

# HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

Interim Consolidated Financial Statements and Explanatory Notes at June 30, 2024

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

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**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Consolidated balance sheet at June 30, 2024 and December 31, 2023**

<i>ASSETS</i>	<i>Notes</i>	<i>06.30.2024</i>	<i>12.31.2023 (*)</i>
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>	5	<b>33,225,150</b>	<b>34,741,097</b>
Patents		3,819	3,916
Software		198,251	232,771
Development		32,556,139	29,497,427
Other intangible assets		466,941	506,983
Intangible assets in progress		-	4,500,000
<b>Property, plant and equipment</b>	6	<b>1,131,690</b>	<b>1,646,877</b>
Land and buildings		323,044	474,147
Technical installations and other PP&E items		808,646	1,172,730
<b>Financial investments</b>	8	<b>1,561,034</b>	<b>8,568,098</b>
Loans to third parties		690,223	6,666,359
Derivatives	16	347,822	1,101,325
Other financial assets		522,989	800,414
<b>Deferred tax assets</b>	18	<b>21,757,123</b>	<b>22,806,796</b>
<b>Accruals</b>	11	<b>8,955,954</b>	<b>8,971,555</b>
<b>Total non-current assets</b>		<b>66,630,951</b>	<b>76,734,423</b>
<b>CURRENT ASSETS</b>			
<b>Inventories</b>	10	<b>3,707,287</b>	<b>4,282,889</b>
Commercial inventories		3,468,845	4,144,512
Prepayments to suppliers		238,442	138,377
<b>Trade and other receivables</b>	9	<b>31,371,423</b>	<b>52,707,359</b>
Trade receivables for sales and services	17	20,502,398	32,128,333
Other receivables		7,457,794	8,616,602
Receivables from employees		8,593	56,737
Current income tax assets	18	664,774	8,191
Other receivables from Public Administrations	18	2,737,864	11,897,496
<b>Financial investments</b>		<b>11,347,887</b>	<b>19,388,885</b>
Loans to companies		4,522	4,522
Derivatives	8, 16	10,510,629	17,097,767
Other financial assets	8	832,736	2,286,596
<b>Accruals</b>	8	<b>9,102,045</b>	<b>12,459,970</b>
<b>Cash and cash equivalents</b>	12	<b>1,943,873</b>	<b>7,885,702</b>
Cash		1,943,873	7,885,702
<b>Total current assets</b>		<b>57,472,515</b>	<b>96,724,805</b>
<b>TOTAL ASSETS</b>		<b>124,103,466</b>	<b>173,459,228</b>

(\*) Restated figures (see Note 2.1)



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Consolidated balance sheet at June 30, 2024 and December 31, 2023**

<i><b>EQUITY AND LIABILITIES</b></i>	<i>Notes</i>	<i><b>06.30.2024</b></i>	<i><b>12.31.2023 (*)</b></i>
<b>EQUITY</b>			
<b>CAPITAL AND RESERVES</b>	13	<b>705,621</b>	<b>14,389,328</b>
<b>Share capital</b>		<b>656,662</b>	<b>656,662</b>
Issued capital		656,662	656,662
<b>Share premium</b>		<b>61,772,144</b>	<b>61,772,144</b>
<b>Reserves</b>		<b>(48,110,341)</b>	<b>(20,186,840)</b>
Legal and statutory reserves		131,332	131,332
Other reserves		(48,241,673)	(20,318,172)
<b>Treasury shares</b>		<b>(139,239)</b>	<b>(193,342)</b>
<b>Profit/(loss) for the year</b>		<b>(13,473,605)</b>	<b>(27,659,296)</b>
<b>VALUATION ADJUSTMENTS</b>		<b>(3,878,091)</b>	<b>(4,503,108)</b>
Hedging transactions	16	(3,878,091)	(4,503,108)
<b>Total Equity</b>		<b>(3,172,470)</b>	<b>9,886,220</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>Payables</b>		<b>20,189,228</b>	<b>22,594,703</b>
Bank borrowings	14	13,567,650	15,958,684
Finance leases	14	31,471	31,016
Derivatives	16	6,588,777	6,603,673
Other financial liabilities	14	1,330	1,330
<b>Total non-current liabilities</b>		<b>20,189,228</b>	<b>22,594,703</b>
<b>CURRENT LIABILITIES</b>			
<b>Payables</b>		<b>33,503,650</b>	<b>63,850,049</b>
Bank borrowings	14	21,315,116	36,405,999
Finance leases	14	17,086	22,184
Derivatives	16	4,491,730	6,544,376
Other financial liabilities	14	7,679,718	20,877,490
<b>Trade and other payables</b>		<b>73,583,058</b>	<b>77,119,206</b>
Suppliers	15	61,058,341	60,229,032
Other payables	15	6,230,075	7,567,683
Employee benefits payable	15	295,476	465,238
Current income tax liabilities	16	1,715	1,943
Other payables to Public Administrations	15, 18	3,086,243	1,637,038
Customer advances	15	2,911,208	7,218,272
<b>Accruals</b>		<b>-</b>	<b>9,050</b>
<b>Total current liabilities</b>		<b>107,086,708</b>	<b>140,978,305</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>124,103,466</b>	<b>173,459,228</b>

(\*) Restated figures (see Note 2.1)



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Consolidated income statement at June 30, 2024 and June 30, 2023**

	Notes	06.30.2024	06.30.2023
<b>CONTINUING OPERATIONS</b>			
<b>Revenue-</b>	<b>19.a</b>	<b>152,250,417</b>	<b>323,536,360</b>
Sales		144,018,154	308,662,212
Rendering of services		8,232,263	14,874,148
<b>Changes in inventory of finished goods and work in progress</b>		<b>(675,668)</b>	<b>(382,020)</b>
<b>Work performed by the entity and capitalized</b>	<b>5.1</b>	<b>2,853,721</b>	<b>4,520,730</b>
<b>Cost of sales-</b>	<b>19.b</b>	<b>(127,649,179)</b>	<b>(296,203,396)</b>
Consumption of goods		(126,634,057)	(294,042,418)
Work performed by third parties		(1,015,122)	(2,160,977)
<b>Other operating income-</b>		<b>593,840</b>	<b>854,036</b>
Ancillary income		593,840	854,036
<b>Employee benefits expense-</b>	<b>19.c</b>	<b>(12,226,703)</b>	<b>(20,004,699)</b>
Wages, salaries et al.		(9,499,502)	(14,941,955)
Social security costs et al.		(2,727,201)	(5,062,744)
<b>Other operating expenses-</b>		<b>(19,143,647)</b>	<b>(30,199,272)</b>
External services	<b>19.d</b>	(18,246,068)	(24,886,321)
Taxes		(5,385)	(45,398)
Losses on, impairment of and change in trade provisions	<b>9</b>	(892,194)	(5,267,554)
<b>Depreciation and amortization</b>	<b>5,6,19.e</b>	<b>(6,044,723)</b>	<b>(4,366,731)</b>
<b>Other gains and losses</b>	<b>19.f</b>	<b>(233,946)</b>	<b>(512,948)</b>
Non-recurring income and expenses		(233,946)	(512,948)
<b>OPERATING PROFIT/(LOSS)</b>		<b>(10,275,888)</b>	<b>(22,757,940)</b>
<b>Finance income-</b>		<b>401</b>	<b>27,205</b>
From marketable securities and other financial instruments		401	27,205
<b>Finance costs-</b>		<b>(1,802,934)</b>	<b>(1,972,403)</b>
Third-party borrowings	<b>19.g</b>	(1,802,934)	(1,972,403)
<b>Exchange gains (losses)</b>		<b>(9,320)</b>	<b>29,966</b>
<b>Impairment losses and gains (losses) on disposals of financial instruments</b>	<b>19.h</b>	<b>(1,385,864)</b>	<b>-</b>
<b>FINANCE COST</b>		<b>(3,197,717)</b>	<b>(1,915,232)</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>(13,473,605)</b>	<b>(24,673,172)</b>
Income tax	<b>18</b>	-	3,770,318
<b>PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>(13,473,605)</b>	<b>(20,902,855)</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>(13,473,605)</b>	<b>(20,902,855)</b>



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Consolidated statement of changes in equity at June 30, 2024**

A) Statement of recognized income and expenses at June 30, 2024 and 2023

	<b>06.30.2024</b>	<b>06.30.2023</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>(13,473,605)</b>	<b>(20,902,855)</b>
<b>INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY</b>		
From cash flow hedges	1,844,871	37,024,233
Tax effect	(461,218)	(9,256,058)
<b>TOTAL INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY</b>	<b>1,383,653</b>	<b>27,768,175</b>
<b>AMOUNTS TRANSFERRED TO INCOME STATEMENT</b>		
From cash flow hedges	(1,011,515)	(23,173,594)
Tax effect	252,879	5,793,398
<b>TOTAL AMOUNTS TRANSFERRED TO INCOME STATEMENT</b>	<b>(758,636)</b>	<b>(17,380,195)</b>
<b>TOTAL RECOGNIZED INCOME AND EXPENSES</b>	<b>(12,848,588)</b>	<b>(10,514,875)</b>



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Consolidated statement of changes in equity at June 30, 2024**

B) Consolidated statement of changes in equity at June 30, 2024 and 2023

	Share capital (Note 13)	Share premium (Note 13)	Reserves (Note 13)	Treasury shares (Note 13)	Profit/(loss) for the year	Valuation adjustments (Note 13)	Total Equity
<b>BALANCE AT December 31, 2022</b>	656,662	61,772,144	(14,165,475)	(300,217)	(5,121,521)	(23,169,700)	19,671,894
Adjustments for errors in 2022 (Note 2.1)					(696,142)		(696,142)
<b>ADJUSTED BALANCE AT JANUARY 1, 2023</b>	656,662	61,772,144	(14,165,475)	(300,217)	(5,817,663)	(23,169,700)	18,975,752
<b>Total recognized income / expenses</b>	-	-	-	-	(20,902,855)	10,387,979	(10,514,875)
Transactions with shareholders	-	-	-	-	-	-	-
Other transactions	-	-	(92,189)	(33,070)	-	-	(125,259)
Appropriation of prior-year profit/(loss)	-	-	(5,817,663)	-	5,817,663	-	-
<b>BALANCE AT JUNE 30, 2023</b>	656,662	61,772,144	(20,075,327)	(333,287)	(20,902,855)	(12,781,721)	8,335,618

