150,000	7,481,142	7,648,466
Credit facilities	22,950,000	8,673,351	8,303,489
Factoring, reverse factoring and funded payments	9,050,000	9,014,462	-
Bills discounted	13,000,000	11,103,513	-
Credit cards	218,000	41,489	-
TOTAL	**66,368,000**	**36,313,957**	**15,951,955**

(*) In the case of bank loans, initial amount obtained.

In the period comprised between December 31, 2023, and December 31, 2024, the Company has reduced the limit available on its net bank loans by 17.4 million euros. The discounting bill facilities (SEPA) amounting to 13 million euros were cancelled by the granting entity during the first half of the year. A VAT financing facility of 2 million euros was also cancelled and a reverse factoring facility was not renewed upon maturity.

The loan amount repayable in the long term has decreased (due to the reclassification of existing loans from the long to the short term), and the amount drawn down from long-term facilities has increased by 5.2 million euros. Of the 23 million euros of the limit available on credit facilities on December 31, 2024, 14.3 million euros mature in the long term, as they are ICO lines granted in 2020 and 2021 under a program launched by the Spanish Government to mitigate the effects of Covid on Spanish companies.

Additionally, the Company has lines of security interests and guarantees that have been granted by several financial institutions and surety companies for an overall amount of 26.2 million euros:

- 11.2 million euros of surety lines, from which 5.7 million euros have been drawn down on December 31, 2024 (5.2 million euros drawn down on December 31, 2023).
- 15 million euros of bank guarantees, from which 7.6 million euros have been drawn down on December 31, 2024 (7.7 million euros drawn down on December 31, 2023).

Security interests, both sureties and bank guarantees, are given to energy suppliers (producers of renewable energies with whom the Company enters into power purchase agreements - PPAs) and market operators (OMIE, REE, MIGBAS, etc.) to be able to purchase and commercialize energy.

The interest rate paid by the Company related to bank borrowings is on average Euribor + 2.29% (Euribor + 3.34% on December 31, 2023).

16) Trade and other payables

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

Financial liabilities at amortized cost	December 31, 2024	December 31, 2023
Trade and other payables		
Suppliers	50,356,586	46,869,024
Suppliers, group companies and associates	507,466	5,773,765
Other payables	5,238,859	6,822,793
Employee benefits payable	683,525	237,744
	-	-
Other payables to Public Administrations	1,059,537	1,019,987
Customer advances	0	1,298,906
TOTAL	**57,845,973**	**62,022,219**

The balance of "Other payables to Public Administrations" is shown in Note 19.

At December 31, 2024 the balances for invoices pending receipt corresponding to supplied electricity included under "Suppliers" amount to 15.9 million euros (27.1 million euros at December 31, 2023), of which 8.5 million euros correspond to invoices pending receipt from the plants (20.3 million euros at December 31, 2023), 4.3 million euros to invoices pending receipt from distributors (4.7 million euros at December 31, 2023) and 1.4 million euros (0.5 million euros at December 31, 2023) to invoices pending receipt from REE (corporation operating the Spanish electricity grid).

16.1 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 suppliers is as follows:

	2024	2023
(Days)		
Average payment period to suppliers	97	42
Ratio of transactions paid	102	43
Ratio of transactions outstanding	82	32
(Thousands of euros)		
Total payments made	174,971,240	692,748,351
Total payments outstanding	56,102,912	59,465,582
Monetary volume of invoices paid by the deadline established in late payment regulations	108,482,169	677,682,426
Percentage of payments made by the established deadline over total payments	62%	98%
(Number of invoices)		
Invoices paid by the deadline established in late payment regulations	1,393,633	3,361,587
Percentage over total number of invoices	71%	89%

16.2. Provisions and contingencies

On March 24, 2023, the Company was notified of the resolution by the Energy Authority of the Spanish National Markets and Competition Commission ("CNMC") dated March 16, 2023, whereby it was agreed to start disciplinary proceedings against the Company and 34 other companies for alleged manipulation or attempted manipulation of the wholesale energy market. On April 18, 2023, the Company filed defense allegations against the Agreement for initiating said proceedings. On July 24, 2024, the National Securities Market Commission (CNMV by its acronym in Spanish) issued a ruling on said disciplinary proceedings and found that Holaluz-Clidom, S.A. was not liable and closed the proceedings.

As a group of companies (hereinafter, the Producers) tried to execute the guarantees given by the Company, on July 24, 2024, the Company lodged a request for precautionary measures, which were fully admitted. However, the Producers filed an appeal before the Provincial Court of Barcelona, which is pending ruling at the date of these financial statements.

Holaluz considers that said Producers may have failed to honor the power purchase agreements (PPAs), which would support the imposition of a contractual penalty. On the other hand, the Producers do not agree with this and argue that the Company must pay the penalty.

In connection with this controversy, and because of the Producers' failure to pay the corresponding penalty, the Company started arbitration proceedings before the International Chamber of Commerce on September 27, 2024, and claimed an amount of over twenty million euros. In said arbitration proceedings, the Producers have filed a counterclaim for an approximate amount of four million euros for unpaid invoices and penalty for termination. The arbitration proceedings are currently at an initial stage.

The Company and its legal advisors consider that the counterclaim will not succeed and, consequently, the Company has not recorded any provision in this regard.

17) Hedging transactions using derivative financial instruments

The Company uses derivatives to hedge the risks to which its activities, operations and projected cash flow are exposed. On December 31, 2024, and December 31, 2023, base loads of energy are covered at a fixed price. All of them end in 2027, and meet the requirements detailed in (Note 4f) on measurement policies to be classified as hedging instruments.

Cash flow hedges in force on December 31, 2024, are as follows:

				Fair value	
Description of the hedge	**Type**	**Entity**	**Underlying**	**Asset**	**Liability**
EEX Power hedge	SWBCCAL25	Investment entity	MWh	-	(6,746,621)
EEX Power hedge	SWBCQ1-25	Investment entity	MWh	-	(25,139)
Over the counter	OTCCAL25	Investment entity	MWh	319,167.00	-
Over the counter	OTCQ125	Investment entity	MWh	561,258.00	
Over the counter	OTCQ225	Investment entity	MWh		(100,398)
Over the counter	OTCQ325	Investment entity	MWh		63,274)
Over the counter	OTCQ425	Investment entity	MWh	-	-
Over the counter	OTCJAN25	Investment entity	MWh	63,067	-
Over the counter	OTCFEB25	Investment entity	MWh	-	(98,510)
Over the counter	OTCMAR25	Investment entity	MWh	-	(74,418)
Total				**943,492**	**(7,108,360)**
Net					**(6,164,868)**

Cash flow hedges in force on December 31, 2023, are as follows:

				Fair value	
Description of the hedge	**Type**	**Entity**	**Underlying**	**Asset**	**Liability**
EEX Power hedge	SWBCCAL25	Investment entity	MWh	-	(6,603,673)
EEX Power hedge	SWBCCAL24	Investment entity	MWh	-	(4,366,498)
EEX Power hedge	SWBCQ1-24	Investment entity	MWh	-	(775,464)
EEX Power hedge	SWBCQ2-24	Investment entity	MWh	-	(77,054)
EEX Power hedge	SWBCQ3-24	Investment entity	MWh	1,040,100	-
EEX Power hedge	SWBCQ4-24	Investment entity	MWh	761,884	-
EEX Power hedge	SWBCMAR-24	Investment entity	MWh	82,830	-
EEX Power hedge	SWBCJAN-23	Investment entity	MWh	-	(488,019)
EEX Power hedge	SWBCFEB-23	Investment entity	MWh	-	(261,404)
Over the counter	OTCCAL24	Investment entity	MWh	1,869,760	-
Over the counter	OTCQ124	Investment entity	MWh	-	(761,384)
Over the counter	OTCQ224	Investment entity	MWh	1,157,299	-
Over the counter	OTCQ324	Investment entity	MWh	216,254	-
Over the counter	OTCQ424	Investment entity	MWh	598,294	-
Over the counter	OTCJAN24	Investment entity	MWh	-	(171,121)
Over the counter	OTCFEB24	Investment entity	MWh	-	(34,205)
Over the counter	OTCMAR24	Investment entity	MWh	-	(49,987)
Over the counter	OTCABR24	Investment entity	MWh	-	(60,705)
Over the counter	OTCMAY24	Investment entity	MWh	-	(54,981)
Over the counter	OTCJUN24	Investment entity	MWh	-	(29,783)
Power Purchases Agreement	CAL22_26	Investment entity	MWh	2,088,074	-
Total				**7,814,495**	**(13,734,278)**
Net					**(5,919,783)**

For accounting purposes, derivatives assets and liabilities have been classified as follows:

	December 31, 2024	December 31, 2023
Derivatives		
NC derivative assets	426,000	1,101,326
C derivative assets	8,260,107	17,097,768
NC derivative liabilities	(82,578)	(6,603,673)
C derivative liabilities	(7,928,268)	(6,544,376)
TOTAL	**675,261**	**5,051,045**

Additionally, on December 31, 2024, the Company's cash account includes 7 million euros corresponding to hedging instruments settled before maturity (10.6 million euros on December 31, 2023).

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

	December 31, 2024	December 31, 2023
Amount recognized in equity - Profit / (loss)	(4,405,981)	(4,503,108)
Amount recorded directly in income statement - Profit / (loss)	1,723,030	(23,227,766)
Total	**(2,682,951)**	**(27,730,874)**

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

18) Nature and extent of risks arising from financial instruments

Qualitative information

The Company 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:

18.1 Credit risk

In general, the Company 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 maturity is as follows:

	December 31, 2024	December 31, 2023
Not due	13,687,152	22,214,816
Past due, not impaired		
Less than 30 days	1,366,283	5,110,984
30 – 60 days	112,782	210,154
More than 60 days	1,429,522	1,740,462
	16,595,739	**29,276,416**
Doubtful receivables	22,635,708	24,946,894
Impairment losses	(22,635,708)	(24,946,894)
Total	**16,595,739**	**29,276,416**

The impaired balances correspond to bills issued to customers in 2023 and prior years that are mostly under legal claim proceedings. The balances in the balance sheet are cancelled as these proceedings are closed, resulting in a non-recurring positive impact on the income statement in the event that the money is recovered. In 2024 the amount of 2.3 million euros of electricity and gas customer bills from prior years, which had previously been impaired in prior years, has finally been written off from the balance sheet.

18.2 Liquidity risk

In order to ensure ongoing liquidity and the ability to service all payment commitments arising from its activity, the Company holds the cash balances reflected in the balance sheet and the credit lines detailed in the note about financial institutions (Note 15).

18.3 Market risk

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

Exposure to interest rate risk is mainly related to some working capital facilities at floating rates. The purpose of interest rate risk management is to find a balance in debt structure, maintaining part of the borrowings issued at a fixed rate.

As for the market price risk of energy, the Company's policy is to arrange hedging financial instruments to minimize fluctuations in the Megawatt-hour (MWh) market price of energy (Note 17) and thus ensure trade margin.

19) Taxes

The breakdown of this heading on December 31, 2024, and December 31, 2023, is as follows:

	December 31, 2024			
	Debit balances		Credit balances	
	Non-current	Current	Non-current	Current
Value added tax	-	88,146	-	11
Canary Islands general indirect tax	-	15,292	-	-
Current income tax assets		4,260	-	-
Deferred tax assets	7,802,757	-	-	-
Electricity tax	-	-	-	221,819
Personal income tax	-	-	-	149,504
Social security agencies	-	-	-	688,203
Total	**7,802,757**	**107,698**	**-**	**1,059,537**

	December 31, 2023			
	Debit balances		Credit balances	
	Non-current	Current	Non-current	Current
Value added tax	-	7,607,991	-	-
Canary Islands general indirect tax	-	10,848	-	-
Current income tax assets		4,191	-	-
Deferred tax assets	10,111,422	-	-	-
Electricity tax	-	-	-	82,348-
Personal income tax	-	-	-	367,555
Social security agencies	-	-	-	570,084
Total	**10,111,422**	**7,623,030**	**-**	**1,019,987**

At the closing date of these financial statements, the VAT receivable includes the portion of VAT from the several regional tax administrations in which the Company pays taxes, and which are pending receipt. During 2024, VAT receivable has substantially decreased as a result of the application of Real Decreto Ley 8/2023, of December 27, whereby all bills issued to the customers of the Company whose contracted power is lower than or equal to 10kW were added 10% VAT provided that the wholesale price for the prior month was higher than 45€/MWh, whereas if the wholesale price for the prior month was lower than 45€/MWh, these contracts were added 21% VAT. At the same time, the VAT input on all invoices received from the several suppliers was 21%. Consequently, during 2024 the Company generated as many VAT receivables from the tax authorities as VAT payables, which has resulted in two basic effects: The first effect is the reduction of the receivables generated in its favor compared to the prior year, while it has recovered all receivables pending collection at December 2023. Additionally, the receivables generated during 2024 have been offset against payments of operational taxes that the Company is liable to. During the year 2024 the companies Holaluz-Clidom, SA, Katae Energía SL and Clidom Solar SL form a Single VAT Group, which allows them to offset positive and negative settlements and reduce the net profit/(loss) to be refunded from or paid to the Spanish tax authorities (see Note "Regulatory Framework").

Since the year beginning on January 1, 2023, Holaluz Clidom and subsidiaries (Clidom Solar S.L., Katae Energía S.L., Holaluz Generación S.L., Holaluz Rooftop Revolution S.L., Clidom Generación S.L., Clidom Energía Iberica S.L. and Gestión Hidráulica Canarias, S.L.) file a consolidated income tax return, with the company Holaluz Clidom as the parent of the tax group. On December 22, 2022, the company informed the tax authorities of the formation of said tax group. Additionally, and since the year beginning on January 1, 2023, Holaluz Clidom and its subsidiaries (Clidom Solar, S.L. and Katae Energía, S.L.) have filed VAT in accordance with the VAT group regime under the simplified mode.

The reconciliation of profit before tax with tax results is as follows:

	12.31.2024		12.31.2023	
	Tax accrued	**Tax payable**	**Tax accrued**	**Tax payable**
Profit/(loss) before income tax	(20,470,472)	(20,470,472)	(10,417,897)	(10,417,897)
Adjustments to profit/(loss)				
Permanent differences	(100,311)	(100,311)	788,758	788,758
Temporary differences	13,425,241	13,425,241	2,425,353	2,425,353
Utilized tax loss carryforwards	(360,189)	(360,189)	3,601,893	3,604,893
Unused tax loss carryforwards	3,572,771	3,572,771		
Tax result	**(3,932,960)**	**(3,932,960)**	**(3,601,893)**	**(3,601,893)**
Total tax liability (25% of tax result)	(983,240)	(983,240)	(900,473)	(900,473)
Deductions	-	-	(845,981)	-
Deferred assets Temporary differences	-	-	(2,210,608)	-
Net tax payable	**(983,240)**	**(983,240)**	**(3,957,062)**	**-**
Withholdings and prepayments	-	(621)	-	(1,544)
Uncapitalized tax loss carryforwards	983,240	983,240	-	-
Correction of deductions (Note 2.1)	-	-	919,028	-
Income tax expense / Income tax refund	**(0)**	**(621)**	**(3,038,034)**	**(1,544)**

Deferred tax assets recorded

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

	12.31.2024		12.31.2023	
Item	**Amount**	**Maturity**	**Amount**	**Maturity**
Tax credits related to unused tax loss carryforwards	871,781	-	1,973,239	-
Arisen in 2021		-	1,101,458	-
Arisen in 2023	871,781		871,781	
Unused deductions:				
2016-17 deduction for IT	144,047	2034		
2017-18 deduction for IT	259,637	2035		
2018-19 deduction for IT	282,991	2036	245,929	2036
2019-20 deduction for IT	384,843	2034	384,843	2034
4Q 2020 deduction for IT	100,832	2038	100,832	2038
2021 deduction for IT	677,040	2039	677,040	2039
2022 deduction for IT	804,000	2040	804,000	2040
2023 deduction for IT	490,023	2041	490,023	2041
2014-15 deduction for donation	729	2024	729	2024
2015-16 deduction for donation	1,925	2025	1,925	2025
2016-17 deduction for donation	2,275	2026	2,275	2026
2018-19 deduction for donation	4,350	2028	4,350	2028
2021 deduction for donation	24,815	2031	24,815	2031
2022 deduction for donation	19,250	2032	19,250	2032
2023 deduction for donation	54,950	2033	54,950	2033
Temporary differences				
2013-19 Amortization (25%)	0	2025-33	408	2025-33
Hedging transactions	1,468,660	-	1,501,036	-
Deferred assets Temporary differences	2,210,608	2033	2,210,608	2033
Total	**7,802,757**		**8,496,252**	

Technological innovation deductions derive from the technological transformation project that the 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 Company estimated the taxable profits which it expects to obtain over the next ten fiscal years (period for which it considers the estimates to be reliable) based on the Company's business and strategic plan. It also analyzed the reversal period of taxable temporary differences, identifying those that reverse in the years in which unused tax loss carryforwards may be used. Based on this analysis, the Company has recognized deferred tax assets for unused tax loss carryforwards as well as deductible temporary differences for which it is considered probable that sufficient taxable profit will be generated in the future against which they can be utilized. Accordingly, the Company has decided not to capitalize the deferred tax assets generated during the fiscal year 2024.

On January 16, 2024, an amendment to model 200 tax return for the year 2022 was submitted to the tax authorities because of ruling 11/2024 issued on January 18, 2024, by the Constitutional Court on the Unconstitutionality Issue 2577-2023. This ruling rendered null and void the limitation on the offset of tax losses established by Real Decreto Ley 3/2016. On the date these financial statements were authorized for issue, the estimate of the amendment requested has been received. Consequently, the Company has included the corresponding impact on the deferred tax assets. The impact estimated by the tax authorities is an increase in deferred tax assets related to technological innovation amounting to 440,746 euros and the full utilization of the company's tax losses for 2022 and prior years. Lastly, after a comprehensive review of the deferred tax assets corresponding to technological innovation projects, an adjustment against 2023 has been recorded to give a true and fair view in accordance with the Company's tax policy, as indicated in Note 2.1.

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. On December 31, 2024, the Company is open to inspection for the income tax for 2019 and subsequent years and for all other applicable taxes for 2020 and subsequent years. The 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 financial statements for the year ended December 31, 2024.

20) Income and expenses

20.1 Revenue

The distribution of revenue by activity category is as follows:

Activities	December 31, 2024	December 31, 2023
Commercialization of electricity	168,969,007	256,342,767
Commercialization of gas	582,271	1,845,788
Representation of electricity	68,581,223	294,583,035
Income from installations	81,210	-
Total	**238,213,711**	**552,771,590**

Revenue has been generated solely in Spain.

The sales for the commercialization of electricity and gas are recorded as income when the energy is delivered to the customer based on the amounts supplied and including an estimate of unbilled energy supplied. The company operates only in the free market.

The Company discontinued the gas business in the last quarter of 2022. The sales recorded in the first weeks of 2023 correspond to bills for the termination of contracts, according to the reading provided by the distributor (adjustments to prior bills that were issued based on estimated consumption). Sales for the year 2024 correspond to the sale of mandatory stock that had to be kept until April 2024 and that was finally sold in August 2024.

Income from representation of renewable energy producers is recorded when this energy is generated, which is notified by Red Eléctrica de España and other official agencies in their respective calculations. These are the best estimates that the company has access to.

20.2 Cost of sales

The breakdown of the "cost of sales" balance by activity developed by the Company is as follows:

Activities	December 31, 2024	December 31, 2023
Purchases of electricity from the market	(121,209,503)	(195,942,761)
Purchases of gas from the market	(1,169,302)	(6,668,093)
Purchases of electricity for representation	(69,671,756)	(302,772,996)
Cost of financial derivatives	(8,361,704)	5,100,132
Total	**(200,412,265)**	**(500,283,718)**

All purchases are made in the Spanish market.

For the year 2023, because of the termination of the gas business in the last quarter of 2022, the "purchase of gas from the market" heading does not include any gas procurement. The costs amounting to 6.6 million euros include: i) credit notes issued to customers in the first weeks of 2023 when the final meter readings at the date of termination of the contract were received (adjustments to prior bills that were issued based on estimated consumption), and ii) loss from the sale of a portion of the stock accumulated at 2022 year end as it was not consumed by gas customers (Note 11).

20.3 Other operating income

At December 31, 2024, and 2023 the breakdown of 'Ancillary income' is as follows:

Other operating income	December 31, 2024	December 31, 2023
Rendering services to group companies	9,652,280	17,108,298
Income from services to personnel	-	88,644
Grants, donations and bequests received	-	11,674
Total	**9,652,280**	**17,208,616**

The decrease in the "Rendering of services to group companies" heading corresponds to the re-invoicing of employee benefits expense to the company Clidom Solar, S.L., which amounts to 8.3 million euros on December 31, 2024 (15.4 million euros at December 31, 2023).

20.4 Employee benefits expense

The breakdown of this heading in 2024 the financial statements are as follows:

	December 31, 2024	December 31, 2023
Wages and salaries	13,044,457	20,636,886
Social Security paid by the company	3,532,197	5,838,763
Termination benefits	1,253,596	946,108
Other employee welfare expenses	114,412	237,535
Total	**17,944,662**	**27,659,292**

As detailed in Note 23, the Company's headcount has decreased by 127 employees, with a direct impact on personnel expenses, which have dropped substantially, since the average headcount has also decreased from 436 in 2023 to 290 in 2024. The "Termination benefits" heading includes a provision amounting to 0.6 million euros corresponding to termination benefits paid to employees who did not adhere to the substantial amendment to the employment contract that came into effect in January 2025 and was communicated and negotiated with the Workers Committee of the Company as from the last quarter of 2024.

20.5 External services

The breakdown of this heading in the 2024 financial statements is as follows:

	December 31, 2024	December 31, 2023
Leases (*)	221,386	716,952
Repairs and maintenance	4,016	5,950
Independent professional services	4,617,347	5,257,816
Transportation services	1,548	52,601
Insurance premiums	1,350,661	734,896
Bank services	895,973	1,014,605
Publicity, advertising and public relations	13,251,314	19,456,930
Utilities	222,759	216,254
Other services	4,876,021	6,856,297
Total	**25,441,025**	**34,312,301**

(*) note 7.1 (leases)

On December 31, 2024, the "Publicity, advertising and public relations" heading includes 12.2 million euros corresponding to customer acquisition costs (18.4 million euros on December 31, 2023).

20.6 Depreciation and amortization

The breakdown of this heading in the 2024 financial statements is as follows:

	December 31, 2024	December 31, 2023
Property, plant and equipment	300,918	328,575
Intangible assets	7,837,715	7,140,220
Total	**8,138,633**	**7,468,795**

20.7 Other gains and losses

The breakdown of this heading in the 2024 financial statements is as follows:

	December 31, 2024	December 31, 2023
Non-recurring expenses	2,059,505	753,955
(Non-recurring income)	(995,137)	(379,774)
Total	**1,064,368**	**374,181**

"Non-recurring income" includes a compensation amount for the early termination of a PPA contract of 0.5 million euros and 0.4 million euros of penalties settled by the producers that have terminated their contract with the Company before maturity. "Non-recurring expenses" corresponds to adjustments not related to the main activity of the Company.

20.8 Finance costs

The breakdown of this heading in the 2024 financial statements is as follows:

	December 31, 2024	December 31, 2023
Interest on payables	3,186,692	3,972,332
Interest on discounted bills at other financial institutions	112,452	154,399
Other finance costs	431,434	114,609
Total	**3,730,578**	**4,241,340**

The decrease in finance costs is mainly due to the costs from the financing obtained in the Green Commercial Paper Notes Program on MARF, started in November 2022 and renewed in October 2023, and to the effect of the rise in EURIBOR in 2023.

20.9 Impairment losses and gains (losses) on disposals of financial instruments

The breakdown of "Impairment losses and gains/(losses) on disposals of financial instruments" in the 2024 financial statements is as follows:

	December 31, 2024	December 31, 2023
Short-term credit losses, other companies (Note 8)	(13,046,522)	(1,011,629)
Total	**(13,046,522)**	**(1,011,629)**

This heading includes a loss of 0.8 million euros from the sale of 800 loans corresponding to the loan transactions of solar panel installations within the framework of the dynamic asset management aimed at optimizing the financial position of the group; and impairment of 12.2 million euros from the ownership interest held by the Company in the subsidiary Clidom Solar, as a result of the impairment test carried out at the closing date of the financial statements (Note 9.1.1), of which 8.2 million euros come from the interim financial statements at June 2024 and have remained at 2024 year end.

21) Information on environmental issues

The Company's activity and property, plant, and equipment 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 in this matter.

Consequently, there have been no environmental investments during the period comprised between January 1, 2023, and December 31, 2024.

22) Related-party transactions

Company transactions in 2024 and 2023 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
Geroa Pentsioak EPSV (*)	Shareholder and Director
Fondo Axon ICT III, FCR	Shareholder
Axon Capital e Inversiones, SGECR (*)	Director
Elena Gómez del Pozuelo	Director
Enrique Tellado Nogueira (**)	Director
Eduardo Soler Vila (**)	Director
Clidomer Unipessoal LDA	Group company
Clidom Solar, SL	Group company
Clidom France SARL	Group company
Clidom Italia SRL	Group company
Holaluz Generación, SL	Group company
Clidom Generación, SL	Group company
Holaluz Rooftop Revolution, SL	Group company
Katae Energy, SL	Group company
Gestión Hidráulica Canarias, SL	Group company
Clidom Energía Ibérica, SL	Group company

(*) Member of the Board of Directors until June 28, 2024.
(**) Enrique Tellado Nogueira was a member of the Board of Directors until March 19, 2024, when Eduardo Soler Vila joined the Board of Directors.

22.1 Related entities

The breakdown of balances with related entities and group companies on December 31, 2024, and December 31, 2023, is as follows:

	December 31, 2024									
	CLIDOMER	**CL. SOLAR**	**KATAE**	**CL. ITALIA**	**CL. FRANCE**	**HL GENERAC.**	**ROOFTOP REVOL.**	**GHC**	**CL. ENERGÍA IBÉRICA**	**TOTAL**
Non-current loans to group companies		70,384,093		35,000	20,000	30,000	6,900,680	-	-	77,369,773
Current loans to group companies	-	3,846,341	1,190,255	-	2,170	-	-	-	-	5,038,766
Other financial assets	-	-	31,882	15,474	-	30,898	93,997	20,000	-	192,251
Trade receivables from group companies and associates	(2,635,093)	3,054,222	-	-	-	-		400	-	419,529
Current payables to group companies and associates	(2,673,340)	(12,040,687)	-	-	-	-	(6,250,352)	(2,116)	(2,701,375)	(23,667,870)
Suppliers, group companies	(313,665)	(193,801)	-	-	-	-	-	-	-	(507,466)
Total	**(5,622,098)**	**65,050,168**	**1,222,137**	**50,474**	**22,170**	**60,898**	**744,325**	**18,284**	**(2,701,375)**	**58,844,983**

	December 31, 2023									
	CLIDOMER	**CL. SOLAR**	**KATAE**	**CL. ITALIA**	**CL. FRANCE**	**HL GENERAC.**	**ROOFTOP REVOL.**	**GHC**	**CL. ENERGÍA IBÉRICA**	**TOTAL**
Non-current loans to group companies	-	36,825,000	-	35,000	20,000	30,000	7,756,623	-	-	44,666,623
Current loans to group companies	-	907,516	652,538	-	1,063	-	-	-	-	1,561,117
Trade receivables from group companies and associates	2,561,214	22,288,462	-	-	-	-	-	400	-	24,850,076
Current payables to group companies and associates	-	(4,022,473)	(83,402)	-	-	(1,101,533)	(583,836)	-	(2,761,429)	(8,552,673)
Suppliers, group companies	(3,019,091)	(2,754,674)	-	-	-	-	-	-	-	(5,773,765)
Total	**(457,877)**	**53,243,831**	**569,136**	**35,000**	**21,063**	**(1,071,533)**	**7,172,787**	**400**	**(2,761,429)**	**56,751,378**

On December 31, 2024, and December 31, 2023, transactions with group companies are as follows and are included under “Other operating income” in the income statement:

	December 31, 2024	**December 31, 2023**
Clidomer	365,000	300,000
Clidom Solar	9,270,005	16,819,971
Total	**9,635,005**	**17,119,971**

The “Other operating expenses” heading in the income statements includes the following amounts:

	December 31, 2024	**December 31, 2023**
Clidomer	120,000	120,000
Clidom Solar	106,287	118,791
Total	**166,287**	**238,791**

Transactions correspond to income and expenses from management fees and the re-billing of personnel expenses. All transactions have been carried out on an arm's length basis.

On December 31, 2024, and 2023, transactions with group companies corresponding to interest on participation loans and ordinary loans granted by the company to its subsidiaries, included in ‘Finance income from group companies in the income statement are as follows:

	December 31, 2024	**December 31, 2023**
Clidomer France	1,106	1,063
Clidomer	-	-
Clidom Solar	2,272,928	916,937
Total	**2,274,034**	**918,000**

22.2 Directors and senior executives

The remuneration accrued by the members of the Company's Board of Directors in 2024, in their capacity as board members and for their employment relationship with the Company, total 749 thousand euros (954.3 thousand euros in 2023). Senior executive duties are carried out by members of the Board of Directors.

On December 31, 2024, and 2023 the Company had no pension plans or life insurance policies for former or current members of the Board of Directors.

On December 31, 2024, and 2023, no advances or loans had been given to the members of senior management or the Board of Directors, nor had any guarantees been given on their behalf.

On December 31, 2024, director's liability insurance premiums for damages arising in the performance of director duties have been paid for an amount of 116 thousand euros (19 thousand euros on December 31, 2023).

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

23) Other information

The total headcount by category and the breakdown of headcount by gender at year end are as follows:

Headcount on December 31, 2024:

December 31, 2024				
		Headcount		
Professional Category	Number of employees	Men	Women	Disabled employees >33%
Management team	9	5	4	-
Middle managers and qualified technicians	73	45	27	1
Operations, sales and administrative staff	155	72	79	4
Total	**237**	**122**	**110**	**5**

Average headcount from January 1, 2024, to December 31, 2024:

December 31, 2024				
		Headcount		
Professional Category	Number of employees	Men	Women	Disabled employees >33%
Management team	12	7	5	-
Middle managers and qualified technicians	73	45	28	-
Operations, sales and administrative staff	205	96	103	7
Total	**290**	**148**	**136**	**7**

Headcount on December 31, 2023:

December 31, 2023				
		Headcount		
Professional Category	Average number of employees	Men	Women	Disabled employees >33%
Management team	15	10	5	-
Middle managers and qualified technicians	143	86	57	1
Operations, sales and administrative staff	193	77	116	6
Total	**351**	**173**	**178**	**7**

Average headcount from January 1, 2023, to December 31, 2023:

December 31, 2023				
		Headcount		
Professional Category	Number of employees	Men	Women	Disabled employees >33%
Management team	37	24	14	-
Middle managers and qualified technicians	234	120	114	2
Operations, sales and administrative staff	165	69	97	4
Total	**436**	**212**	**224**	**6**

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

The fees received during the year for services provided by the Company's auditor of the separate and consolidated financial statements are as follows:

	2024	2023
Audit services	107,500	100,000
Other services provided by the auditor required by applicable regulations	32,000	30,000
Other assurance services	16,995	17,130
	156,495	**147,130**

In addition, the fees received during the year for services provided by other firms belonging to the auditor's international network are as follows:

	2024	2023
Tax services	14,900	14,190
Other services	170,560	293,456
	185,460	**307,646**

24) Subsequent events

Financial debt restructuring plan

On March 10, 2025, the Company signed an agreement to restructure its financial debt (which includes loans, working capital instruments, commercial papers on the MARF and bank guarantees) through the approval of a Restructuring Plan approved by the financial institutions by a majority that widely exceeded that required by applicable legislation. At the date these financial statements were signed, said Plan has been submitted for judicial approval. The Plan is based on the full repayment of the credits, as there are no reliefs or reductions thereon, and allows the Company to keep jobs (as it does not include any measure regarding employment). The breakdown of the new bank debt maturity, on December 31, 2024, would be as follows:

December 31, 2024	2025	2026	2027	2028	Subsequent years	TOTAL
Bank loans	111,401	1,726,718	3,286,334	6,015,663	-	**11,140,116**
Credit facilities	15,289	786,686	1,497,240	19,054,235	-	**21,353,450**
TOTAL	**126,691**	**2,513,404**	**4,783,574**	**25,069,897**	-	**32,493,566**

The Plan will be fully effective upon judicial approval and upon the full pay-out of the investment committed by Icosium Investment, SL (by virtue of the Investment Agreement announced to the market on November 4, 2024). Consequently, current and non-current payables in the balance sheet on December 31, 2024, will no longer be valid and the new maturities agreed in the Plan will come into force when said Plan becomes fully effective after it is approved (the "Subsequent events" note includes a table of the new maturities).

Convertible loan

On March 13, 2025, the Company and Icosium Investment, SL signed a convertible loan for an amount of 15.52 million euros at a conversion price of 2.10 euros per share that must be paid out no later than April 30, 2025. The loan was granted with the purpose of stabilizing existing debt obligations with suppliers, strengthening the Company's cash position to finance daily working capital, and improving the Company's operational platform for natural gas and other green energies. The loan is mandatorily convertible into newly issued ordinary shares of Holaluz of the same class and series and with identical rights as those currently in circulation.

Furthermore, the founding shareholders of the Company have committed to Icosium Investment, SL, simultaneously with the subscription of the Loan, to exercise all voting rights attributed to them in such capacity at the General Shareholders' Meeting in favor of a capital increase by offsetting credits and the delegation of its execution to the Board of Directors; and in their capacity as directors, to hold a board meeting and vote in favor of the execution of said capital increase.

Capital increase of 6.5 million euros from Icosium

The Board of Directors of the Company, exercising the delegation conferred by the extraordinary general shareholders' meeting of the Company held on November 9, 2021, at its meeting on October 24, 2024, approved a capital increase of the Company with an aggregate nominal amount of 108,000 euros and an aggregate share premium of 6,372,000 euros, representing an aggregate effective amount of €6,480,000 euros. During the 2024 Icosium Investment, S.L. paid out 4,480 thousand euros. On December 31, 2024, 2 million euros have not yet been paid out.

After Icosium Investment, SL fully subscribed and paid out all the capital. On March 18 the Capital Increase was executed through the issuance and circulation of 3,600,000 new ordinary shares of the Company of the same class and series as those currently in circulation. The new shares were issued at a unit nominal value of 0.03 euros plus a share premium of 1.77 euros per share, resulting in an effective issue price of 1.80 euros per share.

As a result of the Capital Increase, the share capital of Holaluz-Clidom, S.A. has been set at 764,661.57 euros, divided into 25,488,719 shares with a nominal value of 0.03 euros each, all belonging to a single class and series.

The Company registered this capital increase in the Mercantile Registry on April 0, 2025. As required by accounting regulations, the portion paid out before year end has been recorded on December 31, 2024 (Note 14.1).

Participation loan to Clidom Solar

On April 14, 2025, the Board of Directors of the Company resolved to grant a convertible participation loan of 3.5 million euros to the subsidiary Clidom Solar, SL to rebalance its equity position at 2024-year end.

Capital increase in Clidomer Unipessoal

On April 14, 2025, the Board of Directors of the Company resolved to increase capital in this subsidiary by 2.5 million euros to rebalance its equity position at 2024-year end.

Participation loan to Holaluz Generación, SL

On April 14, 2025, the Board of Directors of the Company resolved to grant a convertible participation loan of 2,000 euros to the subsidiary Holaluz Generación, S.L. to rebalance its equity position at 2024-year end.

AUTHORIZATION FOR ISSUE BY THE MANAGEMENT BODY OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED December 31, 2024

Pursuant to prevailing legislation, the Company's financial statements for the year ended December 31, 2024, 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 financial statements, which have been drawn up from page 1 to 65.

Barcelona, April 14, 2025

_____	_____
Ms. Carlota Pi Amorós Chair	Mr. Ferran Nogué Collgròs
_____	_____
Mr. Oriol Vila Grifoll	Ms. Elena Gómez del Pozuelo
_____	
Mr. Eduardo Soler Vila	

HOLALUZ - CLIDOM, S.A.

Management report on the annual accounts for the year ended December 31st, 2024

Management Report

(Translation of consolidated management report originally issued in Spanish)

HOLALUZ - CLIDOM, S.A.

Management report on the consolidated annual accounts for the year ended December 31st, 2024

BUSINESS PERFORMANCE AND COMPANY'S SITUATION

Holaluz is a technology company born with the firm purpose of decarbonising the economy and achieving a planet that moves thanks to green energy. To achieve this, it proposes a structural change: transforming the current centralised and polluting energy generation model into a **decarbonised, democratised and affordable clean energy ecosystem thanks to distributed energy** through **The Rooftop Revolution**.

This initiative maximises the company's positive impact while democratising access to affordable, zero-kilometre green energy. And it does so in a disruptive way, with a radical change in the way energy is produced, consumed and managed in the land of the sun (Spain), realising the potential to electrify the demand of energy through the development of solar energy and storage at scale. Customers can benefit from better tariffs while generating and consuming 100% green electricity, and the system reduces their need for investment in transmission and distribution networks, minimizing losses by requiring fewer large-scale centralized production assets.

To date, Holaluz manages more than 15,237 rooftops in green energy producers connected to its grid and consolidates a *portfolio* of more than 300,000 electricity contracts (including electricity supply contracts, surplus management contracts for solar installations and maintenance contracts). In addition, the company holds the number one position in terms of savings, with an average of 70% reduction in electricity bills for existing customers and offering a bill of less than 0 euros for more than 40% of new solar customers. It also has the highest solar customer satisfaction, with a score of 8.3 out of 10 and a 4-star rating (4.1/5) on Trustpilot.

In short, a holistic vision of energy management that consolidates the company as a key player in the energy transition.

The company operates in Spain, and it has operating licences in Portugal. In its commitment to the proximity economy, most of the suppliers producing renewable electricity are in Spain.

The road to distributed generation

Climate change is the greatest challenge we face today. This is why **distributed generation** is important, as it makes it possible to **decarbonise all the energy consumption of the Spanish residential sector and SMEs**, by solving its five main challenges:

1. Replacing fossil fuels with renewable energy production sources: Distributed generation in Spain has great potential, allowing the installation of renewable energy systems on the **10 million residential rooftops available**. However, only 5% of these roofs have generation systems, compared to more than 20% in many European countries (UK, France, Belgium, Netherlands, Germany and Scandinavian countries).

2. Solar power has become the leading source of renewable energy globally, and **distributed generation is expected to overtake utility-scale solar in Europe**, contributing the largest new capacity to the EU's renewable mix in the coming years.

3. Electrification of growing energy demand: Distributed generation **makes it possible to electrify energy consumption locally, helping millions of families to significantly reduce their bills**.

4. The increased need for flexibility to operate a 100% renewable system: Distributed generation improves system flexibility by coordinating decentralised energy resources in virtual power plants (VPP). Its advantages over centralised generation include **better economic return, lower investment cost, outage protection and system flexibility**.

5. In addition, distributed energy is installed in less time than centralised generation, the latter having a high environmental impact.

6. An environmentally friendly and socially beneficial energy transition. Distributed generation has a minimal environmental impact by using existing rooftops for installation and **transfers the economic benefits of decarbonisation to the people**.

7. Distributed generation requires **less investment in transmission and distribution networks** than a centralised model as it **eliminates the 18% cost overrun for domestic customers** due to system losses in electricity transmission (CNMC, 2020)[1] and the need for investment in networks as the energy is produced in the area where it will be consumed.

[1] Circular 3/2020, of 15 January, of the National Commission for Markets and Competition, which establishes the methodology for calculating electricity transmission and distribution tolls.

In 2024 Holaluz published the report The Rooftop Revolution on distributed energy in Spain, which explains how distributed generation **is the solution to the five main challenges of decarbonisation**. Our country can take advantage of its renewable potential **leading the distributed generation model**. Holaluz has **the necessary solutions and technologies to carry out this purpose**, and that is what we are dedicating all our efforts to.

An impactful business model and a unique value proposition

Holaluz's distributed generation model proposes to maximise the potential of each rooftop, to **move from a** centralised, expensive, polluting **oligopoly** with little consumer participation **to a** decentralised, decarbonised, democratised and affordable clean **energy grid**.

This proposal for maximums allows the distribution of the generated solar energy beyond self-consumption and is the basis for preparing consumers for the necessary future electrification of demand.

With this proposal, Holaluz offers:

- **Savings**: **Maximum savings** (+70% savings for +75% of customers) are delivered to customers by maximising the potential of rooftops through **remote energy management of flexible assets** such as batteries, EV chargers or heat pumps.
- **Subscription model:** Holaluz is the only company that guarantees savings to customers after the installation of solar panels through a **fixed monthly subscription model** ('Tarifa Justa') thanks to the intensive use of technology and data.
- **Comprehensive customer relationship**: Management of the **installation** process from start to finish, ensuring a personalised approach and continuous monitoring with the highest standards of quality and customer satisfaction. The installation is constantly monitored thanks to a **technological platform and a maintenance service** to ensure the maximum production.
- **Sustainability**: Guarantee that all electricity is **100% renewable**, supplied by both local customers and from independent producers through long-term PPA contracts.

The green electricity subscription model: 'Tarifa Justa'

The Tarifa Justa was the first green electricity subscription model in Spain. In 2023, the transition of the electricity portfolio to the 'Tarifa Justa' product was completed and the next option was enabled to Solar customers. 2024 was the year of its consolidation and expansion: specifically for customers with a solar installation and battery, the Tarifa Justa 0€ for 5 years was launched.

The key principles of the Tarifa Justa are: (i) **customisation** (a fee is paid adjusted to each customer's consumption, considering both consumption and the savings from solar panels); (ii) **protection** (the same amount is paid every month thanks to shielding the price of electricity and surpluses for 12 months, refunding the excess fee if the customer has overpaid compared to the actual net consumption); (iii) **simplicity** (Holaluz takes care of everything, monitoring consumption thanks to the advanced use of data); and (iv) **guaranteed savings** per contract (for customers with solar panels, the production of the panels is guaranteed in the monthly fee).

This change has led to **multiple benefits**: i) **improved customer experience** (given the predictability and simplicity of the 'Tarifa Justa'); ii) **significant operational efficiencies** (reducing direct *call centre* costs by 29% year-on-year by minimising customer contact needs given the simple nature of billing); and iii) **improvements in *churn rate* and lower defaults** attributable to increased customer satisfaction.

Technology and Data

For Holaluz, data and technology are an essential lever to make the company's purpose possible. To this end, both areas have an **organic role** within the organisation, being able to contribute strategic value internally and externally.

Following the consolidation of the Data area in 2023, in 2024 we have continued to develop projects to **create value** for the entire customer portfolio, **generating additional revenue and maximising commercial efficiency**, with a special focus on areas of: (i) **sales and marketing** (projects to detect areas with a higher propensity to purchase and greater interest in products, thus enabling optimisation of resources to capture more qualified leads); (ii) **control and improvement of the commercial margin** (development of AI algorithms based on consumption patterns and customer characteristics to generate more adjusted and individualised quotas per customer and predict future behaviour); and (iii) **operations** (use of data to detect incidents and carry out corrective actions at all levels to improve customer satisfaction).

The Technology team is committed to disrupting the energy model through experimentation and implementation of new technologies based on their innovation value and environmental impact. Based on this concept, several technological projects with a global impact on the company were explored, developed and consolidated in 2024.

- **Virtual Power Plant** (**VPP**): Research has continued and proofs of concept have been carried out for the future implementation of the first VPP in Spain, consisting of a network of thousands of batteries, EV chargers and heat pumps associated with distributed residential solar installations located throughout the country; the aim of which is to provide flexibility to the electricity system, optimise energy consumption of the associated households and provide 100% renewable energy to the system at night when fossil energy sources have a greater share.
- **Solar App**: During 2024 Holaluz has continued to improve the functionality of the mobile application that unifies the customer experience from the point of view of energy management (electricity) and solar production.
- **Data Platform**: improvement in the data management layer coming from the company's customers, distributors, the Spanish Electricity Grid (REE), solar production and meteorology.

ESG commitment and strategy

Holaluz was born with **ESG DNA**. And it does so with an effective management of the different capitals of the company (human, operational, intellectual, environmental, relational and financial); and a strategy focused on people (customers and society), contributing to the most critical social and environmental challenges the planet is facing.

The strength of Holaluz's team

To create a 100% renewable planet, it is essential to have a team identified with this purpose and thanks to its commitment. Therefore, aware that **companies are the sum of their people**, Holaluz stands out for being an inclusive organisation, promoting a corporate culture based on the principles of Diversity, Equity, Inclusion and Belonging (DEIB); and committed to the community.

As of December 31st, 2024, the workforce of the Parent Company Holaluz-Clidom, SA was 232 employees (351 at December 2023).

This **Management Report** includes as an annex the Integrated Report for the year ended 31 December 2024.

Main KPIs of the profit and loss account as at December 2024

€m	FY2024	FY2023	% change
Sales	**238.2**	**552.8**	**-57%**
Gross Profit	**37.8**	**52.5**	**-28%**
Normalised Operating Costs[2]	**-16.1**	**-25.7**	**37%**
EBITDA	**3.3**	**1.5**	**131%**
Normalised EBITDA[3]	**17.2**	**28.4**	**-40%**

The parent company Holaluz-Clidom, SA closed 2024 with a normalised EBITDA of 17.2 M€ (28.4 M€ in 2023) and a turnover of 238.2 M€ (EUR 552.8 M€ in 2023).

[2] Similar to EBITDA, Normalised Operating Costs exclude the accrual (previously depreciated) of customer acquisition costs (CAC). They do not include "Other income". Normalised Operating Costs have been calculated from Other Operating Expenses of 29.0 M€ (44.9 M€ in 2023) and reclassifying 12.2 M€ from OPEX costs to Amortisation, following the criteria of previous years and prior to the ICAC's resolution (18.4 M€ for 2023). Extraordinarily for 2024 and 2023, this calculation includes 0.7 M€ of legal costs for severances and the *fundraising & debt restructuring* process in which the Company is involved (0.9 M€ in 2023).

[3] Normalised EBITDA comes from the accounting change introduced by the Resolution of February the 10th, 2021 of the Instituto Contabilidad y Auditoría de Cuentas (ICAC), enacting the regulations for recognising, measuring and preparing financial statements corresponding to the revenue recognition related to the delivery of goods and services. The said resolution provides that incremental costs of obtaining a contract shall be recorded as a Short / Long Term Accrual in the assets side of the balance sheet and under Other Operating Expenses in the consolidated income statement. That is, customer acquisition costs are no longer amortized, but the portion corresponding to the year is taken to the income statement (to advertising and publicity) and the rest is accrued in the balance sheet. This criterion has been adopted since January 1st, 2021. The impact of ICAC's resolution on the calculation of EBITDA amounts to 12.2 M€ in 2023 (18.4 M€ in 2023). Normalised EBITDA has been calculated reclassifying 12.2 M€ related to OPEX to Depreciation and Amortisation.

Extraordinarily for 2024 and 2023, other items commented in this Management Report have been included in the Normalised EBITDA: i) the extraordinary loss of 0.6 M€ (4.8 M in 2023) related to the gas not consumed in winter due to the closure of this business in 4Q22. This gas was sold in 2023 and in 2024 at a price below its acquisition cost. ii) The cost of redundancies of 0.9 M€ (1.0 M€ in 2023) as these were exceptional costs for the year and outside ordinary activity; iii) 2.5 M€ coming from a contractual dispute of a PPA signed with a producer in Portugal for FY2023 (N/A for 2024); and iv) other minor items of 0.1 M€ (0.2 M€ in 2023).

Sales

In 2024 Holaluz once again proved its ability to navigate solidly even in particularly challenging market environments. Despite a context marked by a significant drop in electricity prices, **the company has remained firmly on course towards its strategic objectives, closing the year with a turnover of 271.0 M€** (vs 614.6 M€ in 2023)**.**

In 2024 the electricity market recorded a price reduction of 28%, with an annual average price decrease from 87.45 €/MWh in 2023 to 62.89 €/MWh. This downward trend was even more exaggerated for the period from February to May, with average prices reaching 26.09 €/MWh, well below the 92.78 €/MWh of the same period of the previous year, representing a decrease of 72%.

These market dynamics had a direct impact on the turnover of electricity and route-to-market activities. However, far from seeing this as an obstacle, at Holaluz it worked as an opportunity to accelerate our transformation and strengthen our pillars of sustainable growth. Our differential strategy, based on a combination of innovation, operational efficiency and commitment to people, allows us to look to the future with optimism and renewed confidence, ready to capitalize on the opportunities that the energy transition will bear.

Revenue (€m)	FY2024	FY2023	% change
energy management	**238.2**	**552.8**	**-34%**
Electricity (& Gas)	169.6	258.2	-34%
Route-to-market	68.6	294.6	-77%

***Energy Management* - electricity accounted** for 71% (46% in 2023) of total revenues. Turnover was 34% lower than the same period of the previous year due to the **downward price environment** (with a direct impact on indexed tariffs) and the **reduction of the customer portfolio**.

The **consolidation of the Tarifa Justa product** created a very solid customer base with **very positive unit economics** in **churn rate** (with an average LTV of 3.4 years per customer), in % of returned bills and defaults recovery management (**significantly reducing the cost of bad debts**, see comments below) and also in the cost of customer service by *call centres* (29% year-on-year improvement).

The number of contracts was at year end more than 300,000 (more than 325,000 in 2023). More than 95% of Holaluz's customer portfolio are households and the rest are SMEs whose consumption behaviour is like that of households. It is a very atomised portfolio with an average bill per customer of between 80-100€/month. Holaluz bills by calendar months. The collection process for the energy consumed during a month is carried out in the first working days of the following month. In the event of a default, a very strict and scheduled process is initiated, following the timings indicated in Real Decreto 897/2017 of October 7th, which regulates the criteria to be applied in case of cutting the supply of electricity.

In Q4 2022 Holaluz discontinued the gas business for two main reasons: (i) to avoid its customers paying more than 10 M€ extra on their bills during the first quarter of 2023 (when prices reached historically high levels) and (ii) because there was no feasible profitable path to green gas (at that moment). The closure of this activity has been carried forward to 2024 in the income statement, because the company has had to keep 1.3 M€ in minimum stocks until April 2024 on its balance sheet (due to regulatory request), with the final sale occurring in August 2024 and generating a loss of 0.6 M€.

With regards to the **route-to-market activity,** the context of persistently low prices - a trend since 2023 - led to a contraction in turnover in 2024. After a 21% decrease in 2023 vs 2022, the turnover of this activity stood at 89.3 M€ in 2024 (vs €331.5 M€ in 2023). In terms of volume, the energy represented reached 3.2 GWh, comparable to 2022 levels and down from 5.4 GWh in the previous year.

It should be noted that, although the route-to-market activity does not generate direct profit for Holaluz, it does allow the Company to offset its selling and buying positions in OMIE, so that the final amount to be settled is optimised. Holaluz's objective is to reach a balance between buying and selling positions to minimize the guarantees to be given in OMIE, as long as for working capital purposes. The route-to-market activity accounted for 29% of turnover in 2024 (53% in 2023).

OMIE, The Iberian Peninsula's electricity market operator, is the central platform where the purchase and sale of energy that will be produced and consumed is managed. All operators are obliged to nominate 100 % of their production and consumption in this market, regardless of the price or volume hedging deals they have contracted. It is therefore a physical market that guarantees a balance between supply (production) and demand.

As electricity cannot currently be stored on a large scale, market operations require a continuous adaptation of supply to demand. For this reason, 24 daily auctions are held, complemented by intraday sessions, which allow the available energy to be matched with consumption needs at each hour of the day. The price resulting from these auctions fluctuates constantly, introducing high volatility in energy procurement costs.

For Holaluz, which offers its customers fixed prices for 12 months, effectively managing this volatility is key to ensuring the stability of its margins. The company employs an active hedging strategy through financial instruments - mainly futures and forwards - and through bilateral contracts and PPAs (Power Purchase Agreements). These hedging deals enable Holaluz to protect itself against fluctuations in the electricity market, thus guaranteeing predictability and sustainability in its business model.

Commercial Margin

In an environment of high volatility of energy prices in the market (OMIE), stabilisation of the cost of energy supply is achieved through an optimal hedging strategy that ensures the commercial margin and, consequently, the profitability of the business. The Company carries out financial futures transactions on national (OMIP and MEFF) and international (EEX) energy markets, physical bilaterals and PPAs to *hedge* the energy purchased for its customers and thus protect the risk of price variations and the consequent impact on the commercial margin (electricity).

The **accumulated margin at year-end 2024 amounts to 37.8 M€** (52.5 Me in 2023). The measures implemented by the company to restructure and optimize the business have significantly reduced its cost base, with a 36% reduction in supplies compared to the previous year. In addition, **the innovative Tarifa Justa has led to an improvement in gross margin**, from 20.3% in 2023 to 22.3% in 2024.

Normalised Operating Costs

Personnel costs and organisational transformation

Personnel costs in 2024 significantly decreased by 35%, from 27.7 M€ in 2023 (of which 15.4 M€ re-invoiced to the subsidiary Clidom Solar) to 17.9 M€ in 2024 (8.6 M€ re-invoiced to the solar business). Of this 27.7M€, 0.9 M€ correspond to severances (0.8 M€ in 2023) - including 0.6 M€ for people who did not adhere to the Modificación Sustancial del Contrato de Trabajo (MSCT), communicated and negotiated with the unions during the last quarter of 2024, and coming into force in January 2025. Due to their exceptional and non-recurring nature, these severance costs were not considered in the normalised EBITDA calculation.

At year-end the workforce was 237 employees (351 in December 2023). This evolution reflects the constant improvement in operational efficiency and the optimisation of processes, especially in the Tarifa Justa project, which dramatically simplified administrative tasks and significantly reduced the needs of customer support teams (*back-office*).

In addition, during 2024, Holaluz started to implement advanced artificial intelligence solutions in different key areas of the business, such as debt collection management, increasing not only operational performance, but also facilitating the creation of higher-skilled jobs, in line with the company's technological transformation strategy.

Optimisation of the operational cost structure

In 2024**, normalised operating costs continued their downward trend, decreasing by 55% over 2 years to 16.1 M€** (25.7 M€ in 2023 and 35.6 M€ in 2022).

This progress is in response to the strategic transformation of the business, particularly the migration to the **Tarifa Justa**, which substantially simplified direct operating costs in the *Energy Management* area. By offering fixed monthly fees, the need for interaction with external *call centres* has been practically eliminated, thus significantly reducing complaints and queries related to bill variability.

In addition, **efficiencies** have been achieved in technology and marketing, with an optimisation of advertising investments and a focus on customer acquisition.

The following table details the calculation of the normalised operating costs, based on the operating costs presented in the Annual Accounts at year end.

€m	FY2024	FY2023
Other Operating Expenses (Acc./ Annual Accounts)	**29.0**	**44.9**
CAC	12.2	18.4
Severances (legal costs)	-	0.2
Fundraising & Debt restructuring	0.7	0.7
Standard Operating Costs	**16.1**	**25.7**

Note: Acc./ Annual Accounts refers to the heading Other Operating Expenses according to the Annual Accounts.

The costs of *Fundraising & Debt restructuring* correspond substantially to the costs incurred by Company to close the Restructuring Plan with financial debts, as well as the capital increase agreement with Icosium Investment (see comments below).

EBITDA

Operational excellence and cost-effectiveness

The company's focus on **operational excellence** has been key to reversing the challenges faced in the first quarter of 2023, managing to generate profits since then, even in a market environment as complex as the one experienced in 2024. At year-end, Holaluz achieved a **Normalised EBITDA of 17.2 M€** and **record profitability per customer**.

This result was supported by the implementation of stringent cost reduction measures and optimisation of efficiencies in all cost lines, including **COGS (Cost of Goods Sold), direct costs, marketing, CAC (Cost of Customer Acquisition) and overheads**. These actions had a direct and positive impact on the company's overall profitability.

The following table shows the reconciliation between EBITDA according to Annual Accounts and normalised EBITDA for the financial years 2024 and 2023:

€m	FY2024	FY2023
EBITDA (Acc./ Annual Accounts)	**3.3**	**1.4**
CAC	12.2	18.4
Gas Extraordinary loss	0.6	4.8
Severances. + legal costs	0.9	1.0
PPA (contractual dispute)	-	2.5
Other	0.1	0.2
Normalised EBITDA	**17.2**	**28.4**

Note: Acc./ Annual Accounts refers to EBITDA according to the Annual Accounts (Operating Profit - Depreciation and Amortisation - Other Expenses).

In 2023 and 2024, extraordinary events occurred out of the company's ordinary activity, which were not considered in the Normalised EBITDA calculation, as they are non-recurring costs and affect the comparison of the income statement with the previous year. The only periodic adjustment that is maintained each year in the calculation of Normalised EBITDA is the CAC[4] . The rest of the adjustments are:

- Gas extraordinary loss: 0.6 M€ (4.8 M€ in 2023). Gas not consumed in winter 2022-23 due to the business decommissioning in Q4 2022. In August 2024, the stock that the regulator obliged the company to keep until April 2024 was sold at a lower price than its purchasing price This stock was sold at a lower price than its purchase price, generating a 0.6 M€ loss.
- Severances and legal costs: 0.9 M€ (1.0 M€ in 2023), of which 0.6 M€ correspond to the severances payments paid in the first quarter of 2025 to the employees who did not adhere to the Modificación Sustancial del Contrato de Trabajo (MSCT), whose negotiations with the unions began in Q4 2024.
- PPA: contractual dispute amounting to 2.5 M€ of a PPA signed with a producer in Portugal. This concept does not apply for 2024.
- Other: 0.1 M€ (0.2 M€ in 2023).

The financial result is a 14.5 M€ loss, of which 13.0 M€ relate to impairments of investments in group subsidiaries: 12.2 M€ for the investment in the subsidiary Clidom Solar (due to the losses accumulated in recent years in the Solar business, impairment already recorded in the interim financial statements of 30 June 2024 by 8.2M€ and increase by 4.0 M€ at December 2024) and 0.9 M€ for the investment in the subsidiary Rooftop Revolution, SL. The financial cost reduced by 0.5 M€ mainly due to the lower volume of MARF promissory notes issued in 2024.

The net result for the year is negative 20.5 M€ (7.4 M€ in 2023), of which 13.0 M€ come from the impairments of investments in subsidiaries mentioned above.

With this focus on *unit economics* and the optimisation of the cost structure, Holaluz is very well positioned to consolidate the positive EBITDA and continue to improve it, complying with the execution of the company's Business and Strategic Plan for the coming years.

[4] EBITDA and Operating Costs have been normalised by considering customer acquisition costs as CAPEX / Depreciation, in line with the company's management view on them. On February the 10th, 2021, a resolution of the ICAC, Instituto de Contabilidad Auditoría y Cuentas, the body that sets the rules for the recording and preparation of financial statements, issued a regulation regarding the accounting of acquisition costs, establishing that they must be considered in the Company's assets as a short/long-term accrual and their corresponding "depreciation" must be included in Operating Costs.

Balance sheet

Assets

€m	FY2024	31.12.23
NON-CURRENT ASSETS	**119.3**	**95.8**
Intangible assets	19.8	22.5
Tangible fixed assets	0.7	1.2
Long-term group financial investments	85.9	53.2
Long-term financial investments	0.7	1.4
Deferred tax assets	7.8	8.5
Long-term accruals	4.4	9.0
CURRENT ASSETS	**47.9**	**111.5**
Stocks	-	1.3
Trade and other receivables	22.8	70.4
Short-term group financial investments	5.2	5.7
Short-term financial investments	11.0	18.5
Short-term accruals	7.8	11.7
Cash	1.1	3.9
TOTAL ASSETS	**167.2**	**207.2**

On December 31st, 2024**, the balance sheet of Holaluz-Clidom, SA amounted to 167.2 M€** (207.2 M€in 2023). Non-current assets increased by 23.6 M€, amounting to 123.3 M€, mainly because of loans granted by the parent company to group companies (Clidom Solar, SL). Current assets decreased by 63.6 M€, amounting to 47.9 M€ because of a decrease in all headings, especially accounts receivable and short-term financial investments (see detailed comments below).

Intangible fixed assets and technological investment

In 2024 **intangible assets** decreased by 2.7 M€ vs. 2023, with a net book value at year-end of 19.8 M€. The investment for the financial year 2024 amounts to 5.1 M€ (6.9 M€ in 2023) and includes the capitalization of work carried out by the company for its assets by 2.9 M€, significantly lower when compared to the 4.3 M€ invested in 2023. The rest, 2.2 M€, corresponds to external partnerships with technology companies.

This reduction in technological investment reflects the **prioritisation of technology projects** with a higher impact in the short term. The company has focused its efforts on key projects that generate immediate results, such **automation, process optimisation and operational efficiencies**. This strategy has driven both profitability and operational agility, aligning with the company's short-term objective and ensuring long-term sustainable growth.

Holaluz is an energy transition technology company, using technology and data to deliver green, cheap and simple energy to our customers. Our goal is to help customers **minimise their electricity bills** and **maximise savings** through the installation of **solar panels** and **flexible assets**. In the *Energy Management* business, the **focus in innovation and development has been the consolidation of the 'Tarifa Justa'**. The aim is to optimize the amount of the monthly fixed fees, minimising both upward and downward deviations, especially in cases of consumption above or below the forecast.

During 2024 no new investments were registered in **property, plant and equipment,** being consistent with the strategy of optimising resources. As a result of **reductions in personnel costs** due to voluntary and involuntary dismissals, the contracts for **2 of the 3 floors** leased by the company were strategically terminated in June 2024. This decision favoured the rationalisation of the use of space and a significant resources optimisation.

The termination of these contracts implied the **full amortisation** of part of the investment in facilities. In addition, the incorporation of **artificial intelligence solutions** contributed to the **optimisation of operational processes**, improving efficiency and generating new savings opportunities. These initiatives are part of our ongoing strategy of **cost reduction** and **structural optimisation**, aligned with the objective of maximising long-term profitability.

Group's financial investments

The group's long-term financial investments increased by 32.7 M€ vs the balance at December 2023, mainly explained by the equity loans granted to the subsidiary Clidom Solar to cover its equity imbalance plus a new loan which converted commercial debt (2023 and 2024 management fees) into financial debt. In 2024, no capital increases were made to the Portuguese subsidiary Clidomer but materialised in the first half of 2025 in the amount of EUR 2.5 million.

The balance of 85.9 M€ also includes **6.6 M€ of loans granted to clients for photovoltaic installations** to be repaid in fixed instalments over the next 15 years and collected monthly from the customer together with the electricity bill. These loans were granted as a proof of concept for the creation of an SPV. No loans have been granted since mid-2022 and there are no plans to grant additional loans without getting the SPV formalised. In June 2024, 800 loans were sold, with a **positive cash impact of 4.1M€**, generating an extraordinary loss of 1.4M€. The objective of the transaction was to divest a non-strategic asset, as it **did not affect the ordinary course of Solar's business, and to help strengthen the company's financial structure**. The company granting the loans is the subsidiary Rooftop Revolution, SL, being the parent company Holaluz-Clidom, SA the *servicer* for the collection of the loan instalments, which are subsequently transferred to the subsidiary Rooftop Revolution, SL. The 6.6 M€ balance corresponds to the subsidiary's debt to the parent company, which initially financed the customers granting the personal loans for the projects.

The 0.7 M€ in **long-term financial investments** relates substantially to **derivatives** (0.4 M€).

Deferred taxes

The 7.8 M€ balance in **deferred taxes** includes: (i) the tax credit from prior years' losses of 0.9 M€; (ii) R&D&I deductions pending corporate income tax of 3.2 M€; (iii) 1.5 M€ of the MtM of derivatives (25%) and (iv) 2.2 M€ of positive temporary differences.

Long- and short-term accruals

For the preparation of the balance sheet, the ICAC resolution of February the 10th, 2021 has been considered, which sets for the incremental costs of acquiring a contract to be accounted as short-term/long-term accruals in the balance sheet, whereas the income statement must be recorded under the item "Other Operating Expenses". This criterion has been applied at Holaluz since January the 1st, 2021. In December 2024, a total of **10.1 M€** (18.1 M€ in 2023) is capitalised under **long-term and short-term accruals** for **incremental customer acquisition costs** (CAC).

Current assets

At year-end 2024, **current assets** amounted **to 47.9 M€** (111.5 M€ in 2023). The significant decrease is explained by: i) the sale of **the remaining gas stock** valued at 1.3 M€ (gas not consumed by customers when the business was closed in Q4 2022 and, according to the market regulator, had to be kept as a mandatory minimum stock until April 2024; the gas was finally sold in August 2024); (ii) a **decrease of 47.6 M€ in trade receivables** (the migration to the 'Tarifa Justa' since Q2 2023 mitigated consumption fluctuations throughout the year due to seasonality and the downward price environment of 2024 reduced the billings amounts to customers with indexed tariffs); iii) a **decrease of 7.6 M€ in short-term financial investments** (derivatives); iv) a decrease of 4.0 M€ in short-term accruals (as a result of lower investment in customer acquisition); and v) finally a **reduction in cash available** at year-end of 2.7 M€.

Cash and net debt

Cash decreased by 2.7 M€ compared to year-end 2023, being the balance at banks 1.1 M€ on December 31st, 2024. The **net debt** evolution is as follows:

€m	FY2024	FY2023
Long-term bank borrowings	20.0	16.0
Short-term bank borrowings	19.7	36.3
Other short-term payables	3.5	20.8
Cash	-1.1	-3.9
Net Debt	**42.1**	**69.2**

At year end, the **net debt** amounted **to 42.1 M€**, 27.1 M€ lower vs December 2023. The reduction is explained by the cancellation of the financing SEPA lines (customer bill collections; -11.1 M€), -2 M for non-renewed VAT financing and the reduction of the outstanding balance of promissory notes issued in the MARF for a net amount of 12.2 M€.

Since June 2024, the Company has been working on a debt restructuring project with all bank entities included in the pool, culminating on March the 10th, 2025 with the approval of a Restructuring Plan **by the financial institutions with majorities far exceeding those required by the applicable legislation**. At the date of signature of this management report, the Plan is in the judicial approval phase. The Plan is based on the full payment of the credits, as it does not contain any write-offs or reductions, and keeping jobs (as it does not include measures on employment). This Plan will become fully effective with the judicial approval and the full payment of the investment committed by Icosium Investment, SL (based on the Investment Agreement announced to the market on 4 November 2024). Therefore, the amounts of short- and long-term debt expressed in the balance sheet in December 2024 will not apply anymore and the new maturities agreed in the Plan will come into effect when the Plan takes full effect (a table with the new maturities is included in the Events After the Balance Sheet Date).

Liabilities

€m	FY2024	FY2023
NET EQUITY	**34.4**	**50.4**
Own funds	38.8	54.9
Adjustments for changes in value	-4.4	-4.5
NON-CURRENT LIABILITIES	**20.1**	**22.6**
Long-term debts	20.1	22.6
CURRENT LIABILITIES	**112.6**	**134.3**
Short-term debts	31.1	63.6
Short-term group debts	23.7	8.7
Trade and other payables	57.8	62.0
TOTAL LIABILITIES	**167.2**	**207.2**

Net Equity

As mentioned in the Note Events After the Balance Sheet Date, since the capital increase of 6.5 m€ was executed on March the 18th, 2025, i.e. prior to the formulation of 2024 Annual Accounts, the Spanish GAAP allows to be recorded in equity at the end of 2024. Considering that **at year end the amount paid up by Icosium Investment, SL was 4.48 M€, 74,667 euros have been corded as capital** (0.03 euros per share) and **4,405,333 euros as share premium (1.77 euros per share), being the total price per share 1.81 euros.** The share capital in the consolidated balance sheet therefore amounts to 731,328 euros.

Since December 2021 the Company's share capital remains at 656,661.57 euros, fully subscribed and paid up and represented by 21,888,719 ordinary shares of 0.03 euros each. There have been no changes in the financial year 2024. On 4 November 2024, the company announced the **incorporation of a new strategic partner, ICOSIUM Investment, SL**, an industrial investor committed to advancing the energy transition, **through an investment of 22 M€ structured in different phases, subject to certain authorisations and with the objective of reinforcing Holaluz's growth strategy. The first phase** consists of an investment of 6.48 M€ by means of a capital injection through the issue of new ordinary shares at 1.80 euros per share without pre-emptive subscription rights, using the prior authorisation granted by the Extraordinary General Meeting of Shareholders held on November the 9th, 2021. This phase **was completed on March the 14th, 2025, when the capital increase was executed for an aggregate nominal amount of 108,000 euros and an aggregate share premium of 6,372,000 euros, giving a final effective amount of 6,480,000 euros**. At year-end 2024, Icosium had paid 4.48 M€. Since the capital increase has been accepted by the Registro Mercantil (Barcelona) at the date of signature of this management report, the Plan General Contable (PGC) allows the corresponding entry under the capital and share premium headings in the amount of 74,667 euros and 4,405,333 euros respectively. **The share capital therefore amounts 731,328 euros on December 31st, 2024**.

The capital increase of 6.5 M€ gives Icosium Investment, SL a 14.12% stake in Holaluz-Clidom, SA and allows it to join the company's Board of Directors, occupying two seats. The second phase of the investment amounts to 15.52 M€. The Note Events After the Balance Sheet Date details the **convertible loan transaction of EUR 15.52 M€ signed with Icosium Investment, SL** on March the 13th, 2025 and with **a disbursement date of no later than 30 April 2025**. The rate of the ordinary shares to be issued in the conversion is 2.10 euros per share.

Equity includes the heading **value adjustments** from derivatives accounting for an amount of **-4.4 M€** at December 2024 (-4.5 million at December 2023). This amount corresponds to 75% of the differential between the spot price at year end and the price at which the hedging transactions were closed (the remaining 25% of the *mark to market* (MtM) is recorded in deferred taxes).

Non-current liabilities

Non-current liabilities amount to 20.1 M€ (22.6 M€ in 2023). The decrease is mainly explained by a 6.5 M€ reduction in **long-term derivatives**, amounting 0.8M€ at year end (6.6 M€ in 2023). **Long-term borrowings** increased by 3.0 M€. The reduction in outstanding loan principals was offset by a higher use of ICO credit lines, a working capital financing product recorded as long-term debt due to maturities are until 2026 (such dates change with the approval of the Restructuring Plan mentioned above; see new debt table in section Events After Balance Sheet Date). In addition, 3.0 M€ of the total 6.7 M€ outstanding promissory notes at year-end are included as long-term debt (see comments in the Green Promissory Notes Programme section).

Current liabilities

Current liabilities have also decreased by 21.7 M€, amounting to 112.6 M€ at year-end (134.3 M€ in 2023). **Short-term debt** decreased by 32.5 M€ because of the reduction in financial liabilities, as previously mentioned in the section on Net Debt. Supplier balances amount to 57.8 M€ (62 M€ in 2023).

The Company's average supplier payment period is 97 days (41 days in 2023), as reported in note 16.1 of the Annual Accounts report, "Information on the average supplier payment period. Third additional provision. "Duty of information" of Law 15/2010, of 5 July".

Finally, the increase in short-term debts with group companies is explained by the increase in outstanding balances owed by the parent company to the subsidiaries Clidom Solar and Katae related to VAT and corporate income tax. As a reminder, a Grupo Único IVA was created for the companies Holaluz-Clidom, SA, Clidom Solar, SL and Kata Energía SL in 2023. Since then, VAT forms have been submitted by the parent company Holaluz-Clidom, SA on behalf of the three companies. Also, from 2023 all Spanish companies consolidate their income tax, being the parent company Holaluz-Clidom, SA who submits the tax returns for the entire Tax Group.

Working Capital

At year-end 2024 Holaluz's *working capital* position worsened, compared to the position in 2023, as **the balances of accounts receivable and inventories experienced a very significant reduction** (substantially explained by the downward price environment in 2024, generating a much lower turnover billions amounts vs previous years) not compensated by a proportional reduction in accounts payable balances.

€m	FY2024	FY2023
Working Capital	**-35.1**	**9.6**
Accounts receivable + inventories	22.8	71.7
Accounts payable	57.8	62.0

Cash Flows

In 2024 the **operating cash flow** amounted to 60.3 M€ (28.5 M€ in 2023) and improved by 31.8 M€ compared to 2023, mainly due to adjustments in the profit and loss and the improvement in working capital (receivables reduction significantly outweighing the decrease in payables). **Cash flow from investment** reached 37.7 M€, 6.7 M€ higher than in 2023. As a result of the optimisation of direct and indirect operating costs and investments, as well as the improvement in unit commercial margins consequence of

the migration to Tarifa Kista, the ***free cash flow*** **(operating cash flow + investment)** increased from -2.5 M€ in 2023 to +22.6 M€ in 2024.

This progress reflects the success of the strategy adopted and positions the company solidly for future growth.

The **financing cash flow** decreased by 22.2 M€ due to the reduction of the net balance of the promissory notes issued in MARF, the cancellation of the financed SEPA credit lines (for electricity bill advances), the cancellation of a VAT financing line, as well as the repayment of loan instalments and short-term loans for taxes refunded to bank entities until the signing of the StandStill agreement valid from August the 1st, 2024 and culminating in the agreement of the Restructuring Plan on March the 10th, 2025.

€m	FY2024	FY2023
CASH FLOWS FROM OPERATING ACTIVITIES	**60.3**	**28.5**
Result for the year before tax	-20.5	-10.4
Adjustments to the result	44.2	57.9
Changes in working capital	41.6	-18.2
Other cash flows from operating activities	-5.0	0.5
CASH FLOWS FROM INVESTING ACTIVITIES	**-37.7**	**-31.0**
Investment payments (-)	-37.7	-32.9
Proceeds from divestments (+)	0.0	1.9
CASH FLOWS FROM FINANCING ACTIVITIES	**-25.3**	**-3.1**
Proceeds from and payments on equity instruments	4.5	0.0
Proceeds from and payments on financial liability instruments	-29.8	-3.1
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**-2.7**	**-5.6**
Cash and cash equivalents at beginning of the year	3.9	9.5
Cash and cash equivalents at the end of the year	1.1	3.9

Green Promissory Notes Program

On November 21st, 2022, the BME Mercado Alternativo Renta Fija, MARF, incorporated the first **Green Promissory Note Programme** (Programa Pagarés Verdes) of Holaluz-Clidom, SA amounting to 100 M€. Through this program, the Company has been able to access qualified investors in a flexible manner over the following twelve months (and corresponding annual renewals), as part of its strategy to diversify its sources of financing. Holaluz structured the notes issued under this Green Note Programme to qualify as a "green instrument" under the **Holaluz Green Finance Framework**, under which the company can issue bonds and notes in accordance with the **Green Bond Principles 2021** and enter financing contracts in accordance with the **Green Loan Principles 2021** of the International Capital Markets Association (ICMA). To this end, Holaluz obtained a **favourable opinion from Sustainalytics** confirming that the Holaluz Green Finance Framework is aligned with the four core principles that make up both principles. The balance on December 31st, 2024, amounted to 6.7 M€ (19.8 M€in 2023). The outstanding promissory notes in December 2024 correspond to the promissory notes outstanding at that date resulting from the negotiation of the promissory note maturing in July 2024 in the amount of 7.0 M€ and restructured into 9 promissory notes with quarterly maturities until July 2026 and increasing amounts. The short- and long-term balances reflected in the annual accounts of 31 December 2024 will be affected by the Restructuring Plan as the debt of the promissory notes will be affected by the financial credit.

SIGNIFICANT EVENTS FOR THE HOLALUZ AFTER THE BALANCE SHEET DATE

Financial Debt Restructuring Plan

On March the 10th, 2025, the Company signed an agreement for the restructuring of its financial debt (including loans, working capital financing instruments, MARF promissory notes and bank guarantees) through the approval of a Restructuring Plan approved by the financial institutions with majorities that far exceed those required by the applicable legislation. At the date of signature of this management report, the Plan is in judicial approval phase. The Plan is based on the full payment of the credits, as it does not contain any write-offs or reductions in respect thereof and keeping jobs (as it does not include measures on employment).

This Plan will become fully effective upon judicial approval and full payment of the investment committed by Icosium Investment, SL (according to the Investment Agreement announced to the market on November the 4th, 2024). Therefore, the amounts of short- and long-term debt expressed in the balance sheet in December 2024 will cease to be valid and the new maturities agreed in the Plan will come into effect when the Plan takes full effect following its approval. A table with the new maturities is detailed below.

€m	2025	2026	2027	2028	TOTAL
Debt as at 31.12.24 (according to the Restructuring Plan)	**0.2**	**2.5**	**4.8**	**25.1**	**32.5**
Bank loans	0.1	1.7	3.3	6.0	11.1
Credit lines	0.1	0.8	1.5	19.1	21.4

Convertible loan

On March the 13th, 2025 the Company and Icosium Investment, SL signed a convertible loan amounting to 15.52 M€ at a conversion price of 2.10 euros per share, with a disbursement date to be no later than the 30th of April 2025. The loan was granted to stabilize existing debt obligations to suppliers, to strengthen the Company's cash position to finance daily working capital and to improve the Company's operating platform for natural gas and other green energies. The loan is necessarily convertible into newly issued Holaluz ordinary shares of the same class and series and with the same rights as those currently outstanding at maturity.

In addition, the founding shareholders of Holaluz have undertaken vis-à-vis Icosium Investment, SL, simultaneously with the subscription of the Loan, to exercise all the voting rights attributed at the General Shareholders' Meeting in favour of a capital increase by offsetting credits and the delegation of its execution to the Board of Directors; and in their capacity as directors, to hold a board meeting and vote in favour of the execution of the aforementioned capital increase.

Capital increase €6.5m Icosium Investment, SL

On March the 18th, 2025, the Board of Directors of the Company, in exercise of the delegation conferred by the extraordinary shareholders' meeting of the Company held on November the 9th, 2021, at its meeting of October the 24th, 2024 approved to carry out a capital increase of the Parent Company for an aggregate nominal amount of 108,000 euros and aggregate share premium of 6,372,000 euros, being the aggregate effective amount 6,480,000 euros.

When the full capital had been paid in and subscribed by Icosium Investment, SL, on March the 18th, 2025 the Capital Increase was executed by issuing and placing into circulation 3,600,000 new ordinary shares of the Company of the same class and series as those currently in circulation. The New Shares were issued for a nominal value of 0.03 euros per share plus a share premium of 1.77 euros per share, resulting in an effective issue price of 1.80 euros per share.

As a result of the Capital Increase, the share capital of Holaluz-Clidom, SA has been set at 764,661.57 euros, divided into 25,488,719 shares of 0.03 euros par value each, all belonging to a single class and series.

Equity loan to Clidom Solar

On April the 14th, 2025, the Board of Directors of the Parent Company approved the granting of a convertible equity loan amounting 3.5 M€ to the subsidiary Clidom Solar, SL to balance its equity position resulting at the end of the financial year 2024.

Capital increase Clidomer

On April the 14th, 2025, the Board of Directors of the Parent Company approved a capital increase of 2.5 M€ to balance its equity position resulting at year-end 2024.

FORESEEABLE EVOLUTION OF HOLALUZ

Holaluz has continued to demonstrate, through its ESG DNA and its impact business model, that it is possible to build an energy transition technology company with a real impact on people and the planet. The organisation closed 2024 with a consolidated normalised EBITDA of 3.5 M€, thanks to record unit economics achieved since the second quarter of 2023, following the migration of most of the electricity customer portfolio to the Tarifa Justa and the cost optimisation strategy at all levels.

Holaluz remains firmly **committed** to **leading** the **energy transition** in Spain, driving and developing the distributed energy market through its unique business model, which integrates *Energy Management* and Solar with storage. The company has established itself as a recognised **brand**, with a holistic and people-centric approach, ensuring that every step towards the future of energy is done in an inclusive and responsible manner.

Despite the **challenges** imposed by industry, such as low energy prices in the spot market and high interest rates that affect the financing of solar installations, 2024 has been a period of strategic progress, focused on **optimising** and stabilising the business, and maintaining leadership in the value proposition to the customer. Holaluz remains focused on efficiency, innovation and the use of advanced technologies, such as **artificial intelligence**, to improve its operations. The company is **solidly** positioned to take advantage of opportunities when the market context improves.

From a financial perspective, the company signed a financial debt **Restructuring Plan**, executed the first phase of the capital **increase** with Icosium Investment, SL for 6.5 M€ and signed a convertible loan of 15.5 M€, whose disbursement will occur no later than 30 April 2025.

Holaluz continues to build **Europe's largest green energy community**, realising the potential for electrification of energy demand through the large-scale development of distributed solar power and storage. These objectives are included in the company's 5-year business plan, which also includes investments in technology, customer acquisition and continued value creation in both the solar and energy management businesses. Distributed generation is the key solution to the challenges of **decarbonisation**, and Holaluz, with its holistic approach and dedication to innovation and social impact, is perfectly positioned to lead this change.

RESEARCH AND DEVELOPMENT ACTIVITIES

As a technology company, ongoing development activities are carried out through investments in innovation that enable the use of technology as a common aspect in the development of energy-related products and services and the creation of an ecosystem of energy generation, consumption, optimisation and control.

Pioneering in implementing AI tools in its technology platform, Holaluz continues to use **machine learning** algorithms **for energy consumption forecasting** in collaboration with selected leaders such as AWS. The company is also conducting proof-of-concepts (PoCs) with Large Large Language Models (LLMs) in areas such as sales, where **AI analysis** of video calls helps representatives propose more personalized solutions to customers and **scale** the sales process.

ACQUISITION OF OWN SHARES

The Company holds treasury shares valued at 0.1 M€ in December 2024, representing 0.42% of the Company's share capital and totalling 60,044 shares (60,044 shares in December 2023), at an average acquisition price of 1.46 euros per share.

FINANCIAL INSTRUMENTS

The Company considers that there are no risks affecting its operations that are not disclosed in Note 17.

STATEMENT OF NON-FINANCIAL INFORMATION

In accordance with Law 11/2018, the Group's Statement of Non-Financial Information (NFI) is included as an annex to this management report and forms an integral and explicit part of it.

FORMULATION OF THE MANAGEMENT REPORT BY THE MANAGEMENT BODY

In compliance with the provisions of current legislation, the directors of HOLALUZ-CLIDOM, S.A. have prepared the Company's management report for the year ended 31 December 2024.

He also declares that he has signed the aforementioned document in his own handwriting by subscribing to this sheet annexed hereto, which is set out on pages 1 to 24.

Barcelona, 14th April 2025

Ms. Carlota Pi Amorós
President

Mr. Ferran Nogué Collgròs

D. Oriol Vila Grifoll

Mr. Eduardo Soler Vila

Ms. Elena Gómez del Pozuelo