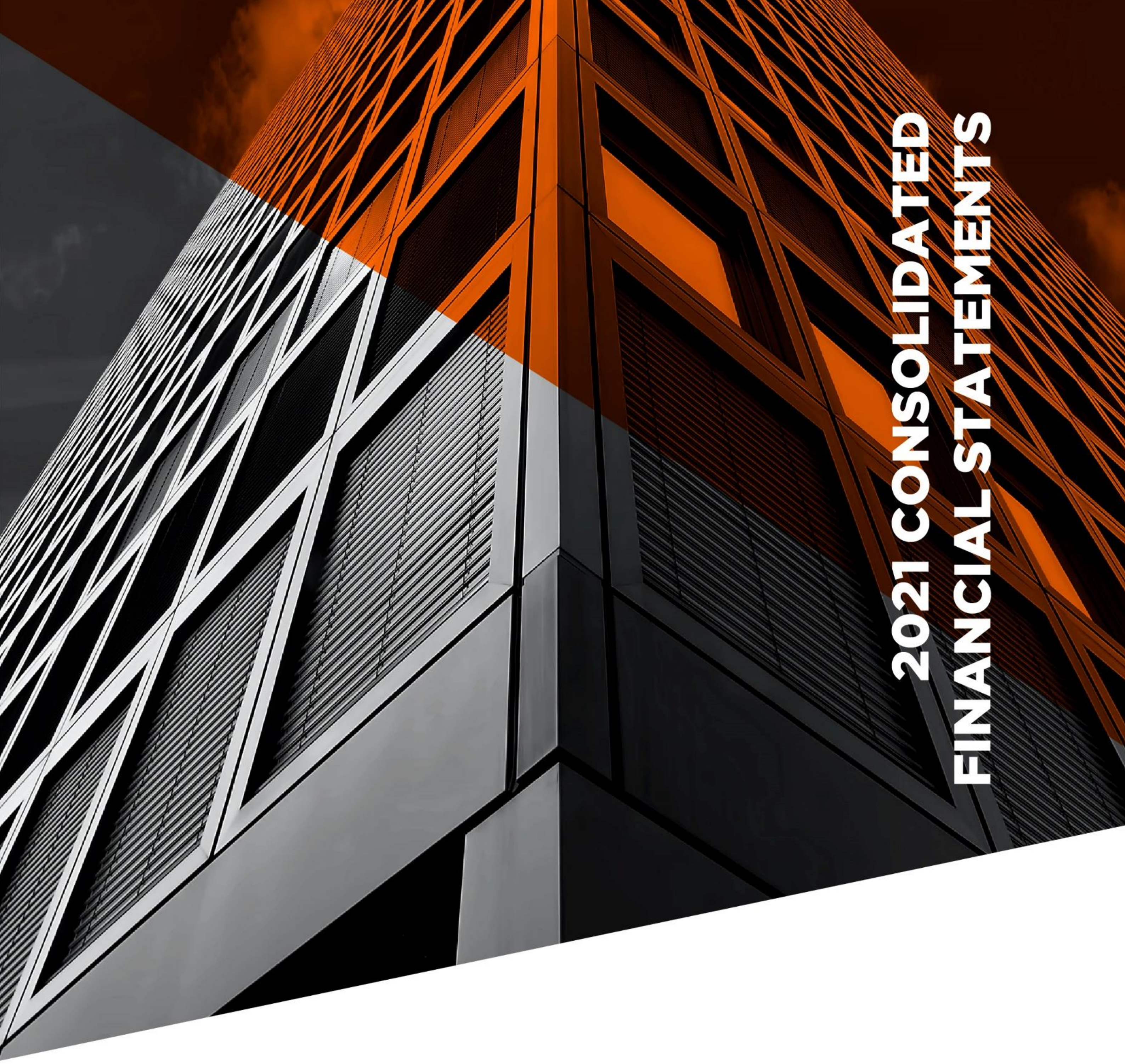

2021 CONSOLIDATED FINANCIAL STATEMENTS

Soltec

SOLTEC POWER HOLDINGS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

		Thousands of euros				Thousands of euros	
ASSETS	Notes [1]	31.12.2021	31.12.2020	SHAREHOLDERS' EQUITY AND LIABILITIES	Notes [1]	31.12.2021	31.12.2020
NON-CURRENT ASSETS				**EQUITY**	**12**		
Intangible assets	**6**	**19.448**	**13.393**	**Capital and reserves**			
Development		4.492	2.800	Share capital		22.847	22.847
Other intangible assets		14.956	10.593	Share premium		143.472	143.472
Property, plant and equipment	**7**	**92.176**	**8.486**	Reserves		(6.646)	(6.816)
Land and buildings		3.620	3.442	(Own shares)		(4.632)	-
Plant and other property, plant and equipment		5.204	5.044	Loss attributed to the Parent		(1.125)	(4.918)
Fixed assets in progress		83.352	-	Exchange rate differences		(6.884)	(12.116)
Right of use	**8**	**16.740**	**16.464**	**Equity attributed to the Parent**		**147.032**	**142.469**
Long-term investments in Group companies and associates	**9**	**26.030**	**5.308**	**Non-controlling interests**		**(52)**	**(8)**
Investments in companies accounted for using the equity method		23.297	4.101	**Total equity**		**146.980**	**142.461**
Loans to companies accounted for using the equity method		2.733	1.207				
Non-current financial assets	**10**	**7.707**	**5.128**	**NON-CURRENT LIABILITIES**			
Deferred tax assets	**14**	**21.959**	**13.788**	**Non-current financial liabilities**	**10**	**16.158**	**19.414**
Total non-current assets		**184.060**	**62.567**	**Non-current provisions**	**13**	**2.884**	**2.367**
				Deferred tax liabilities	**14**	**1.269**	**1.595**
				Total non-current liabilities		**20.311**	**23.376**
CURRENT ASSETS							
Non-current assets held for sale	**5.5**	**-**	**18.583**				
Inventories	**11**	**70.853**	**22.883**	**CURRENT LIABILITIES**			
Receivables and other current assets	**10**	**155.380**	**65.139**	**Liabilities associated with non-current assets held for sale**	**5.5**	**-**	**4.646**
Customer receivables for sales and services		154.611	64.004	**Current financial liabilities**	**10**	**98.285**	**96.988**
Sundry debtors		769	1.135	Current bank borrowings		92.781	85.889
Receivables from public administrations	**14**	**17.081**	**12.255**	Other current financial liabilities		3.744	10.741
Current tax assets		790	1.717	Derivatives		1.760	358
Other receivables from public administrations		16.291	10.538	**Trade and other payables**	**10**	**205.015**	**40.127**
Short-term investments in Group companies and associates	**9.2**	**1.034**	**143**	Suppliers		159.621	33.117
Current financial assets	**10**	**6.337**	**2.155**	Other accounts payable		45.394	7.010
Derivatives		1.427	2.039	**Payables to public administrations**	**14**	**4.809**	**1.721**
Other financial assets		4.910	116	Current tax liabilities		104	123
Other current assets	**10**	**6.026**	**1.963**	Other debts with public administrations		4.705	1.598
Cash and cash equivalents		**36.180**	**125.748**	**Current provisions**	**13**	**1.551**	**2.117**
Total current assets		**292.891**	**248.869**	**Total current liabilities**		**309.660**	**145.599**
TOTAL ASSETS		**476.951**	**311.436**	**TOTAL EQUITY AND LIABILITIES**		**476.951**	**311.436**

(1) Notes 1 to 19, together with Appendices I, II and III, form an integral part of the consolidated statement of financial position at 31 December 2021.

SOLTEC POWER HOLDINGS, S.A. AND SUBSIDIARIES

Consolidated income statement for the year ended 31 December 2021

	Notes (1)	Thousands of euros 2021	2020
Revenue	**16**	346.514	235.646
Changes in inventories of finished and semi-finished products		7.118	559
Other operating income	**16**	3.398	2.598
Works performed by the Group for its assets	**6 and 7**	72.173	3.445
Supplies	**16**	(298.747)	(180.973)
Personnel expenses	**16**	(50.129)	(36.429)
Other operating expenses	**16**	(105.827)	(45.883)
Depreciation and amortisation of fixed assets	**6,7,8**	(3.724)	(3.712)
Losses on disposals of fixed assets and others		(52)	(644)
Result due to loss of control over SPVs	**5.5**	17.801	7.376
Other profit/loss		(1.947)	442
OPERATING LOSS		**(13.422)**	**(17.575)**
Financial income		246	6.550
Financial expenses	**16**	(5.132)	(6.412)
Changes in fair value of financial instruments	**9.1 and 10.3**	17.076	10.288
Net exchange rate differences		(4.770)	(3.272)
Loss of net monetary position	**2.4**	454	(310)
FINANCIAL PROFIT		**7.874**	**6.844**
Share in profits (losses) of companies accounted for using the equity method	**9**	**42**	**(39)**
LOSS BEFORE TAX		**(5.506)**	**(10.770)**
Income tax		4.339	5.842
CONSOLIDATED LOSS FOR THE YEAR		**(1.167)**	**(4.928)**
Loss attributed to the Parent		(1.125)	(4.918)
Loss attributed to non-controlling interests		(42)	(10)
Profit/loss per share (in euros):			
Basic profit/loss per share	**18**	(0,012)	(0,075)
Diluted profit/loss per share	**18**	(0,012)	(0,075)

(1) Notes 1 to 19, together with Appendices I, II and III, form an integral part of the consolidated income statement for the year ended 31 December 2021.

SOLTEC POWER HOLDINGS, S.A. AND SUBSIDIARIES

Consolidated statement of comprehensive income for the year ended 31 December 2021

	Notes (1)	Thousands of euros 2021	2020
CONSOLIDATED LOSS FOR THE YEAR (I)		**(1.167)**	**(4.928)**
Items that cannot be reclassified into profit/loss for the financial year		**-**	**-**
Items that can be reclassified into profit/loss for the financial year		**5.232**	**(12.479)**
- Translation differences	**12.5**	5.232	(12.479)
OTHER CONSOLIDATED COMPREHENSIVE INCOME/LOSS (II)		**5.232**	**(12.479)**
TOTAL CONSOLIDATED COMPREHENSIVE INCOME/LOSS (I+II)		**4.065**	**(17.407)**
Total comprehensive income/loss attributed to the Parent		4.107	(17.397)
Total comprehensive loss attributed to non-controlling interests		(42)	(10)

(1) Notes 1 to 19, together with Appendices I, II and III, form an integral part of the consolidated statement of comprehensive income for the year ended 31 December 2021.

SOLTEC POWER HOLDINGS, S.A. AND SUBSIDIARIES

Consolidated statement of changes in equity for the year ended 31 December 2021

	Thousands of euros							
	Share capital	Share premium	Reserves	Own shares	Loss attributed to the Parent	Exchange rate differences	Non-controlling interests	TOTAL
2020 INITIAL BALANCE	**15.060**	**1.259**	**(39)**	**-**	**1.338**	**363**	**1**	**17.982**
Total consolidated comprehensive income/loss for the period	**-**		**-**		**(4.918)**	**(12.479)**	**(10)**	**(17.407)**
Transactions with shareholders or owners	**7.787**	**142.213**	**(8.033)**	**-**	**-**	**-**	**-**	**141.967**
Capital increase (Note 12.1)	7.787	142.213	(8.086)	-	-	-	-	141.914
Other transactions with shareholders or owners	-	-	53	-	-	-	-	53
Other changes in equity	**-**	**-**	**1.256**	**-**	**(1.338)**	**-**	**1**	**(81)**
Distribution of attributed loss	-	-	1.338	-	(1.338)	-	-	-
Other changes	-	-	(82)	-	-	-	1	(81)
2020 FINAL BALANCE	**22.847**	**143.472**	**(6.816)**	**-**	**(4.918)**	**(12.116)**	**(8)**	**142.461**
Total consolidated comprehensive income/loss for the period	**-**		**-**	**-**	**(1.125)**	**5.232**	**(42)**	**4.065**
Transactions with shareholders or owners	**-**	**-**	**2.982**	**(4.632)**	**-**	**-**	**-**	**(1.650)**
Transactions with shares of the Parent (Note 12.3)	-	-	(25)	(4.632)	-	-	-	(4.657)
Recognition of share-based payments (note 17.2)	-	-	3.007	-	-	-	-	3.007
Other changes in equity	**-**	**-**	**(2.812)**	**-**	**4.918**	**-**	**(2)**	**2.104**
Distribution of attributed loss	-	-	(4.918)	-	4.918	-	-	-
Other changes	-	-	2.106	-	-	-	(2)	2.104
2021 FINAL BALANCE	**22.847**	**143.472**	**(6.646)**	**(4.632)**	**(1.125)**	**(6.884)**	**(52)**	**146.980**

Notes 1 to 19, together with Appendices I, II and III, form an integral part of the statement of changes in consolidated equity for the year ended 31 December 2021.

SOLTEC POWER HOLDINGS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

		Thousands of euros	
	Notes (1)	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES (I)		**17.124**	**(34.109)**
Loss for the year before tax		**(5.506)**	**(10.770)**
Adjustments to profit/loss		**(14.171)**	**(6.353)**
Depreciation and amortisation of fixed assets	6, 7 and 8	3.724	3.712
Losses, impairment and changes in provisions for commercial operations		184	4.448
Losses on disposals of fixed assets and others	6	52	644
Financial income		(246)	(6.550)
Financial expenses		5.132	6.412
Exchange rate differences		(2.310)	(3.626)
Changes in the fair value of financial instruments	9.1 and 10.3	(17.076)	(10.288)
Other income and expenses		(3.589)	(1.144)
Share of losses of companies accounted for using the equity method, net of dividends		(42)	39
Changes in working capital		**39.140**	**(10.969)**
Inventories		(48.756)	1.013
Trade and other receivables		(92.756)	47.497
Trade and other payables		166.731	(62.319)
Other assets and liabilities		13.921	2.840
Other cash flows from operating activities		**(2.339)**	**(6.017)**
Interest paid		(3.389)	(5.413)
Interest collected		246	116
Income tax received/(paid)		804	(720)
CASH FLOWS FROM INVESTING ACTIVITIES (II)		**(101.197)**	**(6.884)**
Payments for investments		**(111.200)**	**(14.981)**
Property, plant and equipment and intangible assets	6 and 7	(95.537)	(7.538)
Associates		(6.693)	(1.980)
Other financial assets		(8.970)	(5.463)
Proceeds from disposals		**10.003**	**8.097**
Property, plant and equipment and intangible assets	6 and 7	5.675	-
Associates		143	-
Other financial assets		4.185	8.097
CASH FLOWS FROM FINANCING ACTIVITIES (III)		**(5.891)**	**141.051**
Proceeds from and (payments) on equity instruments		**(4.657)**	**139.386**
Issuance of equity instruments	12.1	-	139.386
Acquisition of own equity instruments	12.3	(4.657)	-
Proceeds from and (payments) on financial liability instruments		**(1.234)**	**1.665**
Advance payments for the sale of SPVs	5.6	-	3.174
Issuance	10.2	11.407	7.789
Repayment and amortisation		(12.641)	(9.298)
EFFECT OF EXCHANGE RATE VARIATIONS (IV)		**396**	**(245)**
NET INCREASE/(DECREASE) OF CASH AND CASH EQUIVALENTS (I+II+III+IV)		**(89.568)**	**99.813**
Cash and cash equivalents at start of period		**125.748**	**25.935**
Cash and cash equivalents at end of period		**36.180**	**125.748**

(1) Notes 1 to 19, together with Appendices I, II and III, form an integral part of the consolidated statement of cash flows for the year ended 31 December 2021.

Soltec Power Holdings, S.A. and subsidiaries

Consolidated notes to the financial statements for the year ended 31 December 2021

1 General information

Soltec Power Holdings, S.A. (hereinafter, the "Parent") and subsidiaries (hereinafter, the "Group") form a consolidated group of companies operating in the renewable energy sector, particularly in the photovoltaic sector.

The Parent was formed in Murcia (Spain) on 2 December 2019, in accordance with the Spanish Limited Liability Companies Law for an indefinite period. Its registered office is at Calle Gabriel Campillo, Polígono Industrial La Serreta, s/n 30500, Molina de Segura (Murcia), where its main facilities are located. The Group also operates at facilities located in Brazil, Chile, the United States, Peru, Mexico, Argentina, Australia, India, Italy, France, China, Colombia, the United Arab Emirates and Denmark.

In accordance with its Articles of Association, the Parent's corporate purpose is:

a) The execution of all kinds of activities, works and services related to the business of promotion, development, construction and maintenance of electricity generating plants, including the manufacture, supply, installation and assembly of industrial equipment and other installations for such plants.

b) Providing assistance or support services to investee companies or those within the scope of the business group, for which purpose it may provide, in their favour, the financing, guarantees and consolidations that may be appropriate.

c) The management and administration of securities representing the equity of companies that are resident and non-resident in Spain through the appropriate organization of personal and material means, provided this activity does not fall in the scope of collective investment as defined in the appropriate legislation.

At 31 December 2021, the Group was formed by two subgroups whose parent companies, Soltec Energías Renovables, S.L.U. and Powertis, S.A.U. (see note 4), head various subsidiaries, which make up the scope of the Soltec Group. The information regarding the subsidiaries that form part of the scope of consolidation and the companies over which significant influence is exercised is described in Appendices I and II, respectively, that accompany these consolidated financial statements.

On 28 October 2020, the Parent's shares were admitted to trading on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges, as explained in note 12.1.

2 Significant accounting policies

2.1 Basis of presentation

The regulatory financial reporting framework applicable to the Group is that set out in:

- Commercial Code and other commercial legislation.

- International Financial Reporting Standards (IFRS) adopted by the European Union in accordance with the provisions of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and by Law 62/2003, of 30 December, on tax, administrative and social measures, as well as the applicable rules and circulars of the National Securities Market Commission.

- All other applicable Spanish accounting legislation.

Note 2.6 summarises the most significant accounting principles and measurement bases applied in the preparation of these consolidated financial statements.

These consolidated financial statements are presented in thousands of euros, except where otherwise indicated.

2.2 Fair presentation

These consolidated financial statements have been obtained from the accounting records of the Parent and its subsidiaries and are presented in accordance with the financial reporting regulatory framework applicable to it and, in particular, the accounting principles and criteria contained therein, so that they present fairly the Group's equity, financial position, results and cash flows during the corresponding year.

These consolidated financial statements were prepared by the Parent's directors at their meeting on 22 March 2022. Likewise, they will be submitted for approval by the General Shareholders' Meeting, and it is considered that they will be approved without any changes.

The Group's consolidated financial statements for 2020 were prepared by the Parent's Board of Directors on 24 March 2021 and were subsequently approved by the Parent's General Shareholders' Meeting on 24 June 2021.

The individual financial statements of the other companies comprising the Group for 2020, prepared by their corresponding directors, were approved by the corresponding General Shareholders' Meetings within the deadlines established by the applicable legislation.

In particular, the going concern principle has been applied in the preparation of these consolidated financial statements since, in the opinion of the Group's directors, there are no significant doubts regarding the continuity of its activities, at least during the next twelve months. Likewise, the Group's directors have not taken, nor do they have in mind, any decision that could significantly alter the carrying amount of the assets and liabilities, or the term over which the assets will be realised or the liabilities will be settled (see note 3.3).

2.3 Implementation of new standards

The standards, amendments and interpretations with the date of entry into force for all years beginning on 1 January 2021 under IFRS-EU, applied by the Group are as follows:

New standards, amendments and interpretations		Mandatory for annual periods beginning on or after
Approved for use in the European Union:		
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Reference interest rate reform – Phase 2	This reform modifies specific hedge accounting requirements so that entities would apply those hedge accounting requirements assuming that the benchmark interest rate is not altered as a result of the benchmark interest rate reform.	1 January 2021
Amendments to IFRS 4 Deferral of the application of IFRS 9	Deferral of the application of IFRS 9 until 2023	1 January 2021
Amendments to IFRS 16 Leases - Rent Improvements.	Modification to make it easier for tenants to account for COVID-19-related leasehold improvements.	1 April 2021

These rules and amendments have not had a significant impact.

All accounting principles or measurement bases that have a material effect on the consolidated financial statements were applied.

At the date of preparation of these consolidated financial statements, the following standards and interpretations had been issued by the IASB but had not yet come into force, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union:

New standards, amendments and interpretations		Mandatory for annual periods beginning on or after
Not approved for use in the European Union (date of first application according to IASB).		
Amendment to IFRS 3 Reference to the Conceptual Framework.	IFRS 3 is updated to align the definitions of assets and liabilities in a business combination with those contained in the conceptual framework.	1 January 2022 (1)
Amendment to IFRS 16 Income earned before intended use.	The amendment prohibits reducing from the cost of an item of property, plant and equipment any revenue from the sale of items produced while the entity is preparing the asset for its intended use.	1 January 2022 (1)
Amendments to IAS 37 Onerous contracts - Cost of fulfilling a contract.	The modification explains that the direct cost of fulfilling a contract comprises the incremental costs of fulfilling said agreement and an allocation of other costs that relate directly to the performance of the contract.	1 January 2022 (1)
Improvements to IFRS Cycle 2018 - 2020.	Minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.	1 January 2022 (1)
Modification to IAS 1 Classification of liabilities as current or non-current.	Clarifications regarding the presentation of liabilities as current or non-current.	1 January 2023
Amendment to IAS 1 Breakdown of accounting policies.	Amendments that enable entities to properly identify material accounting policy information that should be disclosed in the financial statements.	1 January 2023(1)
Amendment to IAS 8 Definition of accounting estimates.	Modifications and clarifications on what should be understood as a change in an accounting estimate.	1 January 2023(1)
Amendment to IAS 12 Deferred tax related to assets and liabilities arising from a single transaction.	Clarifications on how entities should record deferred tax arising on transactions such as leases and decommissioning obligations.	1 January 2023
IFRS 17 Insurance contracts and their amendments	Replaces IFRS 4 and includes the recognition, measurement, presentation and disclosure requirements for insurance contracts, so that entities provide relevant and reliable information allowing users of the financial information to determine the effect that the insurance contracts have on the financial statements.	1 January 2023(1)

(1) Already approved for their application in the European Union.

For the standards that have not yet been endorsed by the European Union, the Group is carrying out a preliminary assessment of the impact that the future application of these standards could have on the consolidated financial statements once they are endorsed by the European Union. To date, the Group does not expect these impacts to be significant.

2.4 Functional and presentation currency

The items of each of the Group companies included in the consolidated financial statements are measured and reported using the currency of the main economic environment in which the Parent operates (functional currency of the Group's Parent).

The consolidated financial statements of the Group are presented in euros, which is the functional and presentation currency of the Parent. Transactions in currencies other than the functional currency are considered to be foreign currency transactions (see note 2.6.i) and the detail of the functional currency of each country is attached in Appendix I. Each of the companies that make up the Group presents as currency the functional currency of the country in which it operates.

In determining the functional currency in each of the subsidiaries, the directors of the Parent consider the main economic environment in which they operate, generate and use cash. In this regard, to determine the functional currency, the Group considers the following factors:

- the currency that fundamentally influences the sale prices of supply and installation; and,
- the currency that fundamentally influences the costs of labour, materials and other costs of producing goods or providing services;

In this way, given the variability of the currency that influences the sale prices of supply and installation at each of the subsidiaries depending on the type of customer and contract, it is considered that the currency that fundamentally influences the costs is the currency of reference to determine the functional currency, which results in the functional currency being that of the country in which each Group company operates.

The Group has a subsidiary in Argentina, Soltec Argentina SRL, which became part of the Group in 2018. The economic environment in Argentina, especially the accumulated inflation of the last three years, which exceeds 100%, means that, on a retroactive basis from 1 January 2018, the economy of that country was considered to be hyperinflationary on 1 July 2018. Consequently, the directors of the Parent have revised their policy for presenting the equity effects of the hyperinflation situation, recording a gain in the consolidated income statement for 2021 of 454 thousand euros under the heading "Net monetary position loss" in the consolidated income statement (a loss of 310 thousand euros in 2020). In this regard, this gain comes from the recording of profit of 55 thousand euros for the gain on the net monetary position of the items in the statement of financial position, as well as a positive amount of 399 thousand euros as a result of the restatement of the income statement (loss of 13 thousand euros and loss of 297 thousand euros in 2020, respectively).

2.5 Comparison of information

The information contained in the consolidated financial statements for 2020 is presented solely and exclusively for comparison with the information relating to the year ended 31 December 2021.

2.6 Significant estimates and judgments

When applying the Group's accounting policies, described in note 2.6, the directors have to make use of value judgments, estimates and assumptions about the carrying amount of assets and liabilities that cannot be determined directly using other sources. The related estimates and assumptions are based on experience and other factors considered relevant. Final results could differ from these estimates.

The underlying estimates and assumptions are reviewed on an ongoing basis. The impacts of revisions of accounting estimates are recognised in the period in which the estimate is revised if it affects only that period or in the period of revision and future periods, if the revision affects both the current period and future periods.

The main criteria and estimates used by the directors when applying the Group's accounting policies are presented below:

- Determination of control transmission in the sale of SPVs (see note 2.6.a)
- Useful life of intangible assets and property, plant and equipment (see notes 2.6.b and c).
- Evaluation of possible losses due to impairment of certain assets such as intangible assets, property, plant and equipment (see note 2.6.d).
- Lease period (see note 2.6.e).
- Calculation of the allocation to the provision for the customer portfolio (see note 2.6.f).
- Recoverability of deferred tax assets (see note 2.6.j.).
- Measuring progress in revenue recognition (see note 2.6.k).
- Calculation of certain provisions: provision of guarantees and completion of projects (see note 2.6.m).
- Consideration of business or asset in the acquisitions of special purpose vehicles (SPVs) (see note 2.6.p).
- The registration and valuation of share-based payment plans have been used (see note 2.6.q).
- The tax rate applicable to temporary differences (see note 14).
- Financial risk management and, in particular, liquidity risk (see note 3.3).
- The estimation and analysis of the main effects of COVID-19 (see note 3).

Determination of control transmission in the sale of SPVs

The directors of the Parent, as detailed in note 2.6.a, evaluate the moment of transmission of the SPVs in the sale operations as the moment in which control has been transferred and is no longer exposed to variable returns from the SPV.

In this way, the transfer of the SPV is not recorded until the address of the administrative body is lost, the transfer of the shares is made public, it is no longer exposed to their variable returns and all the cancellation clauses are met that make it impossible to reverse the transaction or replace the SPV sold.

Useful life of intangible assets and property, plant and equipment.

As indicated in notes 2.6. b and c, the Group estimates the useful lives of intangible assets and items of property, plant and equipment at the end of each year. In preparing the consolidated financial statements, the directors have determined that the useful lives were correctly estimated and no changes have been made to them.

Evaluation of possible losses due to impairment of certain assets such as intangible assets and property, plant and equipment.

Impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount (the latter being the higher of fair value less costs to sell and value in use). The calculation of fair value, less costs to sell, is based on the data available on sales transactions carried out at prevailing market prices for similar assets or at observable market prices less the incremental costs of disposal of the asset. The calculation of value in use is based on a discounted cash flow model. The cash flows are obtained from the budget for the next five years and do not include restructuring activities to which the Group has not yet committed, nor significant future investments to improve the profitability of the assets of the cash-generating unit under analysis. The recoverable amount is highly sensitive to the discount rate used in the discounted cash flow model, as well as to the expected inflow of future cash flows and the growth rate used for extrapolation purposes.

In 2021, the Group has made a significant investment in certain projects located in Brazil that began in 2020 when intangible assets corresponding to permits, licenses and concessions (PLCs) were acquired and generated internally (see notes 6 and 7) .

The test to determine the loss of value is based on the discount of future cash flows, using discount rates in line with those used in the sector. Future cash flows are based on the Group's forecasts and, therefore, imply a value judgement. The recovery of the value of intangible assets is considered to have been guaranteed in the current and forecast context. Future events could cause an impairment in the value of these assets that would have a negative effect on the Group's results.

Lease period

The lease period is the non-cancellable period of the lease, plus (i) the periods covered by a lease extension option, provided there is reasonable certainty that it will be exercised; and (ii) the periods covered by an option to cancel the lease, provided that there is reasonable certainty not to exercise it.

The directors of the Parent consider that the evaluation of the lease period is a critical estimate and a key piece of information for calculating the amount of the lease liability. This is because the lease period determines which lease payments are included in the measurement of the lease liability. Therefore, when determining the lease period, the Parent's directors consider all the relevant facts and circumstances that generate an economic incentive to exercise or waive renewal and early cancellation options.

The Parent's directors regularly review the lease period in case there is any change.

Calculation of the allocation to the provision for the customer portfolio.

The Group estimates the allocation to the provision for the customer portfolio, based on the expected loss criterion, calculated fundamentally through historical experience by product segments and geographies adjusted, where appropriate, for expected future performance based on the macroeconomic and sectoral circumstances.

Recoverability of deferred tax assets

The Group assesses the recoverability of deferred tax assets based on estimates of future taxable profits. The recoverability of deferred tax assets ultimately depends on the ability of the subsidiaries where they have been generated to obtain sufficient profits subject to taxation during the periods in which these deferred taxes are deductible. Changes in future tax rates or in the expectation of generating taxable profit to recover the carrying amount of deferred tax assets may result in changes in the amount of deferred tax assets recognised. The Group, in any case, considers those deferred tax assets that are recovered within a reasonable period of time, in any case, always less than 10 years, to be recoverable.

Measuring progress in revenue recognition

Revenue from service provision contracts is recognised in accordance with the applicable accounting standard IFRS 15 and is estimated using the percentage of completion method for contracts where the result of the contract can be reliably estimated and it is likely that it will generate profits. When the result of a contract cannot be estimated reliably, the contract revenue is recognised only up to the limit of that with respect to which it is highly probable that it will not lead to a significant reversal of said revenue in the future.

The degree of completion is determined based on the tasks performed under the contract at the date of the consolidated statement of financial position, as a percentage of the total estimated tasks, as well as the monetary valuation of each task or group of tasks for each contract. The Parent's directors, in applying the percentage of completion method, make estimates in relation to the total estimated tasks, provisions, period of execution and recovery of claims related to the contract.

Calculation of certain provisions: provision of warranty and completion of projects.

As described in note 2.6 m, the Group records provisions of a different nature that require estimates by the directors. In this regard, said provisions basically correspond to the provision for warranties and project completion.

The analysis of the guarantees granted in the supply and/or provision of goods and services, as well as the analysis of potential deviations with a view to the completion of a project, requires a complex judgment to estimate the facts and circumstances (existing defects, lack of compliance, improper functioning, etc.) that may occur and, as a result of said events and circumstances, the degree of probability of an outflow of resources, giving rise to the recognition of a provision in the Group's consolidated financial statements.

Business or asset consideration in acquisitions of SPVs

Under the new definition of business contained in IFRS 3, in the acquisition of SPVs from third parties, to determine if the acquired SPV constitutes a business and therefore within the scope of application of IFRS 3, the Parent's directors evaluate whether the integrated set of activities and assets acquired has some input and at least one substantive process that, together, contributes significantly to the SPVs ability to generate some output. Otherwise, said acquisition is considered to be an asset purchase.

Employee share-based payment plans

The Group, at the time of granting a share option, evaluates the determining factors to apply IFRS 2 "Share-based payments", to determine its fair value at the time of grant, as well as the moment in which to recognise the goods or services received or acquired as a result of said operation.

The tax rate applicable to temporary differences

As described throughout these financial statements and described in note 14, the Group has subsidiaries subject to taxation throughout the world and subject to different jurisdictions. In this context, and in order to calculate the temporary differences that appear under the heading "Deferred tax assets", the Parent's directors apply estimates based on the tax rate by which said temporary differences will be recovered, considering, in addition, the different jurisdictions in which it operates.

Financial risk management and, in particular, liquidity risk

As described in note 3.3., at the end of the financial year, the Parent's directors established a cash budget that allows them, based on their best estimates, to estimate the cash for the following year and therefore mitigate or minimise the Group's liquidity risk. In this regard, and to establish said treasury budget, various estimates are considered with a high degree of uncertainty, also taking into account the current situation of global politics and the economy affected by both the COVID-19 pandemic and the recent armed conflict described in the note 19.

The estimation and analysis of the main effects of COVID-19

As described in note 3, the Company's directors performed an assessment with the best information available on the economic, social and employment impacts of COVID-19 on the Group to date, analysing the effects and possible consequences in 2022, despite the current uncertainty as to its consequences.

2.7 Measurement bases

2.6.a Consolidation principles: subsidiaries and associates

i. Subsidiaries

The consolidated Group is made up of the Parent and those companies controlled by it. Control exists when the Parent:

- Has power over the investee;
- is exposed or has rights to variable returns from its involvement with the investee (it substantially bears the risks and rewards); and
- has the ability to use its power over the investee to influence the amount of the investor's returns.

The Parent evaluates whether it controls an investee when the facts and circumstances indicate the existence of changes in one or more of the three elements listed above.

When the Parent has less than a majority of the voting rights of an investee, it is considered to have power over the investee when the voting rights are sufficient to give it the ability to direct the relevant activities of the investee unilaterally and it is subject to the risks and benefits of the activity in a substantial way. At 31 December 2021, this circumstance does not occur in any of the shares owned by the Group over which it has control (same situation at 31 December 2020). The Parent considers all the facts and circumstances to assess whether the Parent's voting rights in an investee are sufficient to grant it power, including:

- the voting rights held by the Parent in relation to the amount and dispersion of those held by other vote holders;
- the potential voting rights held by the Parent, other vote holders or other parties;
- rights arising from other agreements; and
- any additional facts and circumstances that indicate that the Parent has, or does not, have the current capacity to direct the significant activities at the time when those decisions need to be made, including voting patterns at previous shareholders' meetings.

The consolidation of a subsidiary begins when the Parent acquires control of the subsidiary. In this regard, in the case of companies acquired from third parties, in addition to the above circumstances, control is considered to be acquired when all cancellation clauses established in the purchase contract have been met and therefore it is not possible to reverse the transaction. Likewise, the consolidation of a subsidiary is excluded on the date on which control thereover ceases and, also, all the cancellation clauses established in the purchase agreement have been complied with in such a way that substantially all the risks and benefits associated with it are transferred.

Subsidiaries are fully consolidated. This method requires the following:

1. **temporary homogenisation**. The consolidated financial statements are established on the same date and in the same period as the financial statements of the company bound to consolidate. Companies whose year-end is different from the company bound to consolidate are included through interim accounts referring to the same date and the same period as the consolidated financial statements.

   When a company becomes part of the Group or leaves it, the results, changes in equity and individual cash flows to be included in consolidation must relate only to the part of the year in which said company formed part of the Group.

2. **Valuation homogenisation**. Assets and liabilities, income and expenses and other items in the consolidated financial statements of the Group companies have been valued using uniform methods. Those elements of assets or liabilities, or those items of income or expenses that have been valued according to criteria that are not uniform with respect to those applied in consolidation, have been measured again, making the necessary adjustments, for the sole purposes of consolidation.

3. **Aggregation**. The different items of the previously homogenised individual financial statements are aggregated according to their nature.

4. **Elimination of investment-equity**. The accounting values representing the equity instruments of the subsidiary held, directly or indirectly, by the Parent, are offset against the proportional part of the equity items of the aforementioned subsidiary attributable to said holdings, generally on the basis of the values resulting from applying the acquisition method. In consolidations subsequent to the year in which control was acquired, the excess or shortfall in equity generated by the subsidiary from the date of acquisition that is attributable to the Parent is presented in the consolidated statement of financial position within reserves or other comprehensive income, depending on its nature. The portion attributable to non-controlling interests is included in the Non-controlling interests heading.

   Changes in the ownership interest of a subsidiary that do not give rise to a loss of control will be accounted for as equity transactions, that is, any difference will be recognised directly in equity.

5. **Non-controlling interests**. The valuation of non-controlling interests is carried out based on their effective participation in the equity of the subsidiary once the previous adjustments have been incorporated. Consolidation goodwill is not attributed to non-controlling interests. The excess between the losses attributable to the non-controlling interests of a subsidiary and the part of equity that proportionally corresponds to them is attributed to them, even when this implies a receivable balance in said item.

6. **Eliminations of intragroup items**. Credits and debts, income and expenses and cash flows between Group companies are eliminated in full. Likewise, all the results produced by internal operations are eliminated and deferred until they are carried out with third parties outside the Group.

The companies that form part of the scope of consolidation of these consolidated financial statements, as well as their main characteristics, are detailed in Appendix I to the consolidated financial statements.

ii. Associates

An associate is an entity over which the Group has significant influence and which cannot be considered to be subsidiary or an investee through a joint venture. Significant influence is the power to intervene in decisions on the financial and operating policies of the investee, without having absolute control or joint control over it.

The results, assets and liabilities of associates are included in these consolidated financial statements using the equity method.

When the equity method is applied for the first time, the stake in the company is measured at the amount that the percentage of investment of the Group companies represents over the equity of the former, once its net assets have been adjusted to their fair value. at the date of acquisition of significant influence. In general, the investment in an associate is initially measured at cost. The carrying amount of the holding is modified (increases or decreases) in the proportion corresponding to the Group companies, due to the variations experienced in the equity of the investee since the initial valuation, once the proportion of unrealised results has been eliminated. generated in transactions between said company and the Group companies.

The variations in the value of the holding corresponding to the results of the year of the investee form part of the consolidated results, and are posted under "Share in profit/(loss) from investments accounted for using the equity method". However, if the associate incurs losses, the reduction of the representative account of the investment will be limited by the carrying amount itself of the holding. If the interest has been reduced to zero, the additional losses and the corresponding liability will be recognised to the extent that legal or contractual obligations have been incurred, or if the Group has made payments on behalf of the investee company.

The difference between the carrying amount of the holding in the individual financial statements and the amount mentioned in the previous paragraph constitutes goodwill that is included in the item "Investments accounted for using the equity method". In the exceptional case that the difference between the amount at which the investment is accounted for in the individual financial statements and the proportional part of the fair value of the company's net assets is negative, said difference is recorded in the consolidated income statement, after having reassessed the allocation of fair values to the assets and liabilities of the associate.

The criteria of IAS 36 "Impairment of assets" are applied to determine whether it is necessary to recognise any impairment loss in relation to the Group's interest in an associate. Where appropriate, the total carrying amount of the investment (including goodwill) will be tested for impairment as a single asset, comparing its recoverable amount (the higher of value in use and fair value less costs of sale) with its carrying amount. Any impairment loss that has been recognised forms part of the carrying amount of the interest. Reversals of this impairment loss are recognised in accordance with IAS 36, to the extent that the recoverable amount of the investment is subsequently increased.

If the disposal of an associate entails the loss of the status of associate, any percentage of the remaining holding will be measured at its fair value on the date of disposal, and fair value will be understood to be that recorded at the time of initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the interest held and its fair value is included in the calculation of the gain or loss derived from the disposal of the associate. Additionally, all amounts previously recognised in the consolidated statement of comprehensive income in relation to that associate are accounted for by the Group in accordance with the same criteria as if said associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in the consolidated statement of comprehensive income is reclassified to the consolidated income statement as a result of the sale of the related assets or liabilities, the Group will reclassify the equity gain or loss to the consolidated income statement (as a reclassification adjustment) when it loses associate status.

The Group will continue to use the equity method when the investment in the associate becomes an investment in a joint venture. There is no revaluation at fair value for these changes in the holding.

When there is a reduction in the holding in the associate, but without the loss of said status, the new investment is measured at the amounts that correspond to the percentage of the retained holding, reclassifying the proportion of the recognised loss or gain in the consolidated income statement under other comprehensive income related to the reduction of the interest if the gain or loss had been reclassified to the consolidated income statement upon the disposal of said assets or liabilities.

When a Group company carries out operations with its associate, the gains and losses resulting from the operations with said company are recognised in the Group's consolidated financial statements only to the extent of the interests in the associate not related to the Group.

Appendix II details the subsidiaries that the Group has classified as associates at 31 December 2021 and 31 December 2020. In this regard, the Parent's directors consider that it does not exercise control, but has a significant influence over the investees indicated in said Appendix as a result of the events indicated in note 5.5.

2.6.b Intangible assets

As a general rule, intangible assets are initially carried at acquisition price or production cost. It is subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses, in accordance with the criteria mentioned in note 2.6.d.

1. Development: An intangible asset arising from development (or from the development phase in an internal project) will be recognised as such if, and only if, the entity can demonstrate all of the following:

- Technically, it is possible to complete the production of the intangible asset so that it can be made available for use or for sale.

- Your intention to complete the intangible asset in question to use or sell it.

- Your ability to use or sell the intangible asset.

- The manner in which the intangible asset will generate probable future economic benefits. Among other things, the entity must demonstrate the existence of a market for the production generated by the intangible asset or for the asset itself, or, if it is to be used internally, its utility for the entity.

- The availability of adequate technical, financial or other resources to complete the development and to use or sell the intangible asset.

- Its ability to reliably measure the expenditure attributable to the intangible asset during its development.

The amount initially recognised as internally generated intangible assets is the amount of expense incurred from the date on which the intangible assets first meet the recognition criteria listed above. When an internally generated intangible asset cannot be recognised, the development expense is recognised in the consolidated income statement in the period in which it is incurred. Disbursements for research will be recognised as expense in the period in which they are incurred.

After initial recognition, internally generated intangible assets are recognised at cost less accumulated amortisation and impairment losses, according to the same criteria as intangible assets that are acquired separately. The maximum amortisation period is 5 years.

2. **Other intangible assets.** The Group recognises in this item:

- **Industrial property**: This item records the amounts paid for the acquisition of the property or the right to use the different manifestations thereof, or for the expenses incurred for the registration of the property developed by the Group. Industrial property is amortised on a straight-line basis over its useful life, which has been estimated at 10 years.

- **Computer software**: The Group records in this account the costs incurred in the acquisition and development of computer programmes. Computer software maintenance costs are recorded in the consolidated income statement for the year in which they are incurred. Computer software is amortised using the straight-line method over a four-year period.

- **Permits, Licenses and Concessions (PLCs):** The Group records in this account the PLCs to build photovoltaic solar power plants acquired from third parties (see note 5.3) or generated internally. Regarding its assessment, the Group identifies three cases:

<u>In-house developed PLCs</u>

The intangible asset is recognised when it meets all the requirements indicated to recognise the aforementioned Development (see note 2.6.b.1). Specifically, the Parent's directors consider that these criteria are being met, based on historical experience and policies in the sector, once the agreements on the land (or future lease option) have been formalised and the connection right is available. However, the Group individually evaluates the projects to determine where they are likely to generate future economic benefits, activating the PLCs of those projects that have been analysed individually, concluding that their commercial success is more likely than not.

Similarly, the amount recognised as intangible assets corresponds to the amount of the expense incurred from the date on which the intangible assets meet the recognition criteria for the first time, that is, they have agreements on the land and down payment rights. When an internally generated intangible asset cannot be recognised, the development expense is recognised in the consolidated income statement in the period in which it is incurred.

<u>PLCs purchased separately</u>

With the separate acquisition of the asset, it is considered probable that future economic benefits will be obtained, leading to the recognition of the intangible assets. They are initially measured at acquisition cost.

<u>PLCs acquired as part of a business combination</u>

The fair value of these intangible assets relates to the cost that has been calculated by an independent expert through the assignment of the cost overrun paid (Purchase Price Allocation), through a discount of future cash flows according to each project's business plan, considering an adjustment to said future cash flows according to the degree of development of the project at the time of the transfer.

Additionally, the SPVs acquired maintain long-term energy sales contracts or "Power Purchase Agreement" (PPA) with contractual periods of several years. These long-term energy sales contracts have no value in themselves, but they are directly related to the PLCs, as they provide a differential value to said assets, since they allow the flows produced by the plants to reach an optimum degree of predictability.

These assets have a useful life of 35 years. These intangible assets are amortised by the straight-line method, which will begin when they are ready to be used in accordance with the plans of Group management, that is, when they are able to receive economic benefits from their use, regardless of whether they begin to be effectively used later on. The Parent's directors consider that said moment is reached with the completion of the project's construction phase, which commences the commercial operating phase, regardless of whether it enters into effective production later.

Derecognition of intangible assets

Intangible assets are derecognised at the time of disposal or when no future economic benefit is expected from their use or sale. Gains or losses arising from the derecognition of an intangible asset, measured as the difference between the net profit from the sale and the carrying amount of the asset, are recognised in the consolidated income statement when the asset is derecognised.

2.6.c Property, plant and equipment

Items of property, plant and equipment are initially measured at their acquisition price. Subsequently, it is reduced by the corresponding accumulated amortisation and impairment losses, if any, in accordance with the criteria mentioned in note 2.6.d.

Upkeep and maintenance expenses for the different items of property, plant and equipment are charged to the consolidated income statement for the year in which they are incurred. On the contrary, the costs of expansion, modernisation or improvements that represent an increase in productivity, capacity or efficiency or a lengthening of the useful life of the assets are capitalised as a higher cost of the corresponding assets. Substitutions or renewals of items of property, plant and equipment are recorded as assets, with the consequent accounting derecognition of the replaced or renewed items.

Items of property, plant and equipment are systematically amortised based on the estimated useful life of the assets, distributing the cost of the assets less their residual value on a straight-line basis over the years of estimated useful life, according to the following detail:

	Years of estimated useful life
Buildings	33
Plant and other property, plant and equipment:	
Plant and machinery	7-30
Tools, other fixtures and furniture	7-10
Other property, plant and equipment	4-6

These years of useful life are applicable to items acquired after 1 January 2016 (date of first application of IFRS-EU in the consolidated financial statements of Soltec Energías Renovables, S.L.U. and subsidiaries). For the remaining items, the carrying amount was considered at the time of first application of the IFRS-EU as attributed cost, being redeemed since then over the term of the remaining useful life from the date of said first application.

An item of property, plant and equipment is derecognised when it is sold or when future economic benefits are not expected from the continued use of the asset. Gains or losses arising from the disposal or derecognition of an item of property, plant and equipment are determined as the difference between the sale price and the carrying amount of the asset, and are recognised in the consolidated income statement.

Additionally, in accordance with the provisions of IAS 16 "Property, plant and equipment", the costs of the property, plant and equipment items that have been incurred and that comply with the properties broken down in said standard to be capitalised as an addition to property, plant and equipment will be recognised as an asset if, and only if, it is considered probable that the entity will obtain the economic benefits derived from it and the cost of the item can be measured reliably.

2.6.d Impairment of intangible assets and property, plant and equipment

The Group follows the criterion of evaluating the existence of indications that could reveal the potential impairment of non-financial assets subject to amortisation or depreciation to verify whether the carrying amount of the aforementioned assets exceeds their recoverable value. To this end, it performs the so-called "Impairment test" in which it verifies the possible existence of losses in value that reduce the recoverable value of said assets to below their carrying amount.

Likewise, and regardless of the existence of any sign of impairment in value, the Group checks, at least once a year, the potential impairment in value that could affect intangible assets with an indefinite useful life, as well as intangible assets and property, plant and equipment that are not yet available for use. At 31 December 2021, the Group did not have assets with an indefinite useful life (same situation at 31 December 2020).

Recoverable amount is the higher of fair value less costs to sell and value in use. To estimate the value in use, the Group prepares forecasts of future cash flows before taxes based on the most recent budgets approved by the Parent's directors These budgets incorporate the best available estimates of income and expenses per cash-generating unit using past experience and future expectations. These forecasts cover the next five years, estimating the flows for future years by applying reasonable growth rates that, in no case, are increasing or exceed the growth rates of previous years. When assessing value in use, the estimated future cash flows are discounted to their present value using a risk-free market interest rate, adjusted for the risks specific to the assets that have not been taken into account in estimating future cash flows.

Additionally, the calculation made to assess the possible deterioration of PLCs associated with projects and non-current assets in progress at photovoltaic solar plants is carried out through financial projections. Said projections are established for the project by taking into account the estimated start-up date, its useful life and the impact of the crisis on the macroeconomic scenarios. In this regard, the key assumptions reside in the estimate of the production capacity to be installed, the development and construction costs of the project, operating costs (project efficiency), the investment, if any, in fixed assets for the development of the plant, the financing structure foreseen for its development, the energy sale price (if applicable for the non-regulated part through the long-term energy sale agreement), established based on the historical experience of the directors and discounted at a rate of 10.80% (11.20% in 2020).

Likewise, the directors consider, where appropriate, the sale price agreed with a third party after closing as the appropriate value reference that determines the recoverable amount at the end of the financial year.

The recoverable value must be calculated for an individual asset, unless the asset does not generate cash inflows that are largely independent of those corresponding to other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which it belongs. The Group identifies as cash-generating units the projects carried out by the different subgroups, as indicated in note 4 of these consolidated financial statements.

The Group assesses at each closing date whether there is any indication that the value impairment loss recognised in previous years no longer exists or could have decreased. When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased by the revised estimate of its recoverable amount, but in such a way that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. The reversal of the value impairment loss is recorded with a credit to profit or loss.

In 2020, the Group recorded impairment losses of the PLCs associated with the LEO SILVEIRA project amounting to 674 thousand euros, while they determined that the sale price agreed with a third party was the appropriate value reference to determine the recoverable amount (see notes 5.3 and 6).

In 2021, the Group did not recognise any impairment losses on intangible assets or property, plant and equipment after performing the corresponding analysis.

2.6.e Leases

The Group assesses whether a contract is or contains a lease, at the beginning of the contract. The Group recognises a right-of-use asset and a lease liability for all those lease contracts in which it maintains the position of lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and for leases of low-value assets (the analysis is carried out on a contract-by-contract basis). For these leases, in which the right of use and the corresponding lease liability are not recognised, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time pattern in which the economic benefits of the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments, discounted using the implicit rate of the lease. If this rate cannot be easily determined, the Group calculates the corresponding incremental interest rate taking into account factors such as geography, currency, type of asset and duration of the lease.

The lease payments included in the valuation of the lease liability comprise:

- fixed payments (including essentially fixed payments), less any incentive receivable;

- variable lease payments, which depend on an index or rate, initially measured using the index or rate at the commencement date;

- amount expected to be paid as residual value guarantees;

- the exercise price of a call option if the Group is reasonably sure that it will exercise this option;

- payments for penalties arising from the termination of the lease, if the term of the lease reflects that the Group will exercise an option to terminate the lease.

The lease liability is presented in the consolidated statement of financial position under the headings "Non-current financial liabilities" and "Current financial liabilities - Other current financial liabilities".

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes an adjustment against the right-of-use asset) provided that:

- there is a change in the term of the lease or there is a significant event or change in circumstances that results in a change in the evaluation of the exercise of the purchase option, in which case, the lease liability is reassessed discounting the payments for reviewed leases using a revised discount rate based on the modified lease term;

- a change in lease payments occurs due to variations in an index or rate or due to a change in the expected payment under a guaranteed residual value, in which case, the lease liability is remeasured by discounting the revised lease payments using the original discount rate (unless the change in lease payments is due to a change in a variable interest rate, then a revised discount rate is used);

- a modification occurs in the lease without it being accounted for as a separate lease, in which case, the lease liability will be remeasured by discounting the revised lease payments by applying a revised discount rate based on the term of the modified lease.

Of the previous adjustments, in these consolidated financial statements, it has only been necessary to update the "Right of use" and the lease liability due to the inflation adjustment.

The right-of-use asset includes the initial measurement of the lease liability, the lease payments made before or on the commencement date, less the lease incentives received and the initial direct costs. Subsequently, they will be measured at cost less accumulated depreciation and accumulated impairment losses.

The right-of-use asset will be amortised at the lower of the lease term and the useful life of the underlying asset. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset. Depreciation begins on the commencement date of the lease.

The right-of-use asset is presented as a separate line item in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and records any impairment loss identified, as described in note 2.6.d.

Variable rental payments that do not depend on an index or rate are not included in the measurement of lease liabilities and right-of-use assets. These payments are recognised as an expense in the period in which the event or condition that triggers these payments occurs and are included under "Other operating expenses" in the consolidated income statement (see note 16.5).

The standard allows as a practical solution for a lessee, by class of underlying asset, the non-separation of non-lease components from lease components, and instead account for any lease and associated non-lease components as one unique arrangement. The Group has not used this practical solution. For contracts that contain a lease component and one or more additional lease or other non-lease components, the Group allocates the contract consideration to each lease component on the basis of relative price independent of the lease component and the independent aggregate price of non-lease components.

There are no significant contracts in which the Group acts as lessor.

2.6.f Financial instruments

Financial assets and liabilities are recognised in the consolidated statement of financial position when the Group becomes part of the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets or liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities, as appropriate, in initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets will be subsequently measured, in their entirety, at amortised cost or fair value, depending on their classification.

Classification of financial assets:

Debt instruments that meet the following conditions will subsequently be measured at amortised cost:

- the financial asset is managed within a business model whose objective is to hold the financial assets to obtain the contractual cash flows; and

- the contractual conditions of the financial asset give rise, on specific dates, to cash flows that are solely payments of principal and interest on the amount of principal outstanding.

Debt instruments that meet the following conditions will be subsequently measured at fair value with changes in other comprehensive income:

- the financial asset is managed within a business model whose objective is achieved by obtaining contractual cash flows and selling financial assets, and

- the contractual conditions of the financial asset give rise, on specific dates, to cash flows that are solely payments of principal and interest on the amount of principal outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss.

Notwithstanding the foregoing, the Group may make the following irrevocable choice when initially recognising financial assets:

- the Group may irrevocably choose to make subsequent changes in the fair value of an equity instrument in other comprehensive income if certain criteria are met; and

- the Group may irrevocably designate a debt instrument at fair value through profit or loss, if doing so eliminates or significantly reduces an accounting mismatch.

Impairment of financial assets

The Group recognises a provision for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value with changes in other comprehensive income, lease accounts receivable, trade accounts receivable and other contractual assets, as well as in financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the financial instrument.

The Group recognises lifetime expected credit losses for trade receivables, other contractual assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix, based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both current management and the forecast conditions at the reporting date, including the time value of money, where applicable.

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since the initial recognition.

Lifetime expected credit losses represent the expected credit losses that will result from all possible default events during the life of the financial instrument.

Cancellation policy

The Group writes off a financial asset when there is information indicating that the debtor is in serious financial difficulties and there are no reasonable expectations of recovery, for example, when the debtor has been placed under liquidation or is subject to bankruptcy proceedings. Derecognised financial assets may be subject to enforcement activities under the Group's recovery procedures. Any recovery of the amount will be recognised in income.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to its cash flows expire, or when it transfers the financial asset and substantially all the rights and obligations of ownership of the asset to another entity. If the Group does not transfer or retain substantially all the rights and obligations of ownership and continues to control the transferred asset, the Group recognises its interest in the asset and an associated liability for the amounts that it has to pay. If the Group retains substantially all the rights and obligations of ownership of a transferred financial asset, it will continue to recognise the financial asset, as well as a loan guaranteed by the income received.

When derecognising a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the consideration received is recognised in profit or loss. In addition, when derecognising an investment in a debt instrument measured at fair value through other comprehensive income, the gain or loss previously accumulated in adjustments for changes in the value of equity is reclassified to profit or loss. Instead, when derecognising an investment in an equity instrument that the Group has chosen upon initial recognition to measure at fair value through other comprehensive income, the previously accumulated gain or loss in adjustments due to changes in the value of equity it is not reclassified to profit or loss, rather it is transferred to reserves.

Cash and cash equivalents

This heading in the consolidated statement of financial position includes cash, demand deposits and other short-term investments, whose maturity does not exceed three months from acquisition, which are highly liquid and quickly realisable and which have no risk of changes in value.

Financial liabilities and equity instruments

Debt and equity instruments are classified as financial liabilities or as equity instruments according to the substance of the contractual agreements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the amount received, net of direct issue costs.

The repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the result of the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

Financial liabilities include accounts payable by the Group that have arisen from the purchase of goods or services in the normal course of business and those which, while not having commercial substance, cannot be classed as derivative financial instruments or equity instruments.

Debts and payables are initially measured at the fair value of the consideration received, adjusted for directly attributable transaction costs. Subsequently, all financial liabilities are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over a specified period. The effective interest rate is the rate that discounts estimated future cash payments (including all fees and percentage points paid or received that form an integral part of the effective interest rate, transaction costs, and other premiums or discounts), over the expected life of the financial liability, or (when applicable) a shorter period, equalling the sum of said discounted flows to the amortised cost of a financial liability.

The Group classifies under the "Current liabilities - Trade and other accounts payable" heading in the accompanying consolidated statement of financial position the payables to suppliers that are included in confirming financing contracts, to the extent that, insofar as it is not an overdue commercial debt, it does not constitute a debt with financial entities. At 2021-year-end, the amount of the commercial debt of suppliers in payment management amounted to 2,852 thousand euros (1,324 thousand euros at 2020 year-end) (see note 10.2.2.ii).

Customer advances originate as a result of payments on account received from customers at the time the contract is signed. These advances are delivered at the beginning of the project and are subsequently compensated by the Group with the billing of the project. Said advance payment will be required by the customer if the Group is incapable of satisfying the supply and installation of solar trackers under the agreed conditions, except in cases of force majeure. At 31 December 2021, the Group had recorded under the heading "Trade and other payables - Other payables" 32,370 thousand euros corresponding to advances received from customers (4,477 thousand euros at 31 December 2020).

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are met, cancelled or have expired. The difference between the carrying amount of the derecognised financial liability and the consideration paid is recognised in profit or loss.

When the Group exchanges a debt instrument with the existing lender for another with substantially different terms, said exchange is accounted for as an extinction of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for a substantial change in the terms of an existing liability or part of it as an extinction of the original financial liability and the recognition of a new liability. For these purposes, the conditions will be substantially different if the present value of the discounted cash flows under the new conditions, including any commission paid net of any commission received, and using the original effective interest rate to discount, differs at least by 10 percent of the discounted present value of the cash flows that still remain from the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after the modification should be recognised in profit or loss as modification gain or loss.

2.6.g Derivative financial instruments

The Group has various derivative financial instruments to manage its exposure to foreign exchange risks, including currency futures and options contracts.

Derivatives are initially recognised at fair value on the date on which the contract is signed and are subsequently remeasured at fair value on each reporting date. Said fair value is calculated by adapting the points *forward* from maturity to the measurement date and then taking into account the spot of the moment. The resulting gain or loss is recognised in income immediately, unless the derivative is designated as a hedging instrument and is effective. The impact on the consolidated income statement for 2021 and 2020, by currency, can be seen in note 10.3.