	Share capital (Note 13)	Share premium (Note 13)	Reserves (Note 13)	Treasury shares (Note 13)	Profit/(loss) for the year	Valuation adjustments (Note 13)	Total Equity
<b>BALANCE AT December 31, 2023</b>	656,662	61,772,144	(20,186,839)	(193,341)	(26,167,058)	(4,503,108)	11,378,460
Adjustments for errors in 2023 (Note 2.1)					(1,492,238)		(1,492,238)
<b>ADJUSTED BALANCE AT January 1, 2024</b>	656,662	61,772,144	(20,186,839)	(193,341)	(27,659,296)	(4,503,108)	9,886,222
<b>Total recognized income / expenses</b>	-	-	-	-	(13,473,605)	625,017	(12,848,588)
Transactions with shareholders	-	-	-	-	-	-	-
Other transactions	-	-	(264,207)	54,103	-	-	(210,104)
Appropriation of prior-year profit/(loss)	-	-	(27,659,296)	-	27,659,296	-	-
<b>BALANCE AT June 30, 2024</b>	656,662	61,772,144	(48,110,342)	(139,238)	(13,473,605)	(3,878,091)	(3,172,470)



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Consolidated cash flow statement at June 30, 2024 and June 30, 2023**

	Notes	06.30.2024	06.30.2023
<b>Profit/(loss) before tax</b>		<b>(13,473,605)</b>	<b>(24,673,172)</b>
<b>Adjustments to profit</b>		<b>11,585,115</b>	<b>29,541,432</b>
Depreciation and amortization (+)	5, 6	6,044,723	10,519,024
Impairment losses (+/-)		892,194	10,432,589
Changes in provisions (+/-)		-	-
Finance income (-)		(401)	-
Finance costs (+)		1,802,934	1,871,331
Exchange gains (losses)		9,320	-
Other income and expenses (-/+)		2,836,345	6,718,488
<b>Change in working capital</b>		<b>23,497,291</b>	<b>(6,352,500)</b>
Inventories (+/-)		675,668	2,321,098
Trade and other receivables (+/-)		16,127,628	27,668,653
Other current assets (+/-)		-	4,872
Trade and other payables (+/-)		6,549,475	(34,848,326)
Other current liabilities (+/-)		-	(1,498,797)
Other non-current assets and liabilities (+/-)		144,519	-
<b>Other cash flows from/(used in) operating activities</b>		<b>2,148,279</b>	<b>(1,847,544)</b>
Interest paid (-)		(1,811,853)	(1,871,331)
Interest received (+)		-	23,787)
Income tax receipts (payments) (+/-)		(228)	-
Other payments (receipts) (-/+)		3,960,361	-
<b>Cash flows from/(used in) operating activities (1+2+3+4)</b>		<b>23,757,080</b>	<b>(3,331,785)</b>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>			
<b>Payments on investments (-)</b>		<b>(6,518,459)</b>	<b>(10,205,056)</b>
Intangible assets	5	(4,528,776)	(6,390,747)
Property, plant and equipment	6	515,187	5,819
Other financial assets		(2,504,870)	(3,820,128)
<b>Proceeds from disposals (+)</b>		<b>7,504,336</b>	<b>1,621,616</b>
Other financial assets		7,504,336	1,621,616
<b>Cash flows from/(used in) investing activities (6+7)</b>		<b>985,878</b>	<b>(8,583,440)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Proceeds from and payments on equity instruments</b>		<b>-</b>	<b>-</b>
Issuance of equity instruments (+)		-	-
Acquisition of own equity instruments (-)		-	-
<b>Proceeds from and payments on financial liabilities</b>		<b>(30,684,787)</b>	<b>7,673,872</b>
Issues		22,700,000	61,200.00
<i>Bank borrowings (+)</i>		22,700,000	61,200,000
<i>Other payables</i>		-	-
Repayment and redemption of:		(53,384,787)	(53,526,128)
<i>Bank borrowings (-)</i>		(3,285,551)	(14,551,766)
<i>Other payables (-)</i>		(50,099,236)	(38,974,362)
<b>Cash flows from/(used in) financing activities (9+10+11)</b>		<b>(30,684,787)</b>	<b>7,673,873</b>
<b>Net foreign exchange difference</b>			
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(5,941,829)</b>	<b>(4,241,352)</b>
Cash and cash equivalents at January 1	12	7,885,702	10,339,505
Cash and cash equivalents at June 30	12	1,943,873	6,098,152





## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

#### 1. Activity

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

The activity of the Group's parent company consists in:

- a) Running and managing, as the parent company, the entire business dynamic of its subsidiaries.
- b) 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, as well as the installation of solar panels.

Its main activity is the commercialization of energy in general.

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

The Group's functional currency is the euro.

At the general meeting held on October 25, 2019 the shareholders resolved to increase capital through a public offering of shares paid with monetary contributions in order to increase the Company's shareholders' equity by a maximum effective amount of 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 11), and shares were admitted to trading on the MAB-EE on that same date.

#### 1.1. Subsidiaries

At June 30, 2024 the Parent Company holds a direct ownership interest in the following companies:

- Clidomer Unipessoal, LDA (wholly owned at June 30, 2024) is a sole shareholder company that was incorporated on December 22, 2017 and is 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 (wholly owned at June 30, 2024) is a limited liability company that was incorporated on May 8, 2018 and is domiciled in Milan at via Gabba Fratelli, 4. Its corporate purpose consists in the sale of electricity, gas and other energy products. At the date the interim financial statements at June 30, 2024 were prepared, the company is dormant.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

- Clidom France, SARL (wholly owned at June 30, 2024) is a limited liability company that was incorporated on September 10, 2018 and is domiciled in Paris at Avenue de l'Opera 75001. Its corporate purpose consists in the sale of gas, electricity and other energy products in France. At the date the interim financial statements at June 30, 2024 were prepared, the company is dormant.
- Holaluz Generación, S.L. (formerly, Orwell Power, SL, wholly owned at June 30, 2024) is a sole shareholder limited liability company that was incorporated on April 6, 2018 and is domiciled in Barcelona at Passeig Joan de Borbó, 99-101. Its corporate purpose consists in the purchase and sale, even at an international level, production and 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. 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.
- Clidom Solar, SL (wholly owned at June 30, 2024) is a sole shareholder limited liability company that was incorporated on April 6, 2018 and is domiciled in Barcelona at Passeig Joan de Borbó, 99-101. Its corporate purpose consists in the purchase and sale, even at an international level, production and commercialization of energy in general, natural gas and telecommunications, even their transfer, regardless of the source of generation and production, the rendering of advisory and engineering services in the fields of energy, environment and telecommunications.
- Clidom Generación, SL (wholly owned at June 30, 2024) is a sole shareholder limited liability company that was incorporated on September 26, 2019 and is domiciled in Barcelona at Passeig Joan de Borbó, 99-101. Its corporate purpose consists in the production or generation of electricity, including the generation of renewable electricity, and the construction, operation and maintenance of production facilities. This activity can be carried out directly or through the acquisition of an ownership interest in special purpose vehicles that own the generation projects. At the date the interim financial statements at June 30, 2024 were prepared, the company is dormant.
- Clidom Energía Ibérica, SL (wholly owned at June 30, 2024 and formerly named Bulb Energía Ibérica, S.L.) is a limited liability company that was incorporated on April 30, 2019 and 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.

At June 30 2024, the Parent Company holds an indirect ownership interest in the following companies:

- 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.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

- Katae Energía, SL (wholly owned by Clidom Solar, SL at June 30, 2024) is a limited liability company that was incorporated on September 25, 2012 and is domiciled in Lleida at calle Marqués de Leganés, 12. Its corporate purpose 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.
- Gestión Hidráulica Canarias, SL (wholly owned by Katae Energía, SL at June 30, 2024) is a limited liability company that 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. The company was acquired by Katae Energía SL in January 2022.

#### 2. Basis of presentation of the interim consolidated financial statements

The interim consolidated financial statements have been prepared from the accounting records of the Parent Company and the companies detailed in point 1.1, applying the Spanish GAAP approved by Royal Decree 1514/2007, of November 16, and amended several times since publication (last time through Royal Decree 1/2021 of January 12), and are presented in accordance with Royal Decree 1159/2010 of September 17, approving the standards for the preparation of consolidated financial statements, and prevailing mercantile legislation.

The interim consolidated financial statements have been authorized for issue by the Parent Company's Directors.

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

##### a) True and fair view

The interim consolidated financial statements at June 30, 2024 have been prepared in accordance with the regulatory framework for financial information applicable to the Group and established by Spanish GAAP, which were passed by Royal Decree 1514/2007 of November 16, and amended several times since publication (last time through Royal Decree 1/2021, of January 12), and enacting regulations, as well as prevailing mercantile law, and, should no disagreement with the former exist, by Royal Decree 437/1998 of March 20, approving the electricity sector adaptation standards.

These interim consolidated financial statements give a true and fair view of the Group's equity and financial position at December 31, 2023, as well as the results of its operations, changes in equity and cash flows for the period comprised between January 1 and June 30, 2024 and have been prepared from the accounting records of the several group companies.

##### b) Consolidation principles

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



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

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

The companies composing the Group apply basically the same accounting policies in their separate financial statements and close their business year at December 31, 2024. Reciprocal balances in the balances sheet and the income statement, as well as significant unrealized margins, have been eliminated.

#### c) Going concern principle

Given the current situation of the Group, 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 June 30, 2024 the consolidated balance sheet shows negative working capital amounting to 49.6 million euros (negative working capital of 44.3 million euros at December 31, 2023). Additionally, in the 6-month period ended June 30, 2024 the Group has incurred losses amounting to 13 million euros (losses of 20 million euros in the same period of 2023).

As indicated in Note 22, on September 13, 2024, the parent company signed a "Modification, Maintenance, and Other Standstill Measures Agreement in Relation to Certain Financing Instruments" ("Standstill Agreement"), until December 18, 2024, in order to reach an agreement for the restructuring of its financial debt.

Additionally, as indicated also in Note 22, on July 19, 2024, the parent company refinanced the 7-million-euro commercial paper that was due on that date through the issuance of nine new commercial papers under its Green Commercial Paper program on the MARF. The new commercial papers will be amortized through 9 quarterly repayments of increasing amounts until July 2026. 4.6 million euros of which are in the long term.

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

- the completion of a capital increase with private investors, for an amount between 20 and 25 million euros.
- the conclusion of the aforementioned agreement for the restructuring of the financial debt that in the short term includes the recovery of a commercial discount line and the extension and grace period of current financial liabilities.

Considering already-achieved milestones and under the expectation that the capital increase and the financial debt restructuring mentioned above will be completed, the directors of the parent company have prepared these interim consolidated financial statements under the going concern principle.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

#### d) Comparison of information

In accordance with prevailing mercantile legislation, for comparative purposes, the figures for the year ended December 31, 2023 have been included for each item of the consolidated balance sheet and the consolidated statement of changes in equity. For comparative purposes, the figures for the 6-month period ended June 30, 2023 have been included for each item of the consolidated income statement and the consolidated 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.

#### e) Accounting principles

The interim consolidated financial statements at June 30, 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.

#### f) Critical issues concerning the assessment of uncertainty

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

- The capitalization and useful lives of intangible assets (Note 3a and 3b).
- The assessment of possible impairment losses on certain assets (Note 3c).
- The fair value of certain financial instruments (Note 3e).
- 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 3l).
- The estimated projections for assessing the recovery of tax credits related to deductions (Notes 3g and 18).
- Current and non-current accrued expenses and useful lives of contracts with customers (Note 3n).

Although these estimates were made on the basis of the best information available at June 30, 2024, events may occur in the future that require prospective adjustments (upwards or downwards) to these estimates in subsequent years.

#### g) Grouping of items and Current/non-current classification of items

Certain items in the consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement, and the consolidated 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 interim consolidated financial statements has been considered.

h) 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 in 24 hourly auctions that match supply with demand. The matching price corresponds to the marginal price of the auctions. Production under the specific remuneration system receives the price resulting from the market and is supplemented by regulated remuneration.
- The 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' 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.

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

Royal Decree 15/2018, of October 5, regulating urgent measures for energy transition and consumer protection and modifying and repealing certain terms of the Electricity Sector Law, of Royal Decree 1995/2000, of December 1, regulating the 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.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

- 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 a direct economic aid so that vulnerable households can pay the heating, and hot water bills, among others.

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

Royal Decree Law 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 Royal Decree Law 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 Royal Decree Law 26/2020.
- Flexible electricity and gas supply contracts for freelancers and companies were offered, with the possibility of fully suspending or amending the contract to change to another option with the same marketer (change in power contracted, daily volume contracted, inclusion into a level of tariffs corresponding to lower consumption...) with no penalty to end consumers.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

- 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 Royal Decree 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 Royal Decree 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, Royal Decree Law 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 Royal Decree Law 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 Royal Decree Law 6/2022. This period was extended to December 31, 2022 through Royal Decree Law 11/2022. Finally, Royal Decree Law 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.





## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

- 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 Royal Decree-Law 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, Royal Decree Law 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, Decree Law 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 Royal Decree Law 29/2021 and subsequently it was extended again to December 31, 2022 through Royal Decree Law 6/2022. This period was extended to December 31, 2022 through Royal Decree Law 11/2022. The aforementioned information shall be considered, as in accordance with Royal Decree-Law 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.

Royal Decree Law 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, Royal Decree Law 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 Royal Decree Law 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.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

Also, Royal Decree Law 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.

Lastly, Royal Decree Law 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 as a result of the publication of Royal Decree Law 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.

g) Consolidation methodology

#### Consolidation method

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

#### Standardization

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

#### Elimination of internal transactions

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



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

#### 2.1 Correction of errors

In July 2024, when the Group filed the 2023 income tax return, it detected that IT deductions arisen in prior years had not been correctly recorded.

The Group 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 consolidated financial statements are as follows:

- Consolidated Balance Sheet at December 31, 2023

(Thousands of euros)	Debit/(Credit)
Deferred tax assets – Decrease	(2,188)
Reserves – Decrease	696
Profit/(loss) for the year – Decrease	1,492

- Consolidated statement of changes in equity for the 6-month period ended June 30, 2024:

(Thousands of euros)	Debit/(Credit)		
	Reserves	Profit/(loss) for the year	Total
Adjusted balance at January 1, 2023	-	696	696
Movements in 2023	(696)	696	-
Adjusted balance at January 1, 2024	(696)	(1,492)	(2,188)

#### 3. Recognition and measurement accounting policies

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

##### a) Intangible assets

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

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

##### a.1) Industrial property

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



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

#### a.2) Development costs

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

- The related assets are specifically itemized by project and costs are clearly established so that they can be distributed over time.
- It is possible to demonstrate the technical feasibility and financial profitability of the project.

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

#### a.3) Software

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

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

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

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

#### b) Property, plant and equipment

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

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

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

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

Property, plant and equipment	Percentage applied	
	06.30.2024	12.31.2023
Technical installations	10%	10%
Furniture	10%	10%
Data processing equipment	25%	25%
Other items	10%	10%



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

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

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

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

The recoverable amount is the higher of fair value of the asset less cost to sell and value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired. To assess value in use, expected future cash flows are discounted to their present value using risk free market rates, adjusted by the risks specific to the asset. For those assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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

#### d) Operating leases

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

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

#### e) Financial instruments

##### e.1) Financial assets

#### 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



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

#### *Financial assets at fair value through profit or loss*

The Group 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 Group considers that a financial asset is held for trading when it meets at least one of the following three circumstances:

- a) It is 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, provided that it is not a financial guarantee contract or has been designated as a hedge.

Additionally, upon initial recognition the Group 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).

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

#### *Financial assets at amortized cost*

The Group 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 Group 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.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

It is considered that this condition is met in the case of a note or basic loan with a specific maturity date and 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, it is considered to be 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 at 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 Group 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, it is considered to be 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.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

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 Group 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 reliably measured, unless they meet the requirements for them to be recorded at amortized cost.
- d) Contributions made as a result of joint account 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 as a result 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 accruals basis. Transaction costs are recorded in the income statement on a straight-line basis over the life of the participation loan.





## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

#### Derecognition of financial assets

The Group 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 Group 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 particular, 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 deduced 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 Group 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. 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 is 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 Group 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 Group analyzes whether there is objective evidence that a financial asset or group of financial assets with collectively measured similar credit risk characteristics is impaired as a result 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.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

In the event that 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 that 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, is 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 flows can be substituted by the instrument's market value, provided that 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, provided that there is objective evidence of impairment, are recognized in the income statement.

#### *Equity instruments at fair value through equity*

In this type of investments, the Parent 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 taking into account 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.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

#### *Interest and dividends received from financial assets*

Interest and dividends from financial assets accrued subsequent to 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 has to 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 Group 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 Group 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.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

Contributions received as a result 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 accruals 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 Group includes the financial liabilities that meet one of the following conditions:

- These are liabilities held for trading. A financial liability is considered held for trading if it meets one of the following conditions:
  - o 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).
  - o It is an obligation that short sellers have to deliver the financial assets that have been lent to them ("short selling").
  - o 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.
  - o It is a derivative financial instrument, provided that 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"), due to the fact that:
  - o An inconsistency or "accounting mismatch" is eliminated or significantly reduced against other instruments at fair value through profit or loss; or
  - o 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.

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



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

#### Derecognition of financial liabilities

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

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

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

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

At the interim consolidated financial statements closing date (June 30, 2024), the Group's hedging strategy includes PPAs (Power Purchase Agreements) with producers of renewable plants at a fixed price for an average period of 4.5 years (until 2032) that meet the required conditions.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

#### g) Income tax

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) have filed 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 income tax paid or received plus the portion corresponding to the deferred tax paid or received.

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

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

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

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

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 consolidated balance sheet at June 30, 2024 amount to 22.0 million euros (25.0 million euros at December 31, 2023), of which 1.3 million euros correspond to 25% of adjustments for changes in value of derivatives that mature subsequent to year end. In summary, accumulated tax loss carryforwards and other temporary differences amount to 20.5 million euros at June 30, 2024.

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

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

#### h) Cash and cash equivalents

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

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



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

#### i) Grants

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

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

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

#### j) Provisions and contingencies

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

##### j.1) Provisions

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 Group deems most likely will have to be paid to settle the obligation.

Provisions are quantified on the basis of 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 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 Group.

The consolidated financial statements for the year ended December 31, 2023 include provisions when the Group 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 consolidated balance sheet but disclosed in the notes to the consolidated financial statements.

#### k) Related-party transactions

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



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Explanatory notes to the interim consolidated financial statements at June 30, 2024**

1) Income and expenses

In the recognition of revenue the Group follows a process consisting in 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 Group 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 Group 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 over time 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, and other similar items given by the Group, and any interest included in the nominal amount of loans.

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





## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

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

#### n) Accrual of customer acquisition costs

Until the year ended December 31, 2020 the Group 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 Group 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, 2023, these costs are accrued over a period of 3.4 years in accordance with the average life of the contracts that the Group signs with its customers. At each year end Management assesses the period and makes the corresponding amendments prospectively, where appropriate.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

Additionally, the Group 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 as a result 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 through the use of 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 take into account 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 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.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

Thus, a hierarchy in the inputs used in determining fair value is deducted and a fair value hierarchy is established in order 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 “Capital and reserves” 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.

#### 4. Business combination

Business combinations in which a company gains control over one or several businesses through the merger or spin-off of several companies by acquiring all assets and liabilities of all or part of a company which constitutes one or more businesses are accounted for using the purchase method. The purchase method consists of accounting for, at the acquisition date, the assets acquired and the liabilities assumed at fair value, provided that they can be reliably measured.

The difference between the cost of the business combination and the value of identifiable assets acquired, less the cost of liabilities assumed is recognized as goodwill, where goodwill is positive, or as income in the income statement, where goodwill is negative.

Provisional values may be used to measure business combinations when the necessary measurement process has not been completed prior to the financial year end. These values should be adjusted before one year from the date of acquisition at the latest. Adjustments recognized to complete initial measurement are made retroactively, thus the adjusted values are those that would have resulted had the adjustment been made initially, and therefore the comparatives are restated.

No companies have been acquired during the years 2024 and 2023.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Explanatory notes to the interim consolidated financial statements at June 30, 2024**

5. Intangible assets

At June 30, 2024 and December 31, 2023 the movements in Intangible Assets are as follows:

Cost	Balance at December 31, 2023	Investments and Charge for the year	Transfers and other	Disposals	Balance at June 30, 2024
Industrial property	18,951	-	-	-	18,951
Development	53,267,885	4,276,436	4,285,713	-	61,830,034
Software	1,533,455	1,269	-	-	1,534,724
Other intangible assets	677,278	96,296	-	-	773,574
Intangible assets in progress	4,500,000	-	(4,285,713)	(214,287)	-
<b>Total</b>	<b>59,997,569</b>	<b>4,374,001</b>	<b>-</b>	<b>(214,287)</b>	<b>64,157,283</b>
<b>Accumulated amortization</b>					
Industrial property	(15,035)	(98)	-	-	(15,133)
Development	(23,770,459)	(5,503,435)	-	-	(29,273,894)
Software	(1,303,663)	(35,790)	-	-	(1,339,453)
Other intangible assets	(167,315)	(136,338)	-	-	(303,653)
<b>Total</b>	<b>(25,256,472)</b>	<b>(5,675,661)</b>	<b>-</b>	<b>-</b>	<b>(30,932,133)</b>
<b>NET TOTAL</b>	<b>34,741,097</b>	<b>(1,301,660)</b>	<b>-</b>	<b>(214,287)</b>	<b>33,225,150</b>

Cost	Balance at December 31, 2022	Investments and Charge for the year	Business combinations	Disposals	Balance at December 31, 2023
Industrial property	18,951	-	-	-	18,951
Development	40,237,659	11,523,657	1,506,569	-	53,267,885
Software	1,528,732	4,723	-	-	1,533,455
Other intangible assets	397,479	279,799	-	-	677,278
Intangible assets in progress	6,006,569	-	(1,506,569)	-	4,500,000
<b>Total</b>	<b>48,189,390</b>	<b>11,808,179</b>	<b>-</b>	<b>-</b>	<b>59,997,569</b>
<b>Accumulated amortization</b>					
Industrial property	(14,840)	(195)	-	-	(15,035)
Development	(15,250,461)	(8,519,998)	-	-	(23,770,459)
Software	(1,223,359)	(80,304)	-	-	(1,303,663)
Other intangible assets	(8,087)	(159,228)	-	-	(167,315)
<b>Total</b>	<b>(16,496,747)</b>	<b>(8,759,725)</b>	<b>-</b>	<b>-</b>	<b>(25,256,472)</b>
<b>NET TOTAL</b>	<b>31,692,643</b>	<b>3,048,454</b>	<b>-</b>	<b>-</b>	<b>34,741,097</b>



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

#### 5.1. Significant movements

Additions in intangible assets recorded during the period between January 1 and June 30, 2024 include the capitalization of work carried out by Holaluz Clidom S.A. and Clidom Solar S.L. amounting to 2,853,721 euros (8,805,807 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 1.4 million euros (4.2 million euros at December 31, 2023). Additionally, in the first half of 2024 4.3 million euros have been transferred to Development (1.5 million euros at December 31, 2023) corresponding to the second and third phases (completed in 2024) of a development program for escalating and automating the business activities of the subsidiary Clidom Solar, S.L. carried out together with a technology consulting firm.

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 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 green locally-sourced 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 green locally-sourced 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. Intangible assets allocated to CGUs and impairment test

Development assets have been allocated to the following cash-generating units for impairment test purposes:

- Energy Management Cash-Generating Unit.
- Solar Cash-Generating Unit.

At June 30, Development assets allocated to cash-generating units are as follows:



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Explanatory notes to the interim consolidated financial statements at June 30, 2024**

(Thousands of euros)	Energy Management	Solar	Total
<b>2024</b>			
Development			
Cost	46,614,281	15,215,753	61,830,034
Accumulated amortization	(25,617,438)	(3,656,455)	(29,273,894)
Impairment losses	-	-	-
	<b>20,996,842</b>	<b>11,559,298</b>	<b>32,556,140</b>
<b>2023</b>			
Development			
Cost	43,874,847	9,393,039	53,267,886
Accumulated amortization	(21,953,260)	(1,817,199)	(23,770,459)
Impairment losses	-	-	-
	<b>21,921,587</b>	<b>7,575,840</b>	<b>29,497,427</b>

The discount rates applied to cash flow projections to determine values in use are 10% for Energy Management and 10.25% for Solar, and cash flows beyond 5 years are extrapolated using growth rates of 2% for Energy Management and 2.1% for Solar.

Projected EBITDA is based on current gross margin, future impact of physical PPAs arranged by the Group, expected growth in the solar panel installation market and structure costs. EBITDA margin increases over the budget period for anticipated efficiency improvements.

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

At June 30, 2024, the recoverable amount of the intangible assets of the Energy Management CGU exceeded their carrying amount by 45.9 million euros. The budgeted weighted average EBITDA margin is 8%. Should the CGU be unable to maintain a minimum average EBITDA margin of 5.25%, the CGU's value in use would be reduced to less than its carrying amount. An increase of 5.15 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 at June 30, 2024 by 29.3 million euros.

At June 30, 2024, the recoverable amount of the intangible assets of the Solar CGU exceeded their carrying amount by 13.5 million euros. The budgeted weighted average EBITDA margin is 8.1%. Value in use would exceed the carrying amount, even with an EBITDA margin close to zero. Value in use would always exceed the carrying amount. An increase of 2.8 percentage points in the discount rate would give a value in use equal to the carrying amount.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Explanatory notes to the interim consolidated financial statements at June 30, 2024**

5.3. Other information

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

<b>Account</b>	<i>Balance at 06.30.2024</i>	<i>Balance at 12.31.2023</i>
Development and Software	9,498,901	8,208,901
Industrial property	14,000	14,000
<b>Total</b>	<b>9,512,901</b>	<b>8,222,901</b>

No intangible assets are located outside of Spain.

6. Property, plant and equipment

At June 30, 2024 and December 31, 2023 the movements in Property, plant and equipment are as follows:

<b>Cost</b>	<b>Balance at December 31, 2023</b>	<b>Investments and Charge for the year</b>	<b>Business combinations</b>	<b>Disposals</b>	<b>Balance at June 30, 2024</b>
Data processing equipment	1,293,476	10,706	-	-	1,304,181
Installations	1,362,131	2,804	-	(187,518)	1,177,417
Furniture and office equipment	843,237	-	-	-	843,237
Transport equipment	247,761	-	-	(36,984)	210,777
<b>Total</b>	<b>3,746,605</b>	<b>13,510</b>	-	<b>(224,502)</b>	<b>3,535,614</b>
<b>Accumulated depreciation</b>					
Data processing equipment	(788,995)	(110,352)	-	-	(899,347)
Installations	(750,784)	(120,724)	-	38,752	(832,756)
Furniture and office equipment	(415,709)	(112,845)	-	-	(528,554)
Transport equipment	(144,240)	(25,142)	-	26,115	(143,267)
<b>Total</b>	<b>(2,099,728)</b>	<b>(369,063)</b>	-	<b>64,867</b>	<b>(2,403,924)</b>
<b>NET TOTAL</b>	<b>1,646,877</b>	<b>(355,553)</b>	-	<b>(159,635)</b>	<b>1,131,690</b>



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**Explanatory notes to the interim consolidated financial statements at June 30, 2024**

<b>Cost</b>	<b>Balance at December 31, 2022</b>	<b>Investments and Charge for the year</b>	<b>Business combinations</b>	<b>Disposals</b>	<b>Balance at December 30, 2023</b>
Data processing equipment	1,220,238	73,238	-	-	1,293,476
Installations	902,814	459,317	-	-	1,362,131
Furniture and office equipment	834,469	8,768	-	-	843,237
Transport equipment	247,761	-	-	-	247,761
<b>Total</b>	<b>3,205,282</b>	<b>541,323</b>	<b>-</b>	<b>-</b>	<b>3,746,605</b>
<b>Accumulated depreciation</b>					
Data processing equipment	(556,828)	(232,167)	-	-	(788,995)
Installations	(272,686)	(478,098)	-	-	(750,784)
Furniture and office equipment	(188,348)	(227,361)	-	-	(415,709)
Transport equipment	(85,071)	(59,169)	-	-	(144,240)
<b>Total</b>	<b>(1,102,933)</b>	<b>(996,795)</b>	<b>-</b>	<b>-</b>	<b>(2,099,728)</b>
<b>NET TOTAL</b>	<b>2,102,349</b>	<b>(455,472)</b>	<b>-</b>	<b>-</b>	<b>1,646,877</b>

### 6.1. Significant movements

For the Parent Company, additions in 2023 in new data processing equipment were acquired for the renewal of laptops and other computer equipment. Additions in installations corresponded to personal protective equipment for installers of Clidom Solar, S.L. and the refurbishment of the warehouses in Barcelona and Madrid (Móstoles). There have been no significant additions in the period ended June 30, 2024.

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 an amount of 148,767 euros (Note 19f) directly related to said floors.

### 6.2. Other information

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

<b>Account</b>	<b>Balance at 06.30.2024</b>	<b>Balance at 12.31.2023</b>
Data processing equipment	408,480	374,026
Furniture	12,301	7,012
<b>Total</b>	<b>419,781</b>	<b>381,038</b>

It is Group policy to take out the insurance policies necessary to cover the potential risks to which its property, plant, and equipment items are exposed. At June 30, 2024 these potential risks are fully covered by the insurance.

No property, plant and equipment items have been acquired between the group companies at June 30, 2024 or December 31, 2023. No property, plant and equipment items are located outside of Spain.



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7. Leases and similar arrangements

7.1. Operating leases

The breakdown of lease expenses for the period until June 2024 is as follows:

Description	Balance at 06.30.2024	Balance at 06.30.2023
Lease expenses	1,080,923	1,305,469
<b>Total</b>	<b>1,080,923</b>	<b>1,305,469</b>

Operating lease payments recognized as expenses mainly correspond to operating lease arrangements on cars and vans and to the lease on the offices of the company's headquarters.

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

Maturity	06.30.2024	12.31.2023
Within one year	286,702	877,681
Between one and five years	430,054	809,498
<b>Total</b>	<b>716,756</b>	<b>1,687,179</b>

The Parent Company entered into a lease arrangement on 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. Current and non-current financial investments and current accruals

a) Non-current financial investment categories

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

Financial assets at amortized cost		
Non-current	12.31.2023	12.31.2023
Loans to third parties	690,223	6,666,359
Derivatives	347,822	1,101,325
Other financial assets	522,989	800,414
<b>Total</b>	<b>1,561,034</b>	<b>8,568,098</b>

Loans to third parties amounting to 0.7 million euros correspond to loans for solar panel installations that the customers will repay in fixed monthly instalments included in their electricity bill over the next 15 years (6.7 million euros at December 31, 2023). These loans were granted for the purpose of starting the activity and as proof of concept for raising an SPV that would make it possible to obtain specific third-party resources and to carry out the business activity rather than using the Company's financing in general. Holaluz does not plan to grant any additional loans in this respect. On June 7, 2024, the Group sold 800 loans for 4.1 million euros within the framework of its dynamic asset



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

management aimed at optimizing its financial position (Note 19.h). This transaction has not affected the daily business of the solar division.

“Non-current financial assets” mainly include the security deposits placed as guarantees for the rental of offices, long-term deposits at GAESCO for the normal operation of treasury shares, guarantees at MIBGAS, among others. The variation mainly corresponds to the return of security deposits.

Additionally, there are non-current derivatives amounting to 348 thousand euros (1.1 million at December 31, 2023). The “Derivatives” balance at June 30, 2024 and December 31, 2023 is commented on in Note 16.

#### b) Current financial investment categories

Current financial investments are classified based on the following categories:

Financial assets at amortized cost		
Current	06.30.2024	12.31.2023
Other financial assets	832,736	2,286,596
<b>Total</b>	<b>832,736</b>	<b>2,286,596</b>

At June 30, 2024 and December 31, 2023 “Other financial assets” mostly corresponds to deposits given as guarantees to the electricity and gas market operators. These detailed balances mainly correspond to the Parent Company.

The “Derivatives” balance at June 30, 2024 and December 31, 2023 is commented on in Note 16.

#### 9. Trade and other receivables

a) The breakdown of ‘Trade and other receivables’ corresponding to financial assets at amortized cost is as follows:

Trade and other receivables	06.30.2024	12.31.2023
Trade receivables for sales and services	20,502,398	32,128,333
Other receivables	7,457,794	8,616,602
Receivables from employees	8,593	56,737
Current income tax assets	664,774	8,191
Other receivables from Public Administrations	2,737,864	11,897,496
<b>TOTAL</b>	<b>31,371,423</b>	<b>52,707,359</b>

At June 30, 2024, the balances related to electricity sales of the Parent Company pending invoice included in “Trade receivables for sales and services” amount to 10.9 million euros (18.0 million euros at December 31, 2023) and correspond to energy supplied during the month of June, which is invoiced to customers during the first working days of the following month (in this case, July 2024). The Parent Company’s operations for billing the electricity commercialization activity consist in issuing invoices for the amount of electricity consumed during the calendar month and sending the corresponding invoices to customers during the first days of the following month. This heading also includes balances receivable for invoices issued by Clidom Solar for solar panel installation amounting to 1.6 million euros (1.1 million euros at December 31, 2023). It also includes 1.5 million euros corresponding to the subsidiary Clidomer Portugal for the sale of electricity (0.6 million euros at December 31, 2023).



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

“Other receivables” basically correspond to balances pending receipt from OMIE (1.8 million euros at June 30, 2024 and 3.2 million euros at December 31, 2023) and from CNE (2.8 million euros at June 30, 2024 and December 31, 2023) and outstanding balances from generation plants (2.5 million euros at June 30, 2024 and 0.8 million euros at December 31, 2023).

The balance of receivables from public administrations amounting to 2,738 thousand euros is commented on in Note 18.

#### b) 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, only for the Parent Company, are as follows:

<b>Impairment losses due to credit risk</b>	<b>06.30.2024</b>	<b>12.31.2023</b>
Opening impairment losses	(26,331,342)	(15,960,070)
Charge	(1,250,000)	(10,371,272)
Reversal	364,735	-
Utilization	(82,738)	-
<b>Total</b>	<b>(27,299,345)</b>	<b>(26,331,342)</b>

#### 10. Inventories

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

	<b>06.30.2024</b>	<b>12.31.2023</b>
Commercial inventories	3,468,845	4,144,513
Prepayments to suppliers	238,442	138,377
<b>Total</b>	<b>3,707,287</b>	<b>4,282,890</b>

The balance of commercial inventories at June 30, 2024 corresponds to gas inventories amounting to 1.3 million euros (1.3 million euros at December 31, 2023) and to the solar business amounting to 2.2 million euros (2.8 million euros at December 31, 2023). However, as the gas business was discontinued in the last quarter of 2022, the Parent Company had to keep a minimum level of inventory (a calculation made based on the gas customer portfolio for the past 12 months) until April 2023, when it would be able to sell this mandatory minimum stock. This sale was finally carried out in August 2024. The rest of inventories correspond to the Solar business located mainly in warehouses in Barcelona and Madrid (2.2 million euros).

The Group arranges insurance policies to ensure the recoverability of the net carrying amount of its inventories.

Impairment 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 2022 year end the Group has no impaired inventories.

At June 30, 2024 and December 31, 2023 there were no firm commitments to purchase inventories.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

#### 11. Accruals

Current and non-current accruals include customer acquisition costs. The movement in this heading during the year was the following:

	Balance at December 31, 2023	Additions	Accruals income statement	Transfers	Balance at December 30, 2024
<b>Non-current</b>					
Customer acquisition costs	8,971,555	1,451,645	-	(1,467,246)	8,955,954
<b>Total</b>	<b>8,971,555</b>	<b>1,451,645</b>	<b>-</b>	<b>(1,467,246)</b>	<b>8,955,954</b>
<b>Current</b>					
Customer acquisition costs	9,082,460	446,660	(6,301,979)	1,467,246	4,694,387
<b>Total</b>	<b>9,082,460</b>	<b>446,660</b>	<b>(6,301,979)</b>	<b>1,467,246</b>	<b>4,694,387</b>
<b>TOTAL</b>	<b>18,054,015</b>	<b>1,898,305</b>	<b>(6,301,979)</b>	<b>-</b>	<b>13,650,341</b>

In 2024 the useful life remains at 3.4 years as at 2023 year end.

#### Short-term 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 1,481 thousand euros (1,452 thousand euros at December 31, 2023) for annual customer contracts.
- Insurance premiums amounting to 110 thousand euros (286 thousand euros at December 31, 2023).
- Other general expenses amounting to 528 thousand euros (908 thousand euros at December 31, 2023).
- Additionally, 118 thousand euros are included in the business solar subsidiaries (113 thousand euros at December 31, 2023) corresponding to the portion of costs for uncompleted photovoltaic panel installation projects.

#### 12. Cash and cash equivalents

The breakdown of this caption at June 30, 2024 and December 31, 2023 is as follows:

	06.30.2024	12.31.2023
Cash	14,246	946
Demand current accounts	1,929,627	7,884,756
<b>Total</b>	<b>1,943,873</b>	<b>7,885,702</b>

Current accounts earn market interest rates.

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



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

#### 13. Equity

##### a) Share capital and Treasury shares

At December 31, 2020, the Group's Parent Company's share capital amounted to 617,385 euros and consisted of 20,579,484 Parent Company 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 electricity 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 Parent 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 waiving 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 Parent Company's board of directors resolved to carry out the capital increase by issuing and putting into circulation 543,084 ordinary Parent Company shares, of the same class and series as currently outstanding shares, represented by book entries. The shares are issued at a nominal unit value of 0.03 euros plus a share premium of 13.78 euros per share, giving an effective issue rate 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 Parent Company shares. This capital increase was subscribed by three qualified investors: Abacon Invest GmbH, Pelion Green Future Alpha GMBH and MDR Inversiones, S.L.

As a result of these transactions, since December 2021 the Company's share capital has 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. There have been no changes in 2024.

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

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

	<b>06.30.2024</b>	<b>12.31.2023</b>
Fondo Axon ICT III, FCR de Rég. Simplificado	16.81%	16.81%



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

#### b) Legal reserve

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

At June 30, 2024 the legal reserve is fully funded.

#### c) Reserves and share premium

Additionally, the breakdown of consolidated reserves is as follows:

	06.30.2024		12.31.2023	
	Reserves in the Parent	Reserves in consolidated companies	Reserves in the Parent	Reserves in consolidated companies
HOLALUZ-CLIDOM, SA	(4,833,670)		734,286	
CLIDOMER, LDA		(5,369,062)		(3,184,515)
CL. SOLAR, SL		(34,794,241)		(15,395,201)
CL. ITALIA, SRL		(17,905)		(17,905)
CL. FRANCE, SARL		(32,453)		(31,485)
HOLALUZ GENERACIÓN, SL		(4,409)		(5,894)
HL ROOFTOP REVOLUTION, SL		360,135		78,143
CL. GENERACIÓN., SL		(1,291)		(1,201)
KATAE ENERGÍA, SL		(708,640)		(621,769)
CLIDOM ENERGÍA IBÉRICA, SL		(1,010,610)		(967,490)
GESTIÓN HIDRÁULICA CANARIAS, SL		(83,024)		(77,667)
<b>TOTAL RESERVES</b>	<b>(4,833,670)</b>	<b>(41,661,500)</b>	<b>734,286</b>	<b>(20,224,984)</b>

The balance of the share premium can be freely distributed, as long as equity is not lower than share capital or would not become lower than share capital as a result of distributing it.

#### d) Transactions with treasury shares

Treasury shares at June 30, 2024 account for 0.42% of the total Company shares (0.27% at December 31, 2023) and amount to 93,369 shares (60,044 shares at December 31, 2023), at an average acquisition price of 1.46 euros per share.

The number of treasury shares in Holaluz Clidom, SA has changed in the period due to the purchase and sale of shares in the market. The losses from this change have been recorded against reserves in accordance with applicable measurement standards.

**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Explanatory notes to the interim consolidated financial statements at June 30, 2024**

14. Non-current and current payables

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

	Bank borrowings		Other items	
	06.30.2024	12.31.2023	06.30.2024	12.31.2023
Financial liabilities at amortized cost	13,599,121	15,989,700	1,330	1,330
<b>TOTAL</b>	<b>13,599,121</b>	<b>15,989,700</b>	<b>1,330</b>	<b>1,330</b>

At June 30, 2024 non-current payables amounting to 13.6 million euros (16.0 million euros at December 31, 2023) include:

- 5.1 million euros corresponding to capital pending repayment mainly on ICO loans taken out by the Parent Company in 2020 and 2021 within programs launched by the Government to mitigate the effect of COVID on Spanish companies (7.6 million at December 31, 2023).
- 8.5 million euros (8.3 million euros at December 31, 2023) corresponding to ICO credit facilities taken out by the Parent Company. They correspond to the amounts drawn down on these credit facilities at year end. The credit facilities total 3.7 million euros.
- 31 thousand euros corresponding to finance lease payables of the subsidiary Katae Energía, SL.

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

The breakdown of “Derivatives” is commented on in Note 16.

Current payables mainly correspond to the Parent Company. They are classified into the following categories:

	Bank borrowings		Other items	
	06.30.2024	12.31.2023	06.30.2024	12.31.2023
Financial liabilities at amortized cost	21,332,202	36,423,874	7,679,165	20,877,490
<b>TOTAL</b>	<b>21,332,202</b>	<b>36,423,874</b>	<b>7,679,165</b>	<b>20,877,490</b>

At June 30, 2024 current payables amounting to 21.3 million euros (36.4 million euros at December 31, 2023) include:

- 3.2 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 1.8 million euros (non-ICO) corresponding to the repayment of a loan granted by ICF and a loan granted by Caixabank. No short-term loans have been taken out in the first half of 2024.
- 10.8 million euros (8.7 million euros at December 31, 2023) corresponding to ICO credit facilities taken out by the Parent Company. They correspond to the amounts drawn down on these credit facilities at year end.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

- 5.4 million euros corresponding to ordinary and ICO reverse factoring agreements taken out by the Parent Company. They correspond to the amounts drawn down on these reverse factoring agreements at June 30, 2024. From the total amount drawn down, 3 million correspond to ICO agreements maturing in 2026. However, this is a short-term product.
- 17 thousand euros corresponding to finance lease payables of the subsidiary Katae Energía, SL.
- At June 30, 2024, no amounts have been utilized from the SEPA financing.

On September 13, 2024, the Parent Company reached 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 (see Note 22 “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 expects to have flexible access to qualified investors over the next twelve months, within a strategy to diversify its financing sources. Holaluz has structured the commercial paper notes issued under these Green Commercial Paper Notes Program so that they are considered a green instrument in accordance with the Holaluz Green Finance Framework, whereby the company can issue notes and commercial paper 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 June 30, 2024 amounts to 7.2 million euros (19.8 million at December 31, 2023), of which 7 million euros were renewed through the issuance of 9 commercial papers with quarterly repayments of increasing amounts until July 2026 (see Note 22 “Subsequent events”).

The breakdown of “Derivatives” is commented on in Note 16.

#### a) Classification by maturity

The breakdown by maturity of bank loans, with fixed or determinable maturity, at June 30, 2024 and December 31, 2023, is as follows:

<b>06.30.2024</b>	<b>1 year</b>	<b>2 years</b>	<b>3 years</b>	<b>4 years</b>	<b>5 years or more</b>	<b>TOTAL</b>
Bank loans	5,091,056	2,075,851	2,422,714	555,775	35,748	10,181,144
Credit facilities	10,873,395	-	8,477,562	-	-	19,350,957
<b>TOTAL</b>	<b>15,964,451</b>	<b>2,075,851</b>	<b>10,900,276</b>	<b>555,775</b>	<b>35,748</b>	<b>29,532,102</b>





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12.31.2023	1 year	2 years	3 years	4 years	5 years or more	TOTAL
Bank loans	7,580,686	4,640,957	2,422,714	555,775	35,749	15,235,881
Credit facilities	8,673,351	2,416,153	5,887,336	-	-	16,976,840
<b>TOTAL</b>	<b>16,254,037</b>	<b>7,057,110</b>	<b>8,310,050</b>	<b>555,775</b>	<b>35,749</b>	<b>32,212,721</b>

The 29.5 million euros outstanding at June 30, 2024 mainly correspond to credit facilities and loans. As for loans, the initial capital amounted to 19.1 million euros: 5 million euros as current and the rest of the amount as non-current.

#### b) Other information

Current and non-current bank borrowings, which mainly correspond to the Parent Company, are as follows:

06.30.2024			
	Limit (*)	Current	Non-current
Bank loans	18,725,000	5,091,056	5,090,088
Credit facilities	23,030,000	10,873,395	8,477,562
Factoring, reverse factoring and funded payments	7,300,000	5,350,664	-
Credit cards	81,500	-	-
<b>TOTAL</b>	<b>49,136,500</b>	<b>21,315,116</b>	<b>13,567,650</b>

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

12.31.2023			
	Limit (*)	Current	Non-current
Bank loans	21,225,000	7,580,686	7,655,195
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	33,987	-
<b>TOTAL</b>	<b>66,443,000</b>	<b>36,405,999</b>	<b>15,958,684</b>

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

In the period between December 31, 2023 and June 30, 2024, the Group has reduced the available limit of net borrowings from financial institutions by 17.4 million euros, of which 13 million euros correspond to the SEPA financing and 2 million euros to a VAT financing facility, as well as the maturity of a reverse factoring facility. The loan amount repayable in the long term has decreased (due to the reclassification of existing loans from the long to the short term).

Of the 23 million euros of the limit available on credit facilities at June 30, 2024, 7.6 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.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

Additionally, the Parent Company has lines of security interests and guarantees that have been granted by several financial institutions for an overall amount of 46 million euros:

- 23.5 million euros of surety lines, from which 13 million euros have been drawn down at June 30, 2024 (26.2 million euros at December 31, 2023).
- 15 million euros of bank guarantees, from which 10 million euros have been drawn down at June 30, 2024 (15.0 million euros at December 31, 2023).

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

The interest rate paid by the Parent Company related to bank borrowings is on average Euribor + 1.94% for the first half of 2024 (Euribor + +3.34% at December 31, 2023). This difference is due to the fact that no loans have been taken out in the first half of 2024, with a higher interest rate spread than the average of current loans.

#### 15. Trade and other payables

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

Financial liabilities at amortized cost	06.30.2024	12.31.2023
Suppliers	61,058,341	60,229,032
Other payables	6,230,075	7,567,683
Employee benefits payable	295,476	465,238
Current income tax liabilities	1,715	1,943
Other payables to public administrations (*)	3,086,243	1,637,038
Customer advances (**)	2,911,208	7,218,272
	<b>73,583,058</b>	<b>77,119,206</b>

(\*) See Note 17

(\*\*) This balance mainly corresponds to Clidom Solar for advance collections from incomplete solar installations, for the amount of 2.8 million euros. The income in the income statement is recognized once the installation is completed.

At June 30, 2024 the balances for invoices pending receipt corresponding to supplied electricity included under "Suppliers" amount to 13.3 million euros (27.1 million euros at December 31, 2023), of which 7.5 million euros correspond to invoices pending receipt from the plants (20.3 million euros at December 31, 2023), 3.4 million euros to invoices pending receipt from distributors (4.7 million euros at December 31, 2023) and 1.1 million euros (0.5 million euros at December 31, 2023) to invoices pending receipt from REE (corporation operating the Spanish electricity grid). This applies to the Parent Company.



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**Explanatory notes to the interim consolidated financial statements at June 30, 2024**

15.1. 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:

	<b>06.30.2024</b>	<b>12.31.2023</b>
Average payment period to suppliers	55	33
Ratio of transactions paid	60	31
Ratio of transactions outstanding	45	44
	<b>06.30.2024</b>	<b>12.31.2023</b>
Total payments made	196,384,165	827,093,247
Total payments outstanding	89,243,500	99,615,735
Monetary volume of invoices paid by the deadline established in late payment regulations	191,081,757	785,469,831
Percentage of payments made by the established deadline over total payments	97%	95%
<b>(Number of invoices)</b>		
Invoices paid by the deadline established in late payment regulations	1,654,257	3,009,304
Percentage over total number of invoices	100%	77%

15.2. 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. At June 30, 2023, the proceedings have been closed and, as the Company had expected at 2023 year end, they have had no impact on its financial statements.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**

**Explanatory notes to the interim consolidated financial statements at June 30, 2024**

16. Hedging transactions using derivative financial instruments

The Parent Company uses derivatives to hedge the risks to which its activities, operations and projected cash flows are exposed. At June 30, 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 3f) on measurement policies to be classified as hedging instruments.

Cash flow hedges at fair value in force at June 30, 2024 in the Parent Company's balance sheet are as follows:

Description of the hedge	Type	Entity	Underlying	Asset	Liability
EEX Power hedge	SWBCCAL25	Investment entity	MWh	-	(6,603,673)
EEX Power hedge	SWBCCAL25	Investment entity	MWh	-	-6,588,777
EEX Power hedge	SWBCCAL24	Investment entity	MWh	-	-2,188,236
EEX Power hedge	SWBCQ1-24	Investment entity	MWh	-	-
EEX Power hedge	SWBCQ2-24	Investment entity	MWh	-	-
EEX Power hedge	SWBCQ3-24	Investment entity	MWh	1,325,988	-
EEX Power hedge	SWBCQ4-24	Investment entity	MWh	563,630	-
EEX Power hedge	SWBCJUL-24	Investment entity	MWh	-	-28,903
Over the counter	OTCCAL24	Investment entity	MWh	882,918	-
Over the counter	OTCQ124	Investment entity	MWh	-	-
Over the counter	OTCQ224	Investment entity	MWh	-	-
Over the counter	OTCQ324	Investment entity	MWh	376,323	-
Over the counter	OTCQ424	Investment entity	MWh	138,446	-
Over the counter	OTCJAN24	Investment entity	MWh	-	-
Over the counter	OTCFEB24	Investment entity	MWh	-	-
Over the counter	OTCMAR24	Investment entity	MWh	-	-
Over the counter	OTCABR24	Investment entity	MWh	-	-
Over the counter	OTCMAY24	Investment entity	MWh	-	-
Over the counter	OTCJUN24	Investment entity	MWh	-	-
Over the counter	OTCCAL25	Investment entity	MWh	311,700	-
Over the counter	OTCQ125	Investment entity	MWh	36,122	-
<b>Total</b>				<b>3,635,127</b>	<b>(8,805,916)</b>
<b>Net</b>					<b>(5,170,789)</b>



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**

**Explanatory notes to the interim consolidated financial statements at June 30, 2024**

Cash flow hedges in force at December 31, 2023 in the Parent Company's balance sheet are as follows:

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	-
<b>Total</b>				<b>7,814,495</b>	<b>(13,734,278)</b>
<b>Net</b>					<b>(5,919,783)</b>

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

Derivatives	06.30.2024	12.31.2023
NC derivative assets	347,822	1,101,325
C derivative assets	10,510,629	17,097,767
NC derivative liabilities	(6,588,777)	(6,603,673)
C derivative liabilities	(4,491,730)	(6,544,376)
<b>TOTAL</b>	<b>(222,056)</b>	<b>5,051,043</b>

Additionally, at June 30, 2024 the Company's cash account includes 11 million euros corresponding to hedging instruments settled before maturity (10.6 million euros at December 31, 2023).



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

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

	06.30.2024	12.31.2023
Amount recognized in equity - Profit / (loss)	(3,878,091)	(4,503,108)
Amount recorded directly in income statement - Profit / (loss)	(819,533)	(23,227,766)
<b>Total</b>	<b>(4,697,624)</b>	<b>(27,730,874)</b>

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

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

##### Qualitative information

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

##### a) Credit risk

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

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

	06.30.2024	12.31.2023
Not due	17,375,314	23,971,653
Past due, not impaired:		
Less than 30 days	1,854,562	5,299,820
30 – 60 days	350,230	270,207
More than 60 days	2,136,735	2,586,653
	<b>21,716,841</b>	<b>32,128,333</b>
Doubtful receivables	27,299,345	26,331,345
Impairment losses	(27,299,345)	(26,331,345)
<b>Total</b>	<b>21,716,841</b>	<b>32,128,333</b>

The impaired balances correspond to bills issued to customers in 2024 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.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**

**Explanatory notes to the interim consolidated financial statements at June 30, 2024**

b) Liquidity risk

In order to ensure ongoing liquidity and the ability to service all payment commitments arising from its activity, the Group holds the cash balances reflected in the balance sheet and the credit lines detailed in the note about financial institutions (Note 14b).

c) Market risk

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

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 Parent Company's policy is to arrange hedging financial instruments to minimize fluctuations in the Megawatt-hour (MWh) market price of energy (Note 15) and thus ensure trade margin. Additionally, the company has PPAs and, therefore, future energy purchase is locked at a fixed price.

18. Taxes

The breakdown of this heading in the consolidated financial statements at June 30, 2024 and December 31, 2023 is as follows:

06.30.2024				
Item	Debit balances		Credit balances	
	Non-current	Current	Non-current	Current
Value Added Tax	-	2,723,764	-	1,621,085
Canary Islands general indirect tax	-	6,212	-	434,370
Current income tax assets	-	664,774	-	-
Withholdings and prepayments	-	-	-	-
Deferred tax assets	21,757,123	-	-	-
Deferred tax liabilities	-	-	-	-
Current income tax liabilities	-	-	-	1,715
Electricity tax	-	-	-	4,830
Personal income tax	-	-	-	293,628
Social security agencies	-	6,559	-	732,330
Income tax payable to tax authorities	-	-	-	-
Receivable from tax authorities related to grants	-	1,330	-	-
	21,757,123	3,402,638	-	3,087,957



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Explanatory notes to the interim consolidated financial statements at June 30, 2024**

12.31.2023				
Item	Debit balances		Credit balances	
	Non-current	Current	Non-current	Current
Value Added Tax	-	11,574,504	-	988
Canary Islands general indirect tax	-	10,873	-	80,290
Current income tax assets	-	8,191	-	-
Withholdings and prepayments	-	-	-	-
Deferred tax assets	24,995,176	-	-	-
Deferred tax liabilities	-	-	-	-
Current income tax liabilities	-	-	-	1,943
Electricity tax	-	-	-	2,077
Personal income tax	-	-	-	460,548
Social security agencies	-	310,789	-	1,093,135
Income tax payable to tax authorities	-	-	-	-
Receivable from tax authorities related to grants	-	1,330	-	-
	24,995,176	11,905,687	-	1,638,981

At the closing date of these financial statements, VAT receivable comes from the application of Royal Decree-Law 8/2023, of December 27, whereby all bills issued to the customers of the Parent Company whose contracted power is lower than or equal to 10kW are added 10% VAT provided that the wholesale price for the prior month is higher than 45€/MWh, whereas if the wholesale price for the prior month is lower than 45€/MWh, these contracts are added 21% VAT. In turn, all invoices received from suppliers include 21% VAT. Consequently, during the first half of the year the Parent Company has 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, while it has recovered all receivables pending collection at December 2023. Additionally, the receivables generated during the first half of the year 2024 have been offset against payments of withholdings and electricity tax for that period. During the year 2024 the companies Holaluz-Clidom, SA, Katae Energía SL and Clidom Solar SL form a Single VAT Group, thus allowing 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.





**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**

**Explanatory notes to the interim consolidated financial statements at June 30, 2024**

The reconciliation of consolidated profit/(loss) before tax corresponding to the consolidated financial statements at June 30, 2024 is as follows:

	06.30.2024		12.31.2023	
	Tax accrued	Tax payable	Tax accrued	Tax payable
Profit/(loss) before income tax	(13,473,605)	(13,473,605)	(37,617,644)	(37,617,644)
Consolidation adjustments	(9,046,522)	(9,046,522)	-	-
Correction to profit/(loss) (foreign subsidiaries)	1,785,469	1,785,469	2,650,355	2,650,355
Permanent differences	642,920	642,920	712,692	712,692
Temporary differences	8,193,195	8,193,195	3,031,003	3,031,003
Unused tax loss carryforwards, additional provision 19	(793,205)	(793,205)	15,864,545	15,864,545
	<b>(12,691,749)</b>	<b>(12,691,749)</b>	<b>(15,359,048)</b>	<b>(15,359,048)</b>
<b>Tax result</b>	<b>)</b>	<b>)</b>	<b>)</b>	<b>)</b>
Total tax liability (25% of tax result)	(3,172,937)	(3,172,937)	(3,839,762)	(3,839,762)
Adjustment tax rate foreign subsidiaries	-	-	(609,359)	(609,359)
Deductions	577,634	-	(1,635,909)	-
Other items	-	-	-	-
Deferred assets Positive temporary differences	2,595,303	-	(5,365,556)	-
			<b>(11,450,586)</b>	
<b>Net tax payable</b>	<b>-</b>	<b>-</b>	<b>)</b>	<b>-</b>
Withholdings and prepayments	-	-	-	(3,654)
Capitalization of tax loss carryforwards	-	-	-	-
Correction of deductions (Note 2.1)	-	-	(1,492,238)	-
			<b>(12,942,824)</b>	
<b>Income tax expense / Income tax (refund) / payable</b>	<b>-</b>	<b>-</b>	<b>)</b>	<b>(3,654)</b>



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

#### Deferred tax assets recorded

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

Item	06.30.2024		12.31.2023	
	Amount	Maturity	Amount	Maturity
Tax credits related to unused tax loss carryforwards	11,029,875		12,311,548	
Arisen in 2016 and prior years				
Arisen in 2017	59,158		-	
Arisen in 2018	288,068		73,041	
Arisen in 2019	528,504		528,509	
Arisen in 2020	128,240		128,290	
Arisen in 2021	1,208,197		2,583,839	
Arisen in 2022	4,548,690		4,548,690	
Arisen in 2023	4,269,017		4,449,179	
<b>Unused deductions:</b>				
2016-17 deduction for IT	144,047		-	2034
2017-18 deduction for IT	259,637		-	2035
2018-19 deduction for IT	282,991		245,929	2036
2019-20 deduction for IT	384,843		384,843	2034
4Q 2020 deduction for IT	100,832		100,832	2038
2021 deduction for IT	923,041		923,041	2039
2022 deduction for IT	1,158,568		1,158,568	2040
2023 deduction for IT	689,409		689,409	
2014-15 deduction for donation	729		729	2,024
2015-16 deduction for donation	1,925		1,925	2,025
2016-17 deduction for donation	2,275		2,275	2,026
2018-19 deduction for donation	4,350		4,350	2,028
2021 deduction for donation	24,815		24,815	2,031
2022 deduction for donation	19,250		19,250	2,032
2023 deduction for donation	72,282		72,282	2,033
Adjustment for derivatives	1,292,697		1,501,036	
<b>Temporary differences</b>				
2013-19 Amortization (25%)	-		408	2025-2033
Deferred assets Positive temporary differences	5,365,556		5,365,556	2033
<b>Total</b>	<b>21,757,123</b>		<b>22,806,796</b>	

Technological innovation deductions derive from the technological transformation project that the Parent Company is developing (Note 6) 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 budgets. 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 at June 30, 2024.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

On January 16, 2024 an amendment to model 200 tax return for the year 2022 was submitted to the tax authorities as a result 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 Royal Decree-Law 3/2016. At the date these financial statements are authorized for issue, the proposal for the estimate of the amendment requested has been received. Consequently, the Company has included the corresponding impact on the deferred tax assets since it is very reasonable to think that the final resolution will be in line with this as no allegations have been presented. 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 reserves has been recorded to give a true and fair view in accordance with the Group'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. At June 30, 2024, the Parent 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 Parent Company's Directors consider that all applicable taxes have been duly paid so that even in the event of discrepancies in the interpretation of prevailing tax legislation with respect to the treatment applied, the resulting potential tax liabilities, in the event that they materialize as a result of a tax inspection, would not have a material impact on the consolidated financial statements at June 30, 2024.

#### 19. Income and expenses

##### a) Turnover

The distribution of revenue by activity category is as follows:

	06.30.2024	06.30.2023
<b>Activities</b>		
Commercialization of electricity	88,636,224	141,203,000
Commercialization of gas	-	1,933,438
Representation of electricity	56,009,939	166,736,075
Solar segment sales	7,604,254	13,663,847
<b>Total</b>	<b>152,250,417</b>	<b>323,536,360</b>

Revenue has been entirely generated in Spain, except for 10.7 million euros (15.2 million euros at June 30, 2023) corresponding to electricity representation in Portugal.



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

The sales for the commercialization of electricity and gas is 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 Parent 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, issued according to the reading provided by the distributor (adjustments to prior bills that were issued based on estimated consumption). The negative amount in 2024 corresponds to adjustments for the termination of contracts with customers.

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.

Revenue from Solar sales is recorded in accordance with the stage of completion of the installations.

#### b) Cost of sales

The breakdown of the “cost of sales” balance by activity developed by the companies is as follows:

<i>Net purchases</i>	<i>06.30.2024</i>	<i>06.30.2023</i>
Purchases of electricity from the market	57,494,932	109,159,347
Purchases of gas from the market	199,516	6,531,026
Purchases of electricity for representation	59,245,428	173,069,694
Costs of financial derivatives	7,748,361	156,215
Purchase of equipment for solar segment sales	2,960,944	7,669,134
Change in inventory	675,668	(382,020)
<b>Total</b>	<b>128,324,848</b>	<b>296,203,396</b>

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

For the year 2023, as a result 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 6.5 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 10).

**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Explanatory notes to the interim consolidated financial statements at June 30, 2024**

c) Employee benefits expense

The breakdown of this heading in the consolidated financial statements at June 30, 2024 and 2023 is as follows:

<b>Employee benefits expense</b>	<b>06.30.2024</b>	<b>06.30.2023</b>
Wages and salaries	8,981,604	14,376,385
Social Security paid by the company	2,727,201	5,062,744
Termination benefits	517,898	178,570
<b>Total</b>	<b>12,226,703</b>	<b>20,004,699</b>

The Parent Company and the subsidiaries Clidom Solar (sales staff) and Katae Energía (installers) have employees. None of the other group companies has employees and they are all managed directly from the parent.

On December 20, 2023, the Group reached an agreement with trade unions on a collective dismissal of up to 169 employees due to economic reasons, generating an indemnity of 1.2 million euros.

d) External services

The breakdown of this heading in the interim consolidated financial statements at June 30, 2024 and 2023 is as follows:

<b>External services</b>	<b>06.30.2024</b>	<b>06.30.2023</b>
Leases (*)	1,080,923	1,305,469
Repairs and maintenance	44,078	51,339
Independent professional services	2,619,520	2,750,546
Transportation services	44,132	56,570
Insurance premiums	647,320	1,061,048
Bank services	460,171	434,731
Publicity, advertising and public relations	9,011,430	12,107,828
Utilities	241,006	184,372
Other services	4,097,488	6,934,417
<b>Total</b>	<b>18,246,068</b>	<b>24,886,321</b>

(\*) note 7.1 (leases)

At June 30, 2024 the 'Publicity, advertising and public relations' heading includes 6.3 million euros corresponding to accruals of customer acquisition costs (5.8 million euros at June 30, 2023).

**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Explanatory notes to the interim consolidated financial statements at June 30, 2024**

e) Depreciation and amortization

The breakdown of this heading in the interim consolidated financial statements at June 30, 2024 and 2023 is as follows:

	<i>06.30.2024</i>	<i>06.30.2023</i>
Property, plant and equipment	369,062	469,071
Intangible assets	5,675,661	3,897,660
<b>Total</b>	<b>6,044,723</b>	<b>4,366,731</b>

f) Other gains/(losses)

The breakdown of this heading in the interim consolidated financial statements at June 30, 2024 and 2023 is as follows:

	<i>06.30.2024</i>	<i>06.30.2023</i>
Non-recurring expenses	698,018	554,503
(Non-recurring income)	(601,415)	(41,555)
Gains/(losses) on disposals	137,343	-
<b>Total</b>	<b>233,946</b>	<b>512,948</b>

Non-recurring expenses include 228 thousand euros corresponding to adjustments to old balances. The gains/(losses) on disposals of non-current assets mainly correspond to the disposal of fixed assets as a result of the termination of the rental agreement on a part of the Group's offices. Non-recurring income includes 518 thousand euros corresponding to penalties for the early termination of rental agreements. The gains/(losses) on disposals mainly include 149 thousand euros corresponding to the disposal of technical installations, as indicated in Note 6.1.

g) Finance costs

The breakdown of this heading in the interim consolidated financial statements at June 30, 2024 and 2023 is as follows:

	<i>06.30.2024</i>	<i>06.30.2023</i>
Interest on payables	1,583,794	1,877,899
Interest on discounted bills at other financial institutions	49,560	-
Other finance costs	169,580	94,504
<b>Total</b>	<b>1,802,934</b>	<b>1,972,403</b>

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

The breakdown of "Impairment losses and gains (losses) on disposals of financial instruments" corresponds to the loss 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.

	<i>06.30.2024</i>	<i>06.30.2023</i>
Short-term credit losses, other companies	1,385,864	-
<b>Total</b>	<b>1,385,864</b>	-



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Explanatory notes to the interim consolidated financial statements at June 30, 2024**

i) Segment information

The Group classifies its management activity into the following segments:

- Commercialization (Electricity & Gas)
- Representation (Electricity)
- Solar

The Group's financial information by operating segment for the interim consolidated financial statements at June 30, 2024 and 2023 is as follows:

<i>06.30.2024</i>	Commercialization(electricity & gas)	Representation (electricity)	Subtotal Energy Management	Solar	TOTAL
Revenue	88,636,224	56,009,939	144,646,1693	7,604,254	152,250,417
Change in inventory	-	-	-	(675,668)	(675,668)
Work performed and capitalized	1,506,220	-	1,506,220	1,347,501	2,853,721
Cost of sales	(65,442,808)	(59,245,428)	(124,688,236)	(2,960,944)	(127,649,179)
Employee benefits expense	(4,576,616)	-	(4,576,616)	(7,650,088)	(12,226,703)
Other operating income and expenses	(14,629,990)	(23,244)	(14,653,234)	(3,896,572)	(18,549,806)
Other gains and losses	(8,222)	(3,000)	(11,222)	(222,724)	(233,946)
Depreciation and amortization	(3,980,607)	-	(3,980,607)	(2,064,116)	(6,044,723)
<b>OPERATING PROFIT/(LOSS)</b>	<b>1,504,201</b>	<b>(3,261,732)</b>	<b>(1,757,532)</b>	<b>(8,518,357)</b>	<b>(10,275,888)</b>
Finance profit/(loss)	(811,771)	-	(811,771)	(2,385,946)	(3,197,717)
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>692,430</b>	<b>(3,261,732)</b>	<b>(2,569,303)</b>	<b>(10,904,303)</b>	<b>(13,473,605)</b>
Segment assets	87,568,637	6,411,240	93,979,877	30,123,589	124,103,466
Segment liabilities	87,568,637	6,411,240	93,979,877	30,123,589	124,103,466

<i>06.30.2023</i>	Commercialization(electricity & gas)	Representation (electricity)	Subtotal Energy Management	Solar	TOTAL
Revenue	143,136,438	166,736,075	309,872,13	13,663,847	323,536,360
Change in inventory	-	-	-	(382,020)	(382,020)
Work performed and capitalized	2,210,735	-	2,210,735	2,309,995	4,520,730
Cost of sales	(115,846,588)	(173,069,694)	(288,916,282)	(7,287,113)	(296,203,396)
Employee benefits expense	(5,927,247)	-	(5,927,247)	(14,077,453)	(20,004,699)
Other operating income and expenses	(22,716,822)	(27,175)	(22,743,997)	(6,601,239)	(29,345,236)
Other gains and losses	(521,307)	-	(521,307)	8,359	(512,948)
Depreciation and amortization	(3,603,847)	-	(3,603,847)	(762,884)	(4,366,731)
<b>OPERATING PROFIT/(LOSS)</b>	<b>(3,268,637)</b>	<b>(6,360,794)</b>	<b>(9,629,431)</b>	<b>(13,128,509)</b>	<b>(22,757,940)</b>
Finance profit/(loss)	(1,477,413)	(56,246)	(1,503,959)	(411,273)	(1,915,232)
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>(4,716,351)</b>	<b>(6,417,040)</b>	<b>(11,133,391)</b>	<b>(13,359,782)</b>	<b>(24,673,172)</b>
Segment assets	159,603,755	7,726,982	167,330,737	45,439,165	212,769,902
Segment liabilities	159,603,755	7,726,982	167,330,737	45,439,165	212,769,902

**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**

**Explanatory notes to the interim consolidated financial statements at June 30, 2024**

20. Information on environmental issues

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

Consequently, there have been no environmental investments during the period comprised between December 31, 2023 and June 30, 2024.

21. Related-party transactions

Group transactions with related parties from December 31, 2023 to June 30, 2024, as well as the nature of the relationship, were as follows:

<u>Related party</u>	<u>Nature of the relationship</u>
Carlota Pi Amorós	Shareholder and Director
Ferran Nogué Collgròs	Shareholder and Director
Oriol Vila Grifoll	Shareholder and Director
Geroa Pentsionak EPSV (*)	Shareholder and Director
Fondo Axon ICT III, FCR	Shareholder
Axon Capital e Inversiones, SGEGR (*)	Director
Elena Gómez del Pozuelo	Director
Enrique Tellado Nogueira (**)	Director
Eduardo Soler Vila (**)	Director

(\*) Members 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.

a) Directors and senior executives

The remuneration earned by the members of the Parent Company's Board of Directors from December 31, 2023 to June 30, 2024 amounts to 425 thousand euros (482 thousand euros at June 30, 2023). Senior executive duties are carried out by the members of the Parent Company's Board of Directors.

At June 30, 2024 and 2023 the Parent Company had no pension plans or life insurance policies for former or current members of the Board of Directors.

At June 30, 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.

At June 30, 2024 director liability insurance premiums for damages arising in the performance of director duties have been paid for an amount of 18 thousand euros (18 thousand euros at June 30, 2023).

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





**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**  
**Explanatory notes to the interim consolidated financial statements at June 30, 2024**

b) Other information

The Group's average headcount from December 31, 2023 to June 30, 2024 and at the closing date of the interim consolidated financial statements (June 30, 2024) by categories, and the breakdown of headcount by gender, are as follows:

Headcount at June 30, 2024:

June 30, 2024				
Professional Category	Number of employees	Headcount		Disabled employees >33%
		Men	Women	
Management team	16	11	5	-
Middle managers and qualified technicians	123	80	43	1
Operations, sales and administrative staff	217	118	99	5
<b>Total</b>	<b>356</b>	<b>209</b>	<b>147</b>	<b>6</b>

Average headcount from January 1, 2024 to June 30, 2024:

June 30, 2024				
Professional Category	Number of employees	Headcount		Disabled employees >33%
		Men	Women	
Management team	16	11	5	-
Middle managers and qualified technicians	135	85	50	1
Operations, sales and administrative staff	257	146	112	6
<b>Total</b>	<b>408</b>	<b>242</b>	<b>167</b>	<b>7</b>

Headcount at December 31, 2023:

December 31, 2023				
Professional Category	Number of employees	Headcount		Disabled employees >33%
		Men	Women	
Management team	15	10	5	-
Middle managers and qualified technicians	152	92	60	1
Operations, sales and administrative staff	296	170	126	7
<b>Total</b>	<b>463</b>	<b>272</b>	<b>191</b>	<b>8</b>

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

December 31, 2023				
Professional Category	Number of employees	Headcount		Disabled employees >33%
		Men	Women	
Management team	38	25	14	2
Middle managers and qualified technicians	299	175	124	2
Operations, sales and administrative staff	271	164	107	6
<b>Total</b>	<b>608</b>	<b>364</b>	<b>245</b>	<b>10</b>

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



## HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES

### Explanatory notes to the interim consolidated financial statements at June 30, 2024

employees.

The fees accrued for the audit services provided by the Group's auditors for the limited review of the interim separate and consolidated financial statements at June 30, 2024 amount to 32 thousand euros (30 thousand euros for the audit of the interim separate and consolidated financial statements at June 30, 2023).

#### 22. Subsequent events

On January 16, 2024 an amendment to model 200 tax return for the year 2022 was submitted to the tax authorities as a result 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 Royal Decree-Law 3/2016. At the date of these interim financial statements are authorized for issue, the estimate of the amendment requested has been received. Consequently, the Parent Company has included the corresponding impact on the deferred tax assets since it is very reasonable to think that the final resolution will be in line with this as no allegations have been presented. 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 reserves has been recorded to give a true and fair view in accordance with the Group's tax policy.

On July 19, 2024, the parent company refinanced the 7-million-euro commercial paper that was due on that date through the issuance of nine new commercial papers under its Green Commercial Paper program on the MARF. The new commercial papers will be amortized through 9 quarterly repayments of increasing amounts until July 2026. 4.6 million euros of which are in the long term.

On September 13, 2024, the Parent Company reached a "Modification, Maintenance, and Other Standstill Measures Agreement in Relation to Certain Financing Instruments" ("Standstill Agreement") with its primary financial creditors, who represent over 94% of the financial liabilities. By means of the Standstill Agreement, whose effects are retroactive to August 1, 2024, the financial institutions have granted the Company a waiting period until December 18, 2024. During this period, the financial institutions and the Parent Company will assess and negotiate the restructuring of the Parent Company's financial debt to strengthen its financial position. To this end, the financial institutions have committed to maintaining the Working Capital Instruments under their existing terms for the aforementioned period. They have also granted a grace period on the principal repayment of their remaining loans for the same duration, and have agreed to implement other measures to support the continuity of the Parent Company's ordinary business activities.



**HOLALUZ-CLIDOM, S.A. and SUBSIDIARIES**

AUTHORIZATION FOR ISSUE BY THE PARENT COMPANY'S MANAGEMENT  
BODY OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE  
PERIOD COMPRISED BETWEEN ENDED DECEMBER 31, 2022 AND June 30, 2024

Pursuant to prevailing legislation, the consolidated financial statements for the period comprised between December 31, 2023 and June 30, 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 consolidated financial statements, which have been drawn up from page 1 to page 65.

Barcelona, October 28, 2024

\_\_\_\_\_  
Ms. Carlota Pi Amorós  
Chair

\_\_\_\_\_  
Mr. Ferran Nogué Collgròs

\_\_\_\_\_  
Mr. Oriol Vila Grifoll

\_\_\_\_\_  
Mr. Eduardo Soler Vila

\_\_\_\_\_  
Ms. Elena Gómez del Pozuelo