Within the framework of these operations, the Group takes out foreign exchange insurance, classified as derivative financial instruments for trading, as long as there is no formal designation and documentation of the hedging relationship at the initial moment.

The exchange rate insurance subscribed are both simple contracts to acquire foreign currency at a predetermined exchange rate, agreed with the corresponding financial entity, as well as accumulating exchange rate contracts, in which certain maximum and minimum exchange rate levels are set between the corresponding foreign currency and the euro and, depending on the evolution of their price, the subscribed nominal value is increased according to the specific proportions established in each contract.

2.6.h Inventories

Inventories are stated at the lower of acquisition or production cost or net realisable value. Trade discounts, rebates, other similar items and interest included in the nominal amount of payables are deducted in determining the acquisition cost.

The criteria applied to measure inventories is as follows:

- Commercial inventories, whether or not subsequently modified, are recognised at production cost, which includes direct material costs and, where applicable, direct labour costs.

- Inventories in progress, corresponding to commercial merchandise on consignment by suppliers that perform transformation services such as galvanising, are measured at production cost, which includes the cost of incorporated materials, labour and direct and indirect production costs incurred up to that date.

The Group uses the FIFO method to assign value to its inventories. The net realisable value represents the estimate of the sale price less all the estimated costs to complete its manufacture and the costs that will be incurred in the marketing, sale and distribution processes.

The Group makes the appropriate valuation adjustments, recognising them as an expense in the consolidated income statement when the net realisable value of inventories is less than their acquisition price or production cost. At 2021 year-end, the Group had recognised an impairment loss amounting to 567 thousand euros (566 thousand euros at 2020 year-end).

The Group's policy is to arrange insurance policies to cover the possible risks to which its various inventories are subject, said inventories being sufficiently covered at 31 December 2021 in the opinion of the Parent's directors (same situation at 31 December 2020).

Likewise, the Group carries out, under certain circumstances, bill and hold operations with certain customers in which the transfer of control over the merchandise is perfected but in which the Group maintains its physical possession. To execute these specific agreements, the Group considers that there must be substantive reasons to carry out this operation and, in conformity with the third party, the merchandise must be identified separately, be ready for transfer to the customer and cannot be sold to any other customer. At 31 December 2021, the Group had accrued 12,733 thousand euros as income under this system (4,201 thousand euros at 31 December 2020), of which the entire income is invoiced and collected in 2021.

2.6.i Foreign currency transactions

Conversion of financial statements in currencies other than the euro

The translation of the financial statements of a Group company whose functional currency is other than the euro is carried out in accordance with the following rules:

1. All rights and obligations are translated at the exchange rate prevailing on the closing date of the financial statements.

2. The income statement items of each foreign company are translated into euros (presentation currency) using the average annual exchange rate, calculated as the arithmetic mean of the daily exchange rates, which does not differ significantly from using the exchange rates at the dates of each transaction.

3. The difference between the amount of equity, including the result calculated as described in point (2), converted at the historical exchange rate, and the net equity position resulting from the conversion of the rights and obligations in accordance with section (1) above, is recognised, with a positive or negative sign as appropriate, in the consolidated statement of comprehensive income as translation differences. Cash flows are translated at the exchange rate on the date on which each transaction took place or using a weighted average exchange rate for the monthly period, provided there have been no significant variations.

The conversion into the presentation currency of the results of the companies to which the equity method is applied is carried out, where appropriate, at the average exchange rate for the year, calculated as indicated in section (2) above. Only in the case of balances from the Group company located in Argentina has the corresponding adjustment for hyperinflation been made (see note 2.4).

The translation difference recorded in the consolidated statement of comprehensive income is recognised in the consolidated income statement for the period in which the investment in the consolidated company is disposed of or otherwise sold.

Foreign currency transactions and balances

Transactions in a currency other than the functional currency of each Group company are translated to the functional currency of said Group company using the exchange rates prevailing on the transaction dates. The results in foreign currency resulting from the settlement of these transactions and the translation at the closing exchange rates of the monetary assets and liabilities denominated in foreign currency are recognised in the consolidated income statement under the heading "Net exchange differences", except if they are deferred in equity as in the case of cash flow hedges and net investment hedges.

The goodwill, the allocation of said goodwill and the adjustments to the fair values of assets and liabilities derived from business combinations in foreign currency are considered to be items of the acquired company and are thereby converted at the closing exchange rate, proceeding to recognise translation differences as changes in equity.

Non-monetary items carried at fair value denominated in foreign currencies are translated at the rates prevailing on the date on which the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not converted back.

2.6.j Income tax

Income tax expense (tax revenue) comprises current tax expense (current tax revenue) and deferred tax expense (deferred tax revenue).

Current tax is the amount of taxes the Group pays as a result of income tax settlements for a period. Current income tax assets or liabilities are measured at the amounts expected to be paid or recovered from the tax authorities, using the regulations and tax rates that are approved or are about to be approved on the closing date. Tax credits and other tax benefits, excluding tax withholdings and payments on account, and tax loss carryforwards effectively utilised in the current period, reduce the current income tax expense.

Current or deferred income tax is recognised in income, unless it arises from a transaction or economic event that has been recognised in the same or a different year against equity, or from a business combination.

Deferred tax liabilities are amounts to be paid in the future for corporate income tax related to taxable temporary differences, while deferred tax assets are amounts to be recovered due to the existence of deductible temporary differences, tax loss carryforwards or unused tax credits. For these purposes, a temporary difference is understood to be the difference between the book value of assets and liabilities, and their tax base.

Recognition of deferred tax liabilities

The Group recognises deferred tax liabilities in all cases except when:

- they arise from the initial recognition of goodwill or from an asset or liability in a transaction that is not a business combination and which, on the transaction date, neither affects accounting profit/(loss) or taxable profit/(loss).

- correspond to differences related to investments in subsidiaries, associates and joint ventures over which the Group has the ability to control the moment of their reversal and it is not probable that their reversal will occur in the foreseeable future.

Recognition of deferred tax assets

The Group recognises deferred tax assets provided that:

- it is probable that there will be sufficient future taxable profit for their offset or when the tax legislation contemplates the possibility of the future conversion of deferred tax assets into a claimable credit against the public administration. However, the assets that arise from the initial recognition of assets or liabilities in a transaction that is not a business combination and which, on the transaction date neither affects accounting profit/loss or taxable profit/loss, are not recognised.

- they correspond to temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the temporary differences are going to reverse in the foreseeable future and they are expected to generate positive future taxable profits to offset the differences.

Measurement of deferred tax assets and liabilities

Deferred tax assets and liabilities are measured at the tax rates that will be applicable in the years in which the assets are expected to be realised or the liabilities paid, based on the regulations and rates that are approved or are about to be if approved and once the tax consequences that will derive from the way in which the Group expects to recover the assets or settle the liabilities have been considered.

The Group reviews the carrying amount of the deferred tax assets on the closing date of the financial year, to reduce said value to the extent that it is unlikely that there will be sufficient future taxable profit to offset them.

Deferred tax assets that do not meet the above conditions are not recognised in the consolidated statement of financial position. The Group reconsiders at year-end whether the conditions to recognise deferred tax assets that had not previously been recognised have been met.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to taxes collected by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Also, at the consolidated level, any differences between the consolidated carrying amount of an investment in an investee and the related tax base are taken into account. In general, these differences arise from cumulative results generated, as of date the investee was acquired, from the tax credits related to the investment and from foreign currency translation differences in the case of investees whose functional currency is not the euro. Deferred tax assets and liabilities arising from these differences are recognised except, in the case of differences in tax bases, when the investor can control the timing of the reversal of said difference, and furthermore, it is probable that said difference is not reversed in a foreseeable future, and in the case of deductible differences, if it is expected that this difference will not be reversed in the foreseeable future and it is unlikely that the company will have sufficient future taxable profits.

2.6.k Recognition of revenue from contracts with customers

The Group recognises income from the following main sources:

- Supply of trackers and market guarantees granted;
- Engineering services;
- Tracker installation services;
- Start-up, operation and maintenance services; and
- Study, development and/or construction services for photovoltaic solar parks;

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Tracker supply

The Group supplies the customer, through its own distribution network, with the set of trackers agreed in the contract. The guarantees related to the supply of the trackers (the guarantee years differ between the structural components and the electrical components of which the trackers are made) cannot be purchased separately and serve as a guarantee that the products sold comply with the agreed specifications, in accordance with the normal market practice. Therefore, the Group records the guarantees in accordance with IAS 37 "Provisions, contingent liabilities and contingent assets" (see note 2.6.m).

The income for the supply of the set of trackers necessary to operate the plant is recognised throughout the period of supply of the trackers, as the customer acquires control of the asset and the Group has the enforceable right to payment for the performance completed to date. For this reason, income is measured based on the product method, since it is the method that best reflects the transfer of control to the customer, measured as the ratio of the value to the customer of the goods transferred to date in relation to the goods promised in the contract. According to the usual contractual terms used by the Group, the transfer of control to the customer is normally determined by the incoterm agreed in each of the commercial agreements.

According to the standard contractual terms of the Group, no right of return is contemplated.

Tracker installation services

The Group offers the option of tracker installation services. Where installation services are agreed, they are included in a single contract together with the supply of trackers. Said services are recognised as a different performance obligation, given that the customer could have them through other providers.

As in engineering services, if the performance obligation for the installation of trackers is identified, the Group allocates the transaction price between the different identified obligations.

Tracker installation services are provided over time. Revenues from these installation services are recognised based on the percentage of completion of the contract. The directors consider that the measurement of revenue as the ratio between the executed part versus the total committed, is an appropriate measure of the progress towards the complete fulfilment of these performance obligations according to IFRS 15. The executed part is determined as the percentage of the tasks carried out over the total of the budgeted tasks, considering possible deviations, for the different milestones into which the services are divided (physical installation, electrical installation, etc.), measured at the sale price of the service provided during the period. The billing for the installation services is carried out based on said milestones, therefore, for the services provided that are not billed, a contractual asset will be generated.

Start-up, operation and maintenance services

The Group offers its customers plant start-up services, once the installation of the photovoltaic solar park has been completed (whether it has been installed by the Group or not). These services can be performed by a third party and are usually remunerated.

The Group also offers its customers after-sales operation and maintenance services. These services are related to the preventive maintenance work of the trackers after the sale and are usually contracted separately from the rest of the products and services. Therefore, maintenance services are considered to be different services, since the Group supplies them to customers independently and they may or may not choose to contract them. Discounts are not considered as they are only granted in exceptional circumstances and are never material.

Revenue related to the start-up is recognised at the time the services are rendered. Similarly, revenue from maintenance services is recognised over time, on a straight-line basis during the service period and, in general, is billed quarterly.

Engineering, procurement and construction (EPC) and balance of plant (BOP) services

The Group offers its customers engineering, supply and construction (EPC) services, consisting of providing design services, supplies of necessary materials and the construction of the photovoltaic plant, and balance of plant (BOP), consisting of the installation of all the support components and auxiliary systems necessary to deliver energy, in addition to the generating unit itself.

Where these services are agreed, they are included in a single contract together with the supply of trackers. Said services are recognised as a different performance obligation, since the customer could obtain them through other providers.

As in engineering services, if an EPC or BOP performance obligation is identified, the Group allocates the transaction price between the various identified obligations.

EPC and BOP installation services are provided over time. Revenues from these installation services are recognised based on the percentage of completion of the contract. The directors consider that the measurement of revenue as the ratio between the executed part versus the total committed, is an appropriate measure of the progress towards the complete fulfilment of these performance obligations according to IFRS 15. The executed part is determined as the percentage of the tasks carried out over the total of the budgeted tasks, considering possible deviations, for the different milestones into which the services are divided (physical installation, electrical installation, etc.), measured at the sale price of the service provided during the period. The installation services are billed based on said milestones, therefore, for the services provided that are not billed, a contractual asset will be generated.

Other services

The Group has included within other services the revenue generated by Powertis, S.A.U. in 2021, whose activity consists mainly of providing internal consulting services and project development to vehicle companies (SPVs), both if controlled by the Group and if they are in the process of having control of them taken by it or have been disposed of. The recognition criterion has been to consider only those revenues invoiced to the totally or partially divested SPVs over which control has been lost but which continue to maintain contractual relations to provide project development services.

2.6.l Other income and expenses

Income and expense are recorded on an accruals basis, i.e. in the period in which the income or expense deriving from the goods or services in question is earned or incurred rather than the period in which the cash is actually received or disbursed. Revenue is measured at the fair value of the consideration received, less discounts and tax.

Interest received on financial assets is recognised using the nominal interest rate. The Parent's directors consider that the effect of applying this criterion does not differ significantly from that which would have been assumed if the effective interest rate method had been applied.

Sale of projects under development (SPVs)

The sale of the projects under development is carried out through the transfer of control, as described in note 2.6.ai above, in the Group's holdings in SPVs to a third party.

At the time of loss of control, the Group records the derecognition of all the assets and liabilities associated with said SPVs and reflects a result for the sale of shares according to the consolidated cost of the net assets belonging to said SPVs at the time of the transmission. Said result is recognised under the heading "Results from loss of control of SPVs" in the accompanying consolidated income statement.

2.6.m Provisions and contingencies

The Parent's directors, in the preparation of these consolidated financial statements, differentiate between:

- **Provisions**: creditor balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources will be required to settle the obligation, which is uncertain as to its amount and/or timing.

- **Contingent liabilities**: possible obligations arising from past events, the materialisation of which will be confirmed only by the occurrence or non-occurrence of one or more future events beyond the control of the Group.

Existing obligations at the closing date, as a result of past events that could give rise to property losses for the Group, whose amount and time of cancellation are undetermined, are recorded on the liability side of the consolidated statement of financial position, as provisions for risks and expenses, for the present value of the most probable amount that it is estimated that the Group will have to disburse to settle the obligation. Unless they are considered remote, contingent liabilities are not recognised in the consolidated financial statements, rather they are reported in the consolidated notes thereto.

The amount of the provisions is quantified taking into consideration the best information available on the consequences of the event that generates them, on the date of each accounting close.

The amounts recognised in the consolidated statement of financial position correspond to the best estimate at the closing date of the disbursements necessary to settle the current obligation, once the risks and uncertainties related to the provision have been considered together, when significant, with the financial effect produced by the discount, provided that the disbursements to be made in each period can be reliably determined. The discount rate is determined before taxes, considering the temporary value of money, as well as the specific risks that have not been considered in the future flows related to the provision at each closing date.

Isolated obligations are measured by the individual outcome that is most likely. If the obligation involves a large population of homogeneous items, it is assessed by weighting the possible outcomes by their probabilities. If there is a continuous range of possible outcomes and each point in the range has the same probability as the rest, the obligation is valued at the average amount.

The financial effect of the provisions is recognised as a financial expense in the consolidated income statement.

Provisions do not include the tax effect, nor the expected gains from the sale or abandonment of assets.

Provisions are reversed against results when it is not probable that there will be an outflow of resources to settle such obligation. The reversal is recognised against the income item in which the corresponding expense would have been recognised and the excess, if any, is recognised under "Other revenue".

The compensation to be received from a third party at the time of settling the obligation, provided that there are no doubts that said reimbursement will be received, is recorded as an asset, except in the event that there is a legal link by which part of the risk has been outsourced, and by virtue of which the Group is not obliged to respond. In this situation, the compensation will be taken into account to estimate the amount at which, if applicable, the corresponding provision will be recognised.

Restructuring provisions

Provisions related to restructuring processes are recognised when the Group has an implicit obligation due to the existence of a detailed formal plan and the generation of valid expectations among those affected that the process will be carried out, either because it has begun to execute the plan or since it has announced its main characteristics. Restructuring provisions only include disbursements directly related to the restructuring that are not associated with the continuing activities of the Group.

Guarantees

Provisions for guarantees under local legislation or normal market practice are recognised on the date of sale of the goods or services, based on the directors' best estimate of the expenses necessary to settle the Group's obligation (see note 13.2).

Provision for project completion

Provisions for project completion include the amounts estimated to satisfy the Group's future obligations related to the expenses needed, to be incurred for the completion of those projects that have been substantially completed and all of the performance obligations have already been substantially fulfilled although the final acceptance of the customer has not yet been obtained (see note 13.2).

Termination benefits

Except for justified causes, under current legislation, the Group is required to pay termination benefits to employees terminated under certain conditions. Severance payments that can be reasonably quantified are recorded as an expense in the year in which the decision to terminate the contract is taken and a valid expectation regarding termination is transmitted to third parties. In these consolidated financial statements, no provision has been recorded in this regard, since situations of this nature have not been foreseen (same situation at the end of 2020).

2.6.n Environmental assets

Environmental assets are those used on a lasting basis in the Group’s operations and whose main purpose is to minimise environmental impact and to protect and improve the environment, including the reduction or elimination of future pollution.

Given the nature of the Group’s activity, it does not have a significant impact on the environment.

2.6.o Related party transactions

In general, transactions between Group companies, as well as those with related parties that are outside the Group, are initially recorded at their fair value. If the agreed price differs from its fair value, the difference is recorded based on the economic reality of the operation. The subsequent valuation is carried out in accordance with the provisions of the corresponding regulations.

Additionally, the transfer prices between Group companies, as well as with those related parties that are outside the Group, are adequately supported, hence the Parent's directors consider that there are no significant risks in this regard leading to material liabilities in the future.

2.6.p Business combination

Business combinations are accounted for using the acquisition method, requiring determination of the acquisition date and calculation of the cost of the combination, recognising the identifiable assets acquired and the liabilities assumed at their fair value at the acquisition date.

Goodwill or negative goodwill arising on the combination is calculated as the difference between the aggregate of the acquisition-date fair value of the recognised assets acquired and liabilities assumed and the cost of the business combination.

The cost of the combination is the sum of:

- The fair values at the date of acquisition of assets given, liabilities incurred or assumed, and equity instruments issued

- The fair value of any contingent consideration that depends on the occurrence of future events or the fulfilment of specified conditions

The costs incurred to issue equity instruments or financial liabilities given up in exchange for the items acquired are not included in the cost of the business combination.

In the exceptional case in which a negative difference arises on the combination, it is recognised as revenue in the consolidated income statement.

If at the end of the year in which the combination took place, the necessary measurements to apply the acquisition method described above cannot be completed, such recognition will be regarded as provisional, and the provisional values may be adjusted within the period required to obtain the necessary information which may, under no circumstances, exceed one year. The effects of the adjustments made in this period are accounted for retroactively and the comparative information is amended, if necessary.

Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss, unless the consideration was classified as equity, in which case, subsequent changes in its fair value are not recognised.

Goodwill

Goodwill generated on consolidation represents the excess acquisition cost over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary on the acquisition date.

The assets and liabilities acquired are measured provisionally on the date of taking control of the Company, reviewing it within a maximum period of one year from the acquisition date. Until the fair value of the assets and liabilities is definitively determined, the difference between the acquisition price and the carrying amount of the acquired company is recorded as goodwill.

The positive differences between the cost of the holdings in the capital of the consolidated companies with respect to the corresponding fair values, adjusted on the date of first consolidation, are allocated as follows:

- Those assignable to specific assets of the acquired companies, increasing the value of assets (or reducing that of liabilities), whose market values were higher (lower) than the carrying amounts at which they appear in their balance sheets and whose accounting treatment is similar to that of the same assets (liabilities) of the Group: depreciation and amortisation, accrual, etc.

- Those assignable to specific intangible assets, explicitly recognising them in the consolidated statement of financial position, provided that their fair value at the acquisition date can be reliably determined.

- The remaining differences are recognised as goodwill, which is allocated to one or more specific cash-generating units.

- Goodwill is only recorded when it has been acquired for consideration and therefore represents advance payments made by the acquiring entity regarding the future economic benefits derived from the assets of the acquired entity that are not individually and separately identifiable and recognisable.

The negative differences between the cost of the shares in the capital of the consolidated companies and associates with respect to the corresponding values are recognised at the exchange rate in force on the date of first consolidation, are called negative goodwill and are allocated as follows:

- If they are assignable to specific assets of the acquired companies, by increasing the value of liabilities (or reducing that of assets), whose market values were higher (lower) than the carrying amounts at which they appear in their balance sheets and whose accounting treatment is similar to that of the same assets (liabilities) of the Group, amortisation and depreciation, accrual, etc.

- The remaining amounts are recorded under "Other profit or loss" in the consolidated income statement for the year in which the acquisition of capital of the consolidated entity or associate takes place.

At least annually, an estimate is made as to whether there has been any decline in value that reduces their recoverable value to less than the recognised net cost and, if so, their appropriate write-off is carried out, with a balancing entry under "Gains/(losses) on disposal of non-current assets and others" in the consolidated income statement, since, as established in IFRS 3, goodwill is not subject to amortisation. Impairment losses related to goodwill are not subject to subsequent reversal.

At the time of the disposal of a subsidiary or jointly controlled entity, the attributable amount of goodwill is included in the determination of profit or loss from the disposal.

In the case of goodwill arising from the acquisition of companies whose functional currency is other than the euro, they are converted to euros at the exchange rate prevailing at the date of the consolidated statement of financial position, recognising their changes as translation losses or as impairment, as appropriate.

2.6.q Share-based payments

Equity-settled share-based payments to employees and other persons providing similar services are recorded at the fair value of the equity instruments awarded on the grant date. In estimating the fair value, the conditions necessary for the irrevocability of the concession, other than those of the market, are taken into account by adjusting the number of equity instruments included in the measurement of the fair value of the equity instruments.

The details on the calculation of the fair value of the share-based payment plans for employees are disclosed in note 17.2.

The fair value of the equity instruments provided, determined on the grant date of the share-based payments with equity-settled instruments is recorded as a personnel expense throughout the accrual period, simultaneously recognising a reserve related to incentive plans for the same amount in equity, based on the estimate of the final number of equity instruments that will be granted as a result of compliance with the necessary conditions other than those of the market.

At the end of the year, the Group reviews the estimate of the number of equity instruments that it expects to grant depending on the evolution of the necessary conditions other than market conditions. The impact of the revision of the original estimate, if it occurs, is recognised in results in such a way that the accumulated expense reflects the amount accrued at the date of the estimate review, according to the new fair value of the equity instruments granted, with the corresponding adjustment to reserves.

For cash-settled share-based payments,, the Group recognises a liability for the goods or services acquired, initially measured at the fair value of the liability. At year-end, until the liability is settled and also on the settlement date, the fair value of the liability is re-estimated, recording any change against the consolidated income statement for the year.

2.6.r Hyperinflation

Inflation in Argentina picked up significantly from the second quarter of 2018 and the data reveals that the accumulated inflation of the last three years has exceeded 100%, which is the quantitative reference established by IAS 29 Financial Reporting in Hyperinflationary Economies.

Consequently, the Argentine economy has been considered hyperinflationary since 2018 and the Group applies adjustments for inflation to companies whose functional currency is the Argentine peso for financial reporting (see note 2.4).

In accordance with the provisions of the IFRS-EU, this means:

- Adjusting the historical cost of non-monetary assets and liabilities and the different items of equity from their date of acquisition or inclusion in the consolidated statement of financial position until the end of the year to reflect the changes in the purchasing power of the currency derived from the inflation.

- Reflecting in the income statement the loss or gain corresponding to the impact of inflation for the year on the net monetary position.

- Adjusting the different items of the income statement and the statement of cash flows by the inflation index since its generation, with a balancing entry in financial profit and in a reconciling item in the statement of cash flows, respectively.

- Converting all the components of the financial statements of Argentine companies at the closing exchange rate, with the corresponding exchange rate at 31 December 2021 being 116.73 pesos per euro (102.86 pesos per euro at 31 December 2020).

2.6.s Non-current assets held for sale

The Group classifies a non-current asset or a disposal group as held for sale when its value will be recovered if its carrying amount will be recovered primarily through a sale transaction, rather than through continued use. In order to be classified as a non-current asset held for sale, the Group considers that the asset (or the group of assets for disposal) must be available, in its current condition, for immediate sale, subject exclusively to the usual terms and conditions for the sale of these assets (or groups of assets for disposal), and their sale must be highly probable.

In this regard, when it is classified as a non-current asset held for sale, it is because the Group's management is committed to the sale and it is likely that it will take place within one year from the date of classification as held for sale.

These assets or disposal groups are measured at their carrying amount or at their fair value, less the costs necessary for their sale, whichever is lower.

Likewise, the conversion differences, if any, associated with these assets are reclassified only when these assets are effectively sold. The reclassification of these translation differences is not possible when the assets are considered as held for sale.

Assets classified as non-current assets held for sale are not depreciated, but at the date of each consolidated statement of financial position, the Group makes the corresponding valuation adjustments so that the carrying amount does not exceed fair value less costs to sell.

3 Financial risk management

The activities that the Group carries out through its operating segments are exposed to various financial risks: market risk (including exchange rate risk, interest rate risk, price risk and the risk of obtaining the necessary guarantees), credit risk and liquidity risk.

The Group's financial risk management is centralised in the finance department, which seeks to minimise the effects of a portion of these risks through the use of derivative financial instruments. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provides the necessary mechanisms to control exposure to changes in exchange rates. The Group does not issue or trade financial instruments, including derivative financial instruments, for speculative purposes.

Main risks and uncertainties for the Soltec Group in the fiscal year 2021: COVID-19.

Despite the advances in virus prevention techniques, in particular with the success demonstrated by vaccines, due to the uncertainties regarding the potential effects of this extraordinary health emergency in the future, the consequences of COVID-19 for the Group's operations are uncertain and will depend to a large extent on the evolution of the vaccination plan established by the various governments worldwide and the evolution of the pandemic in the coming months. Therefore, at the date of approval of these consolidated financial statements, the potential impact on the Group in the coming months is uncertain and it is not possible to reliably assess the consequences for the Group's future operations and its ability to recover the value of its assets in the short term.

However, Group management has performed an assessment with the best information available on the economic, social and employment impacts of the COVID-19 pandemic on the Group to date, analysing the effects and possible ramifications in 2022, despite the current uncertainty as to its consequences, also considering the uncertainty due to the war described in note 19 Subsequent events in these financial statements.

3.1 Operational risk

Based on the evaluation of the activity performed by management in 2021, to date, the Group has been able to maintain and even increase its backlog or budgeted projects portfolio, although there has been a delay in its execution, mainly in the first half of the year, as a result, among others, of the price performance of certain materials and transport that are essential for the Group. Furthermore, no significant delays in the collection of trade receivables that could affect the Group's liquidity and its operating cycle have been detected and no significant delays have been observed in the material supply process by suppliers, and all the contracts in force continued on the basis of the previously established conditions.

Although the risk of business continuity has not been affected, the Group has suffered impacts, mainly in the industrial segment, in which certain delays have been experienced in the first half of the year in the process to begin work on projects by third-party customers to which the Soltec Group supplies or installs trackers to develop solar farms, which has led to a delay in the execution of projects and in their conversion times.

During the second half of the year, most of the projects budgeted for 2021 have commenced, although there has been an increase, mainly in transport costs, that has temporarily impacted the operating margin of solar tracker supply projects.

Likewise, in Brazil, one of the main strategic areas for the expansion of project development, the Group's activity has not been paralysed since it has been considered essential based on the rulings of Decree 10,282/2020 of the Brazilian Federal Government. Despite this, the closure of local administrations in Brazil led to a temporary delay in obtaining administrative licences, mainly during the first half of 2021.

The delays suffered, in the opinion of the Board of Directors, are merely transitory in nature and do not significantly alter the fulfilment of the Group's long-term business plan.

Therefore, the COVID-19 pandemic generated the following impacts on the Group at quantitative level:

- Increase in transport costs, which has meant that the expense in this regard has come to account for 14% of revenue of the industrial part in 2021 (in 2020, it represented 6% of revenue) (see note 16.5).

- The delays suffered as a result of the COVID-19 pandemic prolonged the execution and completion of projects budgeted for 2021. In addition, this has meant that the transaction price allocated to (partially) unfulfilled performance obligations (contracts in progress and which will therefore be recognised as income during the following financial year) amounted to 250,497 thousand euros (36,899 thousand euros at 2020 year-end) (see note 16.1).

In this regard, the Group expects that the impacts suffered in 2021, especially those related to transport costs, will be transitory and will return to normal in ranges closer to those of previous years. However, the Group and its directors maintain a constant analysis of the evolution of costs and their transfer to the end price.

3.2 Credit risk

Credit risk consists of the risk of a debtor becoming insolvent on the applicable contractual obligations and of a capital loss resulting for the Group.

The Group's general policy is to carry out transactions with entities of proven solvency and to obtain, where appropriate, sufficient guarantees from third parties as a means of mitigating credit risk. In this regard, the Group generally relies on credit insurance and liquid guarantees, such as bank guarantees and letters of credit to secure trade receivables. At year-end 2021, the Group had insured 90% of the amount of its accounts receivable (94% at year-end 2020). Given this circumstance, the Parent's directors consider that the COVID-19 pandemic has not had and is not expected to have a significant impact on the calculation of the expected loss (see note 10.1.1.i).

The Group's exposure to credit risk and the aggregate of the solvency valuations of its debtors is monitored on a regular basis. Individual credit limits, hedges granted by letters of credit and excesses or, where applicable, credits granted to debtors not covered by letters of credit are analysed and approved by general management, based on the amounts and risks involved in each decision.

At 31 December 2021, the Group had concentrated 18% and 56% of its revenue with third parties in companies located in North America and South America, respectively (at 31 December 2020, 20% and 44%, respectively).

The credit risk of liquid funds and fixed-term deposits maturing in the short term is limited because the counterparties are banks that have been assigned high ratings by international credit rating agencies.

3.3 Liquidity risk

This refers to the risk that the Group finds difficulties in divesting a financial instrument quickly enough not to incur significant additional costs or the associated risk of not having liquidity at the time in which the payment obligations must be met. The group relies on financial institutions to finance its inventories and accounts receivable, with the management of the average collection period and deferment of payments to suppliers being significant.

In order to ensure liquidity and be able to meet all payment commitments arising from its activity, the Group has the cash shown in its consolidated statement of financial position, as well as the undrawn credit and financing lines detailed in the note 10. In 2020, the Parent carried out a capital increase (see note 12.1), which entailed a significant increase in available short-term resources and a cash inflow net of issuance expenses of 139 million euros.

Similarly, on 11 February 2021, the Group completed the refinancing process of the syndicated credit facility, which led to an increase in the guarantee facility, set at a maximum amount of up to 110 million euros, financing limits of 90 million euros (10 million euros freely available and 80 million euros of conditional delivery) and a modification of the financial ratios established in the financing agreement (covenants), set as net financial debt as a percentage of equity (see note 10.2).

Likewise, in the first six months of 2021, the implementation segment signed a loan agreement for certain projects in Brazil with the Brazilian development bank for a joint amount of 1,290,000 thousand Brazilian reais for Araxá, Pedranopolis and Graviola (204,437 thousand euros at the exchange rate at 31 December 2021). The drawdown on these loans depends on the Group obtaining the necessary bank guarantees to counter-guarantee the operation and/or on other conditioning factors, such as the capital contribution. These bank guarantees will only be received when the Group has made a disbursement of a certain percentage of the construction costs to be incurred. In this regard, given the degree of implementation of said projects, the requirements for the release of said guarantees had not been met to date at 31 December 2021 and, therefore, the Group had not drawn down said financing, although it is expected to be released during the first half of 2022.

At year-end 2021, the Group had negative working capital amounting to 16,769 thousand euros (positive working capital amounting to 103,270 thousand euros at year-end 2020) as a result, mainly, of the nature of the debt with credit institutions held in the short term despite its final maturity in the long term (see note 10). However, Group management actively manages working capital through operating net working capital and current and non-current net financial debt, based on the soundness and stability of relationships with its customers and suppliers, and a thorough monitoring of its position with financial institutions. One of the Group's strategic lines is the optimisation of the financial resources dedicated to the business, which is why the Group pays special attention to the operating net working capital invested in it. As in previous years, the Group has been making significant efforts to control and reduce collection periods from customers and other debtors associated with projects in progress, to optimise accounts payable and to minimise inventories through the ongoing improvement of its logistics and industrial management. Cash forecasts are constantly monitored by Group management to ensure that it has enough cash to meet operating needs while maintaining sufficient unused credit resources at all times. Therefore, it is estimated that the generation of cash in 2022 will sufficiently cover the needs to meet short-term commitments, avoiding any situation of tension in the cash position with the measures under way.

Hence, Group management considers that it has the necessary resources to affront liquidity tensions that could affect it in this situation. The available resources, together with the new financing obtained and the implementation of specific plans to improve and efficiently manage liquidity, will allow, in the opinion of the Parent's directors, the Company to affront said tensions and to be able to continue with its business plan, scheduled for future years. As a consequence of the foregoing, it can be confirmed that no significant risks exist regarding the Group's liquidity situation.

3.4 Market risk

It is defined as the risk that the fair value or future cash flows of a financial instrument may vary due to changes in interest rates or other price risks.

3.4.1 Interest rate risk

Interest rate fluctuations change the fair value of assets and liabilities bearing fixed interest rates and the future flows from assets and liabilities tied to floating interest rates. The objective of interest rate risk management is to achieve a balance in the debt structure that minimises the cost of debt over the multi-year horizon, with reduced volatility in the consolidated income statement.

Practically all debt bears variable interest, so it is exposed to interest rate risk, given that variations in rates modify the future flows derived from its indebtedness. However, the payment profile of this debt is short-term, so sensitivity to interest rate fluctuations is low.

3.4.2 Exchange rate risk

The Group has subsidiaries in Peru, Denmark, Brazil, Chile, the United States, Mexico, Argentina, Colombia, China, Australia, India and the United Arab Emirates, and is therefore exposed to exchange rate risk on foreign currency transactions (which is mainly concentrated in purchases of supplies and sales in US dollars and Brazilian reals).

In 2020 and the first half of 2021, there were fluctuations on currency markets, especially the depreciation of the BRL (Brazilian real), which generated a significant variation in translation differences and an impact on the Group's consolidated income statement. These oscillations stabilised at the end of 2021 and the potential impact of the sensitivity of the exchange rate was partially mitigated by the result of the realised latent exchange rate differences of the exchange rate derivatives contracted.

In order to mitigate this risk, the Group has a policy of arranging financial instruments (exchange rate insurance contracts and NDFs) that mitigate the exchange rate differences on foreign currency transactions (see note 10.3).

The details of the most significant balances and transactions in foreign currency corresponding to 2021 and 2020, measured at the closing exchange rate and the average exchange rate, respectively, are as follows:

	Thousands of euros								
2021	Non-current assets (*)	Other financial assets	Accounts receivable	(**) Other financial liabilities	Accounts payable	Treasury	Sales	Purchases	Other expenses
U.S. Dollars	499	25	48,425	49	47,076	13,127	68,980	31,655	15,363
Brazilian Reals	97,624	6,077	39,584	2,162	134,302	10,290	95,098	83,656	10,935
Chilean Pesos	866	39	1,085	116	11,376	1,672	-	4,225	8,206
Peruvian new sol	100	-	52	-	178	146	169	15	82
Mexican Pesos	270	30	3,532	15	523	21	599	125	1,271
Australian dollars	1	13	-	-	81	14	-	-	877
Argentine pesos	-	-	29	-	142	-	-	-	-

(*) This category includes the carrying amount of intangible assets, property, plant and equipment and non-current assets held for sale, net of any associated liability, if any.
(**) Includes liabilities associated with leases.

2020	Thousands of euros								
	Non-current assets (*)	Other financial assets	Accounts receivable	Other financial liabilities (**)	Accounts payable	Treasury	Sales	Purchases	Other expenses
U.S. Dollars	447	10	32,886	257	4,919	1,380	114,024	83,584	18,424
Brazilian Reals	24,699	4,415	15,004	10,052	9,383	2,505	43,513	21,266	6,353
Chilean Pesos	1,046	18	120	339	1,629	159	435	2,114	1,401
Peruvian new sol	9	26	-	-	15	48	-	50	131
Mexican Pesos	418	34	983	48	381	19	697	485	2,007
Australian dollars	74	13	-	74	2,011	5	872	3,895	747
Argentine pesos	-	-	-	-	788	17	-	2,645	320

(*) This category includes the carrying amount of intangible assets, property, plant and equipment and non-current assets held for sale, net of any associated liability, if any.
(**) Includes liabilities associated with leases.

The Parent's directors consider that the remaining foreign currency balances and transactions not broken down in the previous tables are not significant.

The amount of the exchange differences recognised in 2021 and 2020 results, by financial instrument class, is as follows:

	Thousands of euros					
	2021			2020		
	For transactions settled in the year	For balances pending maturity	Total	For transactions settled in the year	For balances pending maturity	Total
Positive exchange differences	6,688	5,933	12,621	12,791	4,191	16,982
Negative exchange differences	(15,245)	(2,146)	(17,391)	(12,437)	(7,817)	(20,254)
Net exchange differences	**(8,557)**	**3,787**	**(4,770)**	**354**	**(3,626)**	**(3,272)**

Likewise, the breakdown of said amount according to the foreign currency that has caused the exchange differences in 2021 and 2020 is as follows:

	Thousands of euros	
	2021	2020
U.S. Dollars	618	(4,092)
Brazilian Reals	(5,849)	833
Chilean Pesos	3	(1)
Australian dollars	(22)	(16)
Argentine pesos	293	43
Other	187	(39)
Total	**(4,770)**	**(3,272)**

Analysis of sensitivity to exchange rates

As described previously, the Group is mainly exposed to exchange rate fluctuations of the US dollar and the Brazilian real.

In the following table, the Group's sensitivity to a revaluation or depreciation of the euro against the aforementioned foreign currencies is detailed below, without taking into account the potential effect of the exchange rate insurance taken out. The sensitivity rate used is the one considered when communicating the exchange rate risk internally to the key management members, and represents the assessment by management of the possible variation, up to reasonable limits, of the exchange rates. The sensitivity analysis includes the most significant monetary and non-monetary items pending and operations carried out by the Group with third parties, adjusting their conversion at the end of 2021 and 2020 to take into account the variation in the exchange rate. In this table, a positive figure implies an increase in profit for the year or in equity, in the cases in which the euro weakens against the significant currency. In the event of a strengthening of the euro against a certain currency, there would be a similar impact on profit or loss or on equity, and the indicated balances would be negative:

		Thousands of euros	
Currency	Variation	Impact on consolidated results	Impact on consolidated equity
U.S. dollars / euros	10%	(1,997)	(1,361)
Brazilian reais / euros	10%	(46)	(25,396)
U.S. dollars / euros	-10%	2,440	1,664
Brazilian reais / euros	-10%	56	31,039

		Thousands of euros	
Currency	Variation	Impact on consolidated results	Impact on consolidated equity
U.S. dollars / euros	10%	(1,092)	(2,686)
Brazilian reais / euros	10%	(1,445)	(2,472)
U.S. dollars / euros	-10%	1,335	3,283
Brazilian reais / euros	-10%	1,766	3,021

These amounts have not considered the opposite sign potential effect that the contracted exchange rate derivatives, mainly forwards and NFDs, would have on consolidated results (see note 10.3).

3.4.3 Other market risks

Variations in the price of steel modify the cost of the main raw material used by the Group to manufacture its solar trackers. Likewise, the industrial segment's activity is affected by transport costs to comply with its activity of marketing, distribution and supply of solar trackers.

In 2021, and as a collateral consequence of the imbalances produced by the COVID-19 pandemic in the global economy, costs, mainly maritime transport, have risen sharply. This, together with the increase in generalised raw material costs, has led to an increase in the costs partially borne by the Group, which temporarily affects the operating margin of the solar tracker supply projects. However, the Board of Directors has considered that this exposure is limited as the supply contracts are signed and executed in the short term and the Group uses expectations based on steel price quotations and sales transportation costs in estimating sales prices to its customers. Likewise, it should be noted that during the second half of the year, the reactivation of the markets after the pandemic has caused an increase in the volume of merchandise movements worldwide, which has not been sufficient to allow transport costs to drop to pre-COVID-19 levels, and there is uncertainty in the market for the first half of 2022 as a result of the armed conflict described in note 19.

Risk of obtaining guarantees necessary to be able to contract/implement projects.

This refers to the risk of the Group encountering difficulties in obtaining the necessary guarantees to be able to carry out its activity, which would limit its capacity to be able to contract and execute projects.

In this regard, it should be noted that, as mentioned in the previous point, following the capital increase carried out in 2020, on 11 February 2021, the Group increased the syndicated guarantee facility by a maximum amount of 110 million euros (20 million euros at 2020 year-end), which allows it to solidly face the execution of its business plan. In addition, the Group also has agreements with insurance companies to have the capacity to issue surety insurance.

3.5 Revenue recognition and credit risk

Group management also monitors the impact of this situation on the contracts already signed and its customers, in terms of the potential changes that may be caused in relation to these contracts (cancellations, start delays, temporary halting or changes in the estimates for revenue recognition), as well as the assessment of the recoverability of collection rights. In this regard, the directors consider that the fact of keeping most of their accounts receivable insured, together with the fact that most of their customers belong to the electricity sector, which is considered a sector that is resilient to global economic crises and essential, despite the impact of the pandemic, it means that, with the information currently available, a significant impact on the credit risk or on the recognition of Group revenue is not expected beyond the delays in the commencement of the projects described in the note 3.1 above, given that said causes are not attributable to the Group's management.

3.6 Impairment of assets

Taking into account all the factors mentioned above and the information currently available, the Parent's management and directors have not made any substantial changes to their future business plan and, therefore, they do not expect them to have a significant impact on the impairment of intangible assets, PP&E or on the recoverability of inventories other than the impairment recognised (see notes 6, 7 and 11). Likewise, they do not expect this to have a significant impact on the leases held by the Group which, in accordance with IFRS 16, are recognised under the heading "Right of use".

3.7 Risk of changes in the Group's profitability

In 2021, the Group incurred losses amounting to 1,167 thousand euros, due to the performance of the industrial segment disclosed in note 3.1.

The losses reported in 2021 were due mainly to the cost of the projects carried out in the industrial segment during the financial year, which suffered an increase in the cost of materials and of transport and personnel (external and internal) costs that temporarily impacted the operating margin of the solar tracker supply projects (see notes 3.1 and 3.4.4).

The Group's management and directors maintain constant review and evaluation measures for these factors and consider that, together with the measures adopted during the year, these circumstances are temporary insofar as:

i) the assumption of extraordinary costs is exceptional and it is not foreseeable that it will occur in the future on a recurring basis, always considering the exceptional nature of the armed conflict described in note 19, and;

ii) the increase in transportation, personnel or, to a lesser extent, raw materials costs reduces the margin of projects in progress, but it is not expected to alter the margin of future projects, since the Group is working on mitigating factors, such as expanding the forwarder portfolio, hold transport and improving negotiations with the customer on the incoterms to be applied, and additionally, such increases may be passed on to the end customer in the price-fixing process.

The 2022 business plan projections, supported by the Group's backlog and pipeline and despite the extraordinary impact of these factors referred to above, together with the mitigating factors highlighted, allow, in the opinion of the Board of Directors, the correct application of the going concern principle.

Lastly, it should be noted that the Group's directors and management are constantly monitoring the evolution of the situation to successfully deal with any possible impacts of COVID-19 and of the war described in note 19, both financial and non-financial, that may arise.

3.8 Climate change management risk

The Group is fully committed to respecting and caring for the environment and it is aware of the commitment that it makes to its customers and to society in general, leading to constant recurring work to minimise the impact of its activities thereon. In this regard, it has developed a series of internal mechanisms that lay the foundations for its commitment to the environment, notably the quality, environment and health and safety management system stands out as a central framework, as well as the existence of a specific department in health, safety and environmental matters that supervises compliance with all environmental measures.

Likewise, the Group is committed to the fight against climate change, proposing to be a long-term greenhouse gas (GHG) neutral company, with a progressive reduction in emissions being planned in the short and medium term. To this end, in the case of Spain, the Group only works with electricity suppliers with an electricity mix that do not generate CO2 or other GHG emissions due to their electricity consumption, and it undertakes not to vary this selection criterion. In addition, from the paradigm of sustainability, the Group undertakes to progressively reduce its electricity consumption, carrying out control campaigns, raising awareness, changing equipment for more efficient items, with the replacement of less efficient items planned in the medium term, etc. Furthermore, in Spain, the Group has implemented a plan to reduce its carbon footprint, in which its emissions are continuously monitored, and it undertakes to reduce them year after year. It is worth mentioning that the carbon footprint generated by the Group is very small, considering the size of the organisation, but even so, the Soltec Group seeks excellence with even lower levels of emissions, and it is committed to achieving it.

Currently, the Group is identifying the relevant activities and metrics related to emissions with a scope corresponding to other indirect emissions including, among other aspects, work trips through external means, the transportation of raw materials and of products produced by third parties. For the management and coordination of all the Group's environmental actions, linked to the design, manufacture and assembly of solar trackers, the environmental management system implemented at the Group's sites in Spain, Mexico, Brazil and Chile is periodically monitored, based on the ISO-14001:2015.

In addition, to carry out the strategic planning of the environmental management system, the Group's Health and Safety and Environment Department, hereinafter HSE, is responsible for identifying those environmental aspects and determining the different areas that may have a significant impact on the environment. Within the Group's processes, not only the internal processes for the environmental management of the organisation itself should be highlighted, but also the environmental management plans designed for their implementation in the solar tracker installation projects, adapted to the specific environmental legislation in the different countries in which they are carried out.

To identify the main impacts and risks in the environmental area, the different stages of the life cycle of the Group's products and services are taken into consideration. The main environmental risks to be taken into account by the Group are the use of raw materials, the generation of waste, noise pollution and atmospheric emissions derived from energy consumption. As a result of the environmental management plan and the main risks identified, environmental monitoring plans are drawn up for the projects, the objective of which is to establish a mechanism that ensures, at the same time, compliance with the proposed protective and corrective measures and the detection of unforeseen alterations. As one more line of environmental risk control, the control of the applicable legal requirements is implemented at international, state, regional and local levels, thanks to which during the period covered by this non-financial information statement, no significant breaches occurred. Additionally, periodic internal audits are carried out by the Health and Safety and Environment Department, the scope of which covers both the central offices and subsidiaries, as well as the design, manufacturing and installation projects of solar trackers in progress.

Finally, it is worth mentioning the awareness and training actions carried out for all Group employees, whose objective is to make them aware of the importance of saving resources in their work environment and of reducing the environmental impacts derived from daily activities to help reduce their ecological footprint. In this context, the Group's manual of good environmental practices serves as a basis for the training and awareness of its employees.

4 Segment information

4.1 Main segments and segmentation criteria

The Group divides its activity into two main business lines:

- The installation and marketing of photovoltaic solar trackers, industrial segment of the Group (Soltec Energías Renovables and subsidiaries);

- The development of projects of facilities for the production of solar photovoltaic electricity through the sale and purchase, transfer and/or acquisition on its own account of shares and/or holdings in SPVs, whether or not they have legal personality, as well as the administration, management and management of such holdings (Powertis and subsidiaries).

The Group's highest decision-making authority, i.e. the Parent's Board of Directors, assesses performance on a project-by-project basis, grouping these two segments for management purposes.

This evaluation is carried out on the basis of internal information on the Group's projects, which are the basis for periodic review, discussion and evaluation in the decision-making process by the Group's highest decision-making authority.

In 2021, the Group identifies as cash-generating units the projects carried out by the different subgroups. The Group has proceeded to present the information by segments in these consolidated financial statements, considering the impact of the consolidation adjustments under the "Others" heading, as well as those associated with the Parent. Until the previous year, the consolidation adjustments were included in each segment, so the comparative information for the previous year has been adjusted. Hence, the most significant data by segments are:

Item	Thousands of euros			
	Segments – 2021			Total
	Industrial segment	Implementation segment	Others (*)	
Revenue	411,836	-	(65,322)	346,514
Changes in inventories of finished and semi-finished products	7,118	-	-	7,118
Other operating income	2,821	1,939	(1,362)	3,398
Works performed by the Group for its assets	2,242	5,902	64,029	72,173
Supplies	(298,747)	-	-	(298,747)
Personnel expenses	(45,216)	(1,851)	(3,062)	(50,129)
Other operating expenses	(94,289)	(14,092)	2,554	(105,827)
Depreciation and amortisation of fixed assets	(3,573)	(145)	(6)	(3,724)
Losses on disposals of fixed assets and others	(50)	(2)	-	(52)
Result from loss of control over SPVs	-	17,801	-	17,801
Other profit/loss	(2,966)	1,078	(59)	(1,947)
OPERATING LOSS	**(20,824)**	**10,630**	**(3,228)**	**(13,422)**
Financial income	162	206	(122)	246
Financial expenses	(4,109)	(1,023)	-	(5,132)
Changes in fair value of financial instruments	2,055	15,021	-	17,076
Net exchange rate differences	297	(5,067)	-	(4,770)
Loss of net monetary position	454	-	-	454
FINANCIAL PROFIT	**(1,141)**	**9,137**	**(122)**	**7,874**
Share of profit/(loss) of companies accounted for using the equity method	-	42	-	42
LOSS BEFORE TAX	**(21,965)**	**19,809**	**(3,350)**	**(5,506)**
Income tax	4,150	(309)	498	4,339
TOTAL COMPREHENSIVE INCOME/LOSS FOR THE YEAR	**(17,815)**	**19,500**	**(2,852)**	**(1,167)**

(*) The column "Others" corresponds to the Parent and to the impact of the consolidation adjustments.

Concept	Thousands of euros			
	Segments – 2020			Total
	Industrial segment	Implementation segment	Other (*)	
Revenue	236,215	632	(1,201)	235,646
Changes in inventories of finished and semi-finished products	559	-	-	559
Other operating income	3,221	-	(623)	2,598
Works performed by the Group for its assets	1,633	1,812	-	3,445
Supplies	(180,973)	-	-	(180,973)
Personnel expenses	(35,047)	(836)	(546)	(36,429)
Other operating expenses	(41,147)	(6,365)	1,629	(45,883)
Depreciation and amortisation of fixed assets	(3,640)	(72)	-	(3,712)
Losses on disposals of fixed assets and others	30	(674)	-	(644)
Result due to loss of control over SPVs	-	7,376	-	7,376
Other profit/loss	327	115	-	442
Operating loss	**(18,822)**	**1,988**	**(741)**	**(17,575)**
Financial income	112	6,438	-	6,550
Financial expenses	(4,204)	(2,205)	(3)	(6,412)
Changes in fair value of financial instruments	6,778	3,510	-	10,288
Net exchange rate differences	(6,708)	3,436	-	(3,272)
Other net financial income/expenses	(310)	-	-	(310)
Financial profit	**(4,332)**	**11,179**	**(3)**	**6,844**
Share of profit/(loss) of companies accounted for using the equity method	-	(39)	-	(39)
Loss before tax	**(23,154)**	**13,128**	**(744)**	**(10,770)**
Income tax	6,927	(1,271)	186	5,842
Total comprehensive income/loss for the year	**(16,227)**	**11,857**	**(558)**	**(4,928)**

(*) The column "Others" corresponds to the Parent and to the impact of the consolidation adjustments.

Concept	Thousands of euros							
	Segments at 31/12/2021			Total at 31/12/2021	Segments at 31/12/2020			Total at 31/12/2020
	Industrial segment	Implementation segment	Others (*)		Industrial segment	Implementation segment	Others (*)	
Segment assets	382,910	166,764	(72,723)	476,951	209,686	97,993	3,757	311,436
Segment liabilities	321,234	75,153	(66,416)	329,971	150,742	30,792	(12,559)	168,975

(*) The column "Others" corresponds to the Parent and to the impact of the consolidation adjustments.

Concept	Thousands of euros							
	Segments at 31/12/2021			Total at 31/12/2021	Segments at 31/12/2020			Total at 31/12/2020
	Industrial segment	Implementation segment	Others (*)		Industrial segment	Implementation segment	Others (*)	
Net cash flows from activities								
- Exploitation	(46,557)	7,779	55,902	17,124	(31,809)	(1,520)	(780)	(34,109)
- Investment	(7,389)	(44,748)	(49,060)	(101,197)	239	(7,070)	(53)	(6,884)
- Financing	16,356	(12,825)	(9,422)	(5,891)	(2,826)	4,491	139,386	141,051
- Exchange rate fluctuations	406	(985)	975	396	(48)	(197)	-	(245)

(*) The column "Others" corresponds to the Parent and to the impact of the consolidation adjustments.

4.2 *Information on geographical areas*

In the presentation of information by geographical area, revenue is based on the geographical location of customers and the assets of the geographical area are based on the geographical location of the assets. Likewise, non-current assets in the geographical area do not include deferred tax assets, deferred tax liabilities (see note 14.3) or financial instruments. Only those linked to non-current assets held for sale in 2020 have been considered for liability purposes.

The distribution of the Group's main non-current assets by geographical area at 31 December 2021 and 31 December 2020 is as follows:

	Thousands of euros							
	Spain	Brazil	North America (*)	Rest of South America (*)	APAC (*)	Italy	Other	Total at 31/12/2021
Intangible assets	7,186	10,070	-	-	-	2,192	-	19,448
Property, plant and equipment	6,312	84,293	427	1,060	1	38	45	92,176
Right of use	13,312	3,261	42	111	14	-	-	16,740
	26,810	**97,624**	**469**	**1,171**	**15**	**2,230**	**45**	**128,364**

(*) North America: United States of America and Mexico. Rest of South America: Argentina, Chile, Colombia and Peru. APAC: Australia, India and Thailand. Others: Regions not previously indicated.

	Thousands of euros							
	Spain	Brazil	North America (*)	Rest of South America (*)	APAC (*)	Italy	Other	Total at 31/12/2020
Intangible assets	3,142	8,738	-	-	-	1,513	-	13,393
Non-current assets held for sale	-	18,583	-	-	-	-	-	18,583
Property, plant and equipment	5,668	1,086	663	683	3	318	65	8,486
Right of use	13,858	1,997	202	335	72	-	-	16,464
	22,668	**30,404**	**865**	**1,018**	**75**	**1,831**	**65**	**56,926**

(*) North America: United States of America and Mexico. Rest of South America: Argentina, Chile, Colombia and Peru. APAC: Australia, India and Thailand. Others: Regions not previously indicated.

Revenue in 2021 and 2020 relates to the invoicing in the following geographical areas:

Revenue	Thousands of euros	
	2021	2020
Spain	96,262	68,497
Brazil	81,655	43,259
North America (*)	73,071	46,693
Rest of South America (*)	83,626	60,090
APAC (*)	250	13,922
European Union	8,832	-
Other	2,818	3,185
	346,514	**235,646**

(*) North America: United States of America and Mexico. Rest of South America: Argentina, Chile, Colombia and Peru. APAC: Australia, India and Thailand. European Union: Italy. Others: Regions not previously indicated.

4.3 Other segment information

The types of products and services provided by the Group have been detailed in note 16.1.

On the other hand, the weight of the main customers for the Group varies over time depending, to a large extent, on the projects carried out in the period. The Group's most representative customers in 2021, which accounted for more than 10% of revenue, were Enel Green Power, Focus Futura Holding Participaçoes and Moss Solar. Transactions with each of these customers accounted for 23.8%, 14.6%, 11.8% and 9.1%, respectively, of revenue in 2021.

Likewise, the Group's most representative customers in 2020, which accounted for more than 10% of revenue, were Enel Green Power, Solar Century Holdings Ltd, Newen Solar and Power Construction Corporation of China. Transactions with each of these customers accounted for 21.8%, 12.5%, 12.4% and 10.4%, respectively, of revenue in 2020.

5 Changes in the scope of consolidation

5.1 Incorporation of entities

In 2021 and 2020, the following subsidiaries were included in the scope of consolidation due to the incorporation of SPVs in the implementation segment, mainly. The details of the new subsidiaries included due to formation in the scope of consolidation can be found in Appendix III.

In addition, in 2021 and 2020, there were certain partial spin-offs from the Italian company Powertis, S.r.l. in favour of new beneficiary SPVs to facilitate the transfer of the projects implemented in that area. Details of the new subsidiaries included in the scope of consolidation that arise as a result of these spin-offs can be found in Appendix III.

The inclusion of these companies in the scope of consolidation did not entail the inclusion of significant profit, assets and liabilities, since these SPVs were formed in the year and, therefore, there were no changes in the composition of the Group with a material effect on the consolidated financial statements.

5.2 Inclusions in the scope of consolidation due to company takeovers

2021

i. Inclusion in the scope of consolidation of Fotovoltaico Arrayanes, S.A.S.

On 28 September 2021, Powertis, S.A.U. signed a share purchase agreement with TW Solar, S.A.S., owner of 100% of the shares of Fotovoltaico Arrayanes, S.A.S. which, at the signature date of the contract, was developing a project to generate electricity from photovoltaic energy sources called "Parque Solar Fotovoltaico Manglares", located in the municipality of Turbo (Department of Antioquia, Colombia), with a capacity of 99.9MW AC. The contract stipulates that Powertis, S.A.U. acquires 65% of the transferred company to jointly participate in auctions of long-term renewable energy contracts. The amount of the sale was 206 thousand euros. Likewise, and on that date, the effective transfer of control of the SPV corresponding to said project took place, with the Group assuming the management of the governing body of the aforementioned subsidiary.

Said acquisition has not been considered a business combination in accordance with the business definition of IFRS 3 already described, considering said acquisition to be a purchase of assets.

The assets and liabilities acquired derived from the balance sheet of the absorbed company at the time of taking control are not of significant material importance as it is a dormant company which, at the time of the acquisition had, fundamentally, a contract for the sale of energy at long term to be executed or a "Power Purchase Agreement" (PPA) with contractual periods of several years.

2020

ii. Inclusion in the scope of consolidation of the SPVs corresponding to the Pedranópolis and Sol de Varzea projects

On 15 October 2018, Powertis, S.A.U. signed agreements to acquire shares from Solatio Energy Gestao de Projetos Solares Ltda and Solatio Desenvolvimento e Gestao de Projetos Solares Ltda, owners of 50%, respectively, of several solar projects in Brazil (hereinafter, Solatio). This contract included the transfer to Powertis of the ownership of all the shares of the instrumental companies: Leo Silveira I-IV, Ltda., Usina de Energia Fotovoltaica de Araxá, Ltda., Usina de Energia Fotovoltaica de Pedranópolis Ltda. and Usina de Energia Fotovoltaica Sol de Varzea, Ltda., as well as all their rights and obligations. The transfer of control for the SPVs of the Leo Silveira and Araxá project were transferred in 2019 and considered as business combinations, considering the transfer of a business.

In March and September 2020, the effective transfer to the Group of control of the SPVs corresponding to the Pedranópolis and Sol de Varzea projects took place, since it was at that time that the governing body's management of the aforementioned SPVs was assumed., it began to be exposed to the variable yields resulting therefrom and all the cancellation clauses that made it impossible to reverse the transaction were fulfilled. As a result of this, the assets and activities of said instrumental companies were acquired, which are considered to be a single intangible asset measured at 2.5 million euros and 2 million euros, respectively (13.5 million Brazilian reais at the exchange rate on the date on which control was acquired for both companies), since it was considered that the definition of business had not been met after the modification of IFRS 3 that came into force on 1 January 2020 and, therefore, it was considered to be an asset acquisition.

5.3 *Other acquisitions not involving the transfer of control*

i. Transaction carried out between Powertis, S.A.U. and SER Sistemas de Energia Renovável LTDA (hereinafter, SER) within the framework of the sale and purchase operation of Engady (GRAVIOLA project).

In October 2019, Powertis, together with Engady Solar Energia SPE LTDA (Engady), agreed to compete through a consortium in the public electricity auction. Engady is a special purpose vehicle that develops the "Graviola" solar project and is owned by SER, a Brazilian energy company.

Participation in this auction was carried out through various special purpose entities, with Powertis and Engady participating in them. On 13 January 2020, four companies (Graviola I-IV), 99.99% owned by Powertis and 0.01% owned by Engady, were formed and awarded the bid. In addition, on 11 February 2020, SER and Powertis agreed to purchase 100% of Engady's shares, with a total acquisition price of 24 million Brazilian reais, representing approximately 3.8 million euros at the 31 December 2020 exchange rate. The disbursement of this amount is structured into a series of payments subject to the fulfilment of milestones for the technical, financial and construction development of the solar project through the Graviola SPVs.

At 31 December 2021, the transfer of 15% of Engady's shares to Powertis (20% of Engady's shares acquired at 31 December 2020) was formalised, leading to a cash outflow in 2021 of 578 thousand euros (812 thousand euros at 31 December 2020). At the end of 2021, Powertis's interest in Engady was 35% (20% at 2020 year-end). Also, the payments made depend on the technical success of the project, based on the actions to be taken by Engady and SER, and in 2021, the package of connection licenses agreed was transferred to Graviola SPVs and, consequently, the associated payment milestone accrued. These connection licenses represent evidence of the technical feasibility of the project and, in accordance with the standard, these licenses are capitalized by reclassifying the payments initially recognized as "Prepayments for equity instruments - Non-current financial investments" (see note 10.1.1.ii) to "PLCs - Intangible assets" (see note 6).

In 2020, there were no significant acquisitions of companies in addition to that already described in accordance with the aforementioned business definition of IFRS 3 in force in said year.

5.4 Business combination

In 2021, there were no business combinations, in accordance with the business definition of IFRS 3.

5.5 Sale of companies with loss of control

i. Sale transaction of Spanish SPVs to Total Solar SAS

On 30 January 2020, Powertis, S.A.U. reached an agreement with Total Solar S.A.S., whereby Powertis, S.A. granted it a pre-emptive right to purchase certain special purpose vehicles (SPVs) with a total capacity of up to 1,000 MW in Spain for a period of one year. Under this pre-emptive purchase right agreement, Powertis, S.A.U. must transfer to Total Solar SAS 65% of the shares it holds in each of the SPVs required by Total Solar SAS. This agreement entailed a sale transaction that materialized in March 2021.

In March 2021, the transfer of 65% of the shares of Luminora Solar Cinco, SL was formalised. Consequently, at 31 December 2021, the Group had lost the control it held over said SPVs. This transaction gave rise to the recognition of operating profit of 1,953 thousand euros arising from the loss of control under "Gain/(loss) from loss of control over SPVs" and a financial profit of 964 thousand euros as consideration for the fair value of the investment under "Changes in the fair value of financial instruments".

These investments (together with those indicated in transaction 5.5.ii), measured at fair value at the date of disposal and adjusted for the share of profit or loss of the companies accounted for using the equity method, are recognised under "Investments in companies accounted for using the equity method" in the consolidated statement of financial position (see note 9).

ii. Sale of Italian SPVs to Aquila

On 24 December 2020, Powertis, S.A.U. reached a framework agreement with a third party whereby they agreed to jointly develop, finance, construct and manage a portfolio of up to 754 MW of solar projects associated with SPVs in Italy until 31 December 2023.

Under this agreement, an initial transfer of 51% of the shares of SPVs associated with projects in Italy was set at a price based on the MW that could ultimately be generated at these locations, which was initially calculated based on the expected MW and which would be adjusted once the project was completed based on the MW actually obtained, the final costs of leasing the land and possible delays in the project. This transfer of shares would have to be formalized later in individual purchase and sale agreements. The initial purchase price would be paid by the investor in two tranches: a first tranche of 50% on the date of the transfer of the shares and the second remaining tranche when the projects implemented obtain the status of "Ready to Build" (according to the definition established in the contract, the project reaches the "Ready to Build" phase with the obtainment of all the necessary licenses to start the construction phase, the execution of the interconnection right and the notarial registration of the land).

Furthermore, if the initially transferred project could not obtain "Ready to Build" status due to the impossibility of obtaining any of the necessary licenses, permits or contracts to start the construction phase and Powertis was obliged to offer the investor new projects for at least the same capacity and with similar characteristics. This obligation had been limited to a number of MW and on specific replacement projects offered. In case of replacement, a new purchase and sale agreement would be concluded on the new SPV. The Investor was entitled to compensate the invested capital including the price paid for the SPV and any additional development financing provided. For its part, Powertis would be obliged to purchase capital at the nominal value at which it was previously acquired by the investor in the failed project, together with any contributions made to that SPV by the investor.

Once the project reaches "Ready to Build" status, the investor would have the right, but not the obligation, to exercise a 49% call option on the remaining equity.

Under this framework agreement, on 24 December 2020, the share purchase and sale agreement was executed whereby 51% of the ownership interest in ten Italian SPVs containing solar projects with an estimated capacity of 249 MW was transferred without the risks and rewards of the transaction having been substantially transferred, since none of the projects had obtained the "Ready to build" status as defined in the agreement. The Group received an amount of 3,174 thousand euros which was recognized under "Non-current financial liabilities" and "Current financial liabilities" in the consolidated statement of financial position at 31 December 2020 (see note 10.2.1).

In March 2021, an addendum to the initial framework agreement came into force, modifying certain clauses, including the increase in the project portfolio to a maximum of 1,109 MW, setting a fixed sales price that cannot be adjusted to different project packages, establishing a success fee (Performance Based Earn-Out) in the event the projects reach the Ready to Build phase and the obligation of Powertis to acquire failed projects by compensating the sales price initially charged is eliminated. With all of the above, the transfer of the risk and benefit of the operation is brought forward in time and is limited to compliance with certain clauses associated with the initial project development procedures, transfer of licenses and reaching agreements on the land on which the solar projects will be developed.

In relation to said agreement, the Group substantially transferred the risks and benefits, leading to the disposal of several packages of Italian SPVs:

- 10 SPVs transferred in 2020 accruing in March 2021.
- 12 SPVs transferred accruing in June 2021 .
- 1 SPV transferred accruing in July 2021.
- 3 SPVs transferred accruing in September 2021.
- 1 SPV transferred accruing in October 2021.

These operations have led to the recognition of operating profit of 5,134 thousand euros derived from the loss of control under the heading "Gain/(loss) from loss of control over SPVs" and financial profit of 4,878 thousand euros as a result of the measurement at fair value of the holding under the heading "Changes in the fair value of financial instruments". As a result of the accrual of the operation, the collections received in 2020 recognised at 31 December 2020 as "Non-current financial liabilities" and "Current financial liabilities" materialised as operating income.

In December 2021, an addendum was signed to the framework agreement whereby its extension was stipulated. The new framework agreement reached extended the portfolio to be implemented up to a maximum of 1840 MW of solar projects associated with SPVs in Italian territory, valid until 31 December 2024.

Additionally, and in relation to said novation, the Group performed the substantial transfer of the risks and benefits and consequent accrual of the disposal of 15 Italian SPVs in December 2021. This operation led to the recognition of 9,578 thousand euros derived from the loss of control under "Gain/(loss) from loss of control over SPVs" and a financial profit of 9,179 thousand euros to measure the fair value of the holding under "Variation in the fair value of financial instruments".

In the opinion of the Parent's directors at 31 December 2021, the Group had performed the substantial transfer of the risks and benefits and the consequent accrual of the disposal of said SPVs.

iii. *Sale of Brazilian SPVs - Leo Silveira Project*

On 23 September 2020, Powertis, S.A.U. reached an agreement with a third party whereby it agreed to sell SPVs Leo Silveira IV, V and VI (Block A) and, on 4 November 2020, the agreement for the sale of SPVs Leo Silveira I, II and III (Block B) was formalized, establishing a condition precedent.

This agreement was instrumented in two separate sale agreements for 100% of the shares in each of the blocks, setting a sale price of 55 million Brazilian reals for Block A and 40 million Brazilian reals for Block B. The sale and purchase agreement included the legal transfer of the shares, as a necessary condition for the buyer to carry out the administrative procedures necessary for the change of ownership of all permits, licenses and concessions, although the payment of the agreed amounts was subject to the fulfilment of a series of conditions by both parties. Until these conditions were met, the corporate books of the SPVs were deposited in the custody of a legal depository as a guarantee of collection.

The agreement also provided for the possibility of terminating the agreement at the sole discretion of the purchaser in the event that payment was not made or if the purchaser exercised the right to sell the shares by returning them to Powertis. In this regard, at 31 December 2020, the conditions for payment had not been met for any of the blocks and, therefore, according to the estimate made by the Parent's Board of Directors, the conditions for the transfer of control had not been met.

In this regard, given that the Board of Directors consider that the carrying amount of these SPVs would be recovered through the sale transaction with a third party described above and that it was highly probable that the conditions for the transfer of control would be met in the short term, they classified the group of assets and liabilities associated with these SPVs as available for sale at 31 December 2020.

In January 2021, the disposal of 100% of the ownership interests and the loss of control of Block A was completed with the fulfilment of the agreed conditions and the subsequent collection of the sale price of 8,577 thousand euros at the collection exchange rate. This transaction gave rise to the recognition of an operating profit of 696 thousand euros arising from the loss of control under "Gain/(loss) from loss of control over SPVs".

During the month of July 2021, the buyer has notified the fulfilment of all the conditions of the Block B agreement, having made the payment of the agreed amount during that month. During these months, there has been an increase in the net assets of the SPVs associated with Block B, which led to the recognition of 14 thousand euros derived from the loss of control under "Gain/(loss) from loss of control over SPVs" and 426 thousand euros for unpaid taxes passed on to the end customer.

The detailed description of the assets and liabilities classified as available for sale and their carrying amount at 31 December 2020 was as follows:

	Thousands of euros
PLCs	18,583
Total non-current assets held for sale	**18,583**
Deferred tax liabilities	(4,646)
Total liabilities associated with non-current assets held for sale	**(4,646)**
Total net assets of the SPVs associated with the Leo Silveira Project	**13,937**

Due to the operations described, the assets classified as available for sale at 31 December 2020 were settled.

6 Intangible assets

The details and movement of the items included under "Intangible assets" at 31 December 2021 and 2020 is shown below:

2021

	Thousands of euros					
	Initial balance	Additions (note 5.2)	Exclusions from scope (note 5.5)	Transfers (note 10.1.1.ii)	Exchange rate differences	Final balance
Cost:						
Development	4,684	2,242	-	-	-	6,926
Other intangible assets-						
Industrial property	153	-	-	-	-	153
Computer software	640	37	-	-	(45)	632
PLCs	10,245	8,779	(5,675)	1,294	42	14,685
Total cost	**15,722**	**11,058**	**(5,675)**	**1,294**	**(3)**	**22,396**
Accumulated amortisation:						
Development	(1,884)	(550)	-	-	-	(2,434)
Other intangible assets-						
Industrial property	(105)	(17)	-	-	-	(122)
Computer software	(340)	(52)	-	-	-	(392)
Total accumulated amortisation	**(2,329)**	**(619)**	**-**	**-**	**-**	**(2,948)**
Total intangible assets	**13,393**	**10,439**	**(5,675)**	**1,294**	**(3)**	**19,448**

2020

	Thousands of euros					
	Initial balance	Additions	Exclusions from scope	Transfers (note 10.1.1.ii)	Exchange rate differences	Final balance
Cost:						
Development	3,051	1,633	-	-	-	4,684
Other intangible assets-						
Industrial property	153	-	-	-	-	153
Computer software	441	216	-	-	(17)	640
PLCs	32,170	6,309	(300)	(19,257)	(8,677)	10,245
Total cost	**35,815**	**8,158**	**(300)**	**(19,257)**	**(8,694)**	**15,722**
Accumulated amortisation:						
Development	(1,441)	(443)	-	-	-	(1,884)
Other intangible assets-						
Industrial property	(84)	(21)	-	-	-	(105)
Computer software	(245)	(105)	-	-	10	(340)
Total accumulated amortisation	**(1,770)**	**(569)**	**-**	**-**	**10**	**(2,329)**
Impairment:						
PLCs	-	(674)	-	674	-	-
Total intangible assets	**34,045**	**6,915**	**(300)**	**(18,583)**	**(8,684)**	**13,393**

Additions

The main additions in 2021 correspond to assets generated internally with respect to "PLCs" amounting to 8,779 thousand euros, of which 5,902 thousand euros were generated through work carried out by the Group and consequently recognised under "Work carried out by the Group for its assets" in the accompanying consolidated income statement. These capitalised expenses are associated with the implementation of solar projects for which the Parent's technical management considers that all the requirements for their activation have been met based on the status of the projects. Likewise, payments amounting to 1,294 thousand euros relating to the Engady-Graviola project that had initially been classified as "Prepayments for equity instruments - Non-current financial investments" (see note 10.1.1) were capitalised.

-In addition, in 2021, Italian SPVs were disposed of (see note 5.5.ii), resulting in the exclusion from the scope of consolidation of internally capitalised PLCs in the amount of 5,675 thousand euros.

On the other hand, there are additions from internally generated assets under "Development" amounting to 2,242 thousand euros. These expenses are associated with new products which the Parent's technical management estimates will be profitable, within the framework of the testing and validation being performed, including technical reports, and which are expected to be marketed under contracts to be executed in the coming years.

PLCs

The PLCs correspond to the permits, licenses and concessions that have been generated internally or, as the case may be, acquired as a result of the business combinations that have taken place.

The reclassifications recorded under this heading in 2020 were due to the consideration of "Assets held for sale" of the PLCs associated with Leo Silveira's SPVs (see note 5.5).

PLC impairment test

The Group has performed the corresponding impairment test based on IAS 36. In this regard, it has been considered appropriate to differentiate between the different projects when determining their recoverable amount:

- Leo Silveira Project. For this project, the directors have considered that the sale price agreed with a third party in 2020 (see note 5.5) was an appropriate value reference that determined the recoverable amount at 31 December 2021. Hence, they recognised said assets at sale value (considering the total consolidated net assets at 31 December 2021 for said project). These assets were reclassified as "Non-current assets held for sale" (see note 5.5). In 2021, these holdings were disposed of.

- Araxá, Pedranopolis and Sol de Varzea projects. The Parent's directors performed an impairment test at 31 December 2021 (see note 7).

However, in the context of the COVID-19 crisis, a period of notable uncertainty has been unleashed, with an unprecedented sudden economic stoppage. Given the complexity of the situation, increasing uncertainty due to the event described in note 19, it is difficult to establish a scenario with predictable certainty regarding the evolution of events, which is why the need arises to analyse different scenarios.

Specifically, the calculation made to assess the possible impairment of the PLCs associated with these projects was carried out jointly with the evaluation of the possible impairment of property, plant and equipment, due to the fact that the most significant have projects in common. Said evaluation of possible impairment was carried out by projects through financial projections for each of the acquired projects (see note 2.6.d and note 7).

At 31 December 2021, financing had been obtained for the Araxá and Pedranópolis projects (see note 10.2.2) and the " *Ready-to-Build"* phase of both, with construction having commenced on both projects. Likewise, the Sol de Varzea project continues with its development in line with the pre-established schedule and without significant incidents.

Based on the above analysis, no signs of impairment were identified with regard to intangible assets (see note 7).

Other

In 2021, no acquisitions related to intangible assets from related companies were carried out (same situation in 2020).

At 2021 year-end, there were no firm purchase or sale commitments regarding the intangible assets that are in force at the date of preparation of these consolidated financial statements.

All intangible assets are assigned to the exploitation of the Group.

7 Property, plant and equipment

The detail and movements in this heading in the consolidated statements of financial position at 31 December 2021 and 2020 are shown below:

2021

	Thousands of euros				
	Initial balance	Additions	Disposals	Exchange rate differences	Final balance
Cost:					
Land and buildings					
Buildings	4,033	453	-	27	4,513
	4,033	453	-	27	4,513
Plant and other property, plant and equipment-					
Plant and machinery	3,150	930	(121)	(49)	3,910
Tools, other fixtures and furniture	3,828	1,195	(84)	(19)	4,920
Other property, plant and equipment	1,118	210	(27)	(3)	1,298
Property, plant and equipment in progress and advances	640	81,736	-	976	83,352
	8,736	84,071	(232)	905	93,480
Total cost	**12,769**	**84,524**	**(232)**	**932**	**97,993**
Accumulated depreciation:					
Land and buildings					
Buildings	(591)	(279)	-	(23)	(893)
	(591)	(279)	-	(23)	(893)
Plant and other property, plant and equipment-					
Plant and machinery	(1,675)	(354)	83	(8)	(1,954)
Tools, other fixtures and furniture	(1,515)	(937)	77	(13)	(2,388)
Other property, plant and equipment	(502)	(91)	20	(9)	(582)
	(3,692)	(1,382)	180	(30)	(4,924)
Total accumulated depreciation	**(4,283)**	**(1,661)**	**180**	**(53)**	**(5,817)**
Total	**8,486**	**82,863**	**(52)**	**879**	**92,176**

2020

	Thousands of euros				
	Initial balance	Additions	Disposals	Exchange rate differences	Final balance
Cost:					
Land and buildings					
Buildings	2,881	1,152	-	-	4,033
	2,881	1,152	-	-	4,033
Plant and other property, plant and equipment-					
Plant and machinery	3,219	290	(46)	(313)	3,150
Tools, other fixtures and furniture	3,126	1,132	(123)	(307)	3,828
Other property, plant and equipment	1,172	99	(46)	(107)	1,118
Property, plant and equipment in progress and advances	-	673	-	(33)	640
	7,517	2,194	(215)	(760)	8,736
Total cost	**10,398**	**3,346**	**(215)**	**(760)**	**12,769**
Accumulated depreciation:					
Land and buildings					
Buildings	(432)	(159)	-	-	(591)
	(432)	(159)	-	-	(591)
Plant and other property, plant and equipment-					
Plant and machinery	(1,223)	(571)	36	83	(1,675)
Tools, other fixtures and furniture	(1,030)	(596)	15	96	(1,515)
Other property, plant and equipment	(454)	(108)	12	48	(502)
	(2,707)	(1,275)	63	227	(3,692)
Total accumulated depreciation	**(3,139)**	**(1,434)**	**63**	**227**	**(4,283)**
Total	**7,259**	**1,912**	**(152)**	**(533)**	**8,486**

The carrying amount of "Property, plant and equipment" at 31 December 2021 and 2020 was as follows:

	Thousands of euros	
	31/12/2021	31/12/2020
Land and buildings:		
Buildings	3,620	3,442
	3,620	**3,442**
Plant and other property, plant and equipment:		
Plant and machinery	1,956	1,475
Tools, other fixtures and furniture	2,532	2,313
Other property, plant and equipment	716	616
	5,204	**4,404**
Non-current assets in progress:	83,352	640
	83,352	**640**
Total property, plant and equipment	**92,176**	**8,486**

Movements

The additions recorded under the heading "Property, plant and equipment in progress" are practically all due to the start of the construction of solar parks in Brazil for the Araxá and Pedranópolis implementation segment projects, awaiting the completion of the construction process and its commissioning during the first half of 2022. The Araxá project consists of two photovoltaic plants located in the municipality of Araxá (State of Minas Gerais) with a capacity of 45MW each and a total investment of 43,796 thousand euros at 31 December 2021. The Pedranópolis project consists of three photovoltaic plants located in the municipality of Pedranópolis (State of Sao Paulo) with a capacity of 30MW each and a total investment of 39,545 thousand euros at 31 December 2021.

In 2021, in relation to the investments in previous solar plants, additions arose from assets generated internally as "Non-current assets in progress" amounting to 64,029 thousand euros, the impact of which was recorded under the heading "Work carried out by the Group for its assets" in the consolidated income statement.

The main additions at 31 December 2020 corresponded to works and installations carried out at the industrial buildings and warehouses at which the Group carries out its activity, as well as the acquisition of machinery, tools and fixtures to carry out installation projects, mainly in Spain. .

Likewise, in 2020, the payments made as advances to acquire the land on which construction of Araxá and Pedranópolis began were recorded under the heading "Property, plant and equipment in progress", together with the acquisition of land to carry out projects associated with one of the Italian SPVs.

Impairment test on property, plant and equipment

Due to the additions in the period under this heading caused by the progress of the Araxá and Pedranópolis projects, the Group carried out the corresponding impairment test based on IAS 36.

However, in the context of the COVID-19 crisis, a period of notable uncertainty has been unleashed, with an unprecedented sudden economic stoppage. Given the complexity of the situation, increasing uncertainty due to the event described in note 19, it is difficult to establish a scenario with predictable certainty regarding the evolution of events, which is why the need arises to analyse different scenarios.

Specifically, the calculation to assess the possible impairment of assets, both intangible and those corresponding to the heading "Property, Plant and Equipment", associated with these projects, was performed using financial projections for each of the projects under construction (see note 2.6.d).

In this regard, the methodology used to calculate the value of the amount recorded for these projects consists of preparing income and expense projections for each of the projects at 33 years (estimated operating life of the projects), which is updated at the date of the statement of financial position, through a discount rate in accordance with the growth and risk rates of 10.8% associated with Brazil in 2021 (see note 2.6.d). The income included in the cash flow forecasts is associated with an agreement to sell electricity at a contractually agreed price in a long-term period from the start of the operation of the solar parks, which is expected to take place in the first half of 2022. The aforementioned flows have contemplated normalised growth in revenue, based exclusively on the country's estimated inflation rate during the first 20 years, corresponding to the period of the initial contract for the sale of energy formalized, and subsequently a more significant normalised growth, based on expected revenues from short-term electricity sale agreements. Likewise, and in terms of established operating margins, the normalised growth contemplated is around 3%.

The market values thus obtained are analysed by calculating and assessing the capitalisation of yields implicit in those values. The projections are intended to reflect the best estimate of the future income and expenses of the assets. In the opinion of the directors, there were no changes in assumptions that questioned the modification of the expected cash flow forecasts in a significant way and thus, at the date of these financial statements, no indication of any impairment was disclosed.

In this context, and in the opinion of the Company's Board of Directors, any reasonable change in the key assumptions used to determine the recoverable amount of the projects would not cause the carrying amount of the asset to exceed its recoverable amount.

At 31 December 2021, financing was obtained for the Araxá and Pedranópolis projects, but it was not made available until the corresponding necessary bank guarantees were obtained (see notes 3.3 and 10.2.2).

Guarantees

At 31 December 2021, there were no guarantee items for financing granted to the Group (same situation at 31 December 2020).

insurance policies

The Group takes out insurance policies to cover the possible risks to which its various items of "Property, plant and equipment" are subject, said items being sufficiently covered at 31 December 2021, in the opinion of the Parent's directors (same situation at 31 December 2020).

Other

In 2021, no impairment losses of a significant amount were recognised under "Property, plant and equipment" (same situation in 2020), nor were there any acquisitions relating to "Property, plant and equipment" made from related companies (same situation in 2020).

There are no firm purchase or sale commitments regarding the "Property, plant and equipment" items that are in force at the date of preparation of these consolidated financial statements (same situation during the previous year).

All items of "Property, plant and equipment" are assigned to the Group's operation and are free of charges .

8 Leases

IFRS 16 establishes the principles for the recognition, measurement, presentation and breakdown of lease contracts, to guarantee that both the lessee and the lessor provide significant information that represents said operations fairly. IFRS 16 provides for a single accounting model for the lessee, according to which the latter must recognise the assets for the right of use and the corresponding lease liabilities of all lease contracts, unless the term thereof is 12 months or lower or the underlying asset has a low value.

The criteria established by IFRS 16 to recognise lease arrangements were applied retrospectively modified, equalling the amount of the asset to the present value of the discounted rent, adjusting the opening balance on the adoption date.

The detail and movements in this heading in the consolidated statement of financial position at 31 December 2021 and 2020 are shown below:

2021

	Thousands of euros				
	Initial balance	Additions	Disposals	Exchange rate differences	Final balance
Cost:					
Land and buildings	18,689	1,680	(700)	150	19,819
Other fixed assets	814	2	(162)	-	654
Total cost	**19,503**	**1,682**	**(862)**	**150**	**20,473**
Accumulated depreciation:					
Land and buildings	(2,882)	(1,163)	652	-	(3,393)
Other fixed assets	(157)	(281)	98	-	(340)
Total accumulated depreciation	**(3,039)**	**(1,444)**	**750**	**-**	**(3,733)**
Total right of use	**16,464**	**238**	**(112)**	**150**	**16,740**

2020

	Thousands of euros				
	Initial balance	Additions	Disposals	Exchange rate differences	Final balance
Cost:					
Land and buildings	11,636	13,246	(6,313)	120	18,689
Other fixed assets	288	667	(141)	-	814
Total cost	**11,924**	**13,913**	**(6,454)**	**120**	**19,503**
Accumulated depreciation:					
Land and buildings	(2,795)	(1,475)	1,388	-	(2,882)
Other fixed assets	(41)	(234)	118	-	(157)
Total accumulated depreciation	**(2,836)**	**(1,709)**	**1,506**	**-**	**(3,039)**
Total right of use	**9,088**	**12,204**	**(4,948)**	**120**	**16,464**

The Group leases different assets, including land, buildings and other non-current assets.

In 2021, a new lease agreement was recognised in the implementation segment for 1,337 thousand euros, corresponding to the lease agreement for the land of the Pedranópolis project, given that the existing lease option was converted into a lease when the project reached the " *Ready-to-Build* " stage.

Also, the main addition in 2020 related to the lease agreement on the land of the Araxá project amounting to 1,940 thousand euros, given that the existing lease option was converted into a lease when the project reached the " *Ready-to-Build* " stage.

Likewise, in 2020, certain lease agreements with parties related to the Parent corresponding to buildings (warehouses) and land associated with the industrial segment were cancelled. In this way, these cancellations entailed net disposals amounting to 4,225 thousand euros and the recognition of a gain under the heading "Gains/(losses) on disposal of non-current assets and others" amounting to 202 thousand euros.

These cancellations were replaced by a series of lease agreements signed with a party related to the Parent, also corresponding to the lease of warehouses and land on which the industrial segment carries out its activity, which involved additions amounting to 10,999 thousand euros. Due to the fact that said lease agreements were cancelled and involved significant modifications to the leased items, change of counterparties, rent and duration, the Parent's directors considered that it was not a modification of the lease agreements and recognised the corresponding disposals and additions.

Additionally, as derecognitions for the year, as well as in 2020, the contracts that ended in 2021 or 2020 have also been considered.

The average lease period is not an indicative piece of data, since there is a significant dispersion between the period considered for the lease of land and buildings and the remaining assets subject to lease. Regarding the lease period, no more lease liabilities other than the non-cancellable contractual minimum have been considered, since the exercise of extension options, if any, are not considered to be reasonably certain.

In accordance with this policy, the average lease period calculated in accordance with the provisions of IFRS 16 is around four years (four years in 2020), except for certain warehouse contracts, which is ten years (same duration in 2020), certain warehouse contracts in which the industrial segment carries out activities that have a duration of 20 years and three land contracts for which said average period is 30-33 years from the date of transition to IFRS 16. Regarding the implementation segment, the main lease arrangements relate to two pieces of land with a duration of 30 years.

The detail by maturity of lease liabilities without discounting the financial effect at 31 December 2021 and 2020 was as follows:

2021

	Thousands of euros					
	2021	2022	2023	2024	2025 onwards	Total
Undiscounted lease liabilities	1,753	1,528	1,399	1,373	23,367	29,420

2020

	Thousands of euros					
	2021	2022	2023	2024	2025 onwards	Total
Undiscounted lease liabilities	1,896	1,508	1,273	1,202	20,549	26,428

The financial expense recognised for the contracts subject to IFRS 16 amounted to 843 thousand euros in 2021 (667 thousand euros in 2020).

Given the characteristics of the contracts, in the cases in which there are contracts with an extension option, since they relate to land and buildings, a long-term lease period has been estimated (linked to the amortisation period of the investments in related assets) or the duration of the contract itself, so it can be stated in any case that there are no probable lease payments that have not been considered as reasonably certain.

As described in note 2.6.e, the Group has taken advantage of the short-term contract exemptions, with the expense recognised in the consolidated income statement for short-term contracts amounting to 9,427 thousand euros in 2021 (5,688 thousand euros in 2020). At 31 December 2021, there are no significant lease contracts subject to equity, nor were there any sublease operations to third parties outside of the Group, or sale & leaseback contracts (same situation at 31 December 2020) .

In 2021, the average discount rate applied was 3.5% for Spain, 9.1% in LATAM and 8.1% in the remaining areas (same percentages in 2020). Said interest rate is calculated based on the risk-free rate in each country (in order to reflect the circumstances of each economy and the currency of the contract), adjusted by the risk spread applicable to the Group companies.

The subsidiary Powertis, S.A.U., for the development of its activity, in each of its projects, reaches agreements with the owners of the land on which it carries out research, to ensure a future lease of up to 35 years, where appropriate. These agreements last between two and five years and generally consist of a low initial payment. In that space of time, the land owner is free to continue with their economic activity on said land. Likewise, during this period, Powertis is free to terminate the contract without incurring any penalties. Only if Powertis finally decides to undertake the construction within that period (depending on the results of the technical and economic feasibility studies) will the corresponding lease contract be established.

In this regard, in line with the criteria mentioned in the previous paragraph, in 2021, the rights of use associated with the land on which the Pedranópolis project is being developed have been recognised. In 2020, the rights of use associated with the land on which the Araxá project is being developed were recognised.

The total amount of cash outflows for leases amounted to 11,539 thousand euros in 2021 (13,913 thousand euros in 2020).

Likewise, the Group has not applied any improvements to its leases as a result of COVID-19, hence, it did not apply any of the improvements under IFRS 16 published in 2021 or 2020, as a result of the pandemic.

9 Investments and loans in companies accounted for using the equity method

9.1 Investments in companies accounted for using the equity method

The movements in investments in companies accounted for using the equity method at 31 December 2021 and 2020 were as follows:

2021

	Thousands of euros					
	Initial balance 01/01/2021	Cost-method investments	Revaluation (note 5.5)	Equity in income of investments accounted for using the equity method	Other contributions	Final balance 31/12/2021
Spanish SPVs (12 associates)	4,101	60	964	18	-	5,143
Italian SPVs (42 associates)	-	206	14,057	24	3,867	18,154
Total investments accounted for using the equity method	**4,101**	**266**	**15,021**	**42**	**3,867**	**23,297**

2020

	Thousands of euros					
	Initial balance 01/01/2020	Cost-method investments	Revaluation	Equity in income of investments accounted for using the equity method	Other contributions	Final balance 31/12/2020
Spanish SPVs (11 associates)	-	512	3,510	(39)	118	4,101
Total investments accounted for using the equity method	**-**	**512**	**3,510**	**(39)**	**118**	**4,101**

In 2021, 49 SPVs (1 Spanish, 6 Brazilian and 42 Italian) lost control as a result of the operations described in note 5.5. These operations generated profit, which was booked under the heading "Changes in the fair value of financial instruments" amounting to 15,021 thousand euros, as a result of the measurement at fair value based on the sale price of the retained interest (3,510 thousand euros in 2020).

The share in profit/(loss) from investments accounted for using the equity method in the year from the moment of loss of control represents gains of 42 thousand euros (losses amounting to 39 thousand euros in 2020).

The main aggregates of these Group associates are included in Appendix II, and they do not present significant magnitudes or any financial debt in 2021 and 2020, since they were financed in their initial stage by the capital of the participating partners.

9.2 Loans to companies accounted for using the equity method and others

The Group maintains long-term and short-term loans with said SPVs amounting to 2,733 thousand euros at 31 December 2021 and 1,034 thousand euros, respectively (1,207 thousand euros and 143 thousand euros at 31 December 2020). These credits generated financial income in 2021 totalling 85 thousand euros (no amount at 2020 year-end).

10 Financial instruments

10.1 Financial assets

The composition of the financial assets at 31 December 2021 and 31 December 2020 is analysed below, showing the following information:

- the different classes of financial instruments recognised by the Group on the basis of their nature and characteristics.
- the carrying amount of such financial instruments; and
- the fair value thereof (except for those financial instruments whose carrying amount approximates their fair value).

2021

	Thousands of euros			
	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Balance at 31/12/2021
Non-current financial assets (note 10.1.1):				
Equity instruments	-	81	-	81
Other financial assets	7,626	-	-	7,626
Total non-current financial assets	**7,626**	**81**	-	**7,707**
Current financial assets:				
Customer receivables for sales and other accounts receivable (note 10.1.2.i)	150,975	-	-	150,975
Customer receivables companies accounted for using the equity method (note 10.1.2.i)	3,636	-	-	3,636
Sundry debtors (note 10.1.2.i)	769	-	-	769
Other financial assets (note 10.1.2.ii)	4,910	-	-	4,910
Derivatives (note 10.3)	-	-	1,427	1,427
Other current assets (note 10.1.2.i)	6,026	-	-	6,026
Total current financial assets	**166,316**	-	**1,427**	**167,743**
Total financial assets	**173,942**	**81**	**1,427**	**175,450**

2020

	Thousands of euros			
	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Balance at 31/12/2020
Non-current financial assets (note 10.1.1):				
Equity instruments	-	84	-	84
Other financial assets	5,044	-	-	5,044
Total non-current financial assets	**5,044**	**84**	-	**5,128**
Current financial assets:				
Customer receivables for sales and other accounts receivable (note 10.1.2.i)	64,004	-	-	64,004
Sundry debtors (note 10.1.2.i)	1,135	-	-	1,135
Loans to third parties (note 10.1.2.ii)	30	-	-	30
Other financial assets (note 10.1.2.ii)	86	-	-	86
Derivatives (note 10.3)	-		2,039	2,039
Other current assets (note 10.1.2.i)	1,963	-	-	1,963
Total current financial assets	**67,218**	**-**	**2,039**	**69,257**
Total financial assets	**72,262**	**84**	**2,039**	**74,385**

Classification of financial assets by maturity

At 31 December 2021 and 2020, the classification of financial assets based on their maturity dates is as follows:

2021

	Thousands of euros			
	Maturity less than one year	Maturity between 1 and 5 years	Indeterminate	Balance at 31/12/2021
Non-current financial assets (note 10.1.1):				
Equity instruments	-	-	81	81
Other financial assets	-	6,984	642	7,626
Total non-current financial assets	**-**	**6,984**	**723**	**7,707**
Current financial assets:				
Customer receivables for sales and other accounts receivable (note 10.1.2.i)	150,975	-	-	150,975
Customer receivables companies accounted for using the equity method (note 10.1.2.i)	3,636	-	-	3,636
Sundry debtors (note 10.1.2.i)	769	-	-	769
Other financial assets (note 10.1.2.ii)	4,910	-	-	4,910
Derivatives (note 10.3)	1,427	-	-	1,427
Other current assets	6,026	-	-	6,026
Total current financial assets	**167,743**	-	-	**167,743**
Total financial assets	**173,942**	**6,984**	**723**	**175,450**

2020

	Thousands of euros			
	Maturity less than one year	Maturity between 1 and 5 years	Indeterminate	Balance at 31/12/2020
Non-current financial assets (note 10.1.1):				
Equity instruments	-	-	84	84
Other financial assets	-	4,405	639	5,044
Total non-current financial assets	**-**	**4,405**	**723**	**5,128**
Current financial assets:				
Customer receivables for sales and other accounts receivable (note 10.1.2.i)	64,004	-	-	64,004
Sundry debtors (note 10.1.2.i)	1,135	-	-	1,135
Loans to third parties (note 10.1.2.ii)	30	-	-	30
Other financial assets (note 10.1.2.ii)	86	-	-	86
Derivatives (note 10.3)	2,039	-	-	2,039
Other current assets (note 10.1.2.i)	1,963	-	-	1,963
Total current financial assets	**69,257**	**-**	**-**	**69,257**
Total financial assets	**69,257**	**4,405**	**723**	**74,385**

The most significant changes in financial assets in 2021 and 2020 are explained below.

10.1.1 Non-current financial assets

The movements in 2021 and 2020 under non-current financial assets were as follows:

2021

	Thousands of euros					
	Initial balance	Additions	Disposals	Exchange rate differences	Transfers	Final balance
Equity instruments	84	-	(3)	-	-	81
Other financial assets						
Long-term time deposits	-	908	-	-	-	908
Long-term recoverable tax balances	3,652	2,614	-	62	(252)	6,076
Prepayments for equity instruments	753	578	-	(37)	(1,294)	-
Long-term bonds and deposits	639	4	(5)	4	-	642
	5,128	**4,104**	**(8)**	**29**	**(1,546)**	**7,707**

2020

	Thousands of euros					
	Initial balance	Additions	Disposals	Exchange rate differences	Transfers	Final balance
Equity instruments	84	-	-	-	-	84
Debt securities	2,305	-	(2,305)	-	-	-
Other financial assets-						
Mutual funds and long-term deposits	10	-	(10)	-	-	-
Long-term recoverable tax balances	970	3,202	-	(520)	-	3,652
Prepayments for equity instruments	1,475	1,649	-	(590)	(1,781)	753
Long-term bonds and deposits	141	552	(18)	(36)	-	639
	4,985	**5,403**	**(2,333)**	**(1,146)**	**(1,781)**	**5,128**

i. Long-term and short-term recoverable tax balances (IPI and PIS/COFINS)

The Group considers as recoverable tax balances those balances it holds with the Brazilian tax authorities in relation to IPI and PIS/COFINS taxes at its subsidiary Soltec Brasil Industria, Comercio e Servicos de Energías Renovaveis LTDA. Based on the estimates of the Parent's directors, it was considered that part of said assets will be recovered in the long term with the future profits obtained by Soltec Brasil that will be generated in said territory.

In assessing their recoverability, the Group has taken into consideration the amounts that may be offset in the future as a result of its activity, as well as the amounts expected to be paid by the Brazilian tax authorities, concluding that there are no indications of impairment and that these receivables are fully recoverable.

The movement of long-term and short-term recoverable tax balances associated with IPI and PIS/COFINS taxes for 2021 and 2020 was as follows:

2021

	Thousands of euros				
	Balance 31/12/2020	Additions	Collections	Net exchange rate differences	Balance 31/12/2021
Other financial assets - Long-term tax recoverable balances	3,652	2,387	-	37	6,076
Other receivables from public administrations (note 14.1)	2,982	6,528	(2,982)	30	6,558
	6,634	**8,915**	**(2,982)**	**67**	**12,634**

2020

	Thousands of euros				
	Balance 31/12/2019	Additions	Collections	Net exchange rate differences	Balance 31/12/2020
Other financial assets - Long-term tax recoverable balances	970	3,202	-	(520)	3,652
Other receivables from public administrations (note 14.1)	8,928	8,957	(12,574)	(2,329)	2,982
	9,898	**12,159**	**(12,574)**	**(2,849)**	**6,634**

ii. Prepayments for equity instruments

The Group recognises as other long-term financial assets with third parties those amounts paid as part of the purchase process of certain Brazilian SPVs whose control had not yet been acquired at 2021 year-end (see note 5).

iii. Long-term guarantees and deposits provided

The Group records under this heading at 31 December 2021 the payments made as deposits for the formalized lease options necessary to secure the land on which to develop the solar projects associated with the SPVs.

10.1.2 Current financial assets other than derivatives

i. Receivables and other current assets

The breakdown of "Receivables and other current assets" at 31 December 2021 and 2020 was as follows:

	Thousands of euros	
	31/12/2021	31/12/2020
Customer receivables for sales and services	150,975	64,004
Customer receivables companies accounted for using the equity method	3,636	-
Sundry debtors	5	15
Staff advances	764	1,120
	155,380	**65,139**

The movements in the provision for impairment losses on accounts receivable were as follows:

	Thousands of euros			
	Initial balance	Additions	Amounts used	Final balance
2021	3,038	553	(38)	3,553
2020	2,518	543	(23)	3,038

To determine the expected credit loss on trade receivables, the Group uses a provision matrix. The provision matrix is based on historical observed default rates over the expected life of trade receivables and it is adjusted for forward-looking estimates. At the date of preparation of these consolidated financial statements, these observed historical default rates have been updated and the changes in the estimates referring to the future have been analysed, which are based on an analysis of the current financial situation of the receivables, adjusted by factors that are specific to them, such as the general economic conditions of the industry in which the debtors operate. The Group's expected loss is insignificant, as it represents 0.16% of the "Revenue" heading at 31 December 2021 (0.23% at 31 December 2020, excluding from the calculation the specific allocation indicated below).

In 2021, 553 thousand euros were allocated as impairment on the commercial operations of various projects that present a collection delay and for which there is no insurance or guarantee on said impaired amount (allocation of 543 thousand euros in 2020).

There have been no changes in estimation techniques or significant assumptions made during the current reporting period.

The Group derecognises a trade receivable when there is information indicating that the debtor is in serious financial difficulty and there is no realistic prospect of recovery, for example, when the debtor has been placed into liquidation or has entered into bankruptcy proceedings.

The following table details the risk profile of trade accounts receivable based on the age of the balances determined from the fulfilment of the collection milestone:

	Thousands of euros			
		Matured customers		
Term	Unmatured customers	0 to 90 days	90 to 180 days	More than 180 days
Balance at 31/12/2021	106,582	47,799	-	230
Balance at 31/12/2020	42,584	12,745	170	8,505

Regarding the balances due at 31 December 2021, the Parent's directors consider that based on the negotiations held with said customers and established payment schedules, there will be no new impairment of accounts receivable in addition to those indicated above.

Under "Unmatured customers", the Group had balances for contractual assets (revenue pending invoice) amounting to 37,115 thousand euros at 2021 year-end (15,185 thousand euros at 31 December 2020). At the date of preparation of these consolidated financial statements, this amount is invoiced at 16,646 thousand euros (10,172 thousand euros at the end of 2020, fully invoiced at the date of preparation of said financial statements).

Staff advances

Additionally, the Group paid 764 thousand euros in advances to personnel, which are recognised under the item "Personnel" detailed above (1,135 thousand euros at 2020 year-end).

ii. Other current financial assets

The movements in 2021 and 2020 under current financial assets were as follows:

2021

	Thousands of euros			
	Initial balance	Additions	Disposals	Final balance
Loans to third parties	30	2	(30)	2
Other financial assets				
Short-term time deposits	30	4,908	(30)	4,908
Short-term guarantees provided	56	-	(56)	-
	116	**4,910**	**116**	**4,910**

2020

	Thousands of euros			
	Initial balance	Additions	Disposals	Final balance
Loans to third parties	1,191	30	(1,191)	30
Other financial assets				
Short-term time deposits	1,808	30	(1,808)	30
Short-term guarantees provided	192	-	(136)	56
	3,191	**60**	**(3,135)**	**116**

Short-term time deposits

At 2020 year-end, the Group had established two fixed-term deposits for a global amount of 4,662 thousand euros under the heading "Current financial assets" in the consolidated statement of financial position that have been cancelled in advance in 2021.

In 2021, deposits amounting to 4,631 thousand euros were provided in connection with the Manglares project in Colombia. These deposits are expected to be recovered in the first half of 2022.

Cash and cash equivalents

At 31 December 2021, the balance of the heading "Cash and cash equivalents" in the accompanying consolidated statement of financial position corresponds, practically in its entirety, to the available liquid balances of the current accounts held by the Group in financial entities of acknowledged prestige (same situation at 31 December 2020).

10.2 Financial liabilities

The composition of the financial liabilities at 31 December 2021 and 31 December 2020 is analysed below, showing the following information:

- the different classes of financial instruments recognised by the Group on the basis of their nature and characteristics.

- the carrying amount of such financial instruments; and

- the fair value thereof (except for those financial instruments whose carrying amount approximates their fair value).

2021

	Thousands of euros		
	Amortised cost	Fair value through profit or loss	Balance at 31/12/2021
Non-current financial liabilities			
Lease liabilities (note 8)	15,881	-	15,881
Other financial liabilities (note 10.2.1)	277	-	277
Non-current financial liabilities	**16,158**	-	**16,158**
Current financial liabilities:			
Bank borrowings (note 10.2.2.i)	92,781	-	92,781
Lease liabilities (note 8)	1,708	-	1,708
Other financial liabilities (note 10.2.2)	2,036	-	2,036
Trade and other payables (note 10.2.2.ii)	205,015	-	205,015
Derivatives (note 10.3)	-	1,760	1,760
Total current financial liabilities	**301,540**	**1,760**	**303,300**
Total financial liabilities	**317,698**	**1,760**	**319,458**

2020

	Thousands of euros		
	Amortised cost	Fair value through profit or loss	Balance at 31/12/2020
Non-current financial liabilities			
Lease liabilities (note 8)	15,235	-	15,235
Other financial liabilities (note 10.2.1)	4,179	-	4,179
Non-current financial liabilities	**19,414**	-	**19,414**
Current financial liabilities:			
Bank borrowings (note 10.2.2.i)	85,889	-	85,889
Lease liabilities (note 8)	1,866	-	1,866
Other financial liabilities (note 10.2.2)	8,875	-	8,875
Trade and other payables (note 10.2.2.ii)	40,127	-	40,127
Derivatives (note 10.3)	-	358	358
Total current financial liabilities	**136,757**	**358**	**137,115**
Total financial liabilities	**156,171**	**358**	**156,529**

10.2.1 Non-current financial liabilities

At 31 December 2021 and 31 December 2020, the balance recorded under "Non-current financial liabilities" in the accompanying consolidated statement of financial position, was as follows:

	Thousands of euros	
	31/12/2021	31/12/2020
Lease liabilities (note 8)	15,881	15,235
Other financial liabilities -		
CDTI loans (note 10.2.1.i)	277	359
Deferred payments purchase SPVs (note 10.2.1.ii)	-	615
Shareholder revolving loan (note 10.2.1.iii)	-	1,204
Advanced collections SPVs (note 10.2.1.iv)	-	2,001
	16,158	**19,414**

i. CDTI Loans

The Group has two loans granted by the Centre for Industrial Technological Development (CDTI) with repayment periods between 2021 and 2027. In this regard, 69 thousand euros were classified under the heading "Other current financial liabilities" for instalments to be repaid in 2021.

ii. Liabilities for deferred payments for purchase SPVs

The movements in deferred payments for purchases of SPVs, both long and short term, in 2021 and 2020, were as follows:

	Thousands of euros						
	Initial balance	Additions	Transfers	Disbursements	Reductions	Financial revaluation	Final balance
2021	8,011	-	-	(6,234)	-	190	1,967
2020	16,764	4,495	(1,781)	(829)	(6,434)	(4,204)	8,011

For operations that occurred in 2021 (see note 5), the deferred payment has been measured at its present value, discounting future payments at an interest rate of 8.86%, (same interest rate for 2020).

The additions in 2020 arose as a result of the Group taking control of the SPVs Pedranópolis and Sol de Varzea (see note 6), at which time the liability associated with the instalments to be paid is recognised, minus the advance payments already paid prior to taking control recorded in "Other long-term financial assets" (see note 10.1.1.ii) and considered in the movement as "Reclassifications" minus liabilities.

At 31 December 2021, these liabilities in foreign currency have been restated by the Group at the closing exchange rate, recognising a gain of 364 thousand euros under the heading "Net exchange differences" in the 2021 consolidated income statement (a gain of 4,538 thousand euros in 2020). Additionally, the update of the financial impact of the associated amortised cost has generated a negative result amounting to 174 thousand euros recorded under "Financial expenses" (334 thousand euros in 2020).

Consequently, at the closing date, the Group had recorded a liability for the amount pending payment of 1,967 thousand euros (8,011 thousand euros at the close of 2020), of which the entire balance (7,396 thousand euros at the close of 2020) is likely to be claimed in the next twelve months and, therefore, it has been classified in the short term.

iii. Revolving loan with shareholders

The amounts corresponding to the shareholder loan at 31 December 2019 related to the contributions from Grupo Corporativo Sefrán, S.L. (hereinafter, Grupo Corporativo Sefrán, S.L. or the Sefrán Group) and Valueteam, SL for the implementation segment of the Group's projects. These loans accrued an interest rate of 10% agreed between Powertis, S.A.U. and said shareholders, representing a market interest rate based on studies carried out by independent third parties. This debt did not have a pre-established maturity date, but its repayment was linked to the generation of cash from the sale of projects in this business segment.

In 2020, the loan was partially repaid and converted into a revolving loan, whose outstanding balance (principal and interest) after said partial repayment was 1,204 thousand euros at 31 December 2020.

The revolving loan is a line of credit of up to 6,000 thousand euros, which accrues an annual interest rate of 10% and matures on 31 July 2022. In 2020, drawdowns were made on said loan for an amount of 2,650 thousand euros and accrued interest amounted to 530 thousand euros. Likewise, repayment in 2020 on said revolving credit amounted to 6,267 thousand euros.

During the first half of 2021, the loan had been repaid in full in advance, and no outstanding balance remained after said repayment at 31 December 2021 (see note 15.2).

iv. Advance payments SPVs

At the end of 2020, the Group recorded under the headings "Non-current financial liabilities" and "Current financial liabilities" the collections received as a result of the operation described in note 5. While said SPV sale operation materialised by transferring substantially all the risks and benefits of the operation, said collections were considered as the price of the operation at 31 December 2021.

10.2.2 Current financial liabilities other than derivatives

At 31 December 2021 and 31 December 2020, the balance recorded under "Current financial liabilities" in the accompanying consolidated statement of financial position was as follows:

	Note	Thousands of euros	
		31/12/2021	31/12/2020
Current bank borrowings	10.2.2.i	92,781	85,889
Lease liabilities	8	1,708	1,866
Other financial liabilities -			
CDTI loans	10.2.1.i	69	29
Deferred payments for purchase of SPVs	10.2.1.ii	1,967	7,396
Advance payments SPVs	10.2.1.iv	-	1,173
Other liabilities		-	277
Trade and other payables	10.2.2.ii	205,015	40,127
		301,558	**136,757**

i. Current bank borrowings

At the end of 2021 and 2020, the balance of the heading "Current bank borrowings" was as follows:

	Thousands of euros			
	31/12/2021		31/12/2020	
	Limit	Short term	Limit	Short term
Industry segment loans	-	-	-	7
Implementation segment loans	-	3,582	-	6,600
Syndicated credit facilities	90,000	88,336	80,000	78,377
Other credit policies	1,000	863	1,000	905
		92,781		**85,889**

On 11 February 2021, Soltec Energías Renovables, S.L.U. and subsidiaries formalised the novation amending the syndicated credit facility and initial guarantee facility formalised in 2018, the global amount of which was 100 million euros with maturity in 2021, to finance its specific supply and installation projects and to adapt the conditions of its debt to the conditions of the market in which it operates. Therefore, during the fiscal year 2021 and as a consequence of the maturity of the syndicated loan, the Group has proceeded to renew it, considering that it corresponds to a new debt which has led to the capitalization of financial expenses in the amount of 2,266 thousand euros which will be recorded in accordance with the effective interest rate of the debt.

The renewal of the credit facility with a syndicate of financial institutions, is structured in two parts:

A. Free drawdown tranche for a maximum amount of 10 million euros, which will be used to finance the working capital needs of Soltec Energías Renovables, S.L.U. and subsidiaries, including the cancellation of all existing short-term debt, as well as to reimburse any amount derived from the execution of the guarantee facility arranged.

B. Conditional drawdown tranche in the amount of 80 million euros. The drawdown of this tranche is based on the approval by the syndicate of financial institutions of the supply and installation contracts entered into by Soltec Energías Renovables, S.L.U. and subsidiaries (hereinafter, the financeable contracts), and their repayment is conditional upon the collections received as a result thereof, with the maximum date being the maturity date of the syndicated credit facility. In order to be considered as a bankable contract, the Group's customer must have a rating higher than BBB- or present a first demand bank guarantee from an entity of recognized prestige.

At 31 December 2021, this financial debt included the costs incurred in its formalisation in the amount of 1,636 thousand euros. These costs are recorded as a reduction in the value of the debt and are charged to the consolidated income statement based on the expected drawdowns on the debt.

Also, on the same date as the renewal of the credit facility, Soltec Energías Renovables, S.L.U. and subsidiaries cancelled the aforementioned initial guarantee facility and signed a new guarantee facility agreement for a maximum amount of up to 110 million euros.

The maturity date of this novated credit facility was set at 11 February 2024. However, in accordance with the terms and conditions of the syndicated credit facility, the credit tranches drawn down will become immediately due and payable in the event of certain circumstances, including non-compliance with a financial ratio, calculated as the ratio between net financial debt and equity for the group formed by Soltec Energías Renovables, S.L.U. and subsidiaries. This ratio, set at 1.5 throughout the term of the contract from 31 December 2021, is mandatory. In addition to this ratio, the syndicated credit facility agreement contains a series of affirmative and negative covenants.

The Board of Directors' best estimate is that the drawdowns to be made will be repaid in less than twelve months in accordance with the execution schedules of the projects on which the drawdowns are made. Therefore, bank borrowings are recorded under "Current bank borrowings". In addition, the Group's subsidiaries that meet a series of contractually established requirements, have pledged their cash balances and future credit rights to the repayment of the drawn down trances.

The annual interest rate on the credit facility is calculated on the basis of a fixed interest rate of 2.50% for the drawn down tranches (adjustable by a maximum of 0,025% based on the results of the sustainability indicators), a commission of 0.75% on the available and undrawn tranche, as well as a commission for drawing down the guarantee line of 0.2%. The syndicated credit facility accrued an average interest rate of 2.92% in the year ended 31 December 2021, generating a financial expense in the 2021 period of 2,610 thousand euros, recognised under the heading "Financial expenses" in the accompanying consolidated income statement.

During the first six months of 2021 the implementation segment signed a financing agreement for the Graviola projects with Brazilian development banks for a combined amount of 520,000 thousand Brazilian reais (82,409 thousand euros at the exchange rate at 31 December 2021). The drawdown on this loan is conditional upon the Group obtaining the necessary bank guarantees to counter-guarantee the transaction. These bank guarantees will only be received when the Group has made a disbursement of 30% of the construction costs to be incurred.

In this regard, given the degree of development of both the Graviola project and Araxá and Pedranópolis (with financing under similar conditions for a combined amount of 385,000 thousand Brazilian reais), the requirements for the release of said guarantees have not been met in any of the projects and, therefore, the Group has not disposed of said financing at 31 December 2021, although the Parent's directors expect that said financing will be released in 2022 as these projects have already been substantially executed (see note 7).

The average interest rate accrued on the financial debt held by the Group during the 2021 financial year amounted to approximately 2.92% (approximately 3.8% in 2020).

ii. Trade and other payables

Creditors in payment processing agreements (Confirming)

At the end of the 2021 and 2020 financial years, the detail of commercial loans with suppliers remitted to financial entities for their management was as follows:

	Thousands of euros			
	Limit	Amount under payment management	Advance amount	Available balance
Balance as of 31/12/2021	17,000	2,852	8,804	5,344
Balance as of 31/12/2020	4,000	1,324	-	2,676

The heading "Advance amount" corresponds to those trade receivables whose collection has been advanced by the financial entity to the supplier. The Group classifies these amounts under the heading "Trade and other payables", when they relate to commercial debts not due which are therefore not classified as bank borrowings.

At 31 December 2021, the Group's confirming facilities had indefinite maturity dates. (same situation at 31 December 2020).

10.3 Derivative financial instruments

Details of the fair value of derivative financial instruments at 31 December 2021 and 31 December 2020 are as follows:

	Thousands of euros	
	31/12/2021	31/12/2020
Derivative financial assets:		
Derivatives classified as hedging instruments carried at fair value-		
Forward contracts in foreign currency	1,427	2,039
Derivative financial liabilities:		
Derivatives classified as hedging instruments carried at fair value-		
Forward contracts in foreign currency	(1,760)	(358)
	(333)	**1,681**

At 31 December 2021, the Group contracted various foreign exchange insurance policies for a nominal amount of 115,403 thousand dollars and 47,801 thousand Brazilian reais (108,266 thousand euros at the exchange rate of 31 December 2021). Their net fair value in 2021 amounts to a negative value of 333 thousand euros, which is broken down in the item "Derivatives" in the line "Current financial assets" for an amount of 1,427 thousand euros and in the item "Derivatives" in the line "Current financial liabilities" amounting to 1,760 thousand euros.

At 31 December 2020, the Group had contracted various exchange rate insurance policies for a nominal amount of 25,067 thousand dollars, 2,216 thousand Brazilian reais and 5,372 million Chilean pesos (24,892 thousand euros at the exchange rate of 31 December 2020). Their net fair value in 2020 amounted to 1,681 thousand euros, which is broken down in the item "Derivatives" in the line "Current financial assets" for an amount of 2,039 thousand euros and in the item "Derivatives" in the line "Current financial liabilities" amounting to 358 thousand euros.

The fair value analysis was obtained from the valuation performed by the counterparties (banks and dealers specialized in exchange rate derivatives).

The maturity of these financial instruments will occur during the next financial year (same situation at the end of the 2020 financial year).

In this regard, the Group has recorded a loss as a result of the variation at the end of the year in fair value amounting to 2,014 thousand euros, as well as a profit from derivatives settled during the year amounting to 4,069 thousand euros (at 31 December 2020, revenue associated with the valuation of derivatives amounted to 4,149 thousand euros and the profit from derivatives settled amounted to 3,577 thousand euros), recognised under "Variation in fair value of financial instruments" in the 2021 consolidated income statement (see note 16.6). These variations are mainly due to the fluctuation of the Brazilian real against the euro. The breakdown of said profit or loss recorded according to the reference currency of the derivative financial instrument is as follows:

		Thousands of euros	
Currency sale	Currency purchase	Impact 31/12/2021	Impact 31/12/2020
BRL	EUR	(4,978)	3,551
USD	EUR	406	2,954
USD	CLP	-	796
EUR	USD	1,761	(343)
BRL	USD	-	(180)
EUR	BRL	221	-
USD	BRL	(321)	-
CLP	USD	698	-
CLP	EUR	199	-
		2,014	**6,778**

11 <u>Inventories</u>

The composition of the heading "Inventories" at 31 December 2021 and 2020 is shown below:

	Thousands of euros	
	31/12/2021	31/12/2020
Raw materials	56,445	15,830
Inventory in progress	10,276	3,158
Impairment	(1,133)	(566)
Advances to suppliers	5,265	4,461
	70,853	**22,883**

The Group has determined the possible impairment of its inventories based on the analysis of certain variables and internal reports on its inventory and the markets in which it operates. In this regard, the impairment calculation performed by the Group has been based on a detailed analysis of the turnover of its merchandise. Consequently, in 2021, the Parent's directors recorded a provision for impairment of inventories amounting to 567 thousand euros (566 thousand euros in 2020) under the heading "Supplies" in the accompanying consolidated income statement (see note 16.2).

At the end of the 2021 and 2020 financial years, the Group, based on firm sales agreements with customers, had stocks in transit pending delivery, which have been received by the corresponding customers at the date of preparation of these consolidated financial statements., according to the following breakdown:

	Thousands of euros	
Customer's country	31/12/2021	31/12/2020
Spain	1,312	363
United States	29,418	-
Brazil	5,596	285
Mexico	-	79
Chile	-	5
	36,326	**732**

At 31 December 2021, the Group has not acquired significant commitments to purchase inventories, beyond those broken down in the item "Advances to suppliers" included in the heading "Inventories" of the consolidated statement of financial position, corresponding to prepayments to certain suppliers of raw materials used for the manufacture and sale of the Group's end product (same situation as of December 31, 2020).

At the date of preparation of these consolidated financial statements, the Group does not have inventories pledged as collateral for contracts or inventories held under bill and hold .

The Group takes out insurance policies to cover possible risks. At 2021 year-end, in the directors' opinion, there is no coverage deficit related to these risks (same situation at the end of the 2020 financial year).

12 Equity

12.1 Share capital and share premium

On 27 October 2020, the resolution adopted on 13 October 2020 by the General Shareholders Meeting to increase share capital by 150 million euros by means of cash contributions, with the waiver of pre-emptive subscription rights, through an offer for the subscription of shares of the Parent and application for admission to trading on the Spanish stock exchange was notarized.

On 28 October, the Parent went public, prior to which it increased its share capital by issuing and placing into circulation 31,146,717 new ordinary shares of the Parent of the same class and series with a par value of 0.25 euros per share and a share premium of 4.57 euros applicable to the 30,881,767 newly issued ordinary shares subscribed in the qualified investor tranche and in the non-qualified investor tranche (excluding the employee and commercial sub-tranches) and a par value of 0.25 euros per share and additional share premium of 4.09 euros applicable to the 264,950 newly issued ordinary shares subscribed in the employee and commercial sub-tranche. As a result, the total nominal amount of the issue amounted to 7,786,679 euros and the share premium was increased by 142,213,321 euros. All the shares were fully paid up.

Likewise, the majority shareholder exercised its right to sell or *green shoe* the shares it held by placing an additional 3,115 thousand shares in circulation on the market, equivalent to 3.41% of the total volume of Company shares.

In relation to these capital increases, the Parent recognized the incremental expenses associated therewith with a credit to reserves, net of the related tax effect, amounting to 8,086 thousand euros.

Following this transaction, the Parent's share capital at 31 December 2021 amounted to 22,847 thousand euros, represented by 91,387 thousand shares of 0.25 euros par value each, fully subscribed, which had not undergone any changes to date.

All of the Parent's shares are admitted to public trading and are officially listed on the Barcelona, Bilbao, Madrid and Valencia stock exchanges. The share price at 31 December 2021 and the average share price in the last quarter were 6.19 euros and 6.84 euros per share, respectively.

At 31 December 2021, and in accordance with the information obtained from the CNMV, in relation to the provisions of Royal Decree 1362/2007, of 19 October, and Circular 2/2007, of 19 December, shareholders holding significant holdings in the share capital of Soltec Power Holding, S.A., both directly and indirectly, greater than 3% of the share capital, are as follows according to public information:

	Shares			% of capital
	Direct	Indirect	Total	
Morales Torres, Raul	0%	19,578%	19,578%	19,578%
Moreno Riquelme, José Francisco	0%	42,275%	42,275%	42,275%
Santander Asset Management, S.A., SGIIC	0%	3,443%	3,443%	3,443%
Schroders, PLC	0%	3,383%	3,383%	3,383%
Swedbank Robur Fonder AB	3,004%	0%	3,004%	3,004%

12.2 Reserves

At 31 December 2021 and 31 December 2020, the breakdown of the "Reserves" heading was as follows:

	Thousands of euros	
	31/12/2021	31/12/2020
Other reserves	(6,696)	(8,160)
Prior years' losses	(582)	(25)
Total reserves Parent	**(7,278)**	**(8,185)**
Reserves in fully consolidated companies	564	1,261
Reserves at companies accounted for using the equity method	(39)	-
Total consolidated reserves	**525**	**1,261**
Other shareholder contributions	**108**	**108**
Total reserves	**(6,646)**	**(6,816)**

Legal reserve

Under the Spanish Limited Liability Companies Law, public limited companies must earmark an amount equal to 10% of their profit for the year to the legal reserve until such reserve represents at least 20% of share capital. The legal reserve may only be used to increase share capital. 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 31 December 2021, the Parent did not maintain the fully constituted legal reserve (same situation at 31 December 2020).

Restricted reserves

In accordance with current regulations, until the research and development expense item has been fully amortised, the distribution of dividends is prohibited, unless the amount of available reserves is at least equal to the amount of the unamortised balances. Consequently, and coming from the subsidiary Soltec Energías Renovables, S.L.U., at the end of the 2021 financial year, the balance of the "Reserves" caption was restricted in the amount of 1,643 thousand euros (932 thousand euros at the end of the 2020 financial year). Similarly, Soltec Innovations, S.L.U. maintains all of its reserves amounting to 1,517 thousand euros (1,391 thousand euros in 2020) as restricted.

During previous years, the subsidiary Soltec Energías Renovables, S.L.U. availed itself of the possibility included in Law 27/2014, of 27 November, on corporate income tax, of reducing its tax base by an amount of 10% of the increase in its shareholders' equity.

Due to the application of this measure, Soltec Energías Renovables, S.L.U. reduced its tax base for the years 2018, 2017 and 2016 by 660 thousand euros, 326 thousand euros and 193 thousand euros, respectively. In accordance with the aforementioned regulations, said subsidiary maintains a reserve for capitalisation of the amount of the reductions in the tax base made, which must be kept restricted for a period of 5 years from the time of its provision. Likewise, due to the increase in shareholders' equity for the 2019 financial year, as well as the increase in shareholders' equity from previous years not applied to capitalisation reserves, the sole director of Soltec Energías Renovables, S.L.U. allocated a capitalisation reserve amounting to 350 thousand euros that has not been applied to corporate income tax for the year and that may reduce the accounting tax base in the next year.

Similarly, the subsidiary Soltec Brasil Industria, Comercio e Serviços de Energies Renovaveis, LTDA. is considered a high-tech company, so it is exempt from value added tax (ICMS), with a tax incentive applicable to IRPJ for said matter. Said exemption, in accordance with local Brazilian regulations, is considered to be a restricted reserve amounting to 2,808 thousand euros in 2021 for a period of 10 years (2,808 thousand euros in 2020).

In short, at 31 December 2021, the subsidiaries hold restricted reserves, considering, among others, the legal reserve and others not mentioned above, amounting to 7,497 thousand euros (6,660 thousand euros at 31 December 2020).

12.3 Shares of the Parent

In 2021, the Parent purchased 567,908 own shares, meaning that at 31 December 2021, it held own shares amounting to 4,632 thousand euros.

The movement during the 2021 financial year was as follows:

	Number of shares	% of capital	Thousands of euros
Balance at 31 December 2020	-	-	-
Additions	567,908	0.48%	4,632
Balance at 31 December 2021	**567,908**	**0.48%**	**4,632**

The Group maintains a liquidity contract for securities listed on the Madrid and Bilbao Stock Exchanges included in the Spanish Stock Exchange Interconnection System, having made net purchases of 69,744 shares in 2021.

12.4 Loss attributed to the Parent

Contribution of the Group companies to the result attributed to the Parent

The contribution of each company belonging to the scope of consolidation to the consolidated results for 2021 and 2020, attributable to the Parent, is as follows:

Company	Thousands of euros 2021	2020
Soltec Power Holdings, S.A.	(1,627)	(557)
Soltec Renewable Energy, S.L.	(13,155)	(17,108)
Powertis, S.A.U.	25,612	16,415
Soltec Energie Rinnovabili S.r.L.	8	(65)
Soltec America L.L.C.	895	1,657
Soltec Chile S.p.A.	(9,480)	(7)
Soltec Brasil Industry, Comercio e Servicos de Energías Renovaveis Ltd.	(2,625)	(1,030)
Soltec Energías Renovables, S.A.C.	165	(33)
Seguidores Solares Soltec SA de CV	(188)	89
Soltec Australia, PTY LTD.	50	128
Soltec Argentina, S.R.L.	(231)	(182)
Soltec Innovations, S.L.	5,290	(13)
Soltec Trackers PVT LTD.	30	10
Soltec France, S.L.	111	372
Soltec Trackers Colombia SAS	64	(37)
Soltec Commercial Consulting Co. Ltd	40	
SPVs - Spain	(1,381)	(1,226)
SPVs - Brazil	(4,075)	(2,468)
SPVs – Colombia	(237)	-
SPVs – Mexico	(285)	-
SPVs - Italy	(148)	(824)
Share in profits (losses) of companies accounted for using the equity method	42	(39)
	(1,125)	**(4,918)**

12.5 Exchange rate differences

The composition of the heading "Translation differences" at 31 December 2021 and 31 December 2020 is as follows:

	Thousands of euros			
	31/12/2020	Increases	Decreases	31/12/2021
Industrial segment -				
Soltec América L.L.C	491	-	(417)	74
Soltec Chile S.p.A.	923	414	-	1,337
Soltec Brasil Industria, Comercio e Servicos de Energias Renovaveis LTDA (Soltec Brasil)	(7,412)	224	-	(7,188)
Soltec Energías Renovables, S.A.C.	(34)	3	-	(31)
Seguidores Solares Soltec SA de CV	23	-	(15)	8
Soltec Trackers PVT LTD.	(99)	27	-	(72)
Soltec Australia, PTY LTD.	88	3	-	91
Soltec Trackers Colombia SAS	(20)	5	-	(15)
Soltec Commercial Consulting Co. Ltd	-	15	-	15
Soltec Argentina, S.R.L.	-	-	(56)	(56)
Implementation segment -				
PLCs acquired in a business combination	(6,508)	5,345	-	(1,163)
Acquired SPVs	432	-	(316)	116
	(12,116)	**6,036**	**(804)**	**(6,884)**

13 Warranties and contingencies

13.1 Guarantees

Below is a breakdown of the Group's guarantees committed at 31 December 2021 and 31 December 2020:

Guarantees	Thousands of euros	
	31/12/2021	31/12/2020
Bank	105,364	28,365
Suretyship	190,219	98,689
Guarantees granted to other related companies	-	5,533
	295,583	**132,587**

Of the guarantees described in the table above, the industrial segment has received guarantees amounting to 111,573 thousand euros at year-end 2021 (56,240 thousand euros at year-end 2020). These guarantees are contracted with banks and insurance companies in order to ensure compliance with the obligations with customers during the process of installing, marketing and guaranteeing solar trackers.

Likewise, the nominal amount of the lines of guarantees with counter-guarantees received by the implementation segment amounted to 102,180 thousand euros in 2021, of which all are drawn down in the form of guarantees (78,430 thousand euros, of which 70,813 thousand euros were drawn down in the form of guarantees, respectively, in 2020). These guarantees are required by the different local authorities in the bidding process for the connection rights. In this regard, the reference shareholders Sefrán and Valueteam act as guarantors against their third-party creditors in guarantees arranged for an amount of 20,697 thousand euros at the end of the financial year (55,186 thousand euros at the end of the 2020 financial year).

The interest rate settled during the 2021 financial year was 0.9% for lines of guarantees and 2.5% for lines of credit (1.55 % and 0.62% respectively for the 2020 financial year), which has meant that the Group recognised financial expenses in 2021 amounting to 1,353 thousand euros (1,046 thousand euros in the 2020 financial year) (see note 16.6).

In relation to the aforementioned guarantees, the Parent's directors do not expect any additional liabilities to accrue for it that could significantly affect these consolidated financial statements.

13.2 Warranties and other provisions

At 31 December 2021, the Group had a series of warranties for the obligations assumed in its commercial operations for the supply and installation of solar trackers. The maturity of these guarantees may vary depending on the characteristics of the solar tracker components. Thus, for electrical components there is a five-year warranty, while structural components have a ten-year warranty. For the estimation of the provision of guarantees, the Group only considers the guarantee of electrical components to the extent that the possible structural damages that arise from the rest of the materials are covered through insurance contracted with third parties, as well as by the counter-guarantee itself of the supplier that provides said materials, with the collection, in the next fiscal year, of an amount not determined at the closing date, which is why the whole estimated expense for said projects in the current fiscal year has been recorded without estimating any revenue to be received thereon.

At 31 December 2021, the Group recognised under "Non-current provisions" and "Current provisions" the estimated amounts of 2,844 thousand euros (2,367 thousand euros at 31 December 2020) and 375 thousand euros (735 thousand euros at 31 December 2020), respectively, relating to warranty commitments that it expects to meet as a result of contracts for the supply and installation of solar trackers.

In addition, the Group recognised an amount of 1,176 thousand euros (1,382 thousand euros at 31 December 2020) under current provisions, associated with the estimate made for repairs, replacements and exceptional work agreed with customers at facilities that at 31 December 2021 were in progress. The variation in the year is specifically due to specific projects in which the Group has decided, for commercial reasons, to assume certain extra costs with strategic customers for reasons attributable to a third party, without being able to extrapolate this specific situation to other projects that the Group maintains in execution.

The Parent's Board of Directors considers that, based on historical information, this liability reasonably reflects the expenses to be incurred in connection with the guarantees granted and repair agreements that have been agreed outside the framework of the supply contract initially signed with its customers.

13.3 Pledged assets

In relation to the carrying amount of the pledged assets at 31 December 2021 and 2020, a detailed table is shown below:

	Thousands of euros	
Pledged assets	31/12/2021	31/12/2020
Receivables and other current assets-		
Customer receivables for sales and services	59,682	15,791
Current financial assets-		
Other current financial assets	7,236	-
Cash and cash equivalents	30,156	67,340
	97,074	**83,131**

There have been no relevant changes in relation to the conditions of the pledges with the novation of the syndicated contract signed in February 2021 (see note 10.2.2).

14 Tax status

14.1 Current balances with public administrations

The composition of current balances with public administrations at 31 December 2021 and 31 December 2020 is as follows:

	Thousands of euros			
	31/12/2021		31/12/2020	
	Receivable balance	Payable balance	Receivable balance	Payable balance
Tax authorities-				
VAT receivable	6,692	-	5,919	-
VAT payable	-	146	-	-
Withholdings payable	-	716	-	245
Foreign VAT receivable	9,347	-	4,619	-
Foreign VAT payable	-	2,563	-	503
Accrued social security taxes	-	1,280	-	850
Other receivables balances	252	-	-	-
	16,291	**4,705**	**10,538**	**1,598**

At year-end 2021, the Parent's Board of Directors assessed the recoverability of these receivable balances with its tax advisers and concluded that all tax payments had been properly made in accordance with the applicable legislation in the countries in which the Group operates and, therefore, it is fully entitled to a refund on these amounts.

At 31 December 2021 and 2020, tax assets and liabilities were broken down as follows:

	Thousands of euros			
	31/12/2021		31/12/2020	
	Receivable balance	Payable balance	Receivable balance	Payable balance
Current tax assets	790	-	1,717	-
Current tax liabilities	-	104	-	123
	790	**104**	**1,717**	**123**

14.2 Reconciliation of consolidated accounting loss before tax to the corporate income tax expense

The reconciliation between the consolidated accounting loss before taxes for the years 2021 and 2020, the tax base and the corporate income tax expense, is as follows:

	Thousands of euros	
	2021	2020
Accounting loss after tax	(1,167)	(4,928)
Corporate income tax	(4,339)	(5,842)
Permanent differences:		
Public offering subscription expenses recorded against equity	-	(10,614)
Result due to loss of control over SPVs	(13,281)	(7,376)
Variation in fair value of sales accounted for using the equity method	(15,021)	(3,510)
Result of companies accounted for using the equity method	(42)	39
Other permanent differences	895	801
Patent box reduction	(3,394)	-
Temporary differences originating in the year:		
Provision for warranties	(1,736)	2,735
Differences in tax/accounting revenue in Mexico	-	(1,458)
Employee compensation plan (MIP)	3,007	-
Limitation of financial expenses	1,783	-
Other temporary differences	191	335
Other temporary differences originating in previous years	167	101
Tax base	(32,937)	(29,717)
Tax losses capitalised	19,381	36,331
Uncapitalised tax losses	13,058	1,118
Tax base	(498)	7,732
Tax rate (25%-30%)	(123)	1,967
Adjustments to current tax from previous years	214	252
Total current tax expense	91	2,219
Total deferred tax expense (income)	(5,525)	(7,055)
Adjustments to deferred tax from previous years	1,095	(1,006)
Total tax expense/(income) recognised in the consolidated income statement	**(4,339)**	**(5,842)**

Since 1 January 2021, the Parent and certain subsidiaries are taxed under the corporate income tax consolidation regime in Spain, to which the tax regime for groups of companies regulated in articles 55 et seq. of Law 27/2014, of November 27, on corporate income tax applies. It is, therefore, the Parent that registers, where appropriate, the Group's debt with the Tax Administration. As a balancing entry, each of the companies included in the consolidated tax return system will register the corresponding account receivable or payable with the rest of the companies included in the corporate tax group, in accordance with the tax bases contributed by each company to the consolidated tax base and the participation of each of them in the net balance in the event tax is payable.

The tax rate used in the above reconciliation is the effective rate of the Group in each fiscal year, being 25% in 2021 (25% in 2020). The Group has generated negative tax bases in the current year amounting to 19,381 thousand euros (36,331 thousand euros in 2020).

As established by current legislation, taxes cannot be considered to have definitively been settled until the returns submitted have been inspected by the tax authorities or the five-year statute of limitations for corporate income tax and the four-year statute of limitations for all other applicable taxes have elapsed.

14.3 Deferred tax assets recorded

The movements in 2021 and 2020 were as follows:

2021

	Thousands of euros						
	01/01/2021	Additions	Reversions	Exclusions from scope	Other changes	Exchange rate differences	31/12/2021
Impairment of loans and advances to Group companies	318	-	(318)	-	-	-	-
Provision for warranties	867	244	(678)	-	-	-	433
Other deferred tax assets	244	-	-	-	-	-	244
Share-based incentive plan	-	752	-	-	-	-	752
R&D tax credits	1,535	1,000	-	-	-	-	2,535
Other deferred tax assets	375	995	(30)	-	-	-	1,340
Credits for losses to be offset	10,449	5,615	(866)	(194)	1,798	(147)	16,655
	13,788	**8,606**	**(1,892)**	**(194)**	**1,798**	**(147)**	**21,959**

2020

	Thousands of euros				
	01/01/2020	Additions	Reversions	Exchange rate differences	31/12/2020
Impairment of loans and advances to Group companies	318	-	-	-	318
Provision for warranties	183	684	-	-	867
Other deferred tax assets	166	100	(22)	-	244
R&D tax credits	35	1,487	-	-	1,522
Other deferred tax assets	388	-	-	-	388
Credits for losses to be offset	3,249	7,577	(349)	(28)	10,449
	4,339	**9,848**	**(371)**	**(28)**	**13,788**

Similarly, the movements during 2021 and 2020 in tax loss carryforwards are as follows:

2021

	Thousands of euros					
	31/12/2020	Additions	Other changes	Exclusions from scope	Net exchange rate differences	31/12/2021
Tax group Soltec Power Holdings	6,395	3,678	-	-	-	10,073
Soltec Innovation	54	-	(54)	-	-	-
Soltec Chile	450	199	-	-	(2)	647
Soltec Brazil	1,859	506	1,798	-	(59)	4,104
Soltec America	713	-	(255)	-	(86)	372
Brazilian SPVs	728	-	(534)	(194)	-	-
Soltec Colombia	-	193	-	-	-	193
Other	250	1,039	(23)	-	-	1,266
	10,449	**5,615**	**932**	**(194)**	**(147)**	**16,655**

2020

	Thousands of euros					
	31/12/2019	Additions	Other changes	Exclusions from scope	Net exchange rate differences	31/12/2020
Tax group Soltec Power Holdings	-	6,395	-	-	-	6,395
Soltec Innovation	54	-	-	-	-	54
Soltec Chile	611	-	(105)	-	(56)	450
Soltec Brazil	1,476	567	-	-	(184)	1,859
Soltec America	237	496	-	-	(20)	713
Powertis SA	493	-	(493)	-	-	-
Spanish SPVs	80	-	-	(80)	-	-
Brazilian SPVs	287	536	-	-	(95)	728
Other	11	239	-	-	-	250
	3,249	**8,233**	**(598)**	**(80)**	**(355)**	**10,449**

In 2021, the directors capitalised an amount of 1,000 thousand euros (1,487 thousand euros at the end of the 2020 financial year) corresponding to R&D deductions for having obtained the reasoned report from a company approved by the public administration that supports said capitalisation. The Parent's Board of Directors expect to recover this capitalised amount either by obtaining positive earnings before taxes or by selling these tax credits to third parties.

Regarding the assessment of the recoverability of the loss carryforwards capitalized by the Group, the Parent's Board of Directors have performed the related impairment test. In this regard, according to the estimates and projections available to them, the taxable tax base forecasts in each of the jurisdictions in which they are capitalized, including the Spanish consolidated tax group, allow these tax loss carryforwards to be offset in a reasonable period of time, in all cases less than ten years.

Specifically, the calculation to assess the offset time horizon of credits for tax losses to be compensated of the consolidated tax group in Spain capitalised by the Group was conducted using financial projections of the legal entities included within the Spanish tax consolidation group. These projections are established for the next six years, considering a constant tax base from the last period. In this regard, their key assumptions reside in the evolution of the net amount of the future revenue (backlog and pipeline) of the industrial segment (in this regard, the income of the implementation segment for the sale of SPVs has been excluded as it is not expected to be taxable), of the gross margin, overhead costs and the effect of the transfer pricing tax policy of the group to which they belong, established based on the historical experience of the directors and forecasts of market growth by independent experts, which are summarised as follows:

- Average annual sales growth rate of 22% according to the backlog and pipeline with high probabilities of execution in 2022 and in the growth expectations of the sector;

- Evolution of the constant gross margin for installation and EPC services, average annual decrease of 0.5 percentage points in the supply margin for solar trackers;

- Average annualised growth of overhead costs of 2% for the projected period as a whole; and,

- Effect of the constant transfer pricing policy throughout the period, based on the estimate included in the 2022 budget.

For its part, the recoverability of the tax losses capitalised by the remaining subsidiaries has been evaluated based on the backlog and pipeline with a very high probability of being signed, which likewise allow the generation of sufficient future profits to offset said tax losses by each subsidiary in a period of less than 10 years. The offset of the previous tax losses depends on the particular conditions stipulated in the local legislation of the country in which they originate, with no time limit for said offset.

In this context, and in the opinion of the Parent's Board of Directors, any reasonable change in the key assumptions used to determine the recoverability of the tax loss carryforwards would not result in the carrying amount of the asset exceeding the recoverable amount.

In any case, in the opinion of the Parent's Board of Directors, the assessments of the recoverability of taxable income were made using a prudent and conservative approach and no indications of non-recoverability have arisen in the sensitivity tests performed on the projections.

In short, the deferred tax assets indicated above have been recognized because the Group considers that, based on the best estimate of its future results, including certain tax planning measures, it is probable that these assets will be recovered.

14.4 Deferred tax liabilities

The movements in 2021 and 2020 were as follows:

2021

	Thousands of euros				
	31/12/2020	Additions	Reversions	Translation differences (note 6)	31/12/2021
Lease liabilities	24	-	-	-	24
Accelerated depreciation	148	-	(3)	-	145
Other differences in tax revenues	364	-	(364)	-	-
Identified intangible assets	1,059	-	-	9	1,068
Other deferred tax liabilities	-	32	-	-	32
	1,595	**32**	**(367)**	**9**	**1,269**

2020

	Thousands of euros					
	31/12/2019	Additions	Reversions	Translation differences (note 6)	Transfers (note 5.6)	31/12/2020
Lease liabilities	25	-	(1)	-	-	24
Accelerated depreciation	5	173	(30)	-	-	148
Other differences in tax revenues	-	364	-	-	-	364
Identified intangible assets	8,043	-	(169)	(2,169)	(4,646)	1,059
	8,073	**537**	**(200)**	**(2,169)**	**(4,646)**	**1,595**

14.5 Years pending verification and inspection proceedings

As established by current legislation, taxes cannot be considered to have definitively been settled until the returns submitted have been inspected by the tax authorities or the four-year statute of limitations period has elapsed, except for corporate income tax. At the end of the 2021 financial year, the Group has the last four years open for inspection for corporate income tax in Brazil and Mexico and the last five years for the rest of the Group, as well as the last four years for the remaining taxes applicable.

At the date of preparation of these consolidated financial statements, the subsidiary Soltec Energías Renovables, S.L.U. is subject to an inspection relating to corporate income tax and VAT for 2017 and 2018. According to their assessment, the Parent's directors do not expect the conclusion of this inspection to have any significant impact on the Group.

The Group presents uncapitalised tax losses associated with the negative results accumulated in recent years in the subsidiaries located in France, Peru, Italy, Mexico, Chile and Argentina, the amount of which, valued at the closing exchange rate, would have represented a total accumulated deferred tax asset of 3,981 thousand euros for 2021 (1,118 thousand euros for 2020). The offset of the previous tax losses depends on the specific conditions stipulated in the local legislation of the country in which they originate.

The Parent's directors consider that the Group has settled these taxes correctly. Therefore, even in the event of any differences in the interpretation of prevailing regulations about the tax treatment of its operations, any resulting liabilities should have no significant effect on these consolidated financial statements.

15 Related parties

15.1 Transactions with related parties

The detail of transactions carried out with related parties in 2021 and 2020 was as follows:

	Thousands of euros			
	31/12/2021		31/12/2020	
	Reference shareholder (*) and parties related thereto	Other related parties	Reference shareholder (*) and parties related thereto	Other related parties
Revenue	-	22	151	-
Services provided	5	-	77	-
Services received	(987)	-	(1,383)	-
Personnel expenses	-	-	-	(53)
Financial expenses	(823)	-	(1,953)	-
Financing received during the year	7,727	-	2,650	-
Financing repaid during the year	(8,930)	-	(5,594)	-

(*) Refers to Grupo Corporativo Sefrán, S.L. and subsidiaries which, as a result of the IPO described in note 12.1 above, ceased to be the majority shareholder in previous years.

The Group basically has transactions with its reference shareholder as well as with related companies that are members of the group of which Grupo Corporativo Sefrán, SL is the Parent. As a result of the IPO described in note 12.1 above, Grupo Corporativo Sefrán, S.L. ceased to be the majority shareholder in previous years, becoming the reference shareholder.

The "Services received" account includes, inter alia, the expense recorded as a result of the logistics and sales transport services provided by the Morarte Logistics Group, which is related to the Parent's reference shareholder.

The amount of the "Financial expenses" account originates mainly from the accrual of interest on the loans held with the reference shareholder and other related parties, as well as the financial expenses associated with lease liabilities associated with the lease contracts on offices and warehouses held with related parties.

15.2 Balances with related parties

The details of the balances with related parties at 31 December 2021 and 31 December 2020 were as follows:

31 December 2021

	Thousands of euros
	Reference shareholder (*) and parties related thereto
Receivables and other current assets	335
Long-term shareholder loans (note 10.2.1)	-
Other non-current financial liabilities	(9,439)
Other current financial liabilities	(690)
Trade and other payables	(565)

(*) Refers to Grupo Corporativo Sefrán, S.L. and subsidiaries which, as a result of the IPO described in note 12.1 above, ceased to be the majority shareholder in previous years.

31 December 2020

	Thousands of euros	
	Reference shareholder (*) and parties related thereto	Other related parties
Receivables and other current assets	-	118
Long-term shareholder loans (note 10.2.1)	(846)	(358)
Other non-current financial liabilities	(9,781)	-
Other current financial liabilities	(683)	-
Trade and other payables	(118)	-

(*) Refers to Grupo Corporativo Sefrán, SL which, as a result of the IPO described in note 12.1 above, ceased to be the majority shareholder in previous years.

The Group has recorded under the headings "Other non-current financial liabilities" and "Other current financial liabilities" basically the amounts corresponding to the financial liability resulting from the lease agreements with the companies linked to the group of companies in which the reference shareholder acts as Parent considered in the heading "Other related parties", corresponding to the lease of certain warehouses located in Spain in which the industrial segment carries out part of its activities (see note 8).

The amounts corresponding to the item "Long-term shareholder loans" refer to the contributions from Sefran and Valueteam for the implementation segment of the Group's projects (see note 10.2.1). Likewise, Sefrán and Valueteam have granted counter-guarantees for the guarantees subscribed by the implementation segment to Powertis, S.A.U. (see note 13.1) and for the loans obtained by Powertis, S.A.U. (see note 10.2.2) for an amount of 15,166 thousand euros.

15.3 Remuneration and other benefits to the Parent's directors and to the Group's senior management

Remuneration and other benefits to the Board of Directors

In 2021 and 2020, the Parent's directors accrued the following monetary income for all items (includes income paid by the Parent and by any other company):

	Thousands of euros	
	2021	2020
Fixed and variable remuneration	530	252
Share-based remuneration systems (see note 17.2)	508	-
	1,038	**252**

There were no changes to the Parent's governing body in 2021, and it was formed by seven members - three women and four men, who received remuneration of 164 thousand euros and 366 thousand euros, respectively, without considering share plans (36 thousand euros and 216 thousand euros at 31 December 2020).

They did not earn any amounts classified as income in kind for their work as senior management or directors in addition to those indicated above in any of the periods. However, at 31 December 2021, the remuneration indicated above contains income in kind in the amount of 31 thousand euros for one of the directors for senior management work.

No directors were dismissed in 2021, nor were any termination benefits paid. No advances or loans were granted to the previous sole director or current directors of the Parent in 2021.

The Group has not assumed any obligations on behalf of the directors. Likewise, at the end of 2021, the Group had no pension or life insurance premium commitments to its directors (same situation at the end of the 2020 financial year).

The total amount accrued as an expense for the year for the civil liability insurance premium of the current directors for damages caused by their acts or omissions amounted to 91 thousand euros in 2021 (27 thousand euros in 2020).

With regard to guarantee or golden parachute clauses for cases of dismissal or changes of control in favour of executive directors, no golden parachute clauses were stipulated that represented a commitment at 31 December 2021.

Remuneration and other benefits to senior management

The remuneration of the members of Senior Management, excluding those who simultaneously have the status of member of the Board of Directors (whose remuneration has been detailed above) in 2021 and 2020, and which has been paid both by the Parent and by any subsidiary, is summarised as follows:

	Thousands of euros	
	2021	2020
Salaries	655	545
Share-based remuneration systems (see note 17.2)	948	-
	1,603	**545**

They did not earn any amounts classified as income in kind for their work as senior management or directors in addition to those indicated above in any of the periods.

15.4 Information in relation to conflicts of interest involving the directors and the Parent's previous sole director

In relation to article 229 of the Consolidated Spanish Limited Liability Companies Law, the directors consider that during the 2021 financial year and until the date of preparation of these consolidated financial statements, both they and the natural or legal persons related thereto, as defined in article 231 of the aforementioned legal text, have not been immersed in conflicts of interest provided for in the aforementioned article 229.

16 Revenue and expenses

16.1 Revenue from contracts with customers

The Group derives most of its revenue from customer contracts for the sale of products and the rendering of services over time from the following activities. This is in line with the information on income that is broken down in note 4. The detail of income from ordinary activities in 2021 and 2020 was as follows:

	Thousands of euros	
	2021	2020
Tracker supply	301,461	209,616
Installation services	40,319	22,703
Operation and maintenance services	4,734	2,695
Other	-	632
	346,514	**235,646**

Income in a currency other than the euro is broken down in note 3.4.2 above.

In relation to the contracts signed in the industrial segment that are currently in progress, the following income associated with said projects is expected to be accrued for their completion during the following year, as detailed below, based on their sales activity :

	Thousands of euros	
	2021	2020
Tracker supply	165,872	20,430
Installation services	15,868	12,116
Engineering services, EPC and BOP	68,757	4,353
	250,497	**36,899**

Contractual assets

In the event that the amount of the production at origin of each of the installation services rendered is greater than the amount invoiced, the difference between the two items is recognized as a contractual asset.

At 2021 year-end, the Group had balances for contractual assets (revenue pending invoice) amounting to 37,115 thousand euros (15,185 thousand euros at 31 December 2020). At the date of preparation of these consolidated financial statements, this amount is invoiced at 16,646 thousand euros (10,172 thousand euros at the end of 2020, fully invoiced at the date of preparation of said financial statements).

16.2 Supplies

The balance of the "Supplies" heading in 2021 and 2020 was broken down as follows:

	Thousands of euros	
	2021	2020
Goods purchased	318,737	159,389
Variation of inventories	(40,615)	4,208
Work performed for other companies	20,058	16,810
Allowance for impairment of inventories (note 11)	567	566
	298,747	**180,973**

The distribution of merchandise purchases in 2021 and 2020, distributed by geographical area, is as follows:

	Thousands of euros	
	2021	2020
Spain and Portugal	91,965	72,284
China	148,065	45,588
Korea	19,933	22,689
Brazil	46,805	10,650
Australia	-	337
Others (*)	11,969	7,841
	318,737	**159,389**

(*) Others: Germany, Taiwan, France, Hong Kong, Mexico, Austria, Israel, United States of America, Finland, Italy, Czech Republic and Tunisia.

16.3 Other operating income

The balance of the "Other operating income" heading in 2021 and 2020 was as follows:

	2021	2020
Operating subsidies	1,000	1,647
Miscellaneous services	2,398	936
Other	-	15
	3,398	**2,598**

The balance of the headings "Various services" and "Others" mainly includes the amount invoiced to third parties for services related to the maintenance, repair and upkeep of solar farm facilities owned by third parties, services invoiced to related parties for advisory services, as well as the rebilling of services provided to equity-accounted companies in the implementation segment.

Additionally, the amount of "Operating subsidies" includes those operating income related to the tax deductibility of R&D activities that reduce the income tax payable account (see note 14.2), as well as those operating subsidies granted by public bodies or independent third parties.

16.4 Other employee benefits

"Personnel expenses" in the accompanying 2021 and 2020 consolidated income statement includes expenses for salaries and wages and other employee benefits. The latter consists mainly of social security expenses payable by the company, as shown below:

	Thousands of euros	
	2021	2020
Wages and salaries	40,765	28,181
Other employee benefits:		
Social Security	9,171	8,035
Other employee benefits	193	213
	50,129	**36,429**

The amount accrued in personnel expenses through share-based payments for employees in 2021 amounted to 3,007 thousand euros (53 thousand euros in the year ended 31 December 2020) (see note 17.2).

16.5 Other operating expenses

The breakdown of "Other operating expenses" in 2021 and 2020 was as follows:

	Thousands of euros	
	2020	2019
Outside services-		
Leases and fees	9,666	5,688
Repairs and maintenance	1,860	1,322
Independent professional services	20,570	8,387
Transport	57,425	15,489
Insurance premiums	2,540	1,925
Bank services and similar items	2,202	894
Advertising and publicity	1,301	1,162
Supplies	2,087	1,181
Other services	6,374	4,484
Tributes	*979*	1,006
Losses, impairment and changes in provisions for commercial operations	*602*	4,253
Other administrative expenses	*221*	92
	105,827	**45,883**

The amount included under "Leases and fees" corresponds to, essentially, the lease expense recognized as a result of lease contracts that are excluded from the accounting for the lessee established in IFRS 16 due to their short term (term of less than 12 months) or because the underlying asset is of low value; these are mainly short-term leases of the machinery necessary for the rendering of installation services and vehicles. Similarly, this account includes variable rental payments that do not depend on an index or rate and are not included in the measurement of lease liabilities and right-of-use assets.

The amount included in the item "Services of independent professionals" corresponds, mainly, to the expenses incurred for technical assistance in the projects carried out. The amount included under "Transport and shipping" relates mainly to expenses incurred in transporting inventories to their destination.

The amount included under "Other services" relates mainly to travel and maintenance expenses incurred by expatriate Group employees in the performance of the various international projects carried out by the Group.

At the end of 2021, the amount of the item "Losses, impairment and variation in provisions for commercial operations" corresponds mainly to the provision for losses due to impairment on accounts receivable (see note 10.1.2) for an amount of 553 thousand euros (544 thousand euros in 2020) and additionally, to the allocation of the provision for guarantees and repairs (see note 13.2) for an amount of 49 thousand euros (3,709 thousand euros in 2020).

16.6 Financial profit

The composition of the headings "Financial expenses" and "Change in fair value of financial instruments" in the accompanying consolidated income statement for 2021 and 2020 is as follows:

	Thousands of euros	
	2021	2020
Income from liability reduction for purchase of SPVs	85	6,434
Other financial income	161	116
Total financial income	**246**	**6,550**
Interest on syndicated credit facility	(2,610)	(2,522)
Interest on guarantees	(772)	(1,046)
Other financial expenses	(1,750)	(2,844)
Total financial expenses	**(5,132)**	**(6,412)**
Revaluation of shares accounted for using the equity method (note 5.5)	15,021	3,510
Change in fair value of derivatives at year-end (note 10.3)	(2,014)	4,149
Change in fair value of derivatives settled (note 10.3)	4,069	2,629
Total changes in fair value of financial instruments	**17,076**	**10,288**

The "Other financial expenses" item includes interest corresponding to lease liabilities, amounting to 843 thousand euros (667 thousand euros in 2020, see note 8). Additionally, this item includes the financial expenses accrued as a result of the advance payment for trade receivables through the confirming offered by customers for an amount of 449 thousand euros (162 thousand euros in 2020), as well as the financial costs payable to the majority shareholders of the Sefrán Group and Valueteam, as consideration for the loans granted (see note 10.2.1.iii). The financial costs payable to said shareholders as consideration for the guarantees provided by them in relation to the guarantee agreements and lines of credit that Powertis, S.A.U. maintains vis-à-vis its financial creditors are recorded under the line "Interest on guarantees" (see note 13.1).

The amounts recorded under the heading "Changes in the fair value of financial instruments" correspond to the revaluation of the shares of the companies over which control is lost and are included using the equity method (see note 5.5) and the valuation of the derivative financial instruments contracted by the Group (see note 10.3).

17 <u>Other information</u>

17.1 Personnel

The average number of people employed in 2021 and 2020, by category, was as follows:

	Average number of people employed	
	2021	2020
Department Director	39	29
Manager	388	221
Technician	375	241
Administrative	175	77
Operator	844	552
Total	**1,820**	**1,120**

The distribution by gender at the end of 2021 and 2020, by category, is as follows:

	Number of people employed at closing					
	31/12/2021			31/12/2020		
	Male	Female	Total	Male	Female	Total
Department Director	31	7	38	22	6	28
Manager	309	96	405	218	60	278
Technician	284	116	400	238	46	284
Administrative	74	97	171	49	78	127
Operator	1,329	152	1,481	446	44	490
Total	**2,027**	**468**	**2,495**	**973**	**234**	**1,207**

The number of people employed by the Group at 2021 year-end, with a disability greater than or equal to 33%, is 10 employees (11 employees in 2020).

17.2 Share-based payments

On 14 October 2020, an agreement was signed by which Powertis, S.A.U. undertook to grant the CEO of Powertis, S.A.U., a number of shares of the Parent equivalent to 1% pre-money thereof at the agreement date after the effective fulfilment of certain requirements.

This agreement amended that signed on 28 September 2018, whereby the CEO was granted the right to purchase 5% of Powertis's shares after fulfilling service obligations for two years, valued at 215 thousand euros. Since it was a remuneration that would be paid in shares, it was accrued in full against the "Reserves" item, having recorded a personnel expense amounting to 53 thousand euros in the 2020 financial year.

As it was a modification between two payment plans based on shares in the Equity-settled modality, its valuation is limited to the incremental fair value of the operation at the time of the agreement. To this end, at October 2021, the Company calculated the fair value of 5% of Powertis, S.A.U. and the 1% pre-money of Soltec Power Holdings, S.A., based on analyst and market valuations, measuring both at highly similar amounts. Therefore, in the opinion of the Parent's directors, the incremental fair value of the modification to be recorded is not significant and has not been recorded as it does not affect the fair presentation of these consolidated financial statements.

At the date of preparation of these consolidated financial statements, the Board of Directors considers that all the vesting requirements of the new share plan will be met.

Likewise, on 1 January 2021, following acceptance by the employees concerned, the long-term incentive plan came into force for a maximum of 36 individuals, including the Parent's management and certain employees of

Group companies. The purpose of this plan is to motivate and reward certain employees and senior executives appointed by the Parent's Board of Directors, enabling them to be included in the Group's long-term value creation.

The main features of the plan are as follows:

- Entry into force on 1 January 2021.
- Plan shares will vest at the end of the following periods:
  - First accrual period: January 1, 2021 to January 2, 2023; and,
  - Second accrual period: 3 January 2023 to 4 January 2025.
- The shares will vest upon fulfilment, at the expiration of each vesting period, of the following conditions:
  - Necessary condition of permanence in the participant's employment.
  - Performance conditions. The number of shares to be delivered to each of the participants will be determined on the basis of the performance of each of them, as well as the gradual achievement of certain performance ratios of the Group, associated with the total return obtained by the shareholder, EBITDA and Free Cash Flow.

    These performance ratios shall be calculated over the period from 1 January to 31 December of each of the accrual periods.
- Delivery of the shares will occur at the end of the deferral period of 365 days after the end of each vesting period.

In accordance with IFRS 2 "Share-based payments", this incentive plan is an equity-settled plan. In 2021, an expense of 3,007 thousand euros had accrued in this regard under the heading "Personnel expenses" with a balancing entry in the Group's equity.

The directors, based on the work carried out by an independent expert, considered that the fair value of the plan in its initial stage amounted to 12,346 thousand euros. Said valuation was provided based on the assumptions made by the Company's directors, hence, it is expected that there will be no terminations among the employees benefiting from the plan and that all employees attain the related score and the required rate of achievement of the objectives. Likewise, the estimate of the degree of achievement of the performance of the Group to which it belongs has been taken into account in the valuation based on its financial projections and objectives set, the estimate of the price per share based on the binomial model and Brownian motion (widely used in financial practice), discount periods based on accrual periods and a risk-free rate weighted by the Group's sales in each country.

17.3 Audit fees

During the years 2021 and 2020, the amounts for fees charged in relation to auditing and other services provided by the auditor of the Group's consolidated financial statements, Deloitte, S.L. and by the companies belonging to the Deloitte network, were as follows:

Description	Thousands of euros	
	2021	2020
Audit services -	**712**	**847**
Audit services	532	587
Audit services - Other companies linked to the Deloitte network	180	260
Non-audit services -	**51**	**358**
Services required by applicable regulations	29	40
Tax advisory services	-	8
Other verification services	2	302
Other services	20	8
Total	**763**	**1,205**

"Other services required by applicable regulations" includes the verification services carried out by the auditor in relation to the verification process of the Non-Financial Information Statement included in the consolidated management report. Also, "Other services" includes translation services of previously prepared financial statements.

For its part, the audit services include, in addition to the statutory annual audit, services for reviews of intermediate periods.

17.4 Information on the average period of payment to suppliers

For the years 2021 and 2020, the information required by the third additional provision of Law 15/2010, of 5 July (modified through the second final provision of Law 31/2014, of 3 December), prepared in accordance with the ICAC Resolution of 29 January 2016, on the information to be included in the notes to the financial statements in relation to the average period of payment to suppliers in commercial operations of companies resident in Spain.

	Days	
	2021	2020
Average payment period to suppliers	90	60
Ratio of paid operations	103	59
Ratio of operations pending payment	69	69

	Thousands of euros	
	2021	2020
Total payments made	235,586	290,982
Total pending payments	143,471	29,758

In accordance with the ICAC Resolution to calculate the average period of payment to suppliers in these consolidated financial statements, the commercial operations corresponding to the delivery of goods or provision of services have been taken into account exclusively with respect to the fully consolidated companies located in Spain.

Suppliers are considered, for the exclusive purposes of giving the information provided for in this Resolution, to be commercial creditors for debts to suppliers of goods or services, included in the items "Suppliers" and "Other creditors" under current liabilities in the consolidated statement of financial position.

"Average payment period to suppliers" is understood to be the term that elapses from the delivery of the goods or the provision of services by the supplier and the material payment of the operation.

The maximum legal payment term applicable to the Spanish companies, in accordance with Law 11/2013, of 26 July, which establishes the measures to combat late payment in commercial operations, is 30 days unless there is an agreement between the parties with a maximum term of 60 days. The Group is making its best efforts to reduce the average term of payment to suppliers, trying in the medium term to adapt to the maximum legal terms established.

18 Earnings per share

Basic earnings per share is calculated by dividing net profit attributable to the parent by the weighted average number of ordinary shares outstanding during the year, excluding the average number of own shares held during the year, if any. Also, as a result of the *split* 4-for-1 split in October 2020 (see note 12), the weighted average number is retrospectively modified in accordance with the standard to show comparative information.

At 31 December 2021 and 31 December 2020, basic earnings per share were as follows:

	2021	2020
Loss for the year attributable to the Parent (thousands of euros)	(1,125)	(4,918)
Weighted average number of ordinary shares (note 12.1)	90,971,208	65,786,676
Basic earnings / (loss) per share (euros)	**(0,012)**	**(0,075)**

The average number of common shares outstanding is calculated as follows:

	Number of shares	
	31/12/2021	31/12/2020
Ordinary shares at the beginning of the period	91,386,717	65,786,676
Own shares	(567,908)	-
Average effect of outstanding shares	152,399	-
Weighted average number of ordinary shares outstanding at 31 December	**(0,012)**	**(0,075)**

Diluted

As indicated in note 17.2, the Group has granted its executives a variable compensation plan payable in shares subject to the return rate obtained by the shareholder during the four-year period ending in January 2025 reaching a certain level.

Considering the characteristics of the plan and compliance with its conditions, at 31 December 2021, the plan would have a dilutive effect on earnings per share.

Diluted earnings per share are calculated by adjusting the profit for the year attributable to equity holders of the Parent and the weighted average number of ordinary shares outstanding for all dilutive effects inherent in the potential ordinary shares, i.e. as if all potentially dilutive ordinary shares had been converted.

To determine the potential ordinary shares of the variable remuneration plan, as indicated in paragraph 46 of IAS 33, it is considered, as if the plan consisted of a contract to issue a certain number of ordinary shares at the average market price during the year, which will not have a dilutive effect, and a contract to issue the remaining ordinary shares free of charge.

The details of the calculation of the diluted earnings per share are as follows:

	31/12/2021		
	Thousands of euros	Thousands of shares	Earnings per share
Loss for the year attributable to equity holders of the Parent	(1,125)	-	-
Weighted average number of shares outstanding	-	90,971	(0,012)
Weighted average number of potential ordinary shares to be delivered under the variable remuneration plan	-	1,143	-
Weighted average number of potential unprovisioned ordinary shares at market price	-	(1,036)	-
Other adjustments	-	-	-
Diluted earnings per share	**(1,125)**	**91,078**	**(0,012)**

19 Subsequent events

On 24 February 2022, a war broke out between Russia and Ukraine, with uncertain geopolitical consequences worldwide in the short, medium or long term. Such event, based on preliminary analyses, could cause, among others, delays in the supply chain due to problems at factories, delays in logistics services, difficulties in accessing financing or significant fluctuations in the cost of raw materials, considerably hindering global economic and, therefore, national growth. Considering the complex situation in the markets due to their globalisation and the lack of information on the time horizon for the conflict, the consequences for the Group's operations are uncertain and will largely depend on the development and scale of the conflict over the coming months, and on the reaction and capacity to adapt of the economic agents involved.

To date, the Group has managed to maintain its supply chain for its industrial segment and has been able to continue operating relatively normally for its project implementation segment, so there has currently been no drop in activity, nor is it expected to drop in the coming months, since the Group has signed contracts that are pending execution, as well as ongoing development projects. The Group is not involved in any activities in the countries where the war is concentrated, limiting the impact of the war's consequences.

The Parent's directors have performed a preliminary assessment of the current situation, based on the best information available. Due to the aforementioned considerations, said information may be incomplete or inaccurate. From the results of this evaluation, the following aspects stand out:

- Liquidity risk:

  The general market situation could cause a general increase in liquidity tensions in the economy, as well as a contraction of the credit market. In this regard, the Group has the resources described in note 10 above. In addition, at the date of preparation of these financial statements, the implementation segment had not yet drawn down certain loans arranged with Brazilian financial entities, pending the fulfilment of different milestones.

The available resources, together with the new financing obtained and the implementation of specific plans to improve and efficiently manage liquidity, will allow, in the opinion of the Parent's directors, the Company to affront said tensions and to be able to continue with its business plan, scheduled for future years.

- Operational risk:

The changing and unpredictable situation of events could lead to the appearance of a risk of temporary interruption in production/sales or, where appropriate, a specific break in the supply chain. For this reason, the Group has established working groups and specific procedures aimed at monitoring and managing the evolution of its operations at all times, to minimise its impact on its operations. Hence, protocols have been adopted and implemented to guarantee the monitoring of the conflict and the possible impacts on the Group's activity. At the date of these financial statements, the Group has continued with almost total normality to perform its operations, by maintaining export contracts with international customers and providing services for the essential electricity sector.

In the opinion of the Parent's directors, it is not expected that its activities will be significantly affected by said conflict in the whole of the year. According to the assessment of Group activity by management in the first months of 2022 after the outbreak of the war, to date, the Group has been able to maintain the budgeted projects or backlog without significant delays in the collection of commercial accounts that could affect the Group's liquidity and its operating cycle. Likewise, no significant delays have been observed in the supply of trackers by suppliers, following through with all contracts in force based on previously established conditions.

- Revenue recognition and credit risk:

Group management also monitors the impact of this situation on the contracts already signed and its customers, in terms of the potential changes that may be caused in relation to these contracts (cancellations or changes in the estimates for revenue recognition), as well as the assessment of the recoverability of collection rights. In this regard, the Parent's directors consider that keeping a significant part of its accounts receivable insured (see note 3.1), and that most of its customers belong to the electricity sector outside the zone of conflict will protect the Group from serious consequences. Likewise, it should be noted that the photovoltaic energy sector can gain significance as an alternative energy source, since the armed conflict can lead to complicated situations regarding other energy sources due to their dependence on Russia. Hence, despite the impact of the armed conflict, the war is not expected to have a significant impact on the Group's credit risk or on its revenue recognition.

- Impairment of assets:

Taking into account all the aforementioned factors, and emphasising that the Group does not carry out any activities in the warring countries, and the information currently available, the Parent's management and directors have not made any material changes to the Group's future business plan and, therefore, they do not expect any material impact on the impairment of intangible assets, property, plant and equipment or on the recoverability of inventories. Likewise, they do not expect this to have a significant impact on the leases held by the Group and which, in accordance with IFRS 16, are recognized under the heading "Right of use".

- Risk of business continuity in the medium term:

Taking into account all the aforementioned factors, the Parent's directors consider that it continues to be appropriate to apply the going concern principle.

Lastly, it should be noted that the Group's Board of Directors and management are constantly monitoring the evolution of the situation, to successfully deal with any possible impacts, both financial and non-financial, that may arise.

Likewise, there have been no additional material subsequent events, from 31 December 2021 to the date of preparation of these consolidated financial statements, that have not been appropriately disclosed in the notes above.

Appendix I - Subsidiaries that form part of the scope of consolidation (information in thousands of euros)

31 December 2021 [1,2]

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
Soltec Energías Renovables, S.L.U.	C/ Gabriel Campillo S/n P.I. La Serreta 30500 - (Molina De Segura) - Murcia	Sale of solar trackers and their installation and maintenance in those cases required by the customer.	Soltec Power Holdings, S.A.	Audit in process	100%	-	1,152	81,545	(10,529)	72,168	Euro
Powertis, S.A.U.	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	The promotion and execution of projects for electrical energy production facilities that use photovoltaic solar energy. The sale, transmission and/or acquisition for their own account of shares and/or holdings in entities of all kinds, whether or not they have legal personality	Soltec Power Holdings, S.A.	Audit in process	100%	-	5,600	57,689	16,874	80,163	Euro

[1]In the case of subsidiaries with a functional currency other than the euro, the information has been converted into euros using the accounting principles for the translation of financial statements into foreign currency.

[2]The information included has been prepared based on generally accepted accounting principles applicable at the registered office of each subsidiary.

[3]The section "Retained earnings" includes the aggregate impact of the items "Other shareholder contributions", "Prior years' losses", "Loss for the year" and "Adjustments due to changes in value".

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
Soltec Energie Rinnovabili S.r.L.	Viale A. Gramsci, 20. Florence (Italy)	Marketing and management of renewable energy equipment based on supply and installation work.	Soltec Energías Renovables, S.L.U.	Unaudited	100%	-	10	392	8	410	Euro
Soltec America L.L.C.	3050 Osgood Court. Fremont (California – United States)	Marketing and management of renewable energy equipment based on supply, installation and maintenance work.	Soltec Energías Renovables, S.L.U.	Audit in process	100%	-	3	-	(2,170)	(2,167)	US dollar
Soltec Chile S.p.A.	Av. Bosque Norte 0134 Piso 7. Comuna de las Condes (Santiago de Chile - Chile)	Marketing and management of renewable energy equipment based on supply, installation and maintenance work.	Soltec Energías Renovables, S.L.U.	Audit in process	100%	-	3,881	992	(11,735)	(6,862)	Chilean peso
Soltec Brasil Industria, Comercio e Servicos de Energías Renovaveis LTDA (Soltec Brazil)	Rua Dr. Barreto, 483, Lauro de Freitas, Estado de Bahía (Brazil)	Marketing and management of renewable energy equipment based on supply, installation and maintenance work.	Soltec Energías Renovables, S.L.U.	Audit in process	100%	-	20,220	4,298	(8,419)	16,099	Brazilian real
Soltec Energías Renovables, S.A.C.	Avenida República de Panamá Nº 3576, Lima (Peru)	Marketing and management of renewable energy equipment based on supply, installation and maintenance work.	Soltec Energías Renovables, S.L.U.	Audit in process	100%	-	250	-	9	259	Sol
Seguidores Solares Soltec SA de CV	Oxford 30. Juárez (Mexico)	Marketing and management of renewable energy equipment based on supply, installation and maintenance work.	Soltec Energías Renovables, S.L.U.	Audit in process	100%	-	3	1,459	(1,840)	(378)	Mexican peso

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
Soltec Australia, PTY LTD.	300 Barangaroo Avenue, Level 24, Three International Towers, Barangaroo NSW 2000 (Australia)	Marketing and management of equipment for renewable energies.	Soltec Energías Renovables, S.L.U.	Unaudited	100%	-	1	81	139	221	Australian dollar
Soltec Argentina, S.R.L.	Avenida del Libertador 498, Piso 3º, 1001. Ciudad Autónoma Buenos Aires (Argentina)	Marketing and management of equipment for renewable energies.	Soltec Energías Renovables, S.L.U.	Audit in process	95%	5%	2	22	(496)	(472)	Argentine peso
Soltec Innovations, S.L.U.	C/ Gabriel Campillo, s/n Polígono Industrial La Serreta, Molina de Segura (Spain)	Technical engineering services and activities related to technical advice.	Soltec Energías Renovables, S.L.U.	Unaudited	100%	-	3	1,517	5,290	6,810	Euro
Soltec Trackers PVT LTD.	303, 3rd Floor, Tower 1, DLF Corporate Park, DLF Phase - 3, Gurgaon, Haryana 122002 (India)	Marketing and management of renewable energy equipment based on supply and installation work.	Soltec Energías Renovables, S.L.U.	Audit in process	100%	-	479	40	(61)	458	Indian rupee
Soltec France, S.L.	6, Place de la Madeleine, 75008, Paris	Marketing and management of equipment for renewable energies.	Soltec Energías Renovables, S.L.U.	Unaudited	100%	-	3	100	111	214	Euro
Soltec Trackers Colombia SAS	Calle 93 B, NO 19-35 Office 201, Bogota	Marketing and management of equipment for renewable energies.	Soltec Energías Renovables, S.L.U.	Unaudited	100%	-	1	16	14	31	Colombian peso

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
Soltec Commercial Consulting (Shanghai) Co. Ltd	Room 606, No. 118 Pudong South Road, Shanghai (China)	Marketing and management of equipment for renewable energies.	Soltec Energías Renovables, S.L.U.	Unaudited	100%	-	122	-	-	122	Yuan
Soltec Trackers Middle East DMCC	DMCC Business Centre. Level No. 1. Jewellery & Gemplex 3. Dubai. (United Arab Emirates)	Marketing and management of equipment for renewable energies.	Soltec Energías Renovables, S.L.U.	Unaudited	100%	-	-	-	-	-	Dirham
LUMINORA SOLAR SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	61	(169)	(105)	Euro
LUMINORA SOLAR UNO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	340	(429)	(86)	Euro
LUMINORA SOLAR SEIS SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	50%	50%	3	(1)	(53)	(51)	Euro
LUMINORA SOLAR SIETE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	23	(15)	11	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA SOLAR OCHO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	(57)	(54)	Euro
LUMINORA SOLAR NUEVE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	(1)	(147)	(145)	Euro
LUMINORA SOLAR DIEZ SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	(147)	(144)	Euro
LUMINORA SOLAR ONCE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	(1)	(37)	(35)	Euro
LUMINORA SOLAR DOCE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	331	(11)	323	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA SOLAR TRECE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	38	(20)	21	Euro
LUMINORA SOLAR CATORCE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	38	(20)	21	Euro
LUMINORA SOLAR QUINCE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	38	(20)	21	Euro
LUMINORA SOLAR DIECISEIS SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	38	(20)	21	Euro
LUMINORA SOLAR DIECISIETE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	(1)	-	2	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA SOLAR DIECIOCHO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	(1)	(16)	(14)	Euro
LUMINORA SOLAR DIECINUEVE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	(1)	(155)	(153)	Euro
LUMINORA SOLAR VEINTE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	(1)	(31)	(29)	Euro
AMBER SOLAR POWER SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	12	(15)	-	Euro
AMBER SOLAR POWER DOS SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	159	(110)	52	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER SEIS SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	17	(20)	-	Euro
AMBER SOLAR POWER SIETE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	5	(10)	(2)	Euro
AMBER SOLAR POWER OCHO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	13	(16)	-	Euro
AMBER SOLAR POWER ONCE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	79	(57)	25	Euro
AMBER SOLAR POWER DOCE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	31	(31)	3	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER TRECE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	72	(52)	23	Euro
AMBER SOLAR POWER CATORCE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	34	(34)	3	Euro
AMBER SOLAR POWER DIECISIETE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	73	(91)	(15)	Euro
AMBER SOLAR POWER DIECIOCHO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	23	(29)	(3)	Euro
AMBER SOLAR POWER DIECINUEVE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	20	(14)	9	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER VEINTE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	39	(77)	(35)	Euro
AMBER SOLAR POWER VEINTIUNO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	51%	49%	3	-	(9)	(6)	Euro
AMBER SOLAR POWER VEINTIDOS SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	1	(32)	(28)	Euro
AMBER SOLAR POWER VEINTITRES SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	13	(1)	15	Euro
AMBER SOLAR POWER VEINTICUATRO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	1	(60)	(56)	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER VEINTICINCO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	24	(9)	18	Euro
AMBER SOLAR POWER VEINTISEIS SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	36	(38)	1	Euro
AMBER SOLAR POWER VEINTISIETE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	1	(363)	(359)	Euro
AMBER SOLAR POWER VEINTIOCHO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro
AMBER SOLAR POWER VEINTINUEVE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	76	(37)	42	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER TREINTA SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	23	(13)	13	Euro
AMBER SOLAR POWER TREINTA Y UNA SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	(1)	(10)	(8)	Euro
AMBER SOLAR POWER TREINTA Y DOS SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	11	(35)	(21)	Euro
AMBER SOLAR POWER TREINTA Y TRES SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	16	(53)	(34)	Euro
AMBER SOLAR POWER TREINTA Y CUATRO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	(1)	-	2	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER TREINTA Y CINCO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	(1)	(9)	(7)	Euro
AMBER SOLAR POWER TREINTA Y SEIS SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	(1)	(4)	(2)	Euro
AMBER SOLAR POWER TREINTA Y SIETE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	(1)	(88)	(86)	Euro
AMBER SOLAR POWER TREINTA Y OCHO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	(1)	(27)	(25)	Euro
AMBER SOLAR POWER TREINTA Y NUEVE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	(1)	-	2	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER CUARENTA SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	(1)	(422)	(420)	Euro
AMBER SOLAR POWER CUARENTA Y UNO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	(101)	(98)	Euro
AMBER SOLAR POWER CUARENTA Y DOS SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	(4)	(1)	Euro
AMBER SOLAR POWER CUARENTA Y TRES SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	(23)	(20)	Euro
AMBER SOLAR POWER CUARENTA Y CUATRO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	(23)	(20)	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER CUARENTA Y CINCO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro
AMBER SOLAR POWER CUARENTA Y SEIS SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	(45)	(42)	Euro
AMBER SOLAR POWER CUARENTA Y SIETE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro
AMBER SOLAR POWER CUARENTA Y OCHO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro
AMBER SOLAR POWER CUARENTA Y NUEVE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER CINCUENTA SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro
LUMINORA SOLAR VEINTIUNO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro
LUMINORA SOLAR VEINTIDOS SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	(416)	(413)	Euro
LUMINORA SOLAR VEINTITRES SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	(24)	(21)	Euro
LUMINORA SOLAR VEINTICUATRO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA SOLAR VEINTICINCO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro
AMBER SOLAR POWER CINCUENTA Y UNO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	(4)	(1)	Euro
AMBER SOLAR POWER CINCUENTA Y DOS SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	(4)	(1)	Euro
AMBER SOLAR POWER CINCUENTA Y TRES SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro
AMBER SOLAR POWER CINCUENTA Y CUATRO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER CINCUENTA Y CINCO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro
LUMINORA SOLAR VEINTISEIS SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	(3)	-	Euro
LUMINORA SOLAR VEINTISIETE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	(4)	(1)	Euro
LUMINORA SOLAR VEINTIOCHO SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro
LUMINORA SOLAR VEINTINUEVE SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA SOLAR TREINTA SOCIEDAD LIMITADA	Calle Núñez De Balboa, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	-	3	Euro
AMBRA SOLARE 1, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
AMBRA SOLARE 2, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
AMBRA SOLARE 3, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
AMBRA SOLARE 4, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBRA SOLARE 7, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
AMBRA SOLARE 8, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
AMBRA SOLARE 16, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
AMBRA SOLARE 17, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
AMBRA SOLARE 18, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBRA SOLARE 20, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
LUMINORA MARANGIOSA, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
AMBRA SOLARE 21, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
AMBRA SOLARE 22, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euro
AMBRA SOLARE 25, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBRA SOLARE 28, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euro
AMBRA SOLARE 29, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euro
AMBRA SOLARE 30, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euro
AMBRA SOLARE 31, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
AMBRA SOLARE 32, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBRA SOLARE 33, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euro
AMBRA SOLARE 34, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
AMBRA SOLARE 35, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euro
AMBRA SOLARE 36, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
AMBRA SOLARE 37, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBRA SOLARE 39, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euro
AMBRA SOLARE 40, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euro
AMBRA SOLARE 41, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euro
AMBRA SOLARE 42, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euro
AMBRA SOLARE 43, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBRA SOLARE 44, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euro
AMBRA SOLARE 45, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
AMBRA SOLARE 47, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
AMBRA SOLARE 48, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
AMBRA SOLARE 49, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	(1)	9	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBRA SOLARE 5, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 1, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 2, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 3, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 4, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
MARMARIA SOLARE 5, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 6, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 7, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 8, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 9, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
MARMARIA SOLARE 10, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 11, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 12, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 13, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 14, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
MARMARIA SOLARE 15, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 16, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 17, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 18, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 19, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
MARMARIA SOLARE 20, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 21, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 22, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 23, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 24, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
MARMARIA SOLARE 25, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 26, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 27, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 28, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
MARMARIA SOLARE 29, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
MARMARIA SOLARE 30, SRL	VIA TEVERE 41 CAP 00198 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	10	-	-	10	Euro
POWERTIS SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Office of development services, management of solar and photovoltaic projects, supervision of electrical contract works, among other activities	Powertis, S.A.U.	Unaudited	100%	-	100	42	(84)	58	Euro
POWERTIS AMERICA LLC	3050 Osgood Court. Fremont, CALIFORNIA (United States)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	-	-	US dollar
USINA DE ENERGIA FOTOVOLTAICA DE PEDRANÓPOLIS LTDA	ROD CHAFFI MARAO KM 9, ZONA RURAL. PEDRANÓPOLIS- SP. 15630-000. (Brazil)	Office of development services, management of solar and photovoltaic projects, supervision of electrical contract works, among other activities	Powertis, S.A.U.	Audit in process	100%	-	19,878	-	(875)	19,003	Brazilian real
USINA DE ENERGIA FOTOVOLTAICA DE ARAXÁ LTDA	ROD MG-428 (ARAXÁ-FRANCA); DONA BEJA. ARAXÁ- MG. 38183-666. (Brazil)	Office of development services, management of solar and photovoltaic projects, supervision of electrical contract works, among other activities	Powertis, S.A.U.	Audit in process	100%	-	16,521	-	(1,125)	15,396	Brazilian real

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
USINA DE ENERGIA FOTOVOLTAICA SOLATIO VARZEA LTDA	EST MUNICIPAL VARZEA DA PALMA AO DISTRITO PEDRA DE. VARZEA DE PALMAS-MG. 39260-000. (Brazil)	Exploitation and implementation of solar energy	Powertis, S.A.U.	Unaudited	100%	-	78	-	(495)	(417)	Brazilian real
POWERTIS BRASIL DESENVOLVIMIENTO DE PROJETOS DE ENERGIA Y PARTICIPACOES LTDA.	DOUTOR BARRETO 423. 42,701-310 PITANGUEIRAS . LAURO DE FREITAS (Brazil)	Marketing and management of renewable energy equipment based on supply, installation and maintenance work.	Powertis, S.A.U.	Audit in process	100%	-	540	-	(320)	220	Brazilian real
USINA DE ENERGIA FOTOVOLTAICA GRAVIOLA I S.A.	PC HERCULANO CARVALHO 86. 64,760-000. SAO JOAO DO PIAUI (Brazil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	46	-	(294)	(248)	Brazilian real
USINA DE ENERGIA FOTOVOLTAICA GRAVIOLA II S.A.	PC HERCULANO CARVALHO 86. 64,760-000. SAO JOAO DO PIAUI (Brazil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	46	-	(280)	(234)	Brazilian real
USINA DE ENERGIA FOTOVOLTAICA GRAVIOLA III S.A.	PC HERCULANO CARVALHO 86. 64,760-000. SAO JOAO DO PIAUI (Brazil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	46	-	(286)	(240)	Brazilian real

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
USINA DE ENERGIA FOTOVOLTAICA GRAVIOLA IV S.A.	PC HERCULANO CARVALHO 86. 64,760-000. SAO JOAO DO PIAUI (Brazil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	94	-	(287)	(193)	Brazilian real
USINA DE ENERGIA FOTOVOLTAICA BELVEDERE SPE LTDA	A AREA RURAL RODOVIA BR 496 KM 9. S/N. RODOVIA BR-496 KM 9 FAZENDA BELVEDERE. 39,277-899. AREA RURAL DE PIRAPORA. PIRAPORA. Mina Gerais (Brazil)	Exploitation and implementation of solar energy	Powertis, S.A.U.	Unaudited	99.99%	0.01%	-	-	(447)	(447)	Brazilian real
USINA DE ENERGIA FOTOVOLTAICA SAO MIGUEL BRL	FAZ SAO MIGUEL S/N RODOVIA MG-161 KM20 39,280-00 ZONA RURAL BURITIZEIRO (Brasil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	46	-	(141)	(95)	Brazilian real
USINA DE ENERGIA FOTOVOLTAICA SERIEMAS SPE LTDA	ROD PARANAIBA A, INOCENCIA. S/N. 10KM A ESQ 21KM FAZENDA DIVISA. 79,500-000. ZONA RURAL. PARANAIBA (Brazil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(196)	(196)	Brazilian real

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
Powertis Solar Holding SPE 1	ROD MG-428 (ARAXÁ-FRANCA); DONA BEJA. ARAXÁ- MG. 38183-666. (Brazil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	-	-	Brazilian real
Powertis Solar Holding SPE 2	ROD MG-428 (ARAXÁ-FRANCA); DONA BEJA. ARAXÁ- MG. 38183-666. (Brazil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	-	-	Brazilian real
POWERTIS DENMARK APS (LUMINORA SOLAR APS)	Walgerholm 7, 3500 Vaerlose (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish crown
LUMINORA SOLAR 2 APS	Walgerholm 7, 3500 Vaerlose, (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish crown
LUMINORA SOLAR 3 APS	Walgerholm 7, 3500 Vaerlose, (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish crown

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA SOLAR 4 APS	Walgerholm 7, 3500 Vaerlose, (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish crown
LUMINORA SOLAR 5 APS	Walgerholm 7, 3500 Vaerlose, (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish crown
LUMINORA SOLAR 6 APS	Walgerholm 7, 3500 Vaerlose, (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish crown
LUMINORA SOLAR 7 APS	Walgerholm 7, 3500 Vaerlose, (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish crown
LUMINORA SOLAR 8 APS	Walgerholm 7, 3500 Vaerlose, (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish crown

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA SOLAR 9 APS	Walgerholm 7, 3500 Vaerlose, (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish crown
LUMINORA SOLAR 10 APS	Walgerholm 7, 3500 Vaerlose, (Denmark)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	6	-	-	6	Danish crown
AMBER SOLAR POWER COLOMBIA UNO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian peso
AMBER SOLAR POWER COLOMBIA DOS, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian peso
AMBER SOLAR POWER COLOMBIA TRES, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian peso

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER COLOMBIA CUATRO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian peso
AMBER SOLAR POWER COLOMBIA CINCO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian peso
AMBER SOLAR POWER COLOMBIA SEIS, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian peso
AMBER SOLAR POWER COLOMBIA SIETE, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian peso
AMBER SOLAR POWER COLOMBIA OCHO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian peso

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER COLOMBIA NUEVE, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian peso
AMBER SOLAR POWER COLOMBIA DIEZ, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian peso
LUMINORA SOLAR POWER COLOMBIA UNO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian peso
LUMINORA SOLAR POWER COLOMBIA DOS, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian peso
LUMINORA SOLAR POWER COLOMBIA TRES, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian peso

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA SOLAR POWER COLOMBIA CUATRO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian peso
LUMINORA SOLAR POWER COLOMBIA CINCO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian peso
LUMINORA SOLAR POWER COLOMBIA SEIS, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian peso
LUMINORA SOLAR POWER COLOMBIA SIETE, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian peso
LUMINORA SOLAR POWER COLOMBIA OCHO, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(25)	(25)	Colombian peso

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA SOLAR POWER COLOMBIA NUEVE, S.A.S	Cr 11 A # 97 A 19 Of 508, Bogota (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(34)	(34)	Colombian peso
FOTOVOLTAICO ARRAYANES S.A.S.	CRA 6 N 53-29 OF 901 ED TORREON DE SANTA MONICA. URB RINCON DE PIEDRA PINTADA.73001 – Ibague (Colombia)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	65%	35%	-	-	202	202	Colombian peso
Amber Solar Power México Uno, S.A. de C.V.	C/ PRESA FALCON, 243, Mexico City (Mexico)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	(46)	(43)	Mexican peso
Amber Solar Power Desarrollos México Dos, S.A. de C.V.	C/ PRESA FALCON, 243, Mexico City (Mexico)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	-	-	(45)	(45)	Mexican peso
Amber Solar Power México Tres, S.A. de C.V.	C/ PRESA FALCON, 243, Mexico City (Mexico)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	(46)	(43)	Mexican peso

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
Luminora Solar Power Desarrollos México Uno, S.A de C.V.	C/ PRESA FALCON, 243, Mexico City (Mexico)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	(46)	(43)	Mexican peso
Luminora Solar Power Desarrollos México Dos, S.A de C.V.	C/ PRESA FALCON, 243, Mexico City (Mexico)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	3	-	(46)	(43)	Mexican peso
Powertis Desarrollos México, S.A. de C.V.	C/ PRESA FALCON, 243, Mexico City (Mexico)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	100%	-	33	-	70	103	Mexican peso

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Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
Soltec Energías Renovables, S.L.U.	C/ Gabriel Campillo S/n P.i. La Serreta 30500 - Molina De Segura - Murcia (Spain)	Sale of solar trackers and their installation and maintenance in those cases required by the customer.	Soltec Power Holdings, S.A.	Audited	100%	-	1,101	81,460	(17,104)	65,457	Euros
Powertis, S.A.U.	C/ Príncipe De Vergara 43 - 6ª Planta - Madrid (Spain)	The promotion and execution of projects for electrical energy production facilities that use photovoltaic solar energy. The sale, transmission and/or acquisition for their own account of shares and/or holdings in entities of all kinds, whether or not they have legal personality	Soltec Power Holdings, S.A.	Audited	100%	-	5,600	56,400	10,162	72,162	Euros
Soltec Energie Rinnovabili S.r.L.	Viale A. Gramsci, 20. Florence (Italy)	Marketing and management of renewable energy equipment based on supply and installation work.	Soltec Energías Renovables, S.L.U.	Unaudited	-	100.00%	10	81	(65)	26	Euros

[1]In the case of subsidiaries with a functional currency other than the euro, the information has been converted into euros using the accounting principles for the translation of financial statements into foreign currency.

[2]The information included has been prepared based on generally accepted accounting principles applicable at the registered office of each subsidiary.

[3] The section "Retained earnings" includes the aggregate impact of the items "Other shareholder contributions", "Prior years' losses", "Loss for the year" and "Adjustments due to changes in value".

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
Soltec America L.L.C.	3050 Osgood Court. Fremont (California – United States)	Marketing and management of renewable energy equipment based on supply, installation and maintenance work.	Soltec Energías Renovables, S.L.U.	Unaudited	-	100.00%	3	-	(2,666)	(2,663)	US dollar
Soltec Chile S.p.A.	Av. Bosque Norte 0134 Piso 7. Comuna de las Condes (Santiago de Chile - Chile)	Marketing and management of renewable energy equipment based on supply, installation and maintenance work.	Soltec Energías Renovables, S.L.U.	Audited	-	100.00%	3,881	992	(2,661)	2,212	Chilean peso
Soltec Brasil Industria, Comercio e Servicos de Energías Renovaveis LTDA (Soltec Brazil)	Rua Dr. Barreto, 483, Lauro de Freitas, Estado de Bahía (Brazil)	Marketing and management of renewable energy equipment based on supply, installation and maintenance work.	Soltec Energías Renovables, S.L.U.	Audited	-	100.00%	20,220	4,299	(9,441)	15,078	Brazilian real
Soltec Energías Renovables, S.A.C.	Avenida República de Panamá Nº 3576, Lima (Peru)	Marketing and management of renewable energy equipment based on supply, installation and maintenance work.	Soltec Energías Renovables, S.L.U.	Audited	-	99.67%	250	-	(160)	90	Sol
Seguidores Solares Soltec SA de CV	Oxford 30. Juárez (Mexico)	Marketing and management of renewable energy equipment based on supply, installation and maintenance work.	Soltec Energías Renovables, S.L.U.	Audited	-	100.00%	3	1,459	(1,942)	(480)	Mexican peso
Soltec Australia, PTY LTD.	300 Barangaroo Avenue, Level 24, Three International Towers, Barangaroo NSW 2000 (Australia)	Marketing and management of equipment for renewable energies.	Soltec Energías Renovables, S.L.U.	Audited	-	100.00%	1	17	152	170	Australian dollar

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
Soltec Argentina, S.R.L.	Avenida del Libertador 498, Piso 3º, 1001. Ciudad Autónoma Buenos Aires (Argentina)	Marketing and management of equipment for renewable energies.	Soltec Energías Renovables, S.L.U.	Unaudited	-	95.00%	2	22	(195)	(171)	Argentine peso
Soltec Innovations, S.L.U.	C/ Gabriel Campillo, s/n Polígono Industrial La Serreta, Molina de Segura (Spain)	Technical engineering services and activities related to technical advice.	Soltec Energías Renovables, S.L.U.	Unaudited	-	100.00%	3	(109)	1,487	1,381	Euro
Soltec Trackers PVT LTD.	303, 3rd Floor, Tower 1, DLF Corporate Park, DLF Phase - 3, Gurgaon, Haryana 122002 (India)	Marketing and management of renewable energy equipment based on supply and installation work.	Soltec Energías Renovables, S.L.U.	Audited	-	100.00%	479	30	(86)	423	Indian rupee
Soltec France, S.L.	6, Place de la Madeleine, 75008, Paris (France)	Marketing and management of equipment for renewable energies.	Soltec Energías Renovables, S.L.U.	Unaudited	-	100.00%	3	2,172	372	2,547	Euro
Soltec Trackers Colombia SAS	Calle 93 B, NO 19-35 Office 201, Bogota (Colombia)	Marketing and management of equipment for renewable energies.	Soltec Energías Renovables, S.L.U.	Audited	-	100.00%	1	16	(54)	(37)	Colombian peso
Soltec Commercial Consulting (Shanghai) Co. Ltd	Room 606, No. 118 Pudong South Road, Shanghai (China)	Marketing and management of equipment for renewable energies.	Soltec Energías Renovables, S.L.U.	Unaudited	-	100.00%	122	-	-	122	Yuan

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	-	2	5	Euro
AMBER SOLAR POWER DOS SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	-	49	52	Euro
AMBER SOLAR POWER SEIS SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	-	2	5	Euro
AMBER SOLAR POWER SIETE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	-	-	3	Euro
AMBER SOLAR POWER OCHO SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	-	2	5	Euro
AMBER SOLAR POWER ONCE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	22	24	Euro
AMBER SOLAR POWER DOCE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	5	7	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER TRECE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	21	23	Euro
AMBER SOLAR POWER CATORCE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	9	11	Euro
AMBER SOLAR POWER DIECISIETE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	-	28	31	Euro
AMBER SOLAR POWER DIECIOCHO SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	-	6	9	Euro
AMBER SOLAR POWER DIECINUEVE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	-	3	6	Euro
AMBER SOLAR POWER VEINTE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	-	8	11	Euro
AMBER SOLAR POWER VEINTIUNO SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	51.00%	3	-	(2)	1	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER VEINTIDOS SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	-	-	3	Euro
AMBER SOLAR POWER VEINTITRES SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	4	6	Euro
AMBER SOLAR POWER VEINTICUATRO SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	-	2	Euro
AMBER SOLAR POWER VEINTICINCO SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	9	11	Euro
AMBER SOLAR POWER VEINTISEIS SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	12	14	Euro
AMBER SOLAR POWER VEINTISIETE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	-	1	4	Euro
AMBER SOLAR POWER VEINTIOCHO SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	-	1	4	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER VEINTINUEVE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	-	35	38	Euro
AMBER SOLAR POWER TREINTA SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	6	8	Euro
AMBER SOLAR POWER TREINTA Y UNO SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	-	2	Euro
AMBER SOLAR POWER TREINTA Y DOS SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	3	5	Euro
AMBER SOLAR POWER TREINTA Y TRES SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	3	5	Euro
AMBER SOLAR POWER TREINTA Y CUATRO SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	-	2	Euro
AMBER SOLAR POWER TREINTA Y CINCO SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	-	2	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER TREINTA Y SEIS SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	-	2	Euro
AMBER SOLAR POWER TREINTA Y SIETE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	-	2	Euro
AMBER SOLAR POWER TREINTA Y OCHO SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	-	2	Euro
AMBER SOLAR POWER TREINTA Y NUEVE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	-	2	Euro
AMBER SOLAR POWER CUARENTA SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	-	2	Euro
LUMINORA SOLAR SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	-	25	28	Euro
LUMINORA SOLAR UNO SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	-	39	42	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA SOLAR CINCO SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	58	60	Euro
LUMINORA SOLAR SEIS SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	51.00%	3	(1)	(2)	-	Euro
LUMINORA SOLAR SIETE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	4	6	Euro
LUMINORA SOLAR OCHO SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	-	-	3	Euro
LUMINORA SOLAR NUEVE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	-	2	Euro
LUMINORA SOLAR DIEZ SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited		100.00%	3	-	-	3	Euro
LUMINORA SOLAR ONCE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	-	2	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA SOLAR DOCE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	304	306	Euro
LUMINORA SOLAR TRECE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	12	14	Euro
LUMINORA SOLAR CATORCE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	12	14	Euro
LUMINORA SOLAR QUINCE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	12	14	Euro
LUMINORA SOLAR DIECISEIS SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	12	14	Euro
LUMINORA SOLAR DIECISIETE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	-	2	Euro
LUMINORA SOLAR DIECIOCHO SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	-	2	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA SOLAR DIECINUEVE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	-	2	Euro
LUMINORA SOLAR VEINTE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	3	(1)	-	2	Euro
Usina de energia fotovoltaica Leo Silveira 1, Ltda	Entrada Várzea de Palma Jequitaí KM 30, S/N - Varzea da Palma, Minas Gerais (Brasil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	315	-	(317)	(2)	Brazilian real
Usina de energia fotovoltaica Leo Silveira 2, Ltda	Entrada Várzea de Palma Jequitaí KM 30, S/N - Varzea da Palma, Minas Gerais (Brasil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	112	-	(114)	(2)	Brazilian real
Usina de energia fotovoltaica Leo Silveira 3, Ltda	Entrada Várzea de Palma Jequitaí KM 30, S/N - Varzea da Palma, Minas Gerais (Brasil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	112	-	(113)	(1)	Brazilian real
Usina de energia fotovoltaica Leo Silveira 4, Ltda	Entrada Várzea de Palma Jequitaí KM 30, S/N - Varzea da Palma, Minas Gerais (Brasil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	188	-	(190)	(2)	Brazilian real

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
Usina de energia fotovoltaica Leo Silveira 5, Ltda	Entrada Várzea de Palma Jequitaí KM 30, S/N - Varzea da Palma, Minas Gerais (Brasil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	188	-	(190)	(2)	Brazilian real
Usina de energia fotovoltaica Leo Silveira 6, Ltda	Entrada Várzea de Palma Jequitaí KM 30, S/N - Varzea da Palma, Minas Gerais (Brasil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	188	-	(190)	(2)	Brazilian real
Usina de Energia Fotovoltaica Graviola I, S.A.	PC Herculiano Carvalho, 86, 64760-00 Centro São João do Piauí (Brazil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	-	-	(67)	(67)	Euro
Usina de Energia Fotovoltaica Graviola II, S.A.	PC Herculiano Carvalho, 86, 64760-00 Centro São João do Piauí (Brazil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	-	-	(62)	(62)	Euro
Usina de Energia Fotovoltaica Graviola III, S.A.	PC Herculiano Carvalho, 86, 64760-00 Centro São João do Piauí (Brazil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	-	-	(66)	(66)	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
Usina de Energia Fotovoltaica Graviola IV, S.A.	PC Herculiano Carvalho, 86, 64760-00 Centro São João do Piauí (Brazil)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	-	-	(66)	(66)	Euro
USINA DE ENERGIA FOTOVOLTAICA PEDRANÓPOLIS, LTDA	Rod Chaffi Marao km 9; S/N Pedranópolis (Brazil)	Office of development services, management of solar and photovoltaic projects, supervision of electrical contract works, among other activities	Powertis, S.A.U.	Audited	-	100.00%	-	-	(215)	(215)	Euro
USINA DE ENERGIA FOTOVOLTAICA DE ARAXÁ LTDA	ROD MG-428 (ARAXÁ-FRANCA); DONA BEJA. ARAXÁ-MG. 38183-666. (Brazil)	Office of development services, management of solar and photovoltaic projects, supervision of electrical contract works, among other activities	Powertis, S.A.U.	Audited	-	100.00%	-	-	(298)	(298)	Euro
POWERTIS BRASIL DESENVOLVIMENTO DE PROJETOS DE ENERGIA E PARTICIPAÇOES LTDA	Rua Doutor Barreto, nº 423, Quadra 1000, Lote 00008, Loteamento 40, Jardim Aeroporto, Bairro Pitangueiras, Lauro de Freitas, BA, CEP 42,701-310 (Brazil)	Search for and development of greenfield projects	Powertis, S.A.U.	Unaudited	-	100.00%	-	-	(241)	(241)	Brazilian real

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
USINA DE ENERGIA FOTOVOLTAICA SOLATIO VARZEA LTDA	Est. Municipal Várzea da Palma ao Distrito Pedra de Santana KM 22, S/N, zona Rural, Várzea de Palma, CEP 29,260-000 (Brazil)	Exploitation and implementation of solar energy	Powertis, S.A.U.	Unaudited	-	100.00%	-	-	(52)	(52)	Brazilian real
USINA DE ENERGIA FOTOVOLTAICA BELVEDERE SPE LTDA	AREA AREA RURAL RODOVIA BR 496 KM 9 S/N FAZENDA BELVEDERE (Brazil)	Exploitation and implementation of solar energy	Powertis, S.A.U.	Unaudited	-	100.00%	-	-	(4)	(4)	Brazilian real
POWERTIS, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Office of development services, management of solar and photovoltaic projects, supervision of electrical contract works, among other activities	Powertis, S.A.U.	Unaudited	-	100.00%	100	-	162	262	Euro
AMBRA SOLARE UNO SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro
AMBRA SOLARE DOS SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro
AMBRA SOLARE TRES SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBRA SOLARE CUATRO SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro
AMBRA SOLARE CINCO SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro
AMBRA SOLARE SEIS SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro
AMBRA SOLARE SIETE SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro
AMBRA SOLARE OCHO SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro
AMBRA SOLARE NUEVE SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro
AMBRA SOLARE DIEZ SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBRA SOLARE ONCE SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro
AMBRA SOLARE DOCE SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro
AMBRA SOLARE TRECE SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro
AMBRA SOLARE CATORCE SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro
AMBRA SOLARE QUINCE SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro
AMBRA SOLARE DIECISEIS SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro
AMBRA SOLARE DIECISIETE SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBRA SOLARE DIECIOCHO SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro
AMBRA SOLARE DIECINUEVE SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro
AMBRA SOLARE VEINTE SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	100.00%	10	-	-	10	Euro
LUMINORA CATANIA SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	49.00%	10	-	-	10	Euro
LUMINORA TUPPETO 1 SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	49.00%	10	-	-	10	Euro
LUMINORA TUPPETO 2 SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	49.00%	10	-	-	10	Euro
LUMINORA TUPPETO 3 SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	49.00%	10	-	-	10	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA RIPIZZATA SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	49.00%	10	-	-	10	Euro
LUMINORA SPARPAGLIATA SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	49.00%	10	-	-	10	Euro
LUMINORA SANTELIA 1 SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	49.00%	10	-	-	10	Euro
LUMINORA SANTELIA 2 SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	49.00%	10	-	-	10	Euro
LUMINORA CAVALIERE SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	49.00%	10	-	-	10	Euro
LUMINORA BARBA SRL	ROMA (RM) VIA VENTI SETTMBRE 1 CAP 00187 (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	-	49.00%	10	-	-	10	Euro

Appendix II - Companies over which significant influence is maintained (information in thousands of euros)

31 December 2021 [1,2]

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA SOLAR CINCO, SL	NÚÑEZ DE BALBOA, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35%	-	3	168	(111)	60	Euro
LUMINORA SOLAR DOS SOCIEDAD LIMITADA	NÚÑEZ DE BALBOA, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35%	-	3	705	(414)	294	Euro

[1]In the case of subsidiaries with a functional currency other than the euro, the information has been converted into euros using the accounting principles for the translation of financial statements into foreign currency.

[2]The information included has been prepared based on generally accepted accounting principles applicable at the registered office of each subsidiary.

[3] The section "Retained earnings" includes the aggregate impact of the items "Other shareholder contributions", "Prior years' losses", "Loss for the year" and "Adjustments due to changes in value".

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA SOLAR TRES SOCIEDAD LIMITADA	NÚÑEZ DE BALBOA, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35%	-	3	321	(223)	101	Euro
LUMINORA SOLAR CUATRO SOCIEDAD LIMITADA	NÚÑEZ DE BALBOA, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35%	-	3	63	(110)	(44)	Euro
AMBER SOLAR POWER UNO SOCIEDAD LIMITADA	NÚÑEZ DE BALBOA, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35%	-	3	160	(40)	123	Euro
AMBER SOLAR POWER TRES SOCIEDAD LIMITADA	NÚÑEZ DE BALBOA, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35%	-	3	87	(41)	49	Euro
AMBER SOLAR POWER CUATRO SOCIEDAD LIMITADA	NÚÑEZ DE BALBOA, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35%	-	3	88	(35)	56	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER CINCO SOCIEDAD LIMITADA	NÚÑEZ DE BALBOA, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35%	-	3	114	(49)	68	Euro
AMBER SOLAR POWER NUEVE SOCIEDAD LIMITADA	NÚÑEZ DE BALBOA, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35%	-	3	65	(27)	41	Euro
AMBER SOLAR POWER DIEZ SOCIEDAD LIMITADA	NÚÑEZ DE BALBOA, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35%	-	3	54	(25)	32	Euro
AMBER SOLAR POWER QUINCE SOCIEDAD LIMITADA	NÚÑEZ DE BALBOA, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35%	-	3	47	(43)	7	Euro
AMBER SOLAR POWER DIECISEIS SOCIEDAD LIMITADA	NÚÑEZ DE BALBOA, 33 1º A - 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35%	-	3	57	(46)	14	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBRA SOLARE 6, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	259	-	269	Euro
AMBRA SOLARE 9, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	267	-	277	Euro
AMBRA SOLARE 10, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	204	-	214	Euro
AMBRA SOLARE 11, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	272	-	282	Euro
AMBRA SOLARE 12, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	172	-	182	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBRA SOLARE 13, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	150	-	160	Euro
AMBRA SOLARE 14, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	104	-	114	Euro
AMBRA SOLARE 15, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	101	-	111	Euro
AMBRA SOLARE 19, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	85	-	95	Euro
LUMINORA CATANIA, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	949	-	959	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA TUPPETO 1, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	259	-	269	Euro
LUMINORA TUPPETO 2, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	93	-	103	Euro
LUMINORA TUPPETO 3, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	101	-	111	Euro
LUMINORA RIPIZZATA, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	262	-	272	Euro
LUMINORA SPARPAGLIATA, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	278	-	288	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA SANTELIA 1, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	166	-	176	Euro
LUMINORA SANTELIA 2, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	115	-	125	Euro
LUMINORA CAVALIERE, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	165	-	175	Euro
LUMINORA BARBA, SRL	VIA VENTI SETTEMBRE, 1. 00187 ROME (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	298	-	308	Euro
LUMINORA ASCOLI, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	372	-	382	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA CANDELA, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	200	-	210	Euro
LUMINORA LOCONE, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	190	-	200	Euro
LUMINORA LOPEZ, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	242	-	252	Euro
LUMINORA SQUINZANO, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	104	-	114	Euro
LUMINORA ALTOGIANNI 1, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	247	-	257	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA ALTOGIANNI 2, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	191	-	201	Euro
LUMINORA DERRICO, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	94	-	104	Euro
LUMINORA LA FEUDALE, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	210	-	220	Euro
LUMINORA LASALA, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	186	-	196	Euro
LUMINORA MEDAGLIA, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	166	-	176	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA RAMACCA, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	747	(1)	756	Euro
LUMINORA SAN MARTINO, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	-	-	10	Euro
LUMINORA SAN PERCOPIO, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	256	-	266	Euro
LUMINORA SERRAVALLE, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	178	-	188	Euro
LUMINORA SPECCHIONE, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	464	-	474	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBRA SOLARE 23, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	81	-	91	Euro
AMBRA SOLARE 24, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	63	-	73	Euro
AMBRA SOLARE 26, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	88	-	98	Euro
AMBRA SOLARE 27, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	54	-	64	Euro
AMBRA SOLARE 38, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	75	-	85	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBRA SOLARE 5, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	466	-	476	Euro
AMBRA SOLARE 50, SRL	VIA TEVERE 41 CAP 00198, Rome (Italy)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	49%	-	10	143	(1)	152	Euro

31 December 2020 [1,2]

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER UNO SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35.00%	-	3	-	120	123	Euro
AMBER SOLAR POWER TRES SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35.00%	-	3	-	47	50	Euro
AMBER SOLAR POWER CUATRO SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35.00%	-	3	-	54	57	Euro

[1]In the case of subsidiaries with a functional currency other than the euro, the information has been converted into euros using the accounting principles for the translation of financial statements into foreign currency.

[2]The information included has been prepared based on generally accepted accounting principles applicable at the registered office of each subsidiary.

[3] The section "Retained earnings" includes the aggregate impact of the items "Other shareholder contributions", "Prior years' losses", "Loss for the year" and "Adjustments due to changes in value".

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
AMBER SOLAR POWER CINCO SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35.00%	-	3	-	66	69	Euro
AMBER SOLAR POWER NUEVE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35.00%	-	3	-	39	42	Euro
AMBER SOLAR POWER DIEZ SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35.00%	-	3	(1)	29	31	Euro
AMBER SOLAR POWER QUINCE SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35.00%	-	3	(1)	4	6	Euro
AMBER SOLAR POWER DIECISEIS SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35.00%	-	3	-	12	15	Euro

Corporate name	Address	Activity	Owner company	Entity subject to audit	Direct	Indirect	Share capital	Reserves and share premium	Retained earnings[3]	Total equity	Functional currency
LUMINORA SOLAR DOS SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35.00%	-	3	-	291	294	Euro
LUMINORA SOLAR TRES SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35.00%	-	3	-	98	101	Euro
LUMINORA SOLAR CUATRO SL.	Calle Príncipe de Vergara, n 43. 28001 Madrid (Spain)	Production and sale of renewable energies. Construction, installation, repair and maintenance of facilities related to renewable energies.	Powertis, S.A.U.	Unaudited	35.00%	-	3	-	45	48	Euro

Appendix III - Companies included in the scope of consolidation by formation in the year

2021

- By formation

Company	Entity subject to audit	Formation date	Country	Parent
Ambere Solar 21, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 22, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 23, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 24, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 25, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 26, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 27, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 28, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 29, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 30, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 31, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 32, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 33, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 34, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 35, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 36, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 37, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 38, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 39, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 40, S.r.l.	Unaudited	03/03/2021	Italy	Powertis, S.A.U.
Ambere Solar 41, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Ambere Solar 42, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Ambere Solar 43, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Ambere Solar 44, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Ambere Solar 45, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Ambere Solar 46, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Ambere Solar 47, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Ambere Solar 48, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Ambere Solar 49, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Ambere Solar 50, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Marmaria Solare 1, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Marmaria Solare 2, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Marmaria Solare 3, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Marmaria Solare 4, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Marmaria Solare 5, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Marmaria Solare 6, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Marmaria Solare 7, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Marmaria Solare 8, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Marmaria Solare 9, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Marmaria Solare 10, S.r.l.	Unaudited	06/05/2021	Italy	Powertis, S.A.U.
Marmaria Solare 11, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Marmaria Solare 12, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Marmaria Solare 13, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.

Company	Entity subject to audit	Formation date	Country	Parent
Marmaria Solare 14, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Marmaria Solare 15, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Marmaria Solare 16, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Marmaria Solare 17, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Marmaria Solare 18, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Marmaria Solare 19, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Marmaria Solare 20, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Marmaria Solare 21, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Marmaria Solare 22, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Marmaria Solare 23, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Marmaria Solare 24, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Marmaria Solare 25, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Marmaria Solare 26, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Marmaria Solare 27, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Marmaria Solare 28, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Marmaria Solare 29, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Marmaria Solare 30, S.r.l.	Unaudited	06/10/2021	Italy	Powertis, S.A.U.
Amber Solar Power Cuarenta y uno, S.L.	Unaudited	21/04/2021	Spain	Powertis, S.A.U.
Amber Solar Power Cuarenta y dos, S.L.	Unaudited	21/04/2021	Spain	Powertis, S.A.U.
Amber Solar Power Cuarenta y tres, S.L.	Unaudited	21/04/2021	Spain	Powertis, S.A.U.
Amber Solar Power Cuarenta y cuatro, S.L.	Unaudited	21/04/2021	Spain	Powertis, S.A.U.
Amber Solar Power Cuarenta y cinco, S.L.	Unaudited	21/04/2021	Spain	Powertis, S.A.U.
Amber Solar Power Cuarenta y seis, S.L.	Unaudited	21/04/2021	Spain	Powertis, S.A.U.
Amber Solar Power Cuarenta y siete, S.L.	Unaudited	21/04/2021	Spain	Powertis, S.A.U.
Amber Solar Power Cuarenta y ocho, S.L.	Unaudited	21/04/2021	Spain	Powertis, S.A.U.
Amber Solar Power Cuarenta y nueve, S.L.	Unaudited	21/04/2021	Spain	Powertis, S.A.U.
Amber Solar Power Cincuenta, S.L.	Unaudited	21/04/2021	Spain	Powertis, S.A.U.
Amber Solar Power Cincuenta y Uno, S.L.	Unaudited	20/07/2021	Spain	Powertis, S.A.U.
Amber Solar Power Cincuenta y Dos, S.L.	Unaudited	20/07/2021	Spain	Powertis, S.A.U.
Amber Solar Power Cincuenta y Tres, S.L.	Unaudited	20/07/2021	Spain	Powertis, S.A.U.
Amber Solar Power Cincuenta y Cuatro, S.L.	Unaudited	20/07/2021	Spain	Powertis, S.A.U.
Amber Solar Power Cincuenta y Cinco, S.L.	Unaudited	20/07/2021	Spain	Powertis, S.A.U.
Luminora Solar Veintiuno, S.L.	Unaudited	21/04/2021	Spain	Powertis, S.A.U.
Luminora Solar Veintidós, S.L.	Unaudited	21/04/2021	Spain	Powertis, S.A.U.
Luminora Solar Veintitres, S.L.	Unaudited	21/04/2021	Spain	Powertis, S.A.U.
Luminora Solar Veinticuatro, S.L.	Unaudited	21/04/2021	Spain	Powertis, S.A.U.
Luminora Solar Veinticinco, S.L.	Unaudited	21/04/2021	Spain	Powertis, S.A.U.
Luminora Solar Veintiséis, S.L.	Unaudited	20/07/2021	Spain	Powertis, S.A.U.
Luminora Solar Veintisiete, S.L.	Unaudited	20/07/2021	Spain	Powertis, S.A.U.
Luminora Solar Veintiocho, S.L.	Unaudited	20/07/2021	Spain	Powertis, S.A.U.
Luminora Solar Veintinueve, S.L.	Unaudited	20/07/2021	Spain	Powertis, S.A.U.
Luminora Solar Treinta, S.L.	Unaudited	20/07/2021	Spain	Powertis, S.A.U.
Photovoltaic Power Plant Sao Miguel SPE Ltda.	Unaudited	12/03/2021	Brazil	Powertis, S.A.U.
Powertis Desarrollos Mexico	Unaudited	14/05/2021	Mexico	Powertis, S.A.U.
Amber Solar Power Mexico Uno	Unaudited	14/05/2021	Mexico	Powertis, S.A.U.
Amber Solar Power Desarrollos Mexico Dos	Unaudited	14/05/2021	Mexico	Powertis, S.A.U.
Amber Solar Desarrollos Mexico Tres	Unaudited	14/05/2021	Mexico	Powertis, S.A.U.
Luminora Solar Power Desarrollos Mexico Uno	Unaudited	14/05/2021	Mexico	Powertis, S.A.U.
Luminora Solar Power Desarrollos Mexico Uno	Unaudited	14/05/2021	Mexico	Powertis, S.A.U.
Powertis Colombia	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.

Company	Entity subject to audit	Formation date	Country	Parent
Amber Solar Power Colombia Uno	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Amber Solar Power Colombia Dos	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Amber Solar Power Colombia Tres	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Amber Solar Power Colombia Cuatro	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Amber Solar Power Colombia Cinco	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Amber Solar Power Colombia Seis	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Amber Solar Power Colombia Siete	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Amber Solar Power Colombia Ocho	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Amber Solar Power Colombia Nueve	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Amber Solar Power Colombia Diez	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Luminora Solar Power Colombia Uno	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Luminora Solar Power Colombia Dos	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Luminora Solar Power Colombia Tres	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Luminora Solar Power Colombia Cuatro	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Luminora Solar Power Colombia Cinco	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Luminora Solar Power Colombia Seis	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Luminora Solar Power Colombia Siete	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Luminora Solar Power Colombia Ocho	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Luminora Solar Power Colombia Nueve	Unaudited	18/06/2021	Colombia	Powertis, S.A.U.
Luminora Solar ApS	Unaudited	17/05/2021	Denmark	Powertis, S.A.U.
Luminora Solar 2 ApS	Unaudited	17/05/2021	Denmark	Powertis, S.A.U.
Luminora Solar 3 ApS	Unaudited	17/05/2021	Denmark	Powertis, S.A.U.
Luminora Solar 4 ApS	Unaudited	17/05/2021	Denmark	Powertis, S.A.U.
Luminora Solar 5 ApS	Unaudited	17/05/2021	Denmark	Powertis, S.A.U.
Luminora Solar 6 ApS	Unaudited	17/05/2021	Denmark	Powertis, S.A.U.
Luminora Solar 7 ApS	Unaudited	17/05/2021	Denmark	Powertis, S.A.U.
Luminora Solar 8 ApS	Unaudited	17/05/2021	Denmark	Powertis, S.A.U.
Luminora Solar 9 ApS	Unaudited	17/05/2021	Denmark	Powertis, S.A.U.
Luminora Solar 10 ApS	Unaudited	17/05/2021	Denmark	Powertis, S.A.U.
Powertis America, LLC	Unaudited	12/05/2021	United States	Powertis, S.A.U.
Soltec Trackers Middle East DMCC	Unaudited	09/05/2021	United Arab Emirates	Soltec Energías Renovables, S.L.U.

- By partial spin-off

Company	Entity subject to audit	Formation date	Country	Parent
Luminora Altogianni 1 S.r.l.	Unaudited	26/02/2021	Italy	Powertis, S.A.U.
Luminora Altogianni 2 S.r.l.	Unaudited	26/02/2021	Italy	Powertis, S.A.U.
Luminora Specchione S.r.l.	Unaudited	26/02/2021	Italy	Powertis, S.A.U.
Luminora Locone S.r.l.	Unaudited	26/02/2021	Italy	Powertis, S.A.U.
Luminora Derrico S.r.l.	Unaudited	26/02/2021	Italy	Powertis, S.A.U.
Luminora Lasala S.r.l.	Unaudited	26/02/2021	Italy	Powertis, S.A.U.
Luminora La Feudale S.r.l.	Unaudited	26/02/2021	Italy	Powertis, S.A.U.
Luminora San Martino S.r.l.	Unaudited	26/02/2021	Italy	Powertis, S.A.U.
Luminora Ascoli S.r.l.	Unaudited	26/02/2021	Italy	Powertis, S.A.U.
Luminora Candela S.r.l.	Unaudited	26/02/2021	Italy	Powertis, S.A.U.
Luminora San Percopio S.r.l.	Unaudited	26/02/2021	Italy	Powertis, S.A.U.
Luminora Medaglia S.r.l.	Unaudited	26/02/2021	Italy	Powertis, S.A.U.
Luminora Marangiosa S.r.l.	Unaudited	26/02/2021	Italy	Powertis, S.A.U.
Luminora Lopez S.r.l.	Unaudited	26/02/2021	Italy	Powertis, S.A.U.
Luminora Squinzano S.r.l.	Unaudited	26/02/2021	Italy	Powertis, S.A.U.
Luminora Ramacca S.r.l.	Unaudited	26/02/2021	Italy	Powertis, S.A.U.
Luminora Serravalle S.r.l.	Unaudited	26/02/2021	Italy	Powertis, S.A.U.

2020

- By formation

Company	Entity subject to audit	Formation date	Country	Parent
Amber Solar Power Treinta y uno, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Amber Solar Power Treinta y dos, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Amber Solar Power Treinta y tres, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Amber Solar Power Treinta y cuatro, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Amber Solar Power Treinta y cinco, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Amber Solar Power Treinta y seis, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Amber Solar Power Treinta y siete, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Amber Solar Power Treinta y ocho, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Amber Solar Power Treinta y nueve, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Amber Solar Power Cuarenta, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Luminora Solar Once, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Luminora Solar Doce, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Luminora Solar Trece, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Luminora Solar Catorce, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Luminora Solar Quince, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Luminora Solar Dieciseis, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Luminora Solar Diecisiete, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Luminora Solar Dieciocho, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Luminora Solar Diecinueve, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Luminora Solar Veinte, S.L.	Unaudited	07/02/2020	Spain	Powertis, S.A.U.
Usina de Energia Fotovoltaica Graviola I, S.A.	Unaudited	13/02/2020	Brazil	Powertis, S.A.U.
Usina de Energia Fotovoltaica Graviola II, S.A.	Unaudited	13/02/2020	Brazil	Powertis, S.A.U.
Usina de Energia Fotovoltaica Graviola III, S.A.	Unaudited	13/02/2020	Brazil	Powertis, S.A.U.
Usina de Energia Fotovoltaica Graviola IV, S.A.	Unaudited	13/02/2020	Brazil	Powertis, S.A.U.
Usina de Energia Fotovoltaica Belvedere SPE, Ltda	Unaudited	14/10/2020	Brazil	Powertis, S.A.U.
Ambere Solar 1 Srl	Unaudited	10/12/2020	Italy	Powertis, S.A.U.
Ambere Solar 2 Srl	Unaudited	10/12/2020	Italy	Powertis, S.A.U.

Company	Entity subject to audit	Formation date	Country	Parent
Ambere Solar 3 Srl	Unaudited	10/12/2020	Italy	Powertis, S.A.U.
Ambere Solar 4 Srl	Unaudited	10/12/2020	Italy	Powertis, S.A.U.
Ambere Solar 5 Srl	Unaudited	10/12/2020	Italy	Powertis, S.A.U.
Ambere Solar 6 Srl	Unaudited	10/12/2020	Italy	Powertis, S.A.U.
Ambere Solar 7 Srl	Unaudited	10/12/2020	Italy	Powertis, S.A.U.
Ambere Solar 8 Srl	Unaudited	10/12/2020	Italy	Powertis, S.A.U.
Ambere Solar 9 Srl	Unaudited	10/12/2020	Italy	Powertis, S.A.U.
Ambere Solar 10 Srl	Unaudited	10/12/2020	Italy	Powertis, S.A.U.
Ambere Solar 11 Srl	Unaudited	11/12/2020	Italy	Powertis, S.A.U.
Ambere Solar 12 Srl	Unaudited	11/12/2020	Italy	Powertis, S.A.U.
Ambere Solar 13 Srl	Unaudited	11/12/2020	Italy	Powertis, S.A.U.
Ambere Solar 14 Srl	Unaudited	11/12/2020	Italy	Powertis, S.A.U.
Ambere Solar 15 Srl	Unaudited	11/12/2020	Italy	Powertis, S.A.U.
Ambere Solar 16 Srl	Unaudited	11/12/2020	Italy	Powertis, S.A.U.
Ambere Solar 17 Srl	Unaudited	11/12/2020	Italy	Powertis, S.A.U.
Ambere Solar 18 Srl	Unaudited	11/12/2020	Italy	Powertis, S.A.U.
Ambere Solar 19 Srl	Unaudited	11/12/2020	Italy	Powertis, S.A.U.
Ambere Solar 20 Srl	Unaudited	11/12/2020	Italy	Powertis, S.A.U.
Soltec Commercial Consulting (Shanghai) Co. Ltd	Unaudited	27/02/2020	China	Soltec Energías Renovables, S.L.U.

- By partial spin-off

Company	Entity subject to audit	Formation date	Country	Parent
Luminora Catania S.r.l.	Unaudited	23/12/2020	Italy	Powertis, S.A.U.
Luminora Tuppeto 1 S.r.l.	Unaudited	23/12/2020	Italy	Powertis, S.A.U.
Luminora Tuppeto 2 S.r.l.	Unaudited	23/12/2020	Italy	Powertis, S.A.U.
Luminora Tuppeto 3 S.r.l.	Unaudited	23/12/2020	Italy	Powertis, S.A.U.
Luminora Ripizzata S.r.l.	Unaudited	23/12/2020	Italy	Powertis, S.A.U.
Luminora Sparpagliata S.r.l.	Unaudited	23/12/2020	Italy	Powertis, S.A.U.
Luminora Barba S.r.l.	Unaudited	23/12/2020	Italy	Powertis, S.A.U.
Luminora Cavaliere S.r.l.	Unaudited	23/12/2020	Italy	Powertis, S.A.U.
Luminora Santelia 1 S.r.l.	Unaudited	23/12/2020	Italy	Powertis, S.A.U.
Luminora Santelia 2 S.r.l.	Unaudited	23/12/2020	Italy	Powertis, S.A.U.

2021 INDIVIDUAL MANAGEMENT REPORT

Soltec
POWER HOLDINGS

2021 CONSOLIDATED DIRECTORS' REPORT

1. POSITION OF THE COMPANY

Soltec Power Holdings, S.A. (hereinafter, "Soltec" or the "Parent") and subsidiaries (hereinafter, the "Soltec Group" or the "Group") form a consolidated group of companies operating in the renewable energy sector, particularly in the photovoltaic sector.

Today, Soltec is one of the world's leading manufacturers specialising in the development of integrated solutions for photovoltaic energy projects. Our portfolio of services ranges from the design and manufacture of solar trackers, also known as "trackers", to the development and construction of photovoltaic solar energy plants.

1.1 MISSION AND VISION OF THE SOLTEC GROUP

In the 21st century, humanity finds itself in an unprecedented situation. Industrial development and population growth have put the planet at risk. Humanity is consuming natural resources at a rapid rate and energy needs have so far been met primarily by fossil fuels. Over the last 150 years, the carbon dioxide resulting from burning these fuels for transport, buildings and industry has accumulated in the planet's atmosphere. As a result, our atmosphere is retaining more heat from the sun than ever before (greenhouse effect) and for the first time in the planet's history, one species (humans) is changing the climate (global warming). The planet is facing previously unknown risks. Experts predict rising sea levels, a more extreme climate (droughts and floods, episodes of extreme cold and heat, the disappearance of species, mass migrations, famine, ...). Fortunately, the human being is both the cause of the problem and the only one who can reverse this serious situation. For the first time, man has the technology to decarbonize the planet. Technology developed by companies like Soltec, which specializes in photovoltaic solar energy. Soltec was born with the mission of creating a clean and sustainable world based on efficient photovoltaic solar energy production. To achieve this, since its inception, Soltec is determined to lead the global market for photovoltaic energy, offering reliable technological solutions. Soltec encourages its suppliers, customers and employees to share this vision and is committed to developing environmental and sustainability actions that spread these values.

1.2 STRUCTURE AND OPERATION

Soltec Power Holdings, S.A. was incorporated in Murcia (Spain) on 2 December 2019 in accordance with the Spanish Companies Act. Its registered office is at Calle Gabriel Campillo, Polígono Industrial La Serreta, s/n 30500, Molina de Segura (Murcia), where its main facilities are located.

It was formed by Grupo Corporativo Sefrán, S.L. (previously called Bari Inversiones y Desarrollos, S.L., hereinafter, "Sefrán Group") and Valueteam, S.L. (hereinafter, Valueteam), in line with the following details:

SHAREHOLDER	# SHARES	EUROS	% STAKE
Valueteam	18,000	18,000	30%
Sefran Group	42,000	42,000	70%
Total	60,000	60,000	100%

Later, on 23 December 2019, under an agreement between the Company, Soltec Energías Renovables, S.L.U. (the Sefrán Group and Valueteam) and the shareholders of Powertis, SAU (Sefrán Group, Valueteam and an individual) a non-monetary contribution was made to the company Soltec Power Holdings, SA corresponding to 100% of the shares of Soltec Energías Renovables, S.L.U. and 100% of the shares of Powertis, S.A.U. This contribution was filed at the mercantile registry on 31 December 2019.

The non-monetary contribution entailed a capital increase of 296 million euros. The detail of the shares issued by both companies, the amount for which they were issued and their distribution, in line with the ownership percentage of each shareholder is as follows:

SHAREHOLDER	Nº OF SHARES ISSUED FOR SOLTEC RENEWABLE ENERGIES CONTRIBUTION	NO. OF SHARES ISSUED FOR POWERTIS CONTRIBUTION	AMOUNT AT WHICH THE SHARES ARE ISSUED (EUROS)	SOLTEC ENERGIAS RENOVABLES (EUROS)	POWERTIS (EUROS)	TOTAL (EUROS)
Valueteam	3,600,000	855,000	19.75	71,100,000	16,886,250	87,986,250
Sefran Group	8,400,000	1,995,000	19.75	165,900,000	39,401,250	205,301,250
Natural person	-	150,000	19.75	-	2,962,500	2,962,500
Total	12,000,000	3,000,000	19.75	237,000,000	59,250,000	296,250,000

In addition, the distribution between share capital and the share premium contributed was as follows:

SHAREHOLDER	CAPITAL	SHARE PREMIUM	TOTAL (EUROS)
Valueteam	4,455,000	83,531,250	87,986,250
Natural person	150,000	2,812,500	2,962,500
Sefran Group	10,395,000	194,906,250	205,301,250
Total	15,000,000	281,250,000	296,250,000

The formation of the Group's Parent, Soltec Power Holdings, S.A. in 2019 entails the reorganisation of these businesses into a single parent company, considering that the aforementioned businesses were majority-owned by the Sefrán Group. Both subsidiaries had been carrying out their operating activities prior to the date of integration.

The objective of this reorganisation was to provide the Group with an optimal corporate structure, which would allow it to initiate various corporate operations, including the launch of a public offering of shares.

During 2020 and as a result of the IPO process, the following significant events occurred:

On 6 October 2020, the General Meeting of Shareholders of the Parent Company approved the split of the number of shares of the Parent Company by reducing their par value from 1 to 0.25 euros per share, at a ratio of 4 new shares for each old share, with no change in the amount of share capital.

On 27 October 2020, the resolution adopted on 13 October 2020 by the General Shareholders Meeting to increase share capital by 150 million euros by means of cash contributions, with the waiver of pre-emptive subscription rights, through an offer for the subscription of shares of the Parent and application for admission to trading on the Spanish stock exchange was notarized.

On 28 October, the Parent went public, prior to which it increased its share capital by issuing and placing into circulation 31,146,717 new ordinary shares of the Parent of the same class and series with a par value of 0.25 euros per share and a share premium of 4.57 euros applicable to the 30,881,767 newly issued ordinary shares subscribed for in the qualified investor tranche and in the non-qualified investor tranche (excluding the employee and commercial sub-tranches) and a par value of 0.25 euros per share and additional share premium of 4.09 euros applicable to the 264,950 newly issued ordinary shares subscribed for in the employee and commercial sub-tranche. As a result, the total nominal amount of the issue amounted to 7,786,679 euros and the share premium was increased by 142,213,321 euros. All shares were fully paid up.

In addition, the majority shareholder (Sefran) exercised its right to sell or green shoe the shares it held by placing an additional 3,115 thousand shares in circulation on the market, equivalent to 3.41% of the total volume of company shares.

In relation to these capital increases, the Parent recognized the incremental expenses associated therewith with a credit to reserves, net of the related tax effect, amounting to 8,086 thousand euros.

Following this transaction, the Parent's share capital at 31 December 2020 amounted to 22,847 thousand euros, represented by 91,387 thousand shares of 0.25 euros par value each, fully subscribed.

At 31 December 2021, the share capital remained unchanged.

At 31 December 2021 and 31 December 2020, the legal entities that hold a stake equal to or greater than 10% of the Company's share capital were as follows:

	% STAKE	
SHAREHOLDER	2021	2020
Valueteam	42.3%	42.3%
Sefran Group	19.6	19.6%

The Group's core activities consist of:

a) The execution of all kinds of activities, works and services related to the business of promotion, development, construction and maintenance of electricity generating plants, including the manufacture, supply, installation and assembly of industrial equipment and other installations for such plants.

b) Providing assistance or support services to investee companies or those within the scope of the business group, for which purpose it may provide, in their favor, the financing, guarantees and consolidations that may be appropriate.

c) The management and administration of securities representing the equity of companies that are resident and non-resident in Spain through the appropriate organization of personal and material means, provided this activity does not fall in the scope of collective investment as defined in the appropriate legislation.

1.3 SEGMENTS, BUSINESS DIVISIONS

As a result of the integration of the businesses of Soltec Energías Renovables and Powertis into Soltec Power Holdings, the Group's activities are currently the installation and marketing of photovoltaic solar trackers, together with the construction of energy solar plants, which forms the Group's industrial segment (Soltec Energías Renovables, S.L.U. and subsidiaries), and the execution of photovoltaic projects, by Powertis (Powertis, S.A.U. and subsidiaries), and which constitutes the project implementation segment. Both business divisions are considered to be operating segments.

The highest decision-making authority has evaluated the results of each of the divisions separately due to the inherent particularities of each one. In addition, both lines of activity are the basis for evaluating the results generated by the Group and on which management periodically reviews, discusses and evaluates management decision-making at corporate level.

In relation to the geographical segments in which the Group has distributed its net sales, the Board of Directors have identified the following markets:

Spain and Italy

Brazil

North America: United States and Mexico

Rest of South America: Argentina, Chile, Colombia, Panama and Peru.

APAC: Australia.
Others: Regions not previously indicated

Our activity is performed at facilities mainly in Chile, the United States, Brazil, Peru, Mexico, Argentina, Australia, India, Italy, France, China, Colombia, the United Arab Emirates and Denmark. The Group's international presence is a challenge that drives and motivates us to develop global practices and procedures that are transversal and applicable in all the countries where we are present. In this way, we ensure that the entire Group grows globally in a sustainable manner.

1.4 ORGANISATIONAL STRUCTURE

The governing bodies of Soltec Power Holdings, as a listed company, have been set up in full compliance with the applicable legal provisions and the Good Governance Recommendations of the Spanish National Securities Market Commission, always observing the principle of compliance or explanation.

The governing bodies are the General Shareholders' Meeting and the Board of Directors, which have the powers assigned to them by Law and under the Articles of Association. In addition, both bodies have their own Regulations, which contain basic information on their organization and operation. During the last quarter of 2020, the new Articles of Association were implemented, which have served to align Soltec with the transparency objectives required by the Good Governance Code of Listed Companies.

Below is a brief description of the main updates in the last year and the impact they have had on the different governing bodies

1.4 CORPORATE GOVERNANCE BODIES

1.4.1 CORPORATE GOVERNANCE BODIES

A. GENERAL MEETING OF SHAREHOLDERS

The General Shareholders' Meeting is the highest decision-making and control body of the Group in the matters within its competence, through which the shareholder's right to intervene in the taking of essential decisions is articulated. It represents all shareholders and all shareholders are subject to its decisions. The General Shareholders' Meeting has the power to decide on all matters attributed to it by law or the bylaws. In addition, the General Shareholders' Meeting has Regulations that define its operations and organisation in detail.

B. BOARD OF DIRECTORS

Each Group company has its own administrative body. In the case of Soltec Power Holdings, the company's governance is organised through a Board of Directors. The Board of Directors is the body to which the broadest powers and faculties are attributed to manage, direct, administer and represent the Company. It holds the powers attributed to it by Law and under the Articles of Association and has seven members: one executive director, three proprietary directors and three independent directors. The position of Chairman of the Board is held by the executive director, and there is a Coordinating Director, which is held by one of the independent directors. The ordinary management of the Company falls to the CEO, who holds all the powers not reserved exclusively for the Board by law and under the Articles of Association, and who concentrates his activity on the general function of supervision and on the consideration of those matters of particular importance for the Group

The Board of Directors is also organised into different committees, specifically: an Audit Committee, an Appointments and Remuneration Committee and a Sustainable Development Committee, each entrusted with the respective information, supervision, advisory and proposal duties specified by law and in these Articles of Association and further enacted in the Regulations of the Board of Directors.

With respect to the rest of the Group companies, Powertis has a Board of Directors comprising three directors, while at Soltec Energías Renovables and Soltec Innovations the governance of the company is organised through the figure of the Sole Director.

C. AUDIT COMMITTEE

The Audit Committee is made up of three directors, two of whom, including the Chairman of the Committee, are external. The Audit Committee's responsibilities include, among others, supervising the effectiveness of internal control and internal audit, and the process of preparing and presenting the mandatory financial information.

D. APPOINTMENTS AND REMUNERATION COMMITTEE

The Appointments and Remuneration Committee is also made up of directors, all of whom are independent. The position of chairman is held by an independent director. The general powers of the Committee are to propose and report on appointments and dismissals, in the legal and statutory terms provided.

E. COMMITTEE ON SUSTAINABLE DEVELOPMENT

The Sustainable Development Committee comprises three directors, two independent and one proprietary. The position of Chairman is held by an independent director. The Commission is considered to be an internal body of an informative and consultative nature, without executive functions, with powers of information, advice and proposal within its scope of action.

Soltec bases its commitment to sustainability on the positive impact that its activity generates on its Stakeholders. The products and projects implemented by the company provide its customers with efficient and innovative energy solutions that also have a positive impact on the communities in which Soltec is present and on the rest of society.

Milestones in 2021	Leading indicators		
	Indicator	*2021 data*	*2020 data*
• Approval of a Sustainability Policy • Creation of a Sustainability and Good Governance Plan • Start-up of an ESG Committee* • Inclusion in the United Nations Global Compact. • Creation of the Sustainability Committee answerable to the Board of Directors • Creation of a board of directors based on the best corporate governance practices	Meetings held by the ESG Committee	1	7
	Emission reduction (in tons)	3,580,197	1,402,008
	Waste disposal	n.m.	n.m.
	Compliance with the United Nations SDGs [1]	n.m.	n.m.

**Environmental, social and good governance aspects in its initials in English.*

2022 goals
• Organisation of the ESG area with its own structure
• Publication of an Integrated Report on the 2020 financial year under GRI and SASB standards.
• Compliance with the United Nation's 17 SDGs[1]
• Measurement of the degree of alignment of the activity of Soltec Power Holdings with the EU taxonomy

[1]Sustainable Development Goals

● Circular economy work
● Health & Safety: we continue working to reduce the number of occupational accidents to zero and to ensure the health and safety of our workers
● Biodiversity: we work in 2021 to ensure that the environmental impact of our work is minimal
● Adaptability: we work to ensure that our technology adapts to the needs of the market, is more efficient and uses as little material as possible
● ESG master plan based on five strategic lines: Environment, sustainability, good governance, talent and innovation

F. DUE DILIGENCE MECHANISMS

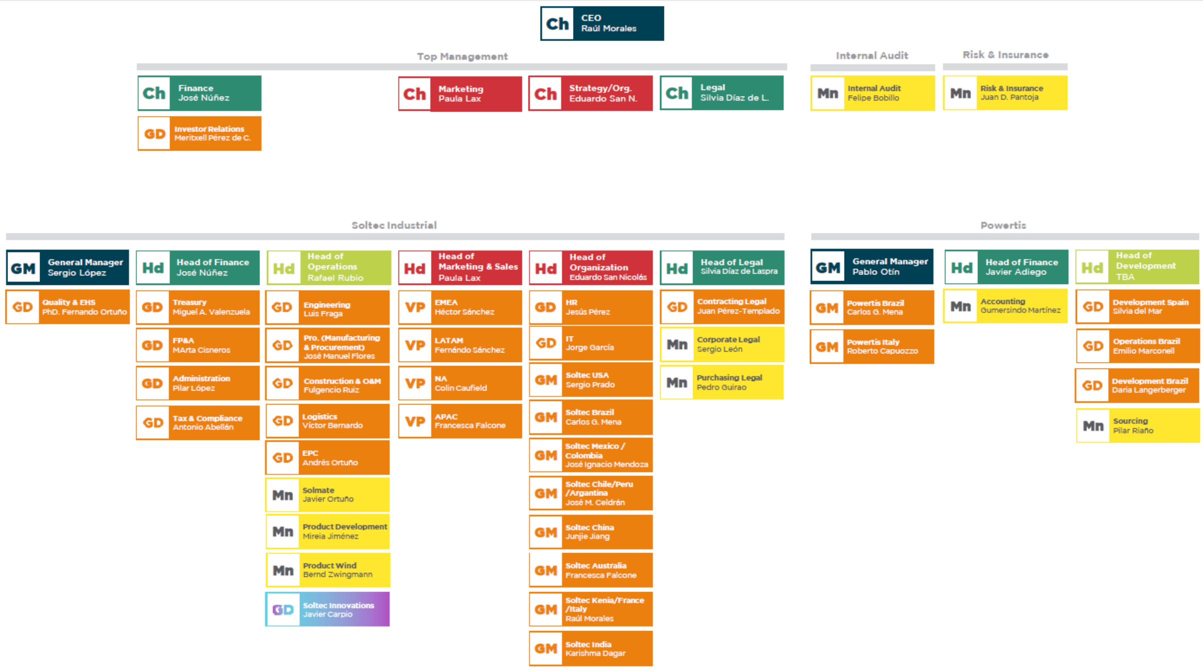
Lastly, the Board of Directors approved the Internal Code of Conduct on Matters Relating to the Securities Market, the purpose of which is to regulate the rules of conduct to be observed by Soltec, its governing bodies, employees and other persons subject to their actions related to the stock market.

These Regulations detail the rules of conduct in relation to proprietary trading, privileged information, market manipulation and treasury stock trading.

The Internal Code of Conduct on Matters Relating to the Securities Market applies to, among others, the members of the Board of Directors, senior management and employees who have access to privileged information, and also to our external advisors, when they handle said privileged information.

1.5 THE PEOPLE AT SOLTEC

The Group's operating organisation chart is currently as follows:



1.6 HISTORICAL BACKGROUND OF THE GROUP

Despite the formation of Soltec Power Holdings, S.A. in 2019, the Soltec Group's business began in 2004 with the formation of Soltec Energía Renovables, S.L., the year in which we started our operations in the field of EPC services (Engineering, Procurement and Construction) and the development of solar farms. It is not until 2007 when Soltec Energías Renovables consolidates as a manufacturer of solar trackers for photovoltaic parks, being the accumulated installed capacity of solar trackers of 20 MW at the end of 2007.

In the 2008 financial year, we began offering services in Italy. In addition, in 2009 we developed and launched the "*Single-axis tracker*", one of the first single-axis PV trackers in history.

Later in 2011, *Solarfighter* was launched, a highly technological product aimed at the retail market that opened the door to the industrialisation of solar tracking equipment at user level. 2012 also saw the market launch of the *"SF Utility"* tracker. These innovations allowed us to start a highly competitive tracker and a period of international expansion that materialized through the signing of a tracker supply contract for a 12 MW project in Chile in 2013.

2015 saw the opening of sales offices in the United States and Brazil, the purpose of which was to continue the process of internationalization and the search for new business opportunities in new markets in which the Group was not already present. The most relevant contractual highlight of 2015 was the signing of a 150MW contract in Chile for which we supplied our first bifacial trackers.

Continuing with the growth strategy, in 2016 we penetrated new geographical markets in Latin America. Specifically, in that year we signed contracts for the supply of photovoltaic trackers in projects located in Peru and Mexico with a capacity of 420 MW. We also signed our first project in the United States, for 150 MW, and several projects in Brazil for more than 800 MW.

The year 2017 in Spain marked a change of trend in the renewable energy market. This fact contributed to obtaining new photovoltaic renewable energy projects in Spain, specifically in that year we signed a contract for the manufacture of solar trackers in projects with an installed capacity of 90 MW. The execution of these projects meant the transformation of Soltec Energías Renovables, S.L. into one of the leading tracker manufacturers in the market.

Starting in 2018, the fundamental challenge for the Soltec Group was to consolidate our position in the global market for the supply and installation of trackers. To this end, the strategy followed by the Group's main shareholders was the creation of the company Powertis, which allowed us to initiate a process of vertical consolidation, the objective of which was to expand the portfolio of services offered throughout the value creation chain in the development of photovoltaic renewable energy infrastructure.

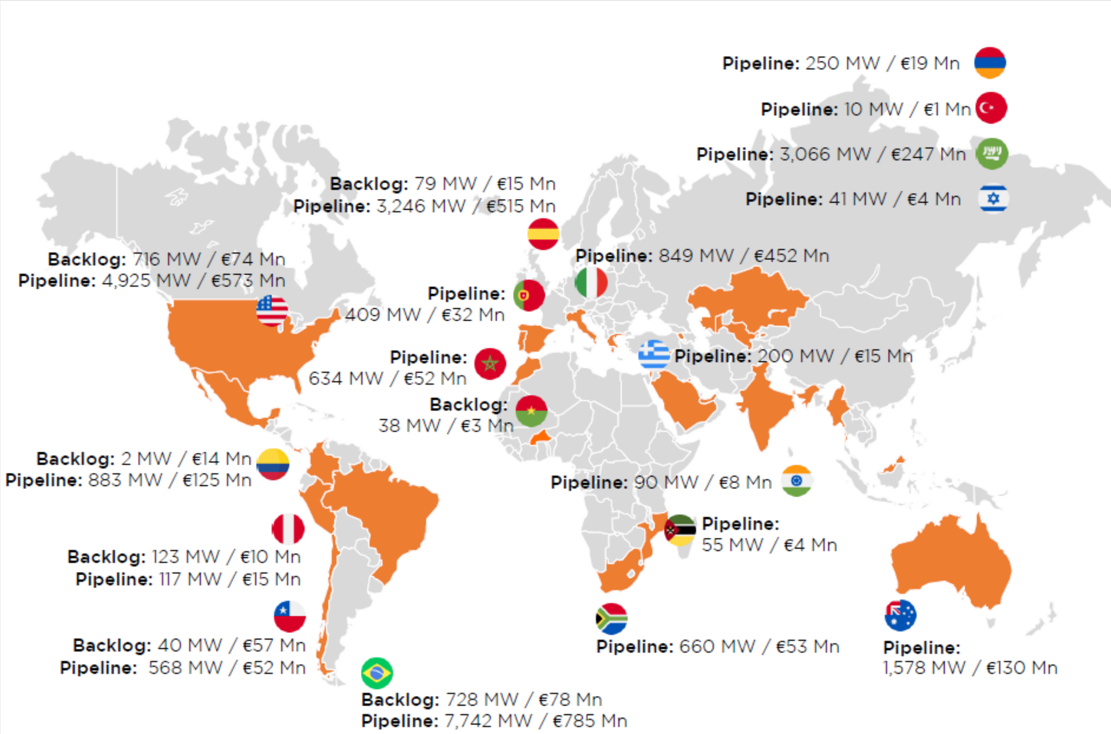
As a result of this diversification of services, in 2018, we sealed an agreement to acquire projects that had been tendered in Brazil with Compañía Energética de Minas Gerais, S.A. (CEMIG) for an amount of 340MW. Additionally, we managed to close the 2018 financial year with a project portfolio with a generation capacity of 5 GW worldwide.

In the 2020 financial year, Soltec continued to consolidate itself as one of the world leaders in the sector, being ranked among the best tracker manufacturers according to the study carried out by Wood Mackenzie Power & Renewables entitled "The Global PV Tracker Landscape 2020".

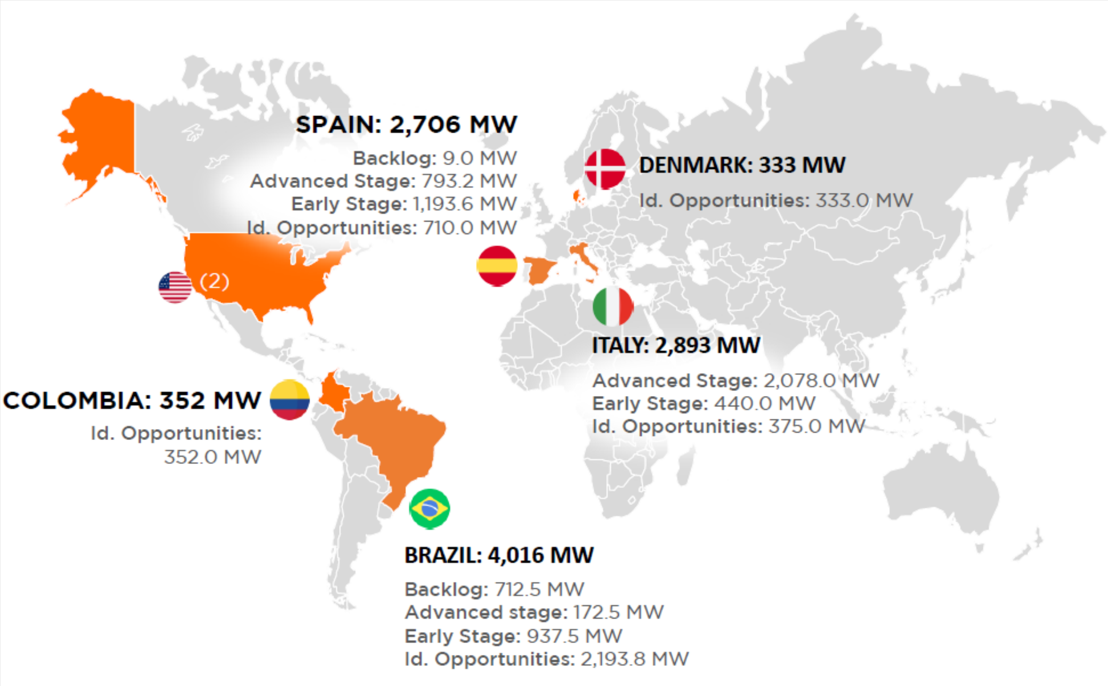
During the 2021 financial year, we have continued to focus our activities on the American continent and Europe, achieving a track record of 11.8 GW. In this regard, in the 2021 financial year, Soltec continued to consolidate itself as one of the world leaders in the sector, being among the best tracker manufacturers.

Focusing on Powertis's performance in 2019, it continued with the development of approximately 1.5 GW of solar projects in Brazil, which include contracts with energy buyers (offtakers), such as CEMIG, COPEL, ANEEL, and a pipeline of 3, 7GW. In the 2021 financial year, Powertis continued to focus on the Spanish, Italian and Portuguese markets, although during the financial year, it began to operate in Colombia, Denmark and the USA, ending the year with a pipeline of 10.3 GW.

Soltec Industrial FY2021. Backlog and pipeline map. €250 Mn (+32% vs FY 2020) and €3,058 Mn (+4% vs FY 2020)



Implementation of projects FY2021. Backlog and pipeline map. 10.3GW pipeline



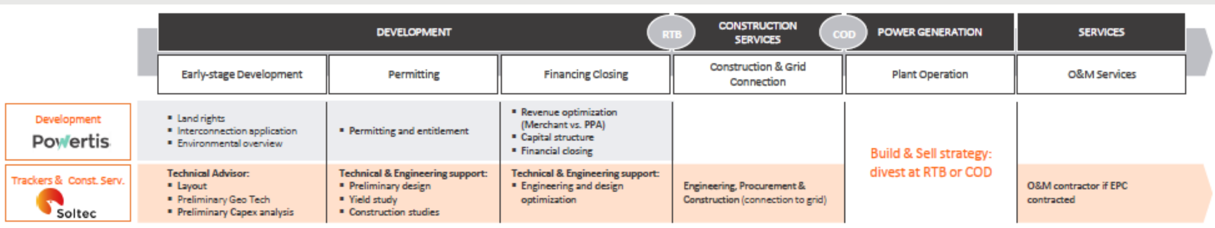
1.6.1 BUSINESS MODEL

As mentioned above, the incorporation of Soltec Power Holdings, S.A. and the subsequent contribution of the businesses of Soltec Energías Renovables and Powertis to the aforementioned company have made it possible to establish, from a commercial and operational point of view, two distinct business branches:

Tracker service line and services related to construction, which is carried out by the company Soltec Energías Renovables and Subsidiaries, referred to as the "industrial" business segment.

Project implementation service line, which is carried out by Powertis, referred to as the "project implementation" business segment.

The aforementioned vertical integration has given us a greater capacity to generate business opportunities through a larger portfolio of services.



The vertical integration strategy is based on three fundamental pillars:

1) The implementation of photovoltaic projects in strategic high-growth markets in which we have extensive experience.

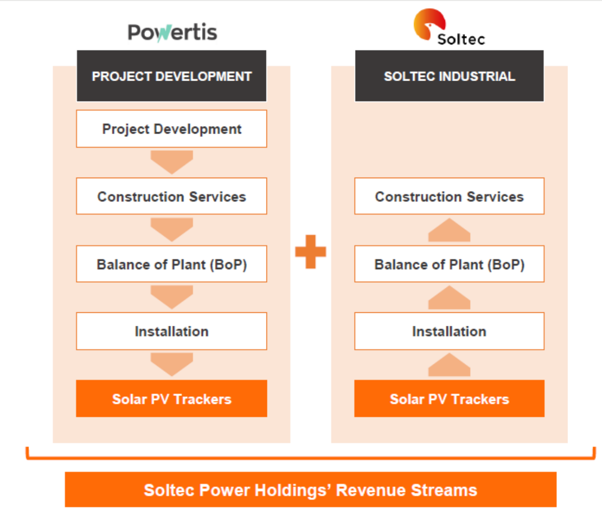
2) The supply of equipment and installation services, which refers to the entire solar park with the exception of the solar panel.

3) The incorporation of EPC services into our portfolio.

The implementation of the three pillars will lead us to be a vertically integrated company in the value scale. The implementation of the aforementioned strategy stems from our belief that we are able to generate significant resources from vertical integration. Specifically, we have identified that this strategy enables us firstly to increase the identification of opportunities and secondly to increase our presence along the value chain, which allows us to anticipate market trends.

Also, we consider that the activity performed by photovoltaic solar electricity production facility projects diversifies our risk exposure within the solar market, allowing us to capture and maximise additional margins.

Consequently, this strategy will allow us to maximize the obtainment of operating cash flows for the Group. By way of summary, we attach the income generation flow of the Soltec Group:



Among our main historical customers, the following stand out:

Trackers & Construction Services	Powertis - Development
	PPAs and MoU agreements with Tier I investors and Off-Takers

On the other hand, over the last few years we have experienced an increase in our customer portfolio. Our strategy of growth and internationalization has allowed us to increase the volume of sales to our five main customers and, despite this, we have managed to reduce the degree of concentration of sales in them.

Our customer portfolio has undergone a process of constant growth. Our main customers since our creation are as follows:

- Enel, to which we have supplied solar trackers for an installed capacity of more than 2,779MW.
- Power Contribution China, with total supplies for an installed capacity of 678 MW.
- Engie -Solardirect, with a total installed capacity of 605 MW.
- TSK, with a total installed capacity of 447 MW.
- The Cobra Group to which we have supplied trackers for a total installed capacity of 343 MW.

During the 2020 and 2021 financial years, the project implementation segment led by Powertis signed two large agreements. Also, we have signed an agreement for Spain with TOTAL at the beginning of the year for the joint development of 1 GW of photovoltaic projects in Spain and, on 29 December 2020, an agreement was signed with Aquila Capital for the joint development of 750Mw in Italy. In relation to said agreement, the Group sold several packages of SPVS Italianas. In December 2021, an addendum was signed on the framework agreement whereby its extension was stipulated. The new framework agreement reached extended the portfolio to be implemented up to a maximum of 1840MW of solar projects associated with SPVs in Italian territory, valid until 31 December 2024.

With respect to the execution of contracts in the project implementation segment for photovoltaic solar electricity production plants, some of the noteworthy ongoing projects at 31 December 2021 were broken down by location:

- In Brazil, we have 4 GW under development, in addition to solar projects with an installed capacity of 427.5 MW and 337 MW, regulated under a PPA regime that ends in 2041.
- In Spain, we have 2.7 GW of projects under development distributed throughout the country, whose estimated COD date is the end of 2022 to 2023.

In Italy, we have 2.8 GW of projects under development, distributed throughout the country, whose estimated RTB date is between the end of 2022 and 2023.

In Colombia, we have 352 MW under development.

In Denmark, we have 333 MW under development.

1.6.2 OPERATING PORTFOLIO

Regarding the industrial segment, we have a solid portfolio of supply and construction projects, with a wide geographical diversification, as a result of the marked international nature of the Group. At the end of the 2021 financial year, our backlog[2] has an energy production capacity of almost 2 GW, which represents an unrecognised revenue of 250,497 thousand euros.

Additionally, a pipeline has been identified[3] of 3,067 million euros, representing 25 GW of installed capacity for the next three years.

With regard to the development of the future business portfolio of the segment focused on carrying out installation projects for the production of photovoltaic solar electricity, taking into account both its backlog and pipeline, at 31 December 2021, it is estimated that it will amount to a total of 10.3 GW.

The degree of development of the aforementioned business portfolio at the closing date of the financial year is as follows:

- Backlog for an amount of 722 MW (after the rotation in 2020 of projects for a total of 717 MW)
- Target pipeline:
  - Opportunities in the advanced stage for a total of 3,044 MW (792 MW in 2020).
  - Opportunities identified for a total of 3,964 MW, with a total of 1,366 MW by 2022.
  - Opportunities in a preliminary stage for a total of 2,571 MW.

[2]Portfolio of signed projects pending supply and execution

[3]Portfolio of objective projects to be carried out

2. BUSINESS PERFORMANCE AND RESULTS

2.1 KEY FINANCIAL INDICATORS[4]

Due to the performance of the value of certain materials and the cost of transport during the 2021 financial year, the Group has seen its activity reduced as a result of the postponement of many of its projects, and despite the clear recovery during the second half of 2021, it has remained a deferred part of the Group's annual activity for 2022. Similarly, during the 2020 financial year, the Company already suffered a slowdown in the development of its business, mainly due to COVID-19, transferring that part of the business pending execution for 2021.

The Group's management foresees a favourable performance of the business in the medium term. This evolution of the business is supported by different aspects, such as an increase in the demand for projects as a result of the efficiency gained in recent years in the cost of energy production; an improvement in the capacity to negotiate with customers, as well as the possibility of taking on larger offers due to the line of guarantees signed in the syndicated loan that was renewed in 2021, and which increases the Group's capacity to issue guarantees.

[4] The financial indicators Gross Margin, Ebitda, Adjusted Ebitda, Contribution to Ebitda Revenue and Contribution to Adjusted Ebitda Revenue have been described in section 2.1.1 "Alternative Performance Measures".

The key figures for 2021 and 2020 are as follows:

THOUSANDS OF EUROS	2021	2020
Revenue (*)	346,514	235,646
Gross margin (*)	54,885	55,232
Gross margin	15.84%	23.44%
EBITDA (*)	(7,699)	(13,661)
EBITDA Margin	n.m.	n.m.
Adjusted EBITDA (*)	(6,876)	(9,408)
Adjusted EBITDA Margin	n.m.	n.m.
Net Profit	(1,167)	(4,928)

(*) See indicator definitions in Note 2.1.1 ALTERNATIVE PERFORMANCE MEASURES

At equity level, total assets at 31 December 2021 and 2020 amounted to 476,951 thousand euros and 311,436 thousand euros, respectively, equity to 146,980 thousand euros and 142,461 thousand euros, and short-term and long-term liabilities to 329,971 thousand euros and 168,975 thousand euros, of which 92,781 thousand euros and 85,889 thousand euros corresponded to bank borrowings in 2021 and 2020, respectively.

The Group is mainly exposed to exchange rate fluctuations of the US dollar, Chilean peso and Brazilian real.

The Group's sensitivity to a revaluation or depreciation of the euro against the aforementioned foreign currencies is detailed below, without taking into account the potential effect of the exchange rate insurance taken out.

Table 2021

		Thousands of euros	
Currency	Variation	Impact on consolidated results	Impact on consolidated equity
U.S. dollars / euros	10%	(1,997)	(1,361)
Brazilian reais / euros	10%	(46)	(25,396)
U.S. dollars / euros	-10%	2,440	1,664
Brazilian reais / euros	-10%	56	31,039

Table 2020

		Thousands of euros	
Currency	Variation	Impact on consolidated results	Impact on consolidated equity
U.S. dollars / euros	10%	(1,092)	(2,686)
Brazilian reais / euros	10%	(1,445)	(2,472)
U.S. dollars / euros	-10%	1,335	3,283
Brazilian reais / euros	-10%	1,766	3,021

REVENUE AND GROSS MARGIN

The Soltec Group has two main lines of activity: The installation and sale of photovoltaic solar trackers (industrial segment) and the execution of installation projects for the production of photovoltaic solar electricity (project implementation segment).

The photovoltaic tracker business has contributed almost the entire revenue to the Group for the 2021 and 2020 financial years. During the 2021 financial year, it generated 346,514 thousand euros, up 47% with respect 2020 revenue, which totalled 235,646 thousand euros.

The improvement in the turnover volume during the 2021 financial year compared to the 2020 financial year is mainly due to the deferral of the business in 2020, which was executed in 2021. However, the turnover volume has largely been generated during the second half of 2021, 259,460 thousand euros, representing 75% of the total revenue. Said seasonality, accentuated in the second semester, is mainly due to the deferral of the business due to the impact of COVID-19 on the market and its consequences, and to the increase in the cost of raw materials, the cost of personnel and the cost of transport.

The breakdown of revenue by geography is detailed below:

REVENUE (thousands of euros)	2021	2020	% 2021	% 2020
Spain	96,262	68,497	28%	29%
Brazil	81,655	43,259	24%	18%
North America (*)	73,071	46,693	21%	20%
Rest of South America (*)	83,626	60,090	24%	26%
APAC (*)	250	13,922	0%	6%
European Union	8,832	-	3%	0%
Others (*)	2,818	3,185	1%	1%
Total	**346,514**	**235,646**		

(*) North America: United States of America and Mexico. Rest of South America: Argentina, Chile, Colombia and Peru. APAC: Australia, India and Thailand. Others: Regions not previously indicated.

EBITDA AND ADJUSTED EBITDA

At 2021 year-end, the Company reported negative EBITDA of 7,699 thousand euros compared to a positive EBITDA of 13,661 thousand euros in 2020.

ADJUSTED EBITDA

Adjusted EBITDA at the end of December 2021 was negative (6,873 thousand euros), compared to 9,408 thousand euros in 2020. This significant improvement in EBITDA is mainly due to the Group's development segment.

RESULT FOR THE PERIOD ENDED 31 DECEMBER 2021

Loss for 2021 amounted to 1,167 thousand euros compared to the 2020 financial year, which generated a loss of 4,928 thousand euros. This improvement in results is mainly due to the impact of the positive result during the second half of 2021, which amounts to 18,702 thousand euros (4,373 thousand euros of profit in the second half of 2020). However, the Company continues to bear the consequences of COVID-19, the increase in the cost of raw materials, of subcontracting personnel and of transport costs in the industrial segment.

FINANCIAL SITUATION

Short- and long-term liabilities at 31 December 2021 totalled 329,971 thousand euros compared to the amount of 168,975 thousand euros at 31 December 2020, up 160,996 thousand euros, mainly due to the increase in current liabilities and other accounts payable. Within this heading, the two major variations originated from two items, (i) Suppliers, which experienced a variation of 126,504 thousand euros and (ii) customer advances, which varied by 27,893 thousand euros, an outstanding balance of 32,370 thousand euros at 31 December 2021, compared to 4,477 thousand euros in December 2020.

The leverage position at 31 December 2021 stood at 24%, down from the 37% of total consolidated assets at 31 December 2020.

	2021	2020
Loans (borrowings)	114,443	116,402
Total assets	476,951	311,436
Leverage	24%	37%

FINANCIAL DEBT

The "Borrowings" heading at the end of 2021 included an amount of 92,781 thousand euros. Said financial debt is mainly made up of the syndicated loan that we signed in 2018 with a group of financial entities which, in February 2021, was renewed with a final maturity in 2024. In this renewal process in which the main characteristics of the aforementioned loan have been maintained, a freely available tranche was extended for a maximum of 10 million euros to finance the Group's working capital needs. Said loan had been drawn down at the end of the 2021 financial year in the amount of 88,336 thousand euros (78,377 thousand euros in 2020). The main features of the aforementioned loan are as follows:

- The loan will only be used in the tracker supply and installation business line.
- Freely available tranche for a maximum amount of 10 million euros that will be used to finance working capital needs.
- Drawdown tranche in the amount of 80 million euros. Said provision shall be tied to the execution of supply and installation projects formalised by Soltec Energías Renovables, SL and subsidiaries, and its amortisation depends on the collections received as a result thereof.
- Section of the line of guarantees for a maximum amount of 110 million euros to be used as guarantees for the supply, installation, faithful performance or guarantee of the contracts that are financed in the previous section.

The maturity date of this novated credit facility was set at 11 February 2024. However, in accordance with the terms and conditions of the syndicated credit facility, the credit tranches drawn down will become immediately due and payable in the event of certain circumstances, including non-compliance with a financial ratio, calculated as the ratio between net financial debt and equity for the group formed by Soltec Energías Renovables, S.L.U. and subsidiaries. This ratio, set at 1.5 throughout the term of the contract from 31 December 2021, is mandatory. In addition to this ratio, the syndicated credit facility agreement contains a series of affirmative and negative covenants.

OTHER FINANCIAL LIABILITIES

The amount recorded as other long-term and short-term financial liabilities amounts to 19,902 thousand euros, which have partially originated in 2021 as a result of:

- The acquisition that we have made, specifically in the business line responsible for carrying out installation projects for the production of photovoltaic solar electricity, of certain licenses for the development of photovoltaic parks in Brazil, for a pending amount of 1,967 thousand euros (8,011 thousand euros for the 2020 financial year);
- As well as the accounting impact of the application of IFRS 16 "Leases" on the consolidated financial statements.

FUTURE DEBT VARIATIONS

The medium-long term objective of the Soltec Group is to continue with the growth path of recent years, except for the consideration of the periods 2020 and 2021 due to exceptional circumstances, and to continue strengthening its financial position as it has done with the capital increase.

2.1.1 ALTERNATIVE PERFORMANCE MEASURES

The Group prepares its consolidated financial statements in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU). Additionally, it presents certain Alternative Performance Measures ("APMs") to provide additional information that favours the comparability and understanding of its financial information and facilitates decision-making and an evaluation of the Group's performance. The APMs must be considered by the user of the financial information as complementary to the aggregates presented in accordance with the presentation bases of the consolidated financial statements, but in no case as substitutes for them. The most significant APMs are the following:

GROSS MARGIN

Definition: Net amount of revenue + Variation in inventories of finished goods and work in progress – Supplies

Reconciliation: The reconciliation of this APM with the consolidated financial statements for the 2021 financial year is as follows (figures in thousands of euros):

	2021	2020
Revenue	346,514	235,646
Changes in inventories of finished and semi-finished products	7,118	559
Supplies	(298,747)	(180,973)
Merchandise purchased	(318,737)	(159,389)
Variation of inventories	40,615	(4,208)
Work performed by other companies	(20,058)	(16,810)
Allowance for impairment of inventories	(567)	(566)
Gross margin	54,885	55,232

Explanation of use: the result or gross margin is considered by the Parent's directors to be a measure of its activity performance, since it provides information on the result or gross margin of the execution of the projects, which is obtained based on external sales and subtracting the cost incurred to achieve such sales. This margin is the best measure of the cost of manufacturing and supplying photovoltaic trackers.

Comparison: in 2021, the Group's gross margin suffered a decrease of less than 1% in absolute terms, mainly due to the additional costs incurred as a result of COVID-19, the project salary costs due to the restrictions in some countries and the logistics prices.

GROSS MARGIN ON SALES

Definition: Gross margin / Revenue

Reconciliation: The reconciliation of this APM with the consolidated financial statements for the 2020 financial year is as follows (figures in thousands of euros):

	2021	2020
Gross margin	54,885	55,232
Revenue	346,514	235,646
Gross margin on sales	16%	23%

Explanation of use: the gross margin on sales is considered by the Parent's directors to measure the returns on its activities, since it provides information on the percentage contribution that said margin represents with respect to sales.

Said contribution allows comparative analyses to be carried out on the variations in project margins for the Parent's sole director.

Comparison: During the 2021 financial year, the gross margin on sales decreased by 32% compared to the 2020 financial year , mainly due to the additional transport costs with respect to purchases and the COVID-19 restrictions and the raw materials themselves.

NET MARGIN

Definition: Gross margin – Other personnel expenses – Other operating expenses + Losses, impairment and variations in provisions for commercial operations (See Note 10.1.2) – Allocation to the provision for guarantees (See Note 13).

Reconciliation: The reconciliation of this APM with the consolidated financial statements for the 2021 financial year is as follows (figures in thousands of euros):

	2021	2020
Gross margin	54,885	55,232
Staff costs	(50,129)	(36,429)
Other operating expenses	(105,827)	(45,883)
Losses, impairment and changes in provisions for commercial operations	826	4,253
Net margin	(100,245)	(22,827)

Explanation of use: the net margin is considered by the Parent's directors to measure the returns on its activities, since it provides information on the net margin of the projects that have been manufactured and installed during the period.

Said net margin is calculated on the basis of the result or gross margin, net of personnel expenses and operating expenses, excluding losses, impairments and changes in commercial provisions allocated in the year adjusted by the allocation of guarantee provisions.

Comparison: During the 2021 financial year, the net margin decreased by 339% compared to the 2020 financial year, mainly due to the growth in the company's structure, salary costs, increased costs for the acquisition of fundamental raw materials and logistics costs. In addition to the foregoing, it must be taken into account that the impact of all revenues from the implementation segment for its ordinary activity are excluded from this APM by definition, firstly, due to the results of the loss of control of the SPVs, amounting to 17,801 thousand euros and, secondly, to the work carried out for fixed assets, totalling 72,173 thousand euros, mostly corresponding to the work carried out for the photovoltaic fields of two Group SPVs.

NET SALES MARGIN

Definition: Net margin / Revenue

Reconciliation: The reconciliation of this APM with the consolidated financial statements for the 2021 financial year is as follows (figures in thousands of euros):

	2021	2020
Net margin	(100,245)	(22,827)
Revenue	346,514	235,646
Net sales margin	n.m.	n.m.

Explanation of usethe net sales margin is considered by the Group's directors as a measure of the performance of its activity, since it provides information on the percentage contribution that said margin represents with respect to the net turnover.

EBITDA

Definition: Net Margin + Other operating income + Work carried out by the Group for its assets – Losses, impairment and variation in provisions for commercial operations (See Note 10.1.2) + Allocation to the provision for guarantees (See Note 13).

Reconciliation: The reconciliation of this APM with the consolidated financial statements for the 2021 financial year is as follows (figures in thousands of euros):

	2021	2020
Net Margin	(100,245)	(22,827)
Other operating income	3,398	2,598
Works performed by the Group for its assets	72,173	3,445
Losses, impairment and changes in provisions for commercial operations	(826)	(4,253)
Results for the loss of control of SPVs	17,801	7,376
EBITDA	(7,699)	(13,661)

Explanation of use: EBITDA is considered by the Group's directors as a measure of the performance of its activity since it provides an analysis of the results for the year (excluding interest and taxes, as well as depreciation) as an approximation of the operating cash flows that reflect cash generation. Additionally, it is a magnitude widely used by investors when valuing companies, as well as by rating agencies and creditors to assess the level of indebtedness by comparing EBITDA with net debt and also comparing EBITDA with debt servicing.

Comparison: During the 2021 financial year, the EBITDA improved by almost 44% compared to the 2020 financial year, mainly due to the work carried out by the Group for its assets.

ADJUSTED EBITDA

Definition: EBITDA + losses, impairment and changes in provisions for commercial operations (See Note 16).

Reconciliation: The reconciliation of this APM with the consolidated financial statements for the 2021 financial year is as follows (figures in thousands of euros):

	2020	2020
EBITDA	(7,699)	(13,661)
Losses, impairment and changes in provisions for commercial operations	826	4,253
Adjusted EBITDA	(6,873)	(9,408)

Explanation of use: the Adjusted EBITDA is considered by the Parent's sole director to measure the performance of its activity, since it provides an analysis of the operating results excluding the commercial provisions that do not represent an outflow of cash flows.

Comparison: During the 2021 financial year, the Adjusted EBITDA improved by almost 27% compared to the 2020 financial year. This improvement, as for the 44% EBITDA, compared to the 2020 financial year, was mainly due to the sales of SPVs and by the work carried out by the Group for its asset, which corresponds to the solar plants of the Brazilian SPVs Araxá and Pedranópolis. However, it should be noted that the improvement was not greater due to the growth in logistics costs, in raw materials, personnel subcontracts and the delay in projects, which has had an impact on the expected turnover for the 2021 financial year, transferring the business to 2022. The delays suffered, in the opinion of the directors, are merely transitory in nature and do not significantly alter compliance with the Group's long-term business plan.

LOANS (BORROWINGS)

Definition: Current bank borrowings + Non-current financial liabilities + Other current financial liabilities + Derivatives

Reconciliation: The reconciliation of this APM with the consolidated financial statements for the 2021 financial year is as follows (figures in thousands of euros):

	2021	2020
Current debts payable to credit institutions	92,781	85,889
Non-current financial liabilities	16,158	19,414
Other current financial liabilities	3,743	10,741
Derivatives	1,760	358
Loans (borrowings)	114,442	116,402

Explanation of use: Loans (Borrowings) are considered by the Group's directors to measure the returns on their activity, since they measure the Group's financial position and are necessary to calculate leverage magnitudes typically used in the market.

Comparison: In 2021, borrowings fell by 2% on 2020, due mainly to the repayment of part of the debt with Solatio for the Group's project implementation segment in 2021.

NET FINANCIAL DEBT

Definition: Loans (borrowings) – Current financial assets - Cash and cash equivalents (excluding those other treasury components that are pledged as collateral for the syndicated loan).

Reconciliation: The reconciliation of this APM with the consolidated financial statements for the 2021 financial year is as follows (figures in thousands of euros):

	2021	2020
Loans (borrowings)	114,442	116,402
Current financial assets (Note 10.1.2)	(6,337)	(2,155)
Cash and cash equivalents - available cash (Notes 10.1.2.ii)	(36,180)	(125,748)
Net financial debt	71,925	(11,501)

Explanation of use: Net Financial Debt is a financial aggregate that measures the net debt position of a company. Additionally, it is an aggregate widely used by investors when assessing the net financial leverage of companies, as well as by rating agencies and creditors to assess the level of net indebtedness.

Comparison: During the 2021 financial year, net financial debt stood at 725% compared to the 2020 financial year, mainly due to the investment in photovoltaic fields (83,352 thousand euros of construction in progress) and the acquisition of merchandise.

LEVERAGE

Definition: Loans (borrowings) / Total assets.

Reconciliation: The reconciliation of this APM with the consolidated financial statements for the 2021 financial year is as follows (figures in thousands of euros):

	2021	2020
Loans (borrowings)	114,442	116,402
Total assets	476,951	311,436
Leverage	24%	37%

Explanation of use: leverage is an indicator that measures the company's debt position. It is widely used by investors when assessing the financial leverage of companies in the sector, as well as by rating agencies and creditors to assess the level of indebtedness.

Comparison: During the 2021 financial year, the financial leverage declined by 35% compared to the 2020 financial year, due to the rise in total assets compared to the previous year. This increase in assets was mainly due to Fixed assets in progress, Inventories and Customer receivables for sales and services.

RETURN ON CAPITAL EMPLOYED (ROCE)

Definition: Adjusted EBITDA / (Equity + Net Financial Debt)

Reconciliation: The reconciliation of this APM with the consolidated financial statements for the 2021 financial year is as follows (figures in thousands of euros):

	2021	2020
Adjusted EBITDA	(6,873)	(9,408)
Shareholder equity	146,980	142,461
Net financial debt	71,925	(11,501)
ROCE	(3.14%)	(7.18%)

Explanation of use: *Return on capital employed or ROCE* is considered by the Parent's sole director to measure the returns on its activity, since it measures the profitability of a company taking into consideration a particularly relevant issue - the efficiency with which capital is used. It is widely used by investors when assessing the real profitability of a company.

Comparison: ROCE obtained for the 2021 financial year was negative, mainly because the Adjusted EBITDA continued to be negative, just like the 2020 financial year. This indicator remains negative, as previously mentioned, mainly due to the impacts of COVID-19 on the projects and their execution. The delays suffered, in the opinion of the Board of Directors, are merely transitory in nature and do not significantly alter the fulfilment of the Group's long-term business plan.

2.2 KEY NON-FINANCIAL INDICATORS

Based on the analysis of relevant priority issues, the Soltec Group's sustainability practices have been developed.

The Soltec Group consolidates its commitment to an open and continuous dialogue with its stakeholders to contribute value to them through an open and participatory attitude. By promoting this dialogue in the business strategy, improvements are made in competitiveness and product and service quality.

Stakeholders are an important pillar in the success of the organisation and therefore the Group continually strives for effective engagement to elicit their significant input and concerns. It seeks to build and develop transparent solutions based on trust with all stakeholders, respecting their points of view, key expectations and concerns when business strategies are developed.

The Soltec Group regularly engages with stakeholders through the stakeholder participation process, for which it has multiple communication channels. Detailed stakeholder engagement helps define the main material issues, which are clearly expressed in future decisions and aspirations.

The Soltec Group evaluates issues related to materiality considering the importance of economic results, expansion of operations and territorial presence, relationships with stakeholders, especially customers, employees and suppliers, as well as commitments to social issues, mainly associations, local community and public and environmental administration, mainly emissions, energy consumption, waste management as well as regulators, financial markets, investors and shareholders.

Within the Soltec Group, socially responsible behaviour is demonstrated in respect for the rights of workers, free collective bargaining, equal opportunities between men and women, non-discrimination based on age, racial origin, religion or disability and employee healthcare.

In this model, ethical, responsible and sustainable management is a reference framework for the team. This, together with the corporate commitments mentioned above, will allow the Group to adapt to the changes that are continually taking place in today's society.

The evaluation of stakeholders has provided the context of the Soltec Group's sustainability, helping them to align the strategy with the expectations of the interested parties, and to improve environmental, social and economic conduct and performance for the coming years, considering the frameworks concepts that are identified in its sustainability policy: Spanish Constitution, draft law on climate change and energy transition, the Spanish National Securities Market Commission (CNMV) Code of Good Governance, integrated national energy plan and Climaontract, 2050 decarbonisation strategy, circular economy strategy and United Nations Paris agreement.

The Soltec Group contributes to the economic and social development of its surroundings. The creation of wealth, employment and knowledge are the main benefits generated.

Through this non-financial information statement, all the aspects identified as material are collected, in line with the requirements contemplated by Law 11/2018 on non-financial information.

ENVIRONMENT

Soltec Power Holdings is fully committed to respecting and caring for the environment and is aware of the commitment it makes to its customers and to society in general, leading to constant and recurring work to minimise the impact of its activities thereon. In this regard, it has developed a series of internal mechanisms that lay the foundations for its commitment to the environment, notably the quality, environment and health and safety management system stands out as a central framework, as well as the existence of a specific department in health, safety and environmental matters that supervises compliance with all environmental measures.

For the management and coordination of all the Group's environmental actions, linked to the design, manufacture and assembly of solar trackers, the environmental management system implemented at the Group's sites in Spain, Mexico, Brazil and Chile is periodically monitored, based on the ISO-14001:2015.

The Group's quality, environmental and health and safety policy establishes the following principles that must be applied therein:

It must be ensured that the services comply with the applicable specifications, standards and codes, as well as the applicable legislation and regulations regarding quality, environment and work safety.

Establish actions and programmes aimed at continuous improvement, the prevention of pollution and of damage and the deterioration of health, both in the quality of services and in respect for and the protection of the environment and the safety of people.

Incorporate into services, management based on the minimisation or elimination of environmental impacts and reconcile this objective with the rational use and consumption of raw materials, energy and natural resources.

Increase customer satisfaction, assuming the concepts of quality and respect for the environment and commitment to safety at work.

Maintain permanent communication with the interested parties, to be able to collaborate jointly in the improvement of benefits, both in technical aspects, such as quality and the prevention of occupational and environmental risks.

Stimulate and motivate staff, through the necessary training and awareness, in order to enhance their integration in the management and development of the quality, environment and occupational health and safety system.

Establish mechanisms that encourage the participation of workers to improve health and safety at the workplace.

In addition to the framework established by said policy, in order to carry out the strategic planning of the environmental management system, the Group's Health and Safety and Environment Department, hereinafter HSE, is responsible for identifying those environmental aspects and determining the different areas that may have a significant impact on the environment.

Within the processes of Soltec Power Holdings, not only the internal processes for the environmental management of the organisation itself should be highlighted, but also the environmental management plans designed for their implementation in the solar tracker installation projects, adapted to the specific environmental legislation in the different countries in which they are carried out.

To identify the main impacts and risks in the environmental area, the different stages of the life cycle of the Group's products and services are taken into consideration.

The main environmental risks to be taken into account by Soltec Power Holdings are the use of raw materials, the generation of waste, noise pollution and atmospheric emissions derived from energy consumption.

As a result of the environmental management plan and the main risks identified, environmental monitoring plans are drawn up for the projects, the objective of which is to establish a mechanism that ensures, at the same time, compliance with the proposed protective and corrective measures and the detection of unforeseen alterations.

As one more line of environmental risk control, the control of the applicable legal requirements is implemented at international, state, regional and local levels, thanks to which during the period covered by this non-financial information statement, no significant breaches occurred.

Additionally, periodic internal audits are carried out by the Health and Safety and Environment Department, the scope of which covers both the central offices and subsidiaries, as well as the design, manufacturing and installation projects of solar trackers in progress.

Finally, it is worth mentioning the awareness and training actions carried out for all Soltec Power Holdings employees, whose objective is to make them aware of the importance of saving resources in their work environment and of reducing the environmental impacts derived from daily activities to help reduce their ecological footprint. In this context, the Group's manual of good environmental practices serves as a basis for the training and awareness of its employees.

POLLUTION

Soltec Power Holdings has modelled economic growth based on respect for the environment through the innovation and optimisation of photovoltaic technology.

Thanks to its cutting-edge technology, the Group continues to strengthen its position in the photovoltaic solar energy market with revolutionary products such as its monofacial and bifacial solar trackers. The function of solar trackers is to make the photovoltaic module rotate around its axis following the direction of the sun, therefore generating more energy. During the 2021 financial year, projects with an accumulated capacity of 4,475 MW were completed, which have allowed the estimated reduction of 3,580,197 emissions of tons of CO_2. During the 2020 financial year, projects with an accumulated capacity of 1,752 MW were completed, which allowed the estimated reduction of 1,402,008 emissions of tons of CO_2.

On the other hand, the standard factory service includes the innovative Solhub storage and logistics system, which delivers within the agreed deadlines without intermediary transport companies. This allows, in addition to providing the best service, maintaining total control throughout the process, managing CO2 emissions, having appropriate control over waste management and, ultimately, being responsible for environmental sustainability.

At the same time, Soltec Power Holdings is responsible for implementing measures to reduce its significant environmental aspects. They control that the carbon emissions derived from the combustion of their vehicles have passed all regulatory controls and the speed of circulation is limited by work, guaranteeing lower gas emissions.

Similarly, noise control measures are carried out in the projects through the use of noise reduction systems in machinery and construction vehicles, the verification of the conformity certificates of the machinery manufacturers, the use of compressors and low-sonic level drills, periodic noise measurements and periodic reviews of machinery and silencers.

CIRCULAR ECONOMY: WASTE PREVENTION AND MANAGEMENT

Soltec Power Holdings understands that the transition from a linear economy to a circular one is a key step in improving and caring for the environment, since it entails a considerable reduction in waste through the optimal use of available resources.

Soltec Power Holdings ensures that it follows a methodology to adequately manage the waste generated throughout the Group and to transmit it both to the workers and to the people responsible for its internal or external management.

Training sessions are carried out periodically, both for employees and subcontractors, in which good practices are shared, and the importance of correctly segregating waste to be recycled is emphasised.

The Group's activity generates different types of waste, non-hazardous and hazardous, due to the diverse operations carried out at its work centres, arising from office, logistics, manufacturing, installation and maintenance activities.

The amount of hazardous waste, mainly oils, and non-hazardous waste, mainly plastic, paper and cardboard and wood, generated in 2021 and 2020, is presented in the following table:

	Tons	
	2021	2020
Hazardous	7	13
Non-hazardous	1,359	1,400

Waste generation is measured in all projects, developing different alternatives in relation to them, with regard to which reuse within the projects themselves or recycling activities involving cardboard or wood stand out.

The Group has contracted external companies as authorised managers to provide the service for the collection and management of hazardous and non-hazardous waste, in accordance with the provisions of current legislation.

All waste is correctly labelled, allowing it to be rapidly identified, and the associated risk to be informed upon, both to users and managers. In addition, all Group work centres that generate waste have a duly marked storage place.

The waste storage area has a size and characteristics in accordance with the volume of waste generated at the workplace. The Health and Safety and Environment Department carries out regular reviews of the state of the waste warehouses, to detect anomalies, possible improvements and to verify correct internal waste management.

Also, in Spain, Soltec Power Holdings files all its production centres in the General Directorate of the Environment registry of small waste producers, keeping each registry updated in accordance with the regulations published by the relevant regional authorities. In relation to the aforementioned area, each country takes into consideration the local legislation in this regard.

SUSTAINABLE USE OF RESOURCES

The Soltec Group aims to be able to integrate sustainability in business management in decision-making in line with the United Nations sustainable development goals, while allowing value to be generated both for society and for the company.

Its purpose is to be able to meet current needs without compromising the ability of future generations to meet theirs, guaranteeing a balance between economic growth, care for the environment and social welfare.

CLIMATE CHANGE

The Soltec Group is committed to the fight against climate change, proposing to be a long-term greenhouse gas (GHG) neutral company, with a progressive reduction in emissions being planned in the short and medium term.

To this end, in the case of Spain, the Group only works with electricity suppliers with an electricity mix that do not generate CO2 or other GHG emissions due to their electricity consumption and it undertakes not to vary this selection criterion. In addition, from the paradigm of sustainability, the Group is committed to progressively reducing its electricity consumption, carrying out control campaigns, raising awareness, changing equipment for more efficient items, etc.

Furthermore, in Spain, the Group has implemented a plan to reduce its carbon footprint, in which its emissions are continuously monitored and it undertakes to reduce them year after year. It is worth mentioning that the carbon footprint generated by the Soltec Group is very small, considering the size of the organisation, but even so, the Soltec Group seeks excellence with low levels of emissions, and it is committed to achieving it.

PRECAUTIONARY PRINCIPLE

As far as the precautionary principle is concerned, it is not appropriate for the Soltec Group to address this principle, since the Group's activities do not generate impacts that could be associated with serious or irreversible damage to the environment.

BIODIVERSITY

The Soltec Group has an environmental management plan that serves as support during the construction process of photovoltaic facilities with the Company's products. The environmental management plan envisages the control of potential effects on flora and fauna, among other aspects. In this way, biodiversity protection mechanisms are foreseen in operations in which there could be some type of impact, beyond the operations that are usually carried out in industrial areas that do not present risks of impacting biodiversity.

PERSONNEL

The people forming Soltec Power Holdings are the basis for the growth and development of the organisation. The secret of the success of Soltec Power Holdings lies in its employees, their passion for its products, teamwork and their relationship with customers in order to offer a quality service.

The Group trusts in the capabilities of its employees, in the diversity of talent and in the desire to grow, which is why they always understand professional relationships as a long-term alliance in which everyone benefits. In this context, the Group offers employees job security, stable contracts and a motivating professional project, in which they can continuously develop and learn in an environment of generational diversity.

For this reason, one of the Group's main objectives is the creation of an inclusive organisational culture that welcomes and encourages diversity to lead all the professionals forming said Group to reach their maximum potential. This implies the need for employment management with a vision of the future, bearing in mind that the current market requires professionals capable of working in a collaborative, dynamic, diverse and flexible environment.

The team of professionals at Soltec Power Holdings is made up of people with a high level of commitment, with a passion for doing things well and for exceeding customer expectations at all times. At the organisation, creativity and the contribution of new approaches and different points of view by any team member are always welcome.

In line with the above, Soltec Power Holdings is very aware that leadership is the key to success in its past history and also in its future goals, as is the commitment of 2,495 employees at the end of 2021 (1,207 employees at the end of 2020). For this reason, human resources management is based on a leadership model that provides each person with the necessary tools for their professional development, allowing employees to tread their own path, that of their colleagues and that of the Group as a whole.

The global human resources policy of Soltec Power Holdings is based on this idea, believing in people and betting on their talent to be competent and in continuous growth. The Group's international presence is a challenge that drives and motivates employees to develop global practices and procedures that are transversal and applicable in all countries in which they are present. Hence, they ensure that sustainability is not limited to Spain and the central offices, rather that the entire Group grows globally in a sustainable manner.

Among the most significant risks that could affect the organisation in the employment area are those of equal treatment and opportunities between women and men, discrimination and the inclusion of people with disabilities and universal accessibility. Soltec Power Holdings, in the performance of its activities, has the firm will to operate within the framework of a management model based on the assumption of business ethics. In the aforementioned context and as a commitment linked to the Group's values and rules of conduct, a code of conduct was implemented in the previous year, which includes, among other aspects: the general principles defining the benchmark values on which the Group's activities are based, the action guidelines that must be respected by the entire organisation and the monitoring mechanisms to control compliance with the aforementioned code and its ongoing improvement.

Attracting, developing and retaining talented candidates and employees is a key objective at Soltec Power Holdings. The Group is convinced that, through people development, it will increasingly become an efficient, productive and competitive organisation, consolidating the leadership of Soltec Power Holdings, based on the value and contribution made by each of the employees.

In previous years, Soltec Power Holdings launched the "Soltec Wellbeing" programme, a well-being programme promoted for members of the entire team. This programme seeks to generate a greater sense of company, improving horizontal and vertical relationships thereat, as well as the work environment, promoting communication, integration, a good working environment and the motivation of employees, reducing the risk of exclusion in the workplace and encouraging greater involvement of workers.

To implement a global "Well-being" policy and to continue to promote actions connected with the well-being of employees, in 2021, Soltec Power Holdings decided to implement "Solcare", a digital platform to which all employees have access at global level, in which they can obtain discounts on different services, advice to take care of their mental and physical health, volunteering actions organised by the Soltec Foundation in which they can participate or gain access to flexible remuneration services (health insurance, childcare or training, among others).

In addition, in the current financial year, due to the global pandemic, a training programme called "Soltec Ambassador" was carried out for a selected group of employees to improve the Group's internal communication and to diminish the feeling of uncertainty and fear faced with the current scenario.

Looking ahead to the 2022 financial year, the Group aims to implement seven healthy challenges connected with compliance with the SDGs, to launch a global "Gympass" and to provide psychological assistance by the Company to all those employees who need professional help.

Along these same lines, the Group has internal social networks that facilitate two-way transversal communication between workers, allowing collaborative and conversational work, the visualisation of online documentation, the provision of public information groups and private work groups and immediate participation and communication.

Additionally, the Group has met the objective set for the 2021 financial year of implementing "SAP-Success Factors" as software for human resource management. This solution was implemented in December, allowing a substantial improvement in the management of aspects related to people.

The priorities of Soltec Power Holdings in the area of employment management are as follows:

Guarantee a safe and healthy work environment, adapting to the requirements of the work, both in general and of the position itself.

Develop selection and internal promotion processes based on equal opportunities, promoting the training and development of employee skills to improve their experience and performance.

Commitment to comply with the employment conditions established by law, offering decent wages adapted to each circumstance.

The total number and distribution of employees by country at 31 December 2021 and 2020 was as follows:

Geography	2021	2020	% of total 2021	% of total 2020
Spain	1,004	603	40%	50%
Brazil	608	200	24%	17%
North America (*)	122	174	5%	14%
Rest of South America (*)	731	223	29%	18%
APAC (*)	30	7	1%	1%
Total employees	**2,495**	**1,207**		

(*) **North America**: United States of America and Mexico. **Rest of South America**: Argentina, Chile, Colombia and Peru. **APAC**: Australia, India, Italy and China.

The total number and distribution of employees at 31 December 2021 and 2020 by gender, age and professional classification was as follows:

	2021					
	Number of employees					
	Male	Female	Total	<30	30-49	>49
Department Director	31	7	38	1	27	10
Manager	309	96	405	70	291	44
Technician	284	116	400	165	222	13
Administrative	74	97	171	67	94	10
Operator	1,329	152	1,481	602	705	174
TOTAL	2,027	468	2,495	905	1,339	251

	2020					
	Number of employees					
	Male	Female	Total	<30	30-49	>49

Department Director	22	6	28	1	19	8
Manager	218	60	278	42	209	27
Technician	238	46	284	115	158	11
Administrative	49	78	127	55	66	6
Operator	446	44	490	169	250	71
TOTAL	973	234	1,207	382	702	123

HUMAN RIGHTS

As a responsible company, the Soltec Group is committed to respecting and complying with numerous laws, regulations and other legally binding rules that are applicable to it. Thus, Group employees undertake to respect the laws in force in the countries in which they carry out their activities and not to commit any action that could harm Company interests.

The Soltec Group can be declared to be legally liable for any breach of laws and other mandatory regulations, as well as for any other illegal activities of its employees, hence, the Group expects all its employees to act lawfully, ethically and professionally in the performance of their duties.

The commitment to comply with the legislation in all areas in each of the places in which it conducts its activities is an inexcusable premise and of essential importance to maintain and improve trust with citizens and society.

FIGHT AGAINST CORRUPTION AND BRIBERY

In every step of the business, from corporate governance to operations and the supply chain, the Group seeks integrity, respecting fundamental responsibilities in terms of human rights, employment, the environment and the fight against corruption. The Soltec Group has a commitment to zero tolerance towards fraud, bribery or corruption that may occur in the area of its operations, either by its professionals or by third parties with which it works.

The Soltec Group has management tools that guarantee that all employees act with integrity, complying with the law and respecting people and human rights. Specifically, the Group has implemented a code of conduct, applicable to Soltec Power Holdings, S.A. and Soltec Energías Renovables, S.L., which will be progressively implemented at the remaining companies, whose purpose is to establish the guidelines for action of all of its directors, executives and workers in their daily performance, with regard to the relationships that it maintains with all its stakeholders, with the transparent, effective and efficient management of resources, being honest with customers, suppliers, institutions, and being socially and environmentally responsible.

The Group's code of conduct is based on the definition of its mission, vision, values and principles, and stands as a procedural guide to ensure adequate action in the professional performance of its employees, adapting and accommodating the current legislation of the country in which the Group carries out its activities, as well as with internal policies and protocols. Likewise, the Group promotes and encourages the adoption of behavioural guidelines enacted in this code of conduct among its suppliers and partnership companies.

The aforementioned code of conduct is the basis of the corporate compliance programme implemented by Soltec Power Holdings, which has been certified by AENOR according to the UNE 19601 standard, to prevent, avoid and identify the commission of unlawful acts in the business area in compliance with the provisions of the Spanish criminal code, and for which a compliance body has been set up charged with the adequate operational supervision of the programme.

3. LIQUIDITY AND CAPITAL RESOURCES

3.1 LIQUIDITY

The most significant financial resources of the Group, as well as the policy we follow for their use, are set out below.

Item (thousands of euros)	2021	2020
Cash and cash equivalents	36,180	125,748
Other current financial assets (Note 10.1.2)	6,337	2,155
Current financial liabilities (Short-term debts)	98,285	96,988
Non-current financial liabilities (Long-term debt)	16,158	19,414

Prudent liquidity risk management involves maintaining sufficient cash and the availability of financing through a sufficient amount of credit facilities. In this regard, the Group's strategy is to maintain, through our financial department, the necessary flexibility in financing through the availability of credit lines. At the end of 2021, with respect to the Working Capital Fund, the difference between current assets and liabilities rose to a negative amount of 16,769 thousand euros. The composition of the working capital must be understood separately for the industrial segment and for the project development segment.

INDUSTRY SEGMENT

At 31 December 2021, the working capital of this segment amounted to 25,609 thousand euros. Although the magnitude of the working capital considered in isolation is not a key parameter for understanding the Group's consolidated interim financial statements and their corresponding explanatory notes, the Group actively manages the working capital through the effective management of working capital and Net Financial Debt, based on the solidity, quality and stability of the relationships with its customers and with the partners with which it has made investments in other countries, as well as exhaustive monitoring of its situation with the financial institutions. The composition of the working capital is affected by the decision to classify the syndicated revolving credit facility maturing on 11 February 2024 as short-term (see Note 10.2 of the financial statements), due to the nature of the contracts financed.

SEGMENT OF PROJECT DEVELOPMENT

During the 2021 financial year, Powertis consolidated the expansion of its operations with the identification of projects in the different regions of action and it also commenced activities in new markets such as Colombia, Mexico, the USA and Denmark. During the year, progress has been made in the investment of projects in Brazil, some of which are already in the RTB phase and two of which are under construction, and the development of various greenfield projects in different parts of the world continued.

Working capital of the development area has been reduced compared to the previous year, mainly due to the investment being made in the Araxá and Pedranópolis plants in Brazil.

Currently work is being carried out in two lines:

(i) in the industrial segment, to improve the terms and conditions of contracts with customers and to diversify the customer portfolio, to reduce the heavy dependence on a small number of customers and to optimise supplier payment conditions. In this way, the Company seeks to mitigate the risk of non-payment or late payments by customers that could generate a cash deficit at the Group. Efforts to change this situation are materialising.

(ii) in the Project Implementation segment, conclude the external financing and meet the requirements to draw down loans with the Brazilian development bank for the Araxá and Pedranópolis solar plants in 2022.

The most representative customers during the 2021 financial year for the industrial segment, which have accounted for more than 10% of revenue, were Enel Green Power, Focus Futura Holding Participaçoes and Moss Solar. The diversification of the customer portfolio is a reality that is being experienced in the Group. In addition to the efforts to change and improve the customer portfolio, the Group is also pledging to improve the terms and conditions agreed with suppliers, analysing in greater detail the risks of the potential suppliers with which it wishes to enter into contracts. The aim of these measures is to improve cash flows to mitigate the Group's risks of insolvency or non-payment, thereby reducing the consumption of external financing resources, keeping the business running and facilitating its growth.

3.2 CAPITAL RESOURCES

The Group's objectives in relation to capital management are to safeguard its ability to continue as a going concern, to provide returns to its shareholders and to maintain an optimal capital structure by reducing the cost of capital.

In the Group's industrial activity, projects are financed through the syndicated loan negotiated from its Parent in Spain, with the country's main banks, specifically adapted to the particular operation of the photovoltaic technology industrial sector business.

As for the project implementation business, in 2021, it signed a loan agreement for the Graviola project with Banco do Nordeste (BNB), for a combined amount of 520,000 thousand Brazilian reais (82,409 thousand euros at the 31 December 2021 exchange rate). The drawdown on this loan is conditional upon the Group obtaining the necessary bank guarantees to counter-guarantee the transaction.

In this regard, given the degree of implementation of the Graviola and Araxá and Pedranópolis projects (with financing in similar conditions for a combined amount of up to 385,000 thousand Brazilian reais), the requirements for the issuance of said guarantees have not been met in any of the projects and, therefore, the Group had not drawn down said financing at 31 December 2021, although the directors expect that it will be released in 2022.

3.3 ANALYSIS OF CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET TRANSACTIONS

Note 8 to the consolidated financial statements for the year ended 31 December 2021 detailed the contractual lease obligations assumed by the Group. We lease different assets, including land and assets, and the remaining assets subject to leases.

Note 13 to the consolidated financial statements includes off-balance sheet transactions, which correspond to securities and pledged guarantees.

MAIN RISKS AND UNCERTAINTIES

The Group is committed to risk management. Risks are assessed and dealt with through the Risk Management Department. Proper risk management is key to the Group's responsible growth and the maintenance of its leadership position in the global photovoltaic energy market. Over the last year, Soltec has taken numerous measures to professionalise this area of management and to ensure that all relevant risks and opportunities are properly managed.

Risk management is inherent in all of Soltec's processes and, in this regard, the Company has set up a three-line risk management model.

The first line is the daily monitoring and control of the risks carried out by all the departments with the support of policies and procedures specific to their activity.

Additionally, in a second line, there is the aforementioned risk management department, with periodic committees, which carry out an effective monitoring and systematisation of the activity.

Finally, as a third line, there is an internal audit department to ensure the proper functioning of the Group's companies, and to provide independent objective advice to the Risk Department.

This Internal Audit Department not only considers financial aspects, but it also defines the scope of each audit based on the risk assessment carried out in the planning phase, considering both financial and operational risks (Logistics, Purchasing, Human Resources, Projects). Throughout 2021, the strategy for the operation of the department was launched, as well as the execution of the audit plan planned for the 2021 financial year approved by the Audit Committee.

In risk management, the Group has opted for a systematisation that allows the entire organisation to carry out appropriate effective management from the first line of risk management.

The risks are classified into operational, strategic, regulatory risks and financial risks.

3.3.1 OPERATIONAL, STRATEGIC AND REGULATORY RISKS

The operational risks that affect us are detailed below:

Main risks and management strategies	
Identified risk	*Risk management strategies*
Operating risks	
Uncertainty associated with the demand for products and services in a changing and pandemic-affected environment.	Sizing of resources to address all delayed projects during 2021 Commercial follow-up to main clients. Prospecting for new clients. Follow-up on opportunities for regulatory changes and budget allocation. Local presence in key countries.
Potential problems arising from natural disasters	Transfer to the insurance market. Transfer of ownership and risk to customers. Local presence in key countries.

Potential problems resulting from system failures and/or power outages	Diversification of suppliers both in terms of companies and geographically. Local presence in key countries. Transfer to the insurance market.
Strategic risks	
Difficulties in adapting to different regulatory environments	Local presence in key countries. Local legal and tax advice. Follow-up of local design regulation updates. Transfer to the client with regulation of law change clauses and variations.
Political and social instabilities	Local presence in key countries. Local legal and tax advice. Transfer to the insurance market. Travel policy with follow-up of the situation in each country.
Growing competitiveness of the industry	Investment in R&D&I. New products. Study of synergies and new lines of business. Continuous improvement systems. Local presence in key countries. Agreements with key players in the industry
Reduction of solar tracker prices	Local presence in key countries. Supplier price optimization. Design optimization through investment in R&D&I. Establishment of framework agreements with suppliers. Monitoring the fluctuation of the price of raw materials.
Security of information linked to product R&D	ISO 27001 Certification. Designation of a safety officer. Implementation of access control at the headquarters. Conducting a security audit. Non-competition covenants on key personnel.
Regulatory risks	
Adaptation to potential regulatory changes	Local presence in key countries. Local legal and tax advice. Follow-up of local design regulation updates. Transfer to the client with regulation of law change clauses and variations.
Potential non-compliance at the operational level	Local presence in key countries. Local legal and tax advice. Follow-up of local design regulation updates.

	Transfer to the client with regulation of law change clauses and variations. Requirement of clear project specifications to clients.

UNCERTAINTY IN THE RENEWABLE ENERGY MARKET

In general terms, the solar energy market is still developing, and the demand expectations for products and services related to this energy are uncertain. In recent years, demand in Europe has increased, as well as in other regions such as the United States, China, India and emerging markets in Latin America, Asia and Africa. However, it cannot be assured that this positive trend will continue indefinitely. Additionally, this changing environment is also affected by the pandemic situation.

Among the main mitigation measures for this risk, the following can be mentioned: dimensioning of resources to deal with all delayed projects in 2021; commercial follow-up of main customers; prospecting of new customers; monitoring of opportunities due to regulatory changes and budget allocation and a local presence in key countries.

INTERRUPTION OR CESSATION OF OPERATIONS

We also face a business interruption or operational risk. Our normal operations can be affected by supply interruptions, systems failures or natural disasters.

Among the main mitigation measures for this risk, the following can be mentioned: transfer to the insurance market; transfer of ownership and risk to customers; local presence in key countries; and supplier diversification both in companies and geographically.

ADAPTATION DIFFICULTIES

Our activities are carried out in numerous countries spread all over the world. Our goal is to extend our market share in those markets in which we already operate and to penetrate new countries in the future. As a consequence, there are numerous risks that arise from having operations spread over different geographical areas, such as political, legal, employment and tax risks, which could have a material adverse impact on the business, its financial conditions, results and future prospects. These risks include, among others, the adaptation to the regulations of each country and the legislative changes that occur, the absence and/or derogation of treaties or favourable agreements with the local or political authorities of each country and economic, political or social tensions.

Among the main mitigation measures for this risk, the following can be mentioned: local presence in key countries; local legal and tax advice; monitoring of updates to local design regulations; and transfer to the customer with regulation of change of law clauses and variations.

GROWING COMPETITIVENESS

Growing competitiveness in the solar tracker industry has caused a decrease in prices in recent years, at a global level, which has significantly affected our business. In particular, the unitary price of solar trackers has been progressively declining. The drop in prices is also due to the action of governments, which are imposing trade barriers for solar products and the continuous reduction of financial support for the solar industry in those countries in which we have subsidiaries, such as the United States.

Also, in this highly competitive market, some of our competitors have greater experience or recognition, access to a larger customer base or resources, and to economies of scale. In addition, there is a potential risk that new competitors or alliances between already existing ones will emerge, allowing them to gain a significant market share.

Among the main mitigation measures for this risk, the following can be mentioned: design optimisation through investment in R&D&i.; new products; study of synergies and new lines of business; continuous improvement systems; local presence in key countries; agreements with key players within the industry; supplier price optimisation; establishment of framework agreements with suppliers; and monitoring of the fluctuation in raw material prices.

INTERRUPTION OR CESSATION OF OPERATIONS

We also face a business interruption or operational risk. Our normal operations can be affected by supply interruptions, systems failures or natural disasters. For this reason, we have insurance policies to cover ourselves against this type of damage; however, they could cause significant damage to our results and future operations.

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

Since our creation, we have invested in the research and development of new products and services. This has allowed us to occupy an advantageous position with respect to our competitors, which we must preserve through significant investments in the protection of our intellectual property. Intellectual property rights grant only limited protection, so the actions that we take to protect these rights must be adequate, otherwise our competitive advantage could be threatened.

Among the main mitigation measures for this risk, the following can be mentioned: ISO 27001 certification; appointment of a security manager; implementation of access control at the headquarters; conducting a security audit; and non-compete agreements on key personnel.

REGULATORY NON-COMPLIANCE

We are subject to extensive environmental, health and safety regulations, as well as political, social, environmental and community actions. Failure to do so could result in adverse publicity for the Group and potentially significant monetary damage, including the suspension or cessation of business operations. Consequently, we invest a lot of effort in ensuring compliance with all regulations and actions concerned.

In addition, we are subject to numerous international, community, national, regional and local laws, regulations and policies in the markets in which we operate. Any modification of the current regulations could present technical, regulatory and economic barriers, which could significantly reduce the demand for products and services.

Among the main mitigation measures for this risk, the following can be mentioned: local presence in key countries; local legal and tax advice; monitoring of updates to local design regulations; transfer to the customer with regulation of change of law clauses and variations; and clear project specifications requirements for customers.

COVID-19 RISK

Despite the advances in virus prevention techniques, in particular with the success demonstrated by the vaccine, due to the uncertainties regarding the potential effects of this extraordinary health emergency in the future, the consequences of COVID-19 for the Group's operations are uncertain and will depend to a large extent on the evolution of the vaccination plan established by the various governments worldwide and the evolution of the pandemic in the coming months. Therefore, at the date of preparation of these consolidated financial statements, the potential impact on the Group in the coming months is uncertain and it is not possible to reliably assess the consequences for the Group's future operations and its ability to recover the value of its assets in the short term.

However, the Group's management has made an assessment with the best information available of the economic, social and employment impacts of the COVID-19 pandemic on the Group to date, analysing the effects and possible consequences in 2022, despite the current uncertainty as to its consequences, also considering the uncertainty due to the war described in point 9.

3.3.2 FINANCIAL RISKS

The main risks related to our financial position that affect us are detailed below:

MARKET RISK

The existence of bank borrowings tied to variable interest rates on part of the financial debt means that the Company is subject to the risk of interest rate fluctuations, which directly affect the business's income statement and cash flow generation.

Every year a business model is drawn up that establishes a 3-year forecast of how the main financial figures will behave, based on the business outlook, reviewed with the rest of the company's departments.

From this year, it is possible to observe how cash, the Company's main financial ratios and sales will evolve, among others, and that is why it serves to draw the Company's long-term financing needs, to facilitate the business's success.

Financing structure. Industrial segment

Due to the nature of the company's business model, as long as we are able to achieve a balance between the forms of payment to suppliers and the forms of collection from our customers, a very high financing structure should not be necessary, even more so as we achieve greater size and solvency ratios, at which point its negotiating capacity with both customers and suppliers will be greater. This is possible because the company does not require intensive investment in non-current assets. In view of the above, the Parent of the tracker installation and supply segment, Soltec Energías Renovables, S.L.U., contracts and manages the Group's financing because (i) it has the greatest solvency and can therefore obtain the highest amount at the best price, (ii) the Group's ownership and senior management are located in Spain, in addition to the specialised technical and financial team, and (iii) the Group has a relationship of mutual knowledge and trust with Spanish banks, which is financed in euros with the European Central Bank. The financing is in euros because (i) it is the Company's functional currency, (ii) the macroeconomic environment means that the reference rates are negative, which makes debt servicing more attractive than in other currencies, and (iii) also because, as the Company was created in Spain, the main relationships to date have been with Spanish banks, which are able to offer financing in euros at more competitive prices. In relation to the interest rate risk implicit in the financing, we seek to minimize any relevant risk in each of the areas, although, as is currently the case, as long as the financing is through a credit line, where there is no certainty of the balances drawn down, hedging is not considered efficient in these circumstances. Lastly, it should be highlighted that the financing contracted by the Company has a time horizon of no more than three years and, therefore, interest rate fluctuations in the eurozone are not considered to be a highly significant risk. On 11 February 2021, the syndicated loan agreement was amended by novation as follows:

- ✓ Unrestricted tranche for a maximum amount of up to 10 million.
- ✓ Conditional drawdown tranche up to 80 million euros
- ✓ Guarantee line for a maximum amount of 110 million euros.
- ✓ Modification of the interest rate on the tranche drawn down to 2.5% adjustable by the result of the sustainability report.
- ✓ The amortization of the tranches is set for February 11, 2024.

The financial ratio is modified to NFD/Equity, which must be less than 1.5 throughout the life of the contract.

Financing structure. Project development segment

Within the development division, at the end of December 2021, bank debt was recognised at a variable rate that may have an effect on the Company's income statement in the event of variations in said rate. Currently, the bank debt maintained by this division can be considered operational, so that these resources have been applied mostly to finance the development costs incurred. As the photovoltaic solar plant development projects mature, project finance structures will be required with a longer-term debt life, which will increase the risks in the event of variations and will require the Company to define stricter financial policies.

FOREIGN EXCHANGE RISK

Our business is highly internationalized and therefore subject to the influence of several currencies. Within these currencies, the US dollar, the Chilean peso and the Brazilian real are particularly important. Exchange rate risk manifests itself differently in each of the Group's segments.

Industrial segment

Given the Group's strategy, which is highly focused on international business, both in terms of sales and purchases, and given that most of the costs of the head office are in euros, it is significantly exposed to exchange rate risk.

Exchange rate risk is generated in two ways:

a) Via projects.

A large part of sales are made in currencies other than the euro, which is why the policy is to hedge all relevant open positions, except for exceptions authorized by the financial management.

It should be remembered that, in some cases, due to the characteristics of the project, it is possible to offset the exchange rate risk by transferring the payment of certain services (salaries, purchases from local suppliers, etc.) to the currency in which they are received. This compensation can only be carried out after a detailed study of the cash flow of the projects carried out by the financial department.

b) By financing its subsidiaries.

International growth creates opportunities to create new subsidiaries in different countries. Although it is possible that these subsidiaries are born with specific projects to carry out, at the beginning it is usual that they require financing to start operating. For these needs, the parent company sends financing to its subsidiary, establishing amortization schedules for both capital and interest.

When the functional currency of the subsidiary is different from EUR, the parent company assumes the exchange rate risk, establishing such financing in the currency of the subsidiary, with exceptions at the discretion of the financial management.

The main tools used by the company are:

- Natural hedging, by minimising the use of different currencies for each project.

- Contracting derivatives to fix exchange rates through forward contracts.

At the end of December 2021, the Company has contracted exchange rate insurance for the sale of Brazilian reais, Chilean pesos and US dollars. These insurance policies are specifically designed to cover cash flows of projects under execution.

Project development segment

The Group's project development has an international presence, currently grouping projects in Latin America, with Brazil, and Europe, with projects in Spain and Italy.

In the development area, the greatest exchange rate risk arises from the investment in the Brazilian market. This exposure to changes in the exchange rate of the Brazilian real can affect us at different levels:

- Exposure of capital invested in companies with revenues in Brazilian reais.
- Debt pending payment to acquire photovoltaic solar plants. The outstanding debt for the acquisition of the ownership interest in these companies is denominated in Brazilian reals and, although it does not have an immediate effect on the income statement, it is reflected in the value of the ownership interest and may affect future results.

Although development costs are incurred in local currency, the financing from the parent company to the subsidiaries is being carried out in euros and may be impacted by changes in the exchange rate against the euro.

During the first half of 2021 exposure to other currencies such as the US dollar has not been relevant.

At 31 December 2021, no exchange rate hedging instruments were arranged by the implementation segment. That said, we are constantly monitoring the evolution of exchange rates and we are studying the implementation of the best tools to mitigate exchange rate risk and its possible future effects on the income statement.

PRICE RISK OF FINANCIAL INSTRUMENTS

Exposure to equity security price risk tends to be nil as there are no investments held by the Group that are classified in the consolidated balance sheet as available-for-sale or at fair value through profit or loss.

COMMODITY PRICE RISK

Within the industrial segment and given the renewable nature of the Group's tracker supply business, there was no exposure to the price of raw materials used in the production process, since during the negotiation of projects, variations in raw material prices are directly passed on to projects, and when the projects are signed, purchases of the necessary raw materials are made to order, thereby locking in the raw material price structure for the project in question.

CREDIT RISK

Note 10.1.2.i to the consolidated financial statements shows the balances of Trade and other receivables. Also, Note 10.1.2.ii to the consolidated financial statements related to the balances of Cash and cash equivalents.

The credit risk arising from cash and cash equivalents and deposits with banks and financial institutions is considered to be significant due to its weight within the asset items. In order to mitigate the credit risk of the industrial business, credit insurance has been taken out and, as part of the Group's financial policy, all projects are subject to strict financial control as a mandatory filter to sign projects.

In addition, the structure of the syndicated loan requires us to enter into contracts with companies with a BBB- rating with the main credit agencies, or fully covered by the credit insurer.

The Group's exposure to credit risk and the aggregate of the solvency valuations of its debtors is monitored on a regular basis. Individual credit limits, hedges granted by letters of credit and excesses or, where applicable, credits granted to debtors not covered by letters of credit are analyzed and approved by the general management, based on the amounts and risks involved in each decision.

The credit risk of liquid funds and fixed-term deposits maturing in the short term is limited because the counterparties are banks that have been assigned high ratings by international credit rating agencies.

LIQUIDITY RISK

Liquidity risk has been dealt with extensively in point 3, in which the Group's financial situation is detailed.

RISK OF CHANGE IN THE GROUP'S PERFORMANCE

In 2021, the Group incurred losses of 1,167 thousand euros, due to the performance of the industrial segment. Despite having generated losses in the year, the Group had a negative working capital amounting to 16,769 thousand euros, basically as a result of the cash outflow for payment in investment activities, mostly represented in fixed assets in progress that arose in 2021, written in Notes 6 and 7 to the condensed consolidated interim financial statements.

The losses reported at 31 December 2021 are mainly explained (i) by the increase in transportation costs and, to a lesser extent, in the main raw materials (see Note 3.4) and (iii) by the increase in subcontracting costs. Lastly, it should be noted that the Group's directors and management are constantly monitoring the evolution of the situation in order to successfully deal with any possible impacts resulting from COVID-19 and the global disruptions and impacts, both financial and non-financial, that may arise.

CLIMATE CHANGE MANAGEMENT RISK

The Group is fully committed to respecting and caring for the environment and it is aware of the commitment that it makes to its customers and to society in general, leading to constant and recurring work to minimise the impact of its activities thereon. In this regard, it has developed a series of internal mechanisms that lay the foundations for its commitment to the environment, notably the quality, environment and health and safety management system stands out as a central framework, as well as the existence of a specific department in health, safety and environmental matters that supervises compliance with all environmental measures.

Likewise, the Group is committed to the fight against climate change, proposing to be a long-term greenhouse gas (GHG) neutral company, with a progressive reduction in emissions being planned in the short and medium term. To this end, in the case of Spain, the Group only works with electricity suppliers with an electricity mix that do not generate CO2 or other GHG emissions due to their electricity consumption, and it undertakes not to vary this selection criterion. In addition, from the paradigm of sustainability, the Group undertakes to progressively reduce its electricity consumption, carrying out control campaigns, raising awareness, changing equipment for more efficient items, with the replacement of less efficient items planned in the medium term, etc. Furthermore, in Spain, the Group has implemented a plan to reduce its carbon footprint, in which its emissions are continuously monitored, and it undertakes to reduce them year after year. It is worth mentioning that the carbon footprint generated by the Group is very small, considering the size of the organisation, but even so, the Soltec Group seeks excellence with even lower levels of emissions, and it is committed to achieving it.

Currently, the Group is identifying the relevant activities and metrics related to emissions with a scope corresponding to other indirect emissions including, among other aspects, work trips through external means, the transportation of raw materials and of products produced by third parties. For the management and coordination of all the Group's environmental actions, linked to the design, manufacture and assembly of solar trackers, the environmental management system implemented at the Group's sites in Spain, Mexico, Brazil and Chile is periodically monitored, based on the ISO-14001:2015.

In addition, to carry out the strategic planning of the environmental management system, the Group's Health and Safety and Environment Department, hereinafter HSE, is responsible for identifying those environmental aspects and determining the different areas that may have a significant impact on the environment. Within the Group's processes, not only the internal processes for the environmental management of the organisation itself should be highlighted, but also the environmental management plans designed for their implementation in the solar tracker installation projects, adapted to the specific environmental legislation in the different countries in which they are carried out.

To identify the main impacts and risks in the environmental area, the different stages of the life cycle of the Group's products and services are taken into consideration. The main environmental risks to be taken into account by the Group are the use of raw materials, the generation of waste, noise pollution and atmospheric emissions derived from energy consumption. As a result of the environmental management plan and the main risks identified, environmental monitoring plans are drawn up for the projects, the objective of which is to establish a mechanism that ensures, at the same time, compliance with the proposed protective and corrective measures and the detection of unforeseen alterations. As one more line of environmental risk control, the control of the applicable legal requirements is implemented at international, state, regional and local levels, thanks to which during the period covered by this non-financial information statement, no significant breaches occurred. Additionally, periodic internal audits are carried out by the Health and Safety and Environment Department, the scope of which covers both the central offices and subsidiaries, as well as the design, manufacturing and installation projects of solar trackers in progress.

Finally, it is worth mentioning the awareness and training actions carried out for all Group employees, whose objective is to make them aware of the importance of saving resources in their work environment and of reducing the environmental impacts derived from daily activities to help reduce their ecological footprint. In this context, the Group's manual of good environmental practices serves as a basis for the training and awareness of its employees.

4. INFORMATION ON THE FORESEEABLE PERFORMANCE OF THE GROUP

Last September, the Company published an update of its forecasts for the end of the 2021 financial year as a result of the business review carried out by the Company. The Board of Directors agreed to report on the statements on forecasts and estimates for the 2021 financial year, as detailed below:

- Soltec Industrial:
    - Revenue 2021: Range from €395 Mn to €440 Mn.
    - EBITDA margin: Range from (1%) to +1%.
- Powertis:
    - 2021 pipeline: 10,000 MW.
    - MW rotated in 2021: Range from 600 MW to 1,000 MW.

The statements about forecasts, in the case of the industrial division, were motivated by the significant changes that are taking place at post-pandemic global level , temporarily affecting the conditions of international logistics, the cost and availability of resources of personnel, as well as the production of electronic components.

In the case of the business development division (Powertis), we updated our forecast for (total or partial) turnover of assets due to the opportunity cost of rotating projects under development in early stages, in the current context.

At the end of 2021, all forecasts were met, except for the EBITDA range for the Industrial segment.

The Company has implemented decisive measures to strengthen the business and mitigate the impact of disruptions, intensifying efforts to achieve sustainable profitability in the coming quarters.

Regarding the medium/long-term performance forecast, we have a growth perspective based on five fundamental pillars: investment in innovation, lasting agreements, geographical expansion, commitment to sustainability, financing and integration. These are described below.

First, we will invest and work hard to develop differentiated technology that provides customers with a better standardized cost of energy and increased production. This requires a strong commitment to innovation in the products and services offered, which will allow us to maintain our leading position in the sector. Investment in R&D&I is an essential lever for the sustainable development of the business, which is why we expect to continue making investments that will allow us to develop our business in a favorable way, adding value to our competitive advantages over our competitors.

Secondly, in this quest for growth, we will focus on strengthening long-term agreements with key players in the industry, whom we consider to be partners in our growth. We understand that alliances with key customers and suppliers in the photovoltaic industry (both locally and internationally) are a priority in order to establish lasting relationships that will strengthen our pipeline and help us achieve our objectives. One of our key customers is Enel, whose relevance in the energy market is one of the most significant in the world. We also have agreements with other important players: utilities, construction companies and independent power generators. As far as suppliers are concerned, we are aware of the importance of maintaining a relationship of trust, which is fundamental when negotiating with them. This trust allows us to sign framework agreements that lead us to reduce costs, increase efficiency and communication, mitigate price volatility, consolidate the supply chain, outsource ordinary activities that generate little value for the Group, and promote continuous business improvement.

Thirdly, there is a commitment to maintain and even implement our stable presence in the key industry markets in which we operate, so that we are able to identify and capture as much market share as possible. Consequently, we have established an international network of subsidiaries, seeking potential investments for business expansion in other currently growing markets.

In addition to seeking a stable presence in key markets, we also seek to offer solutions to our customers wherever they set up shop. We demonstrate this commitment by establishing long-lasting ties with them, while acquiring experience and knowledge of new markets and diversifying our presence.

Fourth, we seek to strengthen our financial position in order to be able to keep pace with the expected growth of the PV industry. We must not at any time neglect our financing needs and leverage structure in order to be able to maintain our position in a highly competitive market.

Fifth, we aim to continue to focus on vertical integration in the business value chain, with the goal of achieving ever higher margins. Given that prices and margins in the photovoltaic industry are on a downward trend due to increasing competition and growing operating volumes, it is reasonable to focus on vertical integration that allows us to offer a wider range of services to potential end customers, while at the same time achieving profit throughout the value chain.

The photovoltaic industry currently has too many intermediaries that provide little added value. Our commitment to vertical integration will enable the Group to provide greater value to the end customer than is currently provided by the various intermediaries acting separately along the value chain. In addition, we will be able to generate differentiating factors from our competitors and capture additional margins, while creating new barriers to entry. This will diversify the Group's activity, reducing exposure to the risk of a single market, that of the trackers, and acquiring knowledge of the entire industry. It also creates synergies and reduces the degree of uncertainty as all activities are carried out by the same entity.

The outlook for the business remains unchanged in the medium/long term, despite the temporary changes, as can be seen in the IHS Markit "Global PV Tracker Market Report: 2021", in which it is estimated that more than 300 GW of solar trackers will be installed between 2021 and 2025. The potential for renewable energies and, specifically, for photovoltaic energy, continues to be a reality at global level.

In conclusion, our growth prospects for the coming years are based on the following pillars: investment in innovation, long-term agreements with strategic partners, geographic expansion, sustainability, financing and integration. Although these pillars indicate the direction of the Group's progress and investment, it should be borne in mind that there are a number of variables of a different nature, over which we have no power of influence and which could significantly affect the development of our business. These variables are those of a macroeconomic, legal, political and social nature, which influence the performance of the market in which we operate, having a direct impact on its results.

5. R&D&I ACTIVITIES

Innovation is part of the Group's corporate culture, to which we have a strong commitment. This is what has allowed us to offer a product that stands out and has converted us into one of the leaders in the sector. Investment in R&D&i is an essential aspect for sustainable development and the investments that we make therein grow annually.

Innovation has always been a basic pillar of the development of Soltec as a group and has made it possible to boost business activity, generating competitive advantages for our products, converting Soltec into a technological benchmark in the sector, being a company that has set trends in relation to technical solutions to create monitoring systems in order to maximise energy production.

Soltec Innovations was created to give this activity its own importance, improving its efficiency based on the use of new development techniques focused on new trends, to improve the speed of launching new innovative products according to the needs of the moment. and market circumstances.

2021 was a year in which the project's added value has been seen after the improvement contributed by the know-how in new technologies that set trends. The tools for valuing ideas in a wide range of technologies have assumed an important weight in the day-to-day running of the Company without neglecting investment in the development of finished products ready for sale. Along these lines, at the end of this year, work began on the creation of a Startup Incubator so that we can support ideas from small companies and good ideas, making it possible to launch products that would otherwise have a difficult time finding their place.

The Intellectual Property area has also increased its resources to make room for the protection of these new ideas or products, to have an exhaustive control in terms of the surveillance of our intellectual heritage. Soltec Innovations, in its short history of just under two years, has been able to protect more technologies than in the rest of the life of Soltec Renewable Energies, making clear the Management's decision to give this activity its own importance.

Likewise, Soltec, displaying its long experience in the development of photovoltaic facilities, has always considered that the improvement of the efficiency of the facilities passes, among other things, by a decisive investment in what is referred to as the integration of our flagship product. with other equipment included in the vertical energy production chain, such as inverters, DC evacuation lines, panels, etc., launching agreements with various suppliers of these components and seeking economic efficiency and an increase in overall versatility, so that all the components are created or adapted with said wholeness in mind.

Also, battery accumulation systems and the integration of technologies such as machine learning, Big data, etc. have gained special significance and continue to grow, which is why Soltec Innovations and the Group have invested efforts and resources to learn about the state of the art of the aforementioned technologies and to begin to develop adapted products to provide versatility and added value to the products that we sell.

Likewise, the Group, encompassed within the renewable energy sector, has made a very decisive commitment to penetrate the development of products within other renewable energy sectors, such as the production of Green Hydrogen, signing agreements with different public entities and private companies, the creation of associations in order to once again be an active participant, invigorating these clearly growing sectors.

Another of the pillars to be able to organise this project is the aid and subsidies related to this sector. The Intellectual Property discipline continuously monitors the different forums in which such aid is available, and has launched several projects for their assessment by different official bodies

Additionally, 2021 was the year of completion of the R&D project with significant relevance for the Group. The SFOne tracker has meant a significant improvement in the solar tracker market, updating the latest model that we had available on the market. This new system is already being implemented in several national and international projects

6. ACQUISITION AND DISPOSAL OF OWN SHARES

At 31 December 2021, the share capital of Soltec Power Holding S.A. amounted to 22,847 thousand euros, represented by 91,387 thousand shares of 0.25 euros par value each, which had been fully subscribed.

All of the Parent's shares are admitted to public trading and are officially listed on the Barcelona, Bilbao, Madrid and Valencia stock exchanges. The share price at 31 December 2021 and the average share price in the last quarter were 6.19 euros and 6.84 euros per share, respectively. The price at the close of 31 December suffered a decline of 7.01 points compared to 31 December 2020, trading at 13.2 euros.

In 2021, the Parent purchased 567,908 treasury shares, meaning that at 31 December 2021, it held treasury shares amounting to 4,632 thousand euros.

The movement during the 2021 financial year was as follows:

Own shares	Number of shares	% of capital	Thousands of euros
Balance at 31 December 2020	-	-	-
Additions	567,908	0.48%	4,632
Balance at 31 December 2021	**567,908**	**0.48%**	**4,632**

Volumes traded 31/12/2021	No. of shares	Cash
Absolute	60,147,331	550,330,989
Average	234,951	2,149,730

7. DIVIDEND POLICY

In the short term, we intend to reinvest cash generation in the development of new projects and in the execution of the business plan and no dividends will be distributed. Later, the dividend policy will be reassessed and their payment will be based, among other aspects, on financial performance and business projections. Dividend payment expectations, business performance and market conditions are subject to numerous assumptions, risks and uncertainties that are not within our control. The payment of dividends will be proposed by the directors and shall be approved by the General Shareholders' Meeting.

The ability to distribute dividends will depend on various factors including, among others, the amount of distributable profits and reserves, the investment plan, benefits, level of profitability, generation of cash flows and the fulfilment of obligations to do and not to do established in debt instrument contracts.

8. CORPORATE SOCIAL RESPONSIBILITY

8.1 COLLABORATION WITH SOCIETY

SOCIETY

For Soltec Power Holdings, sustainability is understood to be permanence over time, and to achieve it, it is necessary to respond to the expectations of society and the people surrounding the Group. For this reason, the Group pursues economic, environmental and social goals in equal measure.

The Group is committed to the fact that the activity it carries out has a positive impact on the society in which it operates, establishing a good relationship with the environment through various active initiatives for the constant search of these goals that are so important today.

Soltec Power Holdings is committed to all that being socially responsible entails. The activity takes place in an environment that must be respected, in a society to which a large part of what is given each day must be returned, and in a state to which taxes and contributions must be contributed.

The first objective focuses on customer satisfaction, based on the following priorities: (i) the achievement and fulfilment of the specific and temporary expectations raised by the customers, and (ii) the guarantee that said expectations will be adapted to the new demands that both the market and the customers may demand in the future; it is, therefore, a commitment to continuous quality improvement.

With a firm commitment to renewable energies and the environment, Soltec Power Holdings is committed to product development and research to offer cutting-edge technology in the sector, minimising the environmental impact as much as possible while, at the same time, committing to the development of local economies.

This is why the Group highlights the creation of value and the contribution to the well-being of the communities as the main objective of sustainability, which it achieves through actions, such as the creation of employment opportunities and the training of local workers, the carrying out of community training activities or the promotion of collaboration to contribute to the satisfaction of other existing needs in the environment. In addition, Soltec Power Holdings offers long-term hiring opportunities to those workers who have demonstrated a better performance after completing projects in said community.

The Group is fully aware of the socioeconomic development of all the areas in which it is positioned. The commitment to hiring local employment is real, especially when they are in areas depressed by unemployment or other social disasters.

As a consequence of the current health and economic crisis derived from COVID-19, the Group has allocated relevant resources to food banks, with its employees actively collaborating in the Jesús Abandonado dining rooms, and to entities that have needed protective equipment, masks, etc.

Additionally, education is a fundamental pillar in its commitment to local communities. The Group provides theoretical/practical training courses in the communities in which it is based, not only in renewable energies, but also in other trades that can benefit the group it is addressing. These courses are free for local personnel who generally come from very depressed areas due to unemployment, without the possibility of accessing the employment market due to a lack of specific training.

This training is especially valued in developing countries, where unemployment is very high. In this context, training can allow them to significantly improve their quality of life.

Social projects are also developed, in line with the needs of each place, highlighting the Group's commitment and solidarity with people in need by collecting and donating toys to different non-governmental organisations worldwide.

Soltec Power Holdings has a global volunteer service, through which it participates in campaigns aimed at the conservation of flora and fauna, among others, of the communities in which it operates, participating in activities such as the reforestation of "La Asomada" together with ANSE (Association of Naturalists of the Southeast), a project in which a vegetable space has been planted comprising 500 native trees and shrubs from the Region of Murcia. Along these same lines, during the current financial year, the "Irrigate and take care of the Ribera Soltec" initiative was created together with ANSE, through which the protected area located on the banks of the Segura River in Murcia has been maintained, in which 230 trees of different species were planted.

Another example of the Group's involvement in environmental conservation is reflected in campaigns such as "La Mar de Soles", whose second edition has taken place in the current year (the first edition was in 2019, while in 2020 it was cancelled due to the pandemic), which promotes the cleaning of Mediterranean beaches, or the "Solsiembra" campaign, through which volunteers are given the opportunity to learn to plant, sow, weed, compost, harvest in suitable times and much more about working with plants.

ASSOCIATIONS AND SPONSORSHIPS

Aware of the social responsibility that the Group has as an organisation, all means are provided to guarantee the integrity of employees and collaborators.

Soltec Power Holdings participates and collaborates with the community by promoting sports, cultural and solidarity activities. The Group encourages social contribution thanks to collaboration initiatives with non-profit groups or entities with the commitment to assess the potential impacts and inherent risks of the activity that may affect society.

Among the aforementioned actions, it is worth highlighting the initiative set out by the Group for the current financial year to bet on sports, increasing the sponsorship of sporting activities, including the sponsorship of the Soltec Cycling Team, the sponsorship of the Ciudad Molina Basketball team and the sponsorship of the Alcayna-Altorreal cycling club, among others. In addition to its support for sporting actions, during the current year, the Group has participated in a significant number of cultural and sustainable activities, most notably:

Energy snacks: initiative promoted by Soltec in conjunction with the Murcia Red Cross, through which a daily nutritious snack is provided to 75 children in the region at risk of social exclusion.

"Your rights at stake" campaign: for the last two years, Soltec has been committed to collecting new toys after the holidays, to donate them to the Red Cross's children's programme.

"Energy for all" campaign: Soltec collaborates with the Segura Food Bank, through the donation of groceries and basic necessities aimed at combating the precarious situation in which many families live.

2nd Edition "Employeah Soltec": On the occasion of Soltec Worker's Day, with the collaboration of the MEMPLEO Association (Molina del Segura entity that ensures the integration of people with mental health problems), the Company surprised its team at the Murcia offices with a Food Truck of handmade sweets made by the aforementioned Association.

In relation to the associations in which the Group actively participates, the following can be highlighted, among others:

- ✓ UNEF (Spanish Photovoltaic Union)
- ✓ APPA (Spanish Association of Renewable Energies)
- ✓ SEIA (Solar Energy Industries Association)
- ✓ MESIA (Middle East Solar Industry Association)
- ✓ SEPA (Smart Electric Power Alliance)
- ✓ AREMUR (Murcia Business Association of Renewable Energies and Energy Saving)
- ✓ FREMM (Murcia Regional Federation of Metal Entrepreneurs)
- ✓ RES4Africa (Renewable Energy Solutions for Africa)
- ✓ ABSOLAR (Brazilian Photovoltaic Solar Energy Association)
- ✓ Solar Power Europe
- ✓ Future Electricity

- ✓ ENTER Aggregation and Flexibility
- ✓ SECARTYS
- ✓ ENAE (Murcia Business University Foundation)
- ✓ ASECOM (El Segura Association of Entrepreneurs and Traders)
- ✓ AERCE (Spanish Professional Association of Purchases, Contracts and Supplies)
- ✓ CETENMA (Energy and Environment Technological Centre)
- ✓ APD (Association for Management Progress)
- ✓ CSR CHAIR University of Murcia

Donations by Soltec Power Holdings in 2021 and 2010 totalled seven thousand and thirty-six thousand euros, respectively, including those made to food banks, the Women of the UN programme, the Ronald McDonald Foundation or the Mums in Action programme promoted by the ENAE (Murcia Business School).

8.2 COMMITMENT TO THE MOST DISADVANTAGED GROUPS

Based on the commitments with disadvantaged groups, we carry out integration and solidarity actions with the communities close to the action areas in which projects are developed or in which the Company's different subsidiaries are located. Thus, we are committed to the integration of women in the most disadvantaged areas, through education and training programmes, so that they can work at the Company's different plants and thereby contribute to their full incorporation into society.

Groups of people with disabilities also form part of these considerations by the Company and are an active part in the installation and development of several of our projects. Accordingly, we contribute to the creation of a fairer and more integrated society that confirms the Company's values of equality and integration.

In addition to contributing to integration in the Company's projects, we are also committed to working with the communities near the Company's areas of action in solidarity actions of different durations. Hence, we contribute with specific actions (as a result of natural disasters, commemoration of certain dates, etc.), and with ongoing projects.

8.3 COMMITMENT TO INNOVATION AND JOB CREATION

We make a constant effort to innovate and improve our equipment, a commitment that has been certified and acknowledged with international prizes and awards.

We are committed, not only to generating employment in the areas close to the projects in which it has to be in charge of installing the plants, but also to seeking agreements with local authorities to promote employment and thus support rural areas. During the installation and maintenance of photovoltaic plants, we always seek to hire specialised personnel from nearby areas. To this end, we are also committed to the training and qualification of staff.

Through training programmes, both in the projects and at the Company's subsidiaries, we guarantee quality employment and the ongoing training of employees. Therefore, we contribute to society in general and to the professional training of employees who are part of the Company.

8.4 RESPONSIBLE AND TRANSPARENT COMMUNICATION

In accordance with our code of ethics, we abide by the criteria of transparency and integrity with regard to our projects and dealings with the worker. In our firm commitment to transparency in our communications, we keep the internal communication channel fully active with our team members. In this way, the importance of transparency and access to information by the people who are part of the Company is prioritised.

Similarly, abroad, we provide clear transparent communication through our website, updates on our multiple networks and the different communications in the press from the Company, as well as with the financial market, through the Investor Relations department.

The different stakeholders demand increasingly greater responsibility from the organisations with which they interact and are capable of conditioning the results and their long-term sustainability with their decisions. Soltec Power Holdings consolidates its commitment to an open continuous dialogue with its stakeholders to contribute value to them through an open and participatory approach.

By promoting this dialogue in its business strategy, the following benefits occur: 1. Improvement of Company reputation and trustworthiness 2. Improvement of risk management and the opportunities derived from the identification of key issues for the organisation. 3. Development of innovation processes that favour new business opportunities.

Stakeholders are an important pillar in the success of the organisation and, therefore, Soltec continually strives to achieve an effective commitment to elicit their significant input and concerns. It seeks to build and develop transparent solutions based on trust with all stakeholders, respecting their points of view, key expectations and concerns. All this ultimately generates value creation for the Company. Analysing, evaluating and responding to the opinions and concerns expressed by our stakeholders is crucial at Soltec Power Holdings. Stakeholders and existing communication channels with them:

Clientes	Proveedores	Mercado Financiero
Sociedad	Empleados	Regulador

Customers:

- Telephone / Email / Website
- Fairs and conferences
- Instant messaging

- Social media
- Videoconferences
- Product and Innovation Committees
- Frequent meetings
- Jira ticket system "

Suppliers:

- Private and/or public tenders
- Fairs / Congresses / Conferences
- Telephone / Email / Website
- Jira system
- Facility visits
- Interlocution with Purchasing Managers
- Homologation, negotiation and payment management processes.

Society:

- Telephone / Email / Website
- Conferences
- Social dialogues
- Media
- Social media
- Meetings of the ESG Committee and the Sustainability Committee
- Ad-hoc enquiries

employees

- Formal and informal meetings
- Telephone / Email / Website
- Solnews
- Yemmer and Jira
- Instant messaging
- Social media
- Videoconferences

Regulator

- Telephone/ Email/ Web
- Notifications
- Investor Relations

Financial markets

- Shareholders' Meeting
- Shareholder/investor service
- One-on-one meetings
- Corporate Access
- Shareholders' website
- Webinars
- CNMV communications
    - Soltec financial publications

8.5 SUSTAINABILITY AND RESPECT FOR THE ENVIRONMENT

As a core activity devoted to photovoltaic solar energy, respect for the environment and sustainability are part of our DNA.

In addition to basing our activity on renewable energy, we constantly carry out awareness-raising campaigns to care for the environment and energy resources.

9. SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

On 24 February 2022, a war broke out between Russia and Ukraine, with uncertain geopolitical consequences worldwide in the short, medium or long term. Such event, based on preliminary analyses, could cause, among others, delays in the supply chain due to problems at factories, delays in logistics services, difficulties in accessing financing or significant fluctuations in the cost of raw materials, considerably hindering global economic and, therefore, national growth. Taking into account the complexity of the markets due to their globalisation and without information regarding the time horizon of said conflict, the consequences for the Group's operations are uncertain and will depend, to a large extent, on the evolution and extension of said conflict in the coming months, as well as on the reaction and adaptation capacity of all the affected economic players.

To date, the Group has managed to maintain its supply chain for its industrial segment and has been able to continue operating relatively normally for its project implementation segment, so there has currently been no drop in activity, nor is it expected to drop in the coming months, since the Group has signed contracts that are pending execution, as well as ongoing development projects. It should be noted that the Group does not carry out any activities in the countries in which the war is concentrated, consequently limiting the impact of its global consequences.

The Parent's directors have performed a preliminary assessment of the current situation, based on the best information available. Due to the aforementioned considerations, said information may be incomplete or inaccurate. From the results of this evaluation, the following aspects stand out:

- Liquidity risk:

  The general market situation could cause a general increase in liquidity tensions in the economy, as well as a contraction of the credit market. In this regard, the Group has the resources described in Note 10 above. In addition, at the date of preparation of these financial statements, the implementation segment had not yet drawn down certain loans arranged with Brazilian financial entities, pending the fulfilment of different milestones.

  The available resources, together with the new financing obtained and the implementation of specific plans to improve and efficiently manage liquidity, will allow, in the opinion of the Parent's directors, the Company to affront said tensions and to be able to continue with its business plan, scheduled for future years.

- Operational risk:

  The changing and unpredictable situation of events could lead to the appearance of a risk of temporary interruption in production/sales or, where appropriate, a specific break in the supply chain. For this reason, the Group has established working groups and specific procedures aimed at monitoring and managing the evolution of its operations at all times, to minimise its impact on its operations. Hence, protocols have been adopted and implemented to guarantee the monitoring of the conflict and the possible impacts on the Group's activity. At the date of these financial statements, the Group has continued with almost total normality to perform its operations, by maintaining export contracts with international customers and providing services for the essential electricity sector.

  In the opinion of the Parent's directors, it is not expected that its activities will be significantly affected by said conflict in the whole of the year. According to the assessment of Group activity by management in the first months of 2022 after the outbreak of the war, to date, the Group has been able to maintain the budgeted projects or backlog without significant delays in the collection of commercial accounts that could affect the

Group's liquidity and its operating cycle. Likewise, no significant delays have been observed in the supply of trackers by suppliers, following through with all contracts in force based on previously established conditions.

- Revenue recognition and credit risk:

  Group management also monitors the impact of this situation on the contracts already signed and its customers, in terms of the potential changes that may be caused in relation to these contracts (cancellations or changes in the estimates for revenue recognition), as well as the assessment of the recoverability of collection rights. In this regard, the Parent's directors consider that keeping a significant part of its accounts receivable insured (see Note 3.1), and that most of its customers belong to the electricity sector outside the zone of conflict will protect the Group from serious consequences. Likewise, it should be noted that the photovoltaic energy sector can gain significance as an alternative energy source, since the armed conflict can lead to complicated situations regarding other energy sources due to their dependence on Russia. Hence, despite the impact of the armed conflict, the war is not expected to have a significant impact on the Group's credit risk or on its revenue recognition.

- Impairment of assets:

  Taking into account all the aforementioned factors, and emphasising that the Group does not carry out any activities in the warring countries, and the information currently available, the Parent's management and directors have not made any material changes to the Group's future business plan and, therefore, they do not expect any material impact on the impairment of intangible assets, property, plant and equipment or on the recoverability of inventories. Likewise, they do not expect this to have a significant impact on the leases held by the Group and which, in accordance with IFRS 16, are recognized under the heading "Right-of -use".

- Risk of business continuity in the medium term:

  Taking into account all the aforementioned factors, the Parent's directors consider that it continues to be appropriate to apply the going concern principle.

Lastly, it should be noted that the Group's Board of Directors and management are constantly monitoring the evolution of the situation, to successfully deal with any possible impacts, both financial and non-financial, that may arise.

Likewise, there have been no additional material subsequent events, from 31 December 2021 to the date of preparation of these consolidated financial statements, that have not been appropriately disclosed in the notes above.

10. NON-FINANCIAL INFORMATION STATEMENT, ANNUAL CORPORATE GOVERNANCE REPORT AND ANNUAL REMUNERATION REPORT

For the purposes of article 538 of the Spanish Limited Liability Companies Law, it is hereby stated that the 2021 Non-Financial Information Statement, the Annual Corporate Governance Report and the Annual Remuneration Report form part of this Management Report.

Murcia 22 March 2022

ISSUER IDENTIFICATION DATA

End date of the reporting period: 31/12/2021

Tax number (CIF): A05556733

Company name:

SOLTEC POWER HOLDINGS, S.A.

Registered office:

(MOLINA DE SEGURA MURCIA)

A. OWNERSHIP STRUCTURE

A.1. Complete the table below on the share capital and voting rights attributed, including, where applicable, those corresponding to shares with loyalty voting rights, as at the financial year-end:

Indicate whether the company's articles of association contain a provision for double loyalty voting:

[ ] Yes
[√] No

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
27/10/2020	22,846,679.25	91,386,717	91,386,717

Indicate whether there are different classes of shares with different associated rights:

[ ] Yes
[√] No

A.2. List the direct and indirect holders of significant shareholdings at the financial year-end, including directors with significant shareholdings:

Name or company name of shareholder	% voting rights associated with shares		% voting rights through financial instruments		total % of voting rights
	Direct	Indirect	Direct	Indirect	
Mr JOSÉ FRANCISCO MORENO RIQUELME	0.00	42.27	0.00	0.00	42.27
Mr RAÚL MORALES TORRES	0.01	19.58	0.00	0.00	19.59
SCHROEDERS PLC	0.00	3.38	0.00	0.01	3.39
SWEDBANK ROBUR FONDER AB	3.00	0.00	0.00	0.00	3.00
SANTANDER ASSET MANAGEMENT, S.A., SGIIC	0.00	3.44	0.00	0.00	3.44
INVESCO LTD.	0.00	1.76	0.93	0.00	2.69

Details of the indirect shareholding:

Name or company name of the indirect shareholder	Name or company name of the direct shareholder	% voting rights associated with the shares	% voting rights through financial instruments	total % of voting rights
Mr JOSÉ FRANCISCO MORENO RIQUELME	GRUPO CORPORATIVO SEFRAN S.L.	42.27	0.00	42.27
Mr RAÚL MORALES TORRES	VALUETEAM S.L.	19.58	0.00	19.58
INVESCO LTD.	INVESCO CAPITAL MANAGEMENT LLC	2.69	0.00	2.69

Indicate the most significant changes in the shareholding structure over the year:

Most significant changes

•SWEDBANK ROBUR FONDER AB Purchase of shares above the company's "significant shareholding" threshold 24/03/2021 Total 3.004%

•INVESCO LTD. Purchase of shares above the company's "significant shareholding" threshold 23/03/2021 Total 2.463%
•INVESCO LTD. Changes its "significant stake" in the company on 28/10/2021 (3.018%), 24/11/2021 (3.082%), 08/12/2021 (2.993%) and 23/12/2021 (2.691%)

•SCHRODERS PLC Changes its "significant shareholding" in the company on 05/01/2021 (2.859%), 27/01/2021 (3.036%) and 28/01/2021 (3.388%)

A.3. Breakdown of shareholdings, irrespective of percentage, at year-end for directors holding voting rights associated with company shares or through financial instruments, excluding the directors identified in section A.2 above:

Name or company name of director	% voting rights attributed to shares		% voting rights through financial instruments		total % of voting rights	% voting rights which may be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr JOSÉ FRANCISCO MORALES TORRES	0.01	0.00	0.00	0.00	0.01	0.00	0.00

total % of voting rights held by members of the board of directors	19.60

Details of the indirect shareholding:

Name or company name of director	Name or company name of the direct shareholder	% voting rights attributed to shares	% voting rights through financial instruments	total % of voting rights	% voting rights which may be transferred through financial instruments
No data					

Breakdown of the total percentage of voting rights represented on the board:

total % of voting rights represented on the board of directors	61.87

The following significant shareholders are represented on the Board of Directors:

Mr Raúl Morales Torres Total 19.59%
Mr José Francisco Moreno Riquelme Total 42.27%

A.4. Indicate, where applicable, any family, commercial, contractual or corporate relationships between the significant shareholders, insofar as they are known to the company, unless they are of little relevance or derive from the ordinary course of business, except for those reported in section A.6:

Related name or company name	Type of relationship	Brief description
No data		

A.5. Indicate, where applicable, any relationships of a commercial, contractual or corporate nature that exist between the significant shareholders and the company and/or its group, unless they are of little relevance or derive from the ordinary course of business:

Related name or company name	Type of relationship	Brief description
Mr RAÚL MORALES TORRES	Corporate	Raúl Morales Torres is a significant shareholder and Chief Executive Officer and Chairman of the Board of Directors

A.6. Describe the relationships, unless of little relevance to both parties, that exist between the significant shareholders or shareholders represented on the board and the directors, or their proxies in the case of directors that are legal entities.

Explain, if applicable, how significant shareholders are represented. Specifically, those directors who have been appointed on behalf of significant shareholders, those whose appointment has been promoted by significant shareholders, or who are related to significant shareholders and/or entities of their group, with details provided as to the nature of such relationships, must be indicated. In particular, mention shall be made, where appropriate, of the existence, identity and position of board members, or representatives of directors, of the listed company who are also members of the board of directors, or their representatives, in companies that hold significant shareholdings in the listed company or in entities in the group of those significant shareholders:

Name or company name of director or representative related	Name or company name of the significant shareholder related	Company name of the company in the group of the significant shareholder	Relationship/position description
Mr RAÚL MORALES TORRES	Mr RAÚL MORALES TORRES	VALUETEAM S.L.	Mr Raúl Morales Torres holds 19.58% of the shares through his company Valueteam S.L. and 0.01% of the shares directly. Mr Morales Torres is also CEO and Chairman of the Board of Directors.
Mr JOSÉ FRANCISCO MORALES TORRES	Mr RAÚL MORALES TORRES	VALUETEAM S.L.	Mr José Francisco Morales Torres is a proprietary director representing the significant shareholder Mr Raúl Morales Torres. Raúl and José are brothers.
Ms MARINA MORENO DÓLERA	Mr JOSÉ FRANCISCO MORENO RIQUELME	GRUPO CORPORATIVO SEFRAN S.L.	Ms Marina Moreno Dólera is a proprietary director representing the significant shareholder Mr José Francisco Moreno Riquelme. Ms Moreno Dólera is the daughter of Mr José Francisco Moreno.
Mr MARCOS SÁEZ NICOLÁS	Mr JOSÉ FRANCISCO MORENO RIQUELME	GRUPO CORPORATIVO SEFRAN S.L.	Mr Marcos Sáez Nicolás is a proprietary director representing a significant shareholder, Mr José Fco. Moreno

Name or company name of director or representative related	Name or company name of the significant shareholder related	Company name of the company in the group of the significant shareholder	Relationship/position description
			Riquelme. Mr Marcos Sáez Nicolás has an extensive, long-standing working relationship with Mr José Fco. Moreno, being Executive Director of Zukán S.L.U., a company belonging to the group of the significant shareholder.

A.7. Indicate whether the company has been notified of any shareholders' agreements affecting it in accordance with the provisions of Articles 530 and 531 of the Capital Companies Act. If applicable, briefly describe them and list the shareholders bound by the covenant:

[ ] Yes
[√] No

Indicate whether the company is aware of the existence of coordinated actions among its shareholders. If so, please describe them briefly:

[ ] Yes
[√] No

In the event of any modification or termination of such covenants, agreements or concerted actions during the financial year, please indicate this expressly:

N/A

A.8. Indicate whether there is any individual or legal entity that exercises or may exercise control over the company under the terms of Article 5 of the Securities Market Act. If applicable, identify them:

[ ] Yes
[√] No

A.9. Complete the following tables on the company's treasury stock:

As at the financial year-end:

Number of direct shares	Number of shares indirect shares(*)	total % of share capital
508,708		0.56

(*) Through:

Name or company name of the direct holder of the stake	Number of direct shares
No data	

Explain the significant changes over the financial year:

Explain the significant changes

Soltec Power Holdings SA purchased treasury shares during the 2021 financial year, after 24/03/2021. As at 31/12/2021 its shareholding amounted to 0.557% of the share capital.

A.10. Give details of the conditions and tenure from the shareholders' meeting to the board of directors for issuing, buy-back or transfer of own shares:

"The General Shareholders Meeting, in its resolution of 6 October 2020, decided to empower the Board of Directors of the Company so that, to the fullest extent required by law and with express powers of substitution in favour of the Chief Executive Officer or any other director or proxy of the Company, to develop, formalise, execute and settle, where appropriate, the Executive Incentive Plan, which was approved by the General Shareholders Meeting in the same act; adopting such resolutions and signing such documents, public or private, as may be necessary or appropriate for its full effect, including powers to remedy, rectify, amend or supplement this resolution, and in general, to adopt such resolutions and take such actions as may be necessary or merely appropriate for the proper fulfilment of this resolution and the implementation, execution and settlement of the Incentive Plan, including, by way of example but not limited to, the following powers:
[...]
(G) Draw up, sign and present any communications and supplementary documentation that may be necessary or appropriate before any authority or body for the purposes of the implementation, execution or settlement of the Incentive Plan.
(H) Adopt any action, declaration or management before any body or authority to obtain any authorisation or verification necessary for the implementation, execution or settlement of the Incentive Plan.
(I) Draw up, sign, grant and, where appropriate, certify any type of document relating to the Incentive Plan, including, but not limited to, signing and modifying any contracts with companies providing services that are required or suitable for the fulfilment of the Incentive Plan.
(J) Draw up and publish notices as necessary or appropriate.
(K) And, in general, to carry out as many actions and sign as many documents as may be necessary or appropriate for the validity, effectiveness, implementation, development, execution, settlement and performance of the Incentive Plan and of the previously adopted agreements.

This agreement is made for an indefinite period aside from time limitations under the term of the Incentive Plan.
As the Incentive Plan consists of a remuneration for executives in the form of the Company's own shares, under section (K) the Board of Directors is granted a power to implement a plan to repurchase the Company's own shares in order to execute and settle the Incentive Plan. "

In addition, by resolution of the Universal Shareholders' Meeting of 13 October 2020, the AGM resolved to authorise the Board of Directors to derivatively acquire treasury shares and to dispose of them after the date of admission to trading on the stock exchange. Acquisition may take the form of purchase, exchange, gift, donation, allocation or dation in payment and, in general, by any other form of acquisition for value of outstanding and fully paid-up shares as permitted by law. Shares may be acquired by any of the methods described above, once or several times, provided that the shares acquired, when added to those owned by the Company, do not exceed 10% of the share capital. The price or consideration shall range from a minimum of 0.01 euro to a maximum of 105% of the quoted price of the Company's shares on the Continuous Market at the time of acquisition or the closing price of the last trading session prior to the acquisition, where it is made outside the trading hours of the Continuous Market. The period of validity of the authorisation will be five years from the day after the agreement date.
It is expressly stated for the record that the shares acquired as a result of this authorisation may be used for their disposal or redemption, for potential corporate or business transactions, or for their delivery directly to the employees or directors of the Company, or as a result of the exercise of option rights held by them, in accordance with the provisions of the third paragraph of section 1.a) of article 146 of the Capital Companies Act.

A.11. Estimated floating capital:

	%
Estimated floating capital	25.61

A.12. Indicate whether there are any restrictions (statutory, legislative or otherwise) on the transferability of securities and/or any restrictions on voting rights. In particular, where there exist any type of restrictions that may hinder the taking of control of the company through the acquisition of its shares on the market, they are to be stipulated, along with any prior authorisation or notification regimes that may be applicable to acquisitions or transfers of the company's financial instruments under sectoral regulations.

[ ] Yes
[√] No

A.13. Indicate whether the general meeting has resolved to adopt neutralisation measures against a takeover bid pursuant to the provisions of Law 6/2007.

[ ] Yes
[√] No

If applicable, explain the measures adopted and the terms under which the restrictions will be ineffective:

A.14. Indicate whether the company has issued securities not traded on a regulated market in the European Union.

[ ] Yes
[√] No

If applicable, indicate the different classes of shares and, for each class of shares, associated rights and obligations:

B. GENERAL SHAREHOLDERS MEETING

B.1. Indicate and, if applicable, detail whether there are any differences with the rules of minimum requirements provided for in the Capital Companies Act (LSC) with regard to the quorum needed to constitute the general shareholders meeting:

[ ] Yes
[√] No

B.2. Indicate and, if applicable, detail whether there are any differences with the rules provided for under the Capital Companies Act (LSC) on adopting corporate resolutions:

[ ] Yes
[√] No

B.3. Indicate the rules applicable to amendments to the company's articles of association. In particular, the majorities established for amending the articles of association shall be communicated, as well as, where appropriate, the rules set out on the protection of members' rights in the amendment of the articles of association.

The rules for amending the articles of association and the majorities required to do so do not differ from those laid down in the LSC

B.4. Indicate the attendance figures for the general meetings held in the financial year to which this report refers and those of the two previous financial years:

	Attendance information				
Date of the general shareholders meeting	% physical presence	% in representation	% remote voting		Total
			E-voting	Other	
28/07/2020	100.00	0.00	0.00	0.00	100.00
Of which floating capital	0.00	0.00	0.00	0.00	0.00
24/06/2021	0.00	0.00	84.73	0.12	84.85
Of which floating capital	0.00	0.00	0.00	0.00	0.00

The General Shareholders Meeting was held exclusively by telematic means in 2021 due to the public health crisis.
Of the 84.85% of the definitive quorum, 63.38% was "present" at the Meeting, that is, "connected by electronic means to the telematic attendance platform for the Meeting", while 21.47% was represented by one of the shareholders "present".
Virtually all shareholders present or represented cast their votes by electronic means.

B.5. Indicate whether at the general meetings held during the financial year there have been any items on the agenda that, for whatever reason, were not approved by the shareholders:

[ ] Yes
[√] No

B.6. Indicate whether there is any restriction contained in the articles of association establishing a minimum number of shares required to attend the general meeting, or for remote voting:

[ ] Yes
[√] No

B.7. Indicate whether it has been established that certain decisions, other than those established by law, involving an acquisition, disposal, transfer of essential assets to another company or other similar corporate operations, must be submitted to the general shareholders meeting for approval:

[ ] Yes
[√] No

B.8. Indicate the address and mode of access on the company website to information on corporate governance and other information on general meetings which must be made available to shareholders through the company website:

https://soltecpowerholdings.com/corporate-governance/board-of-directors/

https://soltecpowerholdings.com/stakeholders-investors/

C. COMPANY MANAGEMENT STRUCTURE

C.1. Board of Directors

C.1.1 Maximum and minimum number of directors stipulated in the articles of association and the number set by the general shareholders meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the AGM	7

C.1.2 Complete the following table of board members:

Name or company name of director	Representative	Category of director	Board position	Date of first appointment	Date of latest appointment	Election procedure
Ms NURIA ALIÑO PÉREZ		Independent	COMPANY DIRECTOR	06/10/2020	06/10/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS MEETING
Ms MARÍA SICILIA SALVADORES		Independent	COMPANY DIRECTOR	06/10/2020	06/10/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS MEETING
MR FERNANDO CABALLERO DE LA SEN		Independent	INDEPENDENT LEAD DIRECTOR	06/10/2020	06/10/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS MEETING
Mr JOSÉ FRANCISCO MORALES TORRES		Proprietary director	COMPANY DIRECTOR	06/10/2020	06/10/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS MEETING
Mr RAÚL MORALES TORRES		Executive	CHAIRMAN AND CHIEF EXECUTIVE OFFICER	02/12/2019	06/10/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS MEETING
Mr MARCOS SÁEZ NICOLÁS		Proprietary director	COMPANY DIRECTOR	06/10/2020	06/10/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS MEETING

Name or company name of director	Representative	Category of director	Board position	Date of first appointment	Date of latest appointment	Election procedure
Ms MARINA MORENO DÓLERA		Proprietary director	COMPANY DIRECTOR	06/10/2020	06/10/2020	RESOLUTION OF THE GENERAL SHAREHOLDERS MEETING

Total number of directors	7

Indicate any resignations from the board of directors during the reporting period, whether due to resignation or by resolution of the general shareholders meeting:

Name or company name of director	Category of director at the time of termination	Date of latest appointment	Termination date	Special Committees of which a member	Indicate whether the termination took place before the end of the term
No data					

Cause of termination, if occurring before the end of the term of office and other remarks; information on whether the director has sent a letter to the other members of the board and, in the case of termination of a non-executive director, explanation or opinion of the director who has been removed by the general shareholders meeting
There have been no resignations or dismissals during the period under review.

C.1.3 Complete the following tables on board members and their different categories:

EXECUTIVE DIRECTORS		
Name or company name of director	Position in the company's organisation chart	Profile
Mr RAÚL MORALES TORRES	Chief Executive Officer	Raúl Morales is the founder and CEO of Soltec. For more than a decade, he has led Soltec in becoming one of the largest manufacturers and suppliers of single-axis solar trackers. Having extensive experience in the solar PV industry, Morales combines his passion for renewable energy with a commitment to driving productivity through innovation and by attracting talent.

Total number of executive directors	1
% of total board	14.29

EXTERNAL PROPRIETARY DIRECTORS		
Name or company name of director	Name or corporate name of the significant shareholder he/she represents or who has proposed their appointment	Profile
Mr JOSÉ FRANCISCO MORALES TORRES	VALUETEAM S.L.	José Francisco M. Torres is the founder of Seguidores Solares Planta 50 S.L., dedicated to photovoltaic energy production and specialising in consultancy for companies in the renewable sector. He is an economist with 42 years of experience in the fiscal and accounting consultancy sector. His extensive experience makes him a fine candidate to serve as advisor to Soltec Power Holdings.
Mr MARCOS SÁEZ NICOLÁS	GRUPO CORPORATIVO SEFRAN S.L.	Marcos Sáez is the managing director of Zukán S.L.U. Throughout his more than 20 years of experience, Sáez has been CFO at Soltec for the past 14 years, and he has grown the company's sales greatly. He has also worked as a consultant or financial director for the companies of Grupo Corporativo Sefran S.L.
Ms MARINA MORENO DÓLERA	GRUPO CORPORATIVO SEFRAN S.L.	Marina Moreno has more than 5 years of experience in roles of responsibility in finance departments. Moreno has worked at Soltec as a collaborator in financial analysis and continues to advise Zukán S.L.U. on organisation and sustainability. At Zukán he has also worked in the operations, logistics, production and finance departments.

Total number of proprietary directors	3
% of total board	42.86

EXTERNAL INDEPENDENT DIRECTORS	
Name or company name of director	Profile
Ms NURIA ALIÑO PÉREZ	Nuria Aliño has extensive experience in investment banking, having worked for more than 20 years in developed and developing markets. She was Managing Director at BBVA Corporate and Investment Banking and in 2016 she joined the World Bank Group. She currently works as a Global Digital Finance Services Specialist at IFC World Bank and is focused on digital transformation.
Ms MARÍA SICILIA SALVADORES	María Sicilia is Strategy Director with Enagás, a world leader in gas infrastructures, which is part of the IBEX35. She has worked at Iberdrola Renovables as head of regulatory affairs and market analysis and renewable energies foresight in 23 countries and as assistant director-general for Energy Planning with the Ministry of Industry, Energy and Tourism of the Spanish Government.
Mr FERNANDO CABALLERO DE LA SEN	Fernando Caballero is Managing Director with responsibility for AON's Risk Consulting Services and Solutions in Spain. He is also in charge of coordinating the AGCR initiatives in LATAM and Portugal and has over 8 years' experience with the big four in accounting and consultancy. Caballero is also a proactive member of the Institute of Internal Auditors in Spain

Total number of independent directors	3
% of total board	42.86

Indicate whether any director classified as independent receives from the company, or from the same group, any amount or benefit for an item other than director's remuneration, or maintains or has maintained, during the past financial year, a business relationship with the company or with any company in its group, either in his own name or as a significant shareholder, director or senior manager of a company that maintains or has maintained such a relationship.

Where appropriate, include a reasoned statement from the board as to why it considers that such director is able to perform his duties as an independent director.

Name or company name of director	Description of the relationship	Reasoned statement
No data		

OTHER EXTERNAL DIRECTORS			
Identify other external directors and the reasons why they cannot be considered proprietary or independent, providing details of their links, whether with the company, its management or its shareholders:			
Name or company name of director	Reasons	Related company, officer or shareholder	Profile
No data			

Total number of other external directors	N/A
% of total board	N/A

Indicate the changes, if any, that have occurred during the period in the category of each director:

Name or company name of director	Date of change	Previous category	Current category
No data			

C.1.4 Complete the following table with information on the number of female directors at the end of the last 4 financial years, as well as the category of such directors:

	Number of female company directors				% of the total number of directors in each category			
	2021 financial year	2020 financial year	2019 financial year	2018 financial year	2021 financial year	2020 financial year	2019 financial year	2018 financial year
Executive			N/A	N/A	0.00	0.00	N/A	N/A
Proprietary	1	1	N/A	N/A	33.33	33.33	N/A	N/A
Independent	2	2	N/A	N/A	66.67	66.67	N/A	N/A
Other External			N/A	N/A	0.00	0.00	N/A	N/A
Total	3	3	N/A	N/A	42.86	42.86	N/A	N/A

C.1.5 Indicate whether the company has diversity policies in place in relation to the company's board of directors with regard to issues such as, for example, age, gender, disability, professional background and experience. Small and medium-sized companies, in accordance with the definition contained in the Audit Act, will report, as a minimum, on the policy they have put in place in relation to gender diversity.

[√] Yes
[ ] No
[ ] Partial policies

Where they exist, describe these diversity policies, their objectives, measures and how they have been implemented, and their results for the year. Specific measures taken by the board of directors and the Appointments and Remunerations Committee to achieve a balanced and diverse participation of directors should also be indicated.

If the company does not implement a diversity policy, explain the reasons why it does not do so.

Description of policies, objectives, measures and how they have been implemented, as well as the results obtained

In the 2021 financial year, the Board of Directors approved a Diversity Policy for the Members of the Board of Directors with the aim of ensuring that the Board of Directors presents diversity in their skills, knowledge, experience, backgrounds, nationalities, age and gender.
It will be ensured that candidate selection is geared towards achieving a diverse and balanced Governing Board as a whole, a make-up to enhance decision-making by bringing a plurality of views into the debate on matters within its competence.

In this regard, the Board of Directors makes a commitment to promoting diversity in its composition and, to this end, in the selection of candidates for directors, candidates whose appointment favours directors with different skills, knowledge, experience, origins, nationalities, age and gender will be valued.
Diversity criteria will be chosen with regard to the nature and complexity of the Group's businesses, as well as the social and environmental context in which it operates.
In addition, depending on the needs of the Board of Directors, other criteria may be taken into consideration.
The candidate-selection process will eschew any kind of bias that may imply any discrimination, inter alia, on grounds of sex, ethnic origin, age or disability.
The Board of Directors will periodically assess the degree of compliance with and the effectiveness of its diversity policy and, in particular, the percentage of female directors, in the review of which it will always prioritise their merit and ability as an essential criterion that must prevail in the selection process, in order to assess the degree of compliance with the corporate governance recommendations about the integration of female directors.

During the 2021 financial year, this diversity policy was clearly implemented in full, as the Board of Directors presents a clear balance between the number of executive, proprietary and independent directors, a satisfactory percentage of female directors representing 42.86%, a wide range of ages and a great diversity of training and professional backgrounds. In the opinion of the Appointments and Remuneration Committee and the Board of Directors, the current composition of the Board fully complies with the Diversity Policy.

C.1.6 Explain any measures agreed by the Appointments committee for ensuring that the selection procedures are free from implicit biases that would impede the selection of female directors, and that the company conscientiously seeks out and includes among potential candidates women who meet the professional profile sought and facilitates a balanced presence of women and men. Also indicate whether these measures include encouraging the company to have a significant number of senior managers:

Explanation of measures

In the 2021 financial year, the Board of Directors approved the Diversity Policy for Board members. This expressly includes the need to avoid any type of bias in the candidate selection process that would suggest any discrimination, among others, for reasons of gender, ethnic origin, age or disability.

It also states that the Board of Directors will periodically assess the degree of compliance and effectiveness of its diversity policy and, in particular, the percentage of female directors, in the review of which it will always prioritise their merit and ability as an essential criterion that must prevail in the selection of directors to assess the degree of compliance with the corporate governance recommendations regarding the presence of female directors.

At present, and since it was first formed, the Board has been made up of 42.83% of female directors, while women account for 37.5% of senior management at the company. There is no implicit bias against including women in these positions.

When, despite the measures taken, if any, there are few or no female directors or senior managers, explain the reasons for this:

Explanation of reasons

There are a large number of female board members and senior managers.

C.1.7 Explain the findings of the Appointments committee on verifying compliance with the policy for promoting an appropriate composition of the board of directors.

As indicated in section C.1.5., in 2021 the Board of Directors, following a favourable report from the Appointments and Remuneration Committee, approved the Diversity Policy for Members of the Board of Directors.
The Policy sets down that the Board of Directors makes a commitment to promoting diversity in how it is formed and, to this end, in selecting candidates as directors, with due consideration given to candidates whose appointment would mean a board that shows a breadth of skills, knowledge, experience, origins, nationalities, age and gender.
In the opinion of the Appointments and Remunerations Committee, the current composition of the Board is diverse and balanced in terms of the kinds of director, as well as their age, gender, skills and knowledge. The Board of Directors is currently made up of 7 members, of which 1 is an Executive Director, 3 are Independent Directors and 3 are Proprietary Directors. There are three female company directors and four male directors. The professional profiles are varied, ranging from people with backgrounds and expertise in the photovoltaic energy sector, as well as in other energy sources, and those with experience in banking, auditing and risk. The age range is broad.
For all these reasons, the Appointments and Remunerations Committee has concluded that in 2021 the guidelines of the Diversity Policy have been fulfilled.
The Committee also remarked on the following in their report:
No deficiencies in gender diversity were found and therefore the provisions of article 529 quindecies.3.b) of the Capital Companies Act, ("establish a target for the representation of the under-represented sex on the Board of Directors and develop guidelines on how to achieve it") are met.
As regards the distribution of directors by category (executive, proprietary, independent and other directors), the current composition complies with the recommended number of independent directors (one third), so that the board is fully counterbalanced between the number of proprietary and independent directors.
In the same vein, the composition of the Board has been designed to favour diversity of knowledge, experience and gender, with the Board being made up of people of different backgrounds, experience, age and knowledge.

C.1.8 Explain, if applicable, the reasons why proprietary directors have been appointed at the request of shareholders whose shareholding is less than 3% of the share capital:

Name or company name of the significant	Reasons
No data	

State whether any formal requests for inclusion on the board have been ignored from shareholders whose shareholding is equal to or greater than that of others at whose request proprietary directors would have been appointed. If so, please explain the reasons why they have been ignored:

[ ] Yes
[√] No

C.1.9 State the powers and authorities, if any, delegated by the board of directors, including those relating to the possibility of issuing or repurchasing shares, to directors or board committees:

Name or company name of director or committee	Brief description
RAÚL MORALES TORRES	As Chief Executive Officer, Mr Raúl Morales has been delegated all the powers attributed to the company's governing body which are not non-delegable and which have not been reserved to the full Board by law, the Articles of Association or the Rules governing the Board of Directors.

C.1.10 Identify, if applicable, the members of the board who are directors, representatives of directors or executives in other companies forming part of the listed company's group:

Name or company name of director	Company name of the group entity	Position	Does it carry executive duties?
Mr RAÚL MORALES TORRES	Powertis S.A.U.	Member of the Board of Directors	NO
Mr RAÚL MORALES TORRES	Soltec Innovations S.L.U.	Sole Administrator	YES
Mr RAÚL MORALES TORRES	Soltec Energías Renovables S.L.U.	Sole Administrator	YES
Mr RAÚL MORALES TORRES	Seguidores Solares S.L.	Sole Administrator	YES

C.1.11 List any roles as executive director, administrator or company director, or as representatives thereof, held by members of the company's board of directors in other entities, whether or not they are listed companies:

Named director or representative	Company name of the entity, whether listed or not	Position
Ms MARÍA SICILIA SALVADORES	Tubos Reunidos S.A.	COMPANY DIRECTOR
Ms MARÍA SICILIA SALVADORES	Dualmetha	COMPANY DIRECTOR

Named director or representative	Company name of the entity, whether listed or not	Position
Mr RAÚL MORALES TORRES	VALUETEAM S.L.	SOLE ADMINISTRATOR
Mr RAÚL MORALES TORRES	Valuehome S.L.	SOLE ADMINISTRATOR
Mr RAÚL MORALES TORRES	Murciana de Energía Solar S.L.	SOLE ADMINISTRATOR
Mr JOSÉ FRANCISCO MORALES TORRES	Solar Trackers Planta 50, S.L.U.	SOLE ADMINISTRATOR

Indicate, if applicable, any other remunerated activities of the directors or representatives of the directors, whatever their nature, other than those indicated in the above table.

Named director or representative	Other paid activities
Ms MARÍA SICILIA SALVADORES	Director of Strategy with executive duties at Enagás S.A.
Mr FERNANDO CABALLERO DE LA SEN	Managing Director AON
Mr MARCOS SÁEZ NICOLÁS	Executive Director Zukán S.L.U.
Ms NURIA ALIÑO PÉREZ	•Open Banking and Digital Transformation Specialist at World Bank Group – Adjunct Professor at IE University
Mr JOSÉ FRANCISCO MORALES TORRES	Freelance economist and Head of Internal Audit Department, as an employee.

C.1.12 Indicate and, if applicable, explain whether the company has established rules on the maximum number of company boards its directors may form part of, identifying, if applicable, any related rules:

[√] Yes
[ ] No

Explanation of the rules and identification of the regulatory document

Directors may not sit on more than four Boards outside of the company.

This restriction is contained in Article 21.2 (viii) of the Rules governing the Board of Directors.
2. Directors must tender their resignation to the board of directors and, should the board deem it appropriate, formalise their resignation in the following cases:
(viii) When they sit on more than four boards of directors of other companies (outside of the Company).

C.1.13 Indicate the amounts of the following items relating to the overall remuneration of the board of directors:

Remuneration accrued during the year to the Board of Directors (thousands of euros)	499
Amount of accumulated funds by current directors through long-term savings schemes with vested economic rights (thousands of euros)	
Amount of accumulated funds by current directors for long-term savings schemes with non-consolidated economic rights (thousands of euros)	7
Amount of accumulated funds by former directors through long-term savings schemes (thousands of euros)	

The amount of Board remuneration includes the Chief Executive Officer's allowance for his executive duties

C.1.14 Identify the members of senior management who are not personally executive directors, and indicate the total remuneration accrued by them during the financial year:

Name or company name	Position(s)
Mr PABLO OTÍN PINTADO	Business Unit General Manager Powertis
Mr JOSÉ FRANCISCO NÚÑEZ JIMÉNEZ	Chief Financial Officer
Mr SERGIO LÓPEZ OÑA	Business Unit General Manager Soltec Industrial
Mr EDUARDO DE SAN NICOLÁS JUÁREZ	Chief Strategy Officer
Ms ADA DE PAULA LAX RUIZ	Chief Marketing Officer
Ms SILVIA AMATERATSU DÍAZ DE LASPRA MORALES	Chief Legal Officer
Ms MERITXELL PÉREZ DE CASTRO ACUÑA	Investor Relations Director
Mr GABRIEL SEOANE SÁNCHEZ	Chief Organization Officer

Number of women in senior management	3
Percentage of total members of senior management	37.50

Total remuneration of senior management (thousands of euros)	939

C.1.15 Indicate whether there have been any changes made to the Rules governing the Board of Directors during the year:

[ ] Yes
[√] No

C.1.16 Indicate the procedures for selection, appointment, re-election and removal of directors.

Detail the relevant bodies, procedures to be followed and criteria to be used in each of the procedures.

Directors will be appointed by the general shareholders meeting or by the board of directors by co-option, following a report from the appointments and remuneration committee or, in the case of independent directors, where proposed by the latter, in accordance with the provisions contained in the applicable regulations, the Articles of Association and the Rules governing the Board of Directors. The board of directors will endeavour to ensure that candidates are chosen from among persons of recognised solvency, competence and experience, and will exercise the utmost rigour with regard to those persons offered the role of independent director. Before proposing the re-election of directors to the general shareholders meeting, the board of directors will assess, with the parties concerned abstaining, the quality of the work and dedication to the post of the directors proposed during the previous term of office.
Directors will cease to hold office at the end of their appointed term and when so decided by the general shareholders meeting in exercising its legal or statutory powers
In the 2021 financial year, the Board of Directors approved a Diversity Policy for the members of the Board of Directors, as mentioned above.

C.1.17 Explain to what extent the Board's yearly performance appraisal has led to significant changes in its internal organisation and in the procedures applicable to its activities:

Description of changes

In its performance appraisal carried out in 2021, the Board of Directors found no major deficiencies, and the points contained in the Action Plan do not envisage any major changes to either the internal organisation or the applicable procedures. However, we will elaborate below on the main points included in the Action Plan resulting from the Board's yearly performance appraisal for 2021 as follows:

a). A commitment has been made to ensure that directors have to hand documentation relating to the matters included on the agenda, as set prior to each meeting, and made available to them at the earliest opportunity so that they can study it and cast a vote based on prior knowledge of the matter.

b). Given that the information usually provided is very extensive, a commitment has been made to circulate drafts prior to the final document, so that the information can be reviewed by the directors well in advance, regardless of the edits made in the final document.

c). With regard to financial information, during 2021, and at the request of the directors, a format for presenting information has been agreed with the financial management that contains a structure for reviewing the group's economic data through a more concise dashboard design, without diminishing the extent or availability of the information provided, so that directors have an in-depth awareness of the situation and outlook of the Company and its group, presented in a more streamlined and intuitive way, as well as a progress report.

d). Continue to make progress in ensuring that the information on the most significant transactions for the Company and the Group is presented in a way that the directors can analyse more easily and in greater detail.

e) Continue the positive improvement in the sensitivity analysis of the strategy and strategic projects, so as to enable the Directors to become more involved in risk assessment if certain forecasts are not met.

f) Likewise, it is also considered advisable to continue working on improving the integration of information on the different strategic projects and those of greater relevance, in order to be able to assess, from a global perspective, both Company and group risk, as well as its integration within the framework of the Strategic Plan and its updates.

g) Directors have been advised to explore training in knowledge of the sector and the group and in their own functions as directors.

Describe the appraisal process and the areas evaluated by the board of directors assisted, where necessary, by an external consultant, with respect to how the board is run and formed, together with its committees and any other area or aspect subject to appraisal.

Description of the performance appraisal process and areas evaluated

The Board carried out its yearly performance appraisal at the close of the 2021 financial year, led by the Secretary of the Board and the Lead Director, in accordance with art. 529 septies of the Capital Companies Act.

The performance appraisal was carried out in two formats, written and face-to-face. In the written format, directors answered anonymously the standard questions contained in a survey sent to them by letter and, subsequently, a face-to-face session was held, without a structured format, with each director, involving dialogue and suggestions.

On completion of the performance appraisal, a report was drawn up, which was commented on and approved by the Board of Directors, as well as an Action Plan with the aim of correcting the detected deficiencies.

C.1.18 Details, for years where an external consultant assisted with the performance appraisal, of the business relationships between the consultant or any company in its group with the Company or any of its group companies.

The company has not yet carried out a Board performance appraisal with the assistance of an external consultant in any financial year, given that it only began trading in 2020.

C.1.19 Indicate the cases in which directors are obliged to resign.

(i) When they leave the executive positions with which their appointment as director was associated.

(ii) When they are involved in any of the cases of incompatibility or proscription provided for by law or the Articles of Association.

(iii) When they are seriously reprimanded by the board of directors for having been found in breach of their obligations as directors.

(iv) When their continued membership on the board of directors may jeopardise or harm the interests, prestige or reputation of the Company or when the reasons for which they were appointed cease to exist, including, without limitation, when their professional situation or in the conditions under which they were appointed as directors are significantly affected.

(v) When they are charged or prosecuted as part of criminal proceedings or are the subject of disciplinary proceedings for serious or very serious misconduct by the supervisory authorities.
(vi) In the case of proprietary directors (i) when the shareholder they represent sells their entire shareholding or reduces it significantly and, (ii) in the appropriate number, when such shareholder reduces their shareholding to a level that requires a reduction in the number of proprietary directors.
(vii) When, due to acts attributable to the director, in the opinion of the board, his or her continued membership on the board of directors seriously impairs the company's assets or reputation.
(viii) When they sit on more than four boards of directors of other companies (outside of the Company).

C.1.20 Are enhanced majorities, other than legally-stipulated majorities, required for any kind of decision?

[ ] Yes
[√] No

Where applicable, please describe the differences.

C.1.21 Explain whether there are specific requirements, other than those relating to directors, to be appointed chairman of the board of directors:

[ ] Yes
[√] No

C.1.22 Indicate whether the articles of association or Rules governing the Board of Directors establish any age limit for directors:

[ ] Yes
[√] No

C.1.23 Indicate whether the articles of association or the Rules governing the Board of Directors establish a limited term of office or other more stringent requirements additional to those legally established for independent directors, other than those established in the regulations:

[ ] Yes
[√] No

C.1.24 Indicate whether the articles of association or the Rules governing the Board of Directors establish specific rules for proxy voting on the board of directors for other directors, how proxy voting is done and, in particular, the maximum number of proxies that a director may hold, as well as whether any limitations are set as to the categories for which proxies may be granted, beyond the limitations imposed by law. If so, please give brief details of these rules.

In accordance with the Rules governing the Board of Directors, the directors will make every effort to attend the meetings of the Board of Directors and, when they are unable to do so in person, will grant their proxy in writing and on an ad hoc basis for each meeting to another member of the Board of Directors, including appropriate instructions, and will inform the Chairman of the Board of Directors thereof. In the case of non-executive directors, they may only be represented by another member of the board of directors with the same status. Directors' absences from board meetings will be quantified in the annual corporate governance report.

C.1.25 Indicate the number of Board of Directors meetings held during the financial year. Also indicate the number of times, if any, the board has met in the absence of the Chairman. For the purposes of calculating attendance, representations made with specific instructions will be considered as attendance.

Number of board meetings	12
Number of board meetings in the Chairman's absence	0

Indicate the number of meetings held by the lead director with the other directors, without any executive director being either present or represented:

Number of meetings	0

Indicate the number of meetings held by the various board committees during the year:

Number of Audit Committee meetings	11
Number of meetings of the Sustainable Development Committee	4
Number of Appointments and Remuneration Committee meetings	5

C.1.26 Indicate the number of meetings held by the board of directors during the financial year and its' members attendance figures:

Number of meetings attended in person by at least 80% of the Board Members	12
Attendance in person as a % of total votes during the financial year	100.00
Number of meetings attended in person, or representations made with specific instructions, by all directors	12
% of votes cast with physical attendance and proxies made with specific instructions, out of the total number of votes cast during the year	100.00

C.1.27 Indicate whether the individual and consolidated annual accounts submitted to the board for formulation are previously certified:

[ ] Yes
[√] No

Identify, if applicable, the person(s) who has/have certified the individual and consolidated annual accounts of the company, for their preparation by the board:

C.1.28 Explain any mechanisms set in place by the board of directors to ensure that the annual accounts submitted by the board of directors to the general shareholders meeting are drawn up in accordance with accounting regulations.

The Board of Directors has delegated to the Audit Committee the supervision of the company's financial and non-financial information and mechanisms for internal control over financial reporting (ICFR) are in place, given that all financial and non-financial information proposed for approval by the Board of Directors is informed favourably and in advance by the Audit Committee. In addition, the company's internal audit function performs periodic audits of the financial statements of the subsidiaries in accordance with its annual audit plan. In addition, our external auditors review and validate all information published.

C.1.29 Is the Secretary of the Board a Director?

[ ] Yes
[√] No

If the Secretary is not a Director, fill in the following table:

Name or company name of the Secretary	Representative
Ms SILVIA AMATERATSU DÍAZ DE LASPRA MORALES	

C.1.30 Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, as well as, if any, the mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how the legal provisions have been implemented in practice.

Independence of the Auditor
Sections 14v and 14 vi of the Rules governing the Board of Directors establish the relations with the auditors in order to receive information on matters that may jeopardise their independence, for examination by the audit committee, and any other matters related to the process of auditing the accounts and, where appropriate, the authorisation of services other than those prohibited, under the terms provided in the applicable regulations, as well as those other communications covered in the legislation on auditing the accounts and in other auditing standards. In any case, the audit committee must receive from the auditors on a yearly basis written confirmation of their independence from the Company and entities directly or indirectly related to it, together with detailed and itemised information on additional services provided of any kind and the corresponding fees received from these entities by the external auditor or by the persons or entities related to it, in accordance with the provisions of legislation on auditing of accounts.
In this regard, a report will be issued annually, prior to the audit report, expressing an opinion on whether the independence of the auditors or audit firms has been compromised. This report will, in any case, give an opinion on the provision of the additional services referred to in the preceding paragraph, individually and as a whole, other than the statutory audit and in relation to the rules on independence or to the audit regulations.
The Audit Committee's activity report includes an assessment of the independence of the external auditor, verifying that there are no grounds for incompatibility or abstention, as well as prohibitions, and that any threats to its independence have been correctly identified and assessed.

– Independence of financial analysts, investment banks and rating agencies
The principles underlying the company's relationship with financial analysts and investment banks are based on transparency, simultaneity and non-discrimination, and always in strict compliance with securities market regulations. The company also takes special care not to compromise or interfere with the independence of financial analysts in respect of the services provided by investment banks, in accordance with the internal codes of conduct established by the banks themselves and aimed at separating their analytical and advisory services.

C.1.31 Indicate whether the Company has changed external auditors during the financial year. Where applicable, identify the incoming and outgoing auditor:

[ ] Yes
[√] No

Where differences arose with the outgoing auditor, explain the substance of those differences:

[ ] Yes
[√] No

C.1.32 Indicate whether the audit firm performs other non-audit work for the Company and/or its group and if so, state the amount of fees received for such work and the percentage that the above amount represents of the fees invoiced for audit work to the Company and/or its group:

[√] Yes
[ ] No

	Company	Group companies	Total
Amount of other non-audit work (thousands of euros)	42	9	51
Amount of non-audit work / Amount of audit work (%)	7.97	5.00	7.22

C.1.33 Indicate whether a qualified audit report was given on the previous year's annual accounts. If applicable, state the reasons offered by the audit committee chair to shareholders at the General Shareholders Meeting to explain the content and scope of such qualifications.

[ ] Yes
[√] No

C.1.34 Indicate the number of consecutive years that the current audit firm has been auditing the Company's individual and/or consolidated annual accounts. Also indicate the number of years audited by the current audit firm as a percentage of the total number of years for which the annual accounts have been audited:

	Individual	Consolidated
Number of uninterrupted financial years	2	2

	Individual	Consolidated
No. of years audited by the current audit firm / No. of years the Company or its group has been audited (%)	100.00	100.00

C.1.35 Indicate whether there is a procedure for ensuring that directors have the necessary information to prepare for meetings of the governing bodies in good time and, if so, provide details:

[√] Yes
[ ] No

Details of procedure

The company issues notices to the board of directors as far in advance as possible and in any case above the minimum limit of three days established in the Rules governing the Board of Directors. Once the notices have been issued to the board or the committees, the Company or the chairs organise working meetings to identify all those aspects that require a higher level of information than that sent, or so that the directors can raise queries or request additional information to that provided. At all times, the Company encourages contact between the directors and company senior management, so that the directors may directly contrast the information subject to approval and the internal management.
The Rules governing the Board of Directors provide the option for all directors to seek the advice necessary for the performance of their duties.Moreover, the secretary and the legal counsel offer continuous advice within the Board of Directors. In addition, the Action Plan drawn up following the Board's evaluation process in 2021 includes the need to continue to improve in this area, as well as the commitment to ensure that information is provided to Directors as far in advance as possible for their consideration prior to Board or Board Committee meetings.

C.1.36 Indicate whether the company has established rules obliging directors to inform and, where appropriate, to resign when situations arise that affect them, whether or not related to their actions in the company itself, which could damage the prestige and reputation of the company:

[√] Yes
[ ] No

Explain the rules

Directors must tender their resignation to the board of directors and, should the board deem it appropriate, formalise the corresponding resignation in the following cases:
(i) When they leave the executive positions with which their appointment as director was associated.
(ii) When they are involved in any of the cases of incompatibility or proscription provided for by law or the Articles of Association.
(iii) When they are seriously reprimanded by the board of directors for having been found in breach of their obligations as directors.
(iv) When their continued membership on the board of directors may jeopardise or harm the interests, prestige or reputation of the Company or when the reasons for which they were appointed cease to exist, including, without limitation, when their professional situation or in the conditions under which they were appointed as directors are significantly affected.
(v) When they are charged or prosecuted in criminal proceedings or are the subject of disciplinary proceedings for serious or very serious misconduct by the supervisory authorities.
(vi) In the case of proprietary directors (i) when the shareholder they represent sells their entire shareholding or reduces it significantly and, (ii) in the appropriate number, when such shareholder reduces their shareholding to a level that requires a reduction in the number of proprietary directors.

C.1.37 Indicate, unless special circumstances have arisen which have been recorded in the minutes, whether the board has been informed or has otherwise become aware of any situation affecting a director, whether or not related to his or her performance in the company itself, which could damage the prestige and reputation of the company:

[ ] Yes
[√] No

C.1.38 List any significant agreements entered into by the company which come into force, are amended or are terminated in the event of a change of control of the company following a takeover bid, and their effects.

Nothing to highlight

C.1.39 Identify individually, in the case of directors, and on an aggregate basis in all other cases, and indicate, in detail, the agreements between the company and its directors and management or employees which provide for indemnities, guarantee or golden parachute clauses, where they resign or are unfairly dismissed or if the contractual relationship is terminated by a takeover bid or other transaction.

Number of beneficiaries	1
Type of beneficiary	Description of the agreement
Chief Executive Officer	In the event of structural change to the company or change of ownership involving a change of control, regardless of its form, the chief executive officer, if he/she chooses to leave his/her post, will be entitled to receive a severance payment equal to twice the amount of the last total yearly remuneration received, which will include fixed remuneration, variable remuneration, long-term incentive plans and all rights and benefits that may have been established.

Indicate whether, apart from the cases provided for in the regulations, these contracts must be reported to and/or approved by the bodies of the company or its group. If so, specify the procedures, the cases envisaged and the nature of the bodies responsible for approval or communication:

	Board of Directors	General Shareholders Meeting
Body authorising clauses	√	

	Yes	No
Is the general shareholders meeting informed about the clauses?	√	

C.2. Board committees

C.2.1 List all the committees of the board of directors, their members and the proportion of executive, proprietary, independent and other external directors sitting:

Audit Committee		
Name	Position	Category
Ms NURIA ALIÑO PÉREZ	MEMBER	Independent
Mr FERNANDO CABALLERO DE LA SEN	CHAIR	Independent
Mr JOSÉ FRANCISCO MORALES TORRES	MEMBER	Proprietary director

% of executive directors	0.00
% of proprietary directors	33.33
% of independent directors	66.67
% of other directors external	0.00

Explain the functions, including, if applicable, those additional to those provided for by law, attributed to this committee, and describe the procedures and rules of organisation and operation of the same. For each of these functions, indicate its most important actions during the financial year and how it has exercised in practice each of the functions attributed to it, either in law or in the Articles of Association or in other corporate resolutions.

– To report to the general shareholders meeting on matters within its competence and, in particular, on the outcome of the audit.
– Monitor the effectiveness of the internal controls of the Company and its group, the internal audit and risk management systems, both financial and non-financial, and discuss with the auditor any significant weaknesses in the internal control system found during the course of the audit, without compromising the auditor's independence.
– Supervise the process for preparing and presenting regulated financial and non-financial information and submit recommendations or proposals to the board of directors.
– Propose to the board of directors, for submission to the general shareholders meeting, the selection, appointment, re-election or substitution of the auditors, in accordance with the applicable regulations, as well as the terms and conditions of their engagement, and regularly obtain information from them on the audit plan and its execution, and safeguard their independence in the performance of their duties.
– Establish appropriate relations with the auditors for receiving information on those issues that may jeopardise their independence, for examination by the audit committee, and any other issues related to the accounts auditing process.

– Issue, prior to the audit report, a yearly report expressing an opinion on whether the independence of the auditors or audit firms has been compromised. This report will, in any case, give an opinion on the provision of the additional services referred to in the preceding paragraph, individually and as a whole, other than the statutory audit and in relation to the independence regime or to the audit regulations.
– Report to the board of directors in advance on all matters provided for by law, in the articles of association and in the Rules governing the Board of Directors and, in particular, on: (i) the financial information that the Company is obliged to disclose periodically; (ii) the creation or acquisition of interests in special purpose vehicles or entities domiciled in countries or territories considered as tax havens; and (iii) related party transactions.
– Oversee the Company's internal audit activity, supervising the internal audit plan and verifying that the plan has considered the main risk areas, both financial and non-financial, of the business.
– In relation to internal control and information systems: (a) supervise the preparation process and the integrity of the financial information relating to the Company and, where appropriate, the group; (b) ensure the independence of the unit responsible for internal auditing, propose the selection, appointment, re-election and dismissal of the head of internal auditing; receive regular information on the implementation of the annual work plan; and (c) establish and supervise a mechanism that allows employees or other persons connected with the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report, either confidentially or anonymously, any potentially significant irregularities, including financial and accounting irregularities, or any other type of irregularity related to the company that they notice within the Company or its group This mechanism must guarantee confidentiality and, in any case, provide for cases where communications can be made anonymously, respecting the rights of the whistle-blower and the party subject of complaint.
– In relation to the external auditor: (a) in the event of resignation, examine the circumstances giving rise to it; (b) ensure that their remuneration does not compromise their quality or independence; (c) ensure the Company notifies the CNMV of any change of auditor and support this, where appropriate, with a statement on any potential differences with the outgoing auditor and the substance thereof; (d) ensure that the external auditor meets annually with the full board of directors to deliver a report on the work performed and developments in the Company's situation; (e) ensure that the Company and the external auditor respect the rules in force on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, any other rules on auditor independence.
– Ensure that the annual accounts submitted by the board of directors to the general shareholders meeting are drawn up in accordance with accounting regulations and that, in cases where the auditor has included a qualification in their audit report, the chairman of the audit committee clearly explains the audit committee's opinion on its content and scope at the annual meeting.
– Call on any employee or officer of the Company, including arranging for them to appear without the presence of any other officer.
– Check that the financial and non-financial information published on the Company website is continuously up to date.

– Regularly assess the need for a separate department for risk control and management.
– Define the procedure for selecting the statutory auditor.

For further information, please refer to the annual report of the audit committee, which will be published on the Company website.

Identify directors who are members of the audit committee that have been appointed on the basis of their accounting and/or auditing knowledge and experience and state the date when the chair of the audit committee was appointed.

Names of company directors with experience	Ms NURIA ALIÑO PÉREZ / Mr JOSÉ FRANCISCO MORALES TORRES
Date when chair was appointed	06/10/2021

Sustainable Development Committee		
Name	Position	Category
Ms NURIA ALIÑO PÉREZ	CHAIR	Independent
Ms MARÍA SICILIA SALVADORES	MEMBER	Independent
Ms MARINA MORENO DÓLERA	MEMBER	Proprietary director

% of executive directors	0.00
% of proprietary directors	33.33
% of independent directors	66.67
% of other directors external	0.00

Explain the functions delegated or assigned to this committee other than those already described in section C.1.9, and describe the procedures and rules of organisation and operation of the committee. For each of these functions, indicate its most important actions during the financial year and how it has exercised in practice each of the functions attributed to it, whether by law, in the Articles of Association or in other corporate agreements.

– Monitoring compliance with the Company's corporate governance rules and internal codes of conduct, and ensuring that corporate culture aligns with its purpose and values.
– Overseeing the implementation of the general policy on financial, non-financial and corporate reporting as well as communication with shareholders and investors, proxy advisors and other stakeholders. It will also be monitored how the Company communicates and interacts with small and medium-sized shareholders.
– Evaluation and periodic review of the corporate governance system and of the company's environmental and social policy, so that they fulfil their mission of promoting the social interest and take into account, as appropriate, the legitimate interests of other stakeholders.
– Monitoring that the company's environmental and social practices are in line with the strategy and policy established.
– Monitoring and evaluation of stakeholder engagement processes.
– Monitor the Company's performance in matters of corporate reputation and report to the Board of Directors accordingly.
– Advise, prior to its approval, on the annual corporate governance report and the statement of non-financial information of the Company, obtaining for this purpose the necessary reports from the audit committee and the Appointments and Remunerations Committee in relation to the sections of said report that are encompassed within the scope of their competencies.
– Inform on proposals for amending the Rules governing the Board of Directors and the code of ethics.
– Issue reports and implement actions that, within its sphere of competence, may additionally correspond to it, in accordance with the corporate governance system, or which may be requested by the board of directors or its chairman.
– Assume the functions attributed to it in the code of ethics.

Appointments and Remuneration Committee		
Name	Position	Category
Ms NURIA ALIÑO PÉREZ	MEMBER	Independent
Ms MARÍA SICILIA SALVADORES	CHAIR	Independent
Mr FERNANDO CABALLERO DE LA SEN	MEMBER	Independent

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	100.00
% of other directors external	0.00

Explain the functions, including, if applicable, those additional to those provided for by law, attributed to this committee, and describe the procedures and rules of organisation and operation of the latter. For each of these functions, indicate its most important actions during the financial year and how it has exercised in practice each of the functions attributed to it, either in law or in the Articles of Association or in other corporate resolutions.

– Assess the skills, knowledge and experience required of the board of directors. For this purpose, it will define the functions and skills required of the candidates to fill each vacancy and assess the time and dedication necessary for them to carry out their duties effectively, taking into account a competency matrix drawn up in advance, defining the most suitable functions, competencies, knowledge and experience required for the job.
– Analysing the other occupations of each Company director, ensuring that the directors devote sufficient time in practice and, if this is not the case, proposing the appropriate measures to be taken.
– Set a representation target for the under-represented gender on the board and develop guidance on how to achieve this target.
– Submit proposals to the board of directors for the appointment of independent directors, to be appointed by co-option or for submission to the decision of the general shareholders meeting, as well as proposals for the re-election or removal of such directors by the general shareholders meeting.
– Report on proposals for the appointment of the remaining directors for appointment by co-option or for submission to the decision of the general shareholders meeting, as well as proposals for their re-election or removal by the general shareholders meeting.

– To report on proposals for the appointment, reappointment and dismissal of senior management and the basic conditions of their contracts.
– Examine and organise the succession of the chairman of the board of directors and the chief executive of the Company and, if appropriate, make proposals to the board of directors for the succession to take place in an orderly and pre-planned manner, in consultation with the chairman of the Company, and involving the coordinating director, if any, and provided that he is not a member of the appointments and remuneration committee.
– Propose to the board of directors the remuneration policy for directors and general managers or those who perform their duties as senior management reporting directly to the board of directors, executive committees or managing directors, as well as the individual remuneration and other contractual conditions of executive directors, while verifying and ensuring compliance therewith.

– Verify compliance with the Company's remuneration policy.
– Periodically review the remuneration policy applied to directors and senior management, including share-based remuneration schemes and their implementation, and ensure that their individual remuneration is proportionate to that paid to other directors and senior management.

– Propose to the board of directors a policy for selecting directors and, where appropriate, senior management, which should contain measures to encourage the company to have a significant number of senior managers.
– Ensure that any conflicts of interest do not prejudice the independence of the external advice provided to the Commission.
– Verify information about remunerations for directors and senior management contained in the various corporate documents, including the annual remuneration report.

For further information, please refer to the annual report of the Appointments and Remunerations Committee, which will be published on the Company website

C.2.2 Complete the following table with information on the number of female directors on the board committees at the close of the past four financial years:

	Number of female company directors							
	2021 financial year		2020 financial year		2019 financial year		2018 financial year	
	Number	%	Number	%	Number	%	Number	%
Audit Committee	1	33.33	1	33.33	N/A	N/A	N/A	N/A
Sustainable Development Committee	3	100.00	3	100.00	N/A	N/A	N/A	N/A
Appointments and Remuneration Committee	2	66.67	2	66.67	N/A	N/A	N/A	N/A

C.2.3 Indicate, where they exist, regulations on board committees, where they may be consulted, and any amendments made during the financial year. Likewise, indicate whether an annual report on the activities of each committee has been prepared on a voluntary basis.

The committees, how they are formed, their functions and organisation are regulated in the Rules governing the Board of Directors.
The three committees have produced annual activity reports for the 2021 financial year.

D. RELATED-PARTY AND INTRA-GROUP TRANSACTIONS

D.1. Explain, if applicable, the procedure and competent bodies for the approval of related-party and intra-group transactions, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the directors or shareholders affected and detailing the internal procedures for reporting and periodic control systems established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

It is the responsibility of the General Shareholders Meeting to approve:
- Related-party transactions whose amount or value (of the set of transactions provided for in a framework agreement or contract, where applicable) is equal to or exceeds 10% of the total asset items according to the latest annual balance sheet approved by the Company.
- When the business or transaction which the Related-Party Transaction consists of is, by its very nature, legally reserved to the competence of this body.

The Board of Directors will be responsible for approving:
- All other Related-Party Transactions.

During the 2021 financial year, the Related-Party Transactions Policy was approved and is available on the Company website, where the approval process for related-party transactions is elaborated.

D.2. Individually list any transactions significant due to their amount or relevant due to their subject matter taking place between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or represented on the company's board of directors, indicating which body had competence for approving them and whether any shareholder or director affected abstained. In the case where the board has competence, indicate whether the proposed resolution has been approved by the board without a majority of the independent directors voting against it:

Name or company name of the shareholder or of any of its subsidiaries	% shareholding	Name or company name of the subsidiary company or dependent entity	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director would have abstained	The proposal to the board, if any, has been approved by the board without the majority of independents voting against
No data						

Name or company name of the shareholder or of any of its subsidiary companies	Nature of the relationship	Type of transaction and other information necessary for assessing the transaction
No data		

There have been no significant related-party transactions during the year in terms of amount or subject matter. A number of warehouse lease and loan agreements entered into with Grupo Corporativo Sefran, S.L. prior to the IPO remain outstanding in 2021. A more detailed breakdown of the amount and nature of these transactions is provided in section 15.1 of the Notes to the Financial Statements.

D.3. List individually the transactions that are significant due to their amount or relevant due to their subject matter between the Company or its subsidiaries with the directors or executives of the Company, including those transactions carried out with entities that the director or executive controls or jointly controls, and indicating which body had competence for approving them and whether any affected shareholder or director abstained. In the case of board competence, indicate whether the proposed resolution has been approved by the board without a majority of the independent directors voting against it:

Name(s) or company name(s) of the director(s) or executive(s) or entities under their control or joint control	Name or company name of the company or dependent entity	Link	Amount (thousands of euros)	Approving body	Identification of the significant shareholder or director would have abstained	The proposal to the board, if any, has been approved by the board without the majority of independents voting against
No data						

Name(s) or company name(s) of the director(s) or executive(s) or entities under their control or joint control	Nature of the transaction and other information necessary for assessment of the transaction
No data	

Nothing to highlight

D.4. Report on an individual basis on the intra-group transactions that are significant due to their amount or relevant due to their subject matter between the company and its parent company or other entities belonging to the parent company's group, including the listed company's own subsidiaries, unless no other related party of the listed company has an interest in such subsidiaries or such subsidiaries are wholly owned, directly or indirectly, by the listed company.

In any case, any intra-group transactions with entities established in countries or territories considered as tax havens will be notified:

Company name of its group entity	Brief description of the operation and other information necessary for assessing the transaction	Amount (thousands of euros)
No data		

D.5. Individually list any transactions that are significant due to their amount or relevant due to their subject matter between the company or its subsidiaries and other related parties in accordance with International Accounting Standards as adopted by the EU, which have not been reported under the previous headings.

Company name of related party	Brief description of the operation and other information necessary for assessing the transaction	Amount (thousands of euros)
No data		

D.6. List the mechanisms in place to detect, determine and resolve possible conflicts of interest between the company and/or its group, and its directors, executives, significant shareholders or other related parties.

The Rules governing the Board of Directors expressly establish a mechanism for identifying and resolving conflicts as detailed in Article 29.
In 2021, the Company approved a Policy on Conflicts of Interest and Related-Party Transactions, available on the Company website, where this point is elaborated on in further detail.

D.7. Indicate whether the company is controlled by another entity under the terms of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relationships with that entity or any of its subsidiaries (other than those of the listed company) or engages in activities related to those of any of them.

[ ] Yes
[√] No

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's financial and non-financial Risk Control and Management System, including those of a fiscal nature.

The Soltec Group's risk management is an activity linked to the responsible development and growth of the Group's companies with the aim of maintaining its key position and leadership in the global photovoltaic energy market.
The main objective of risk management is to identify, define and quantify all business risks in order to apply the optimal mitigating measures for eliminating, offset or reduce the probability and/or severity of the threats identified, and to take advantage of the opportunities, allowing the Soltec Group to develop its activity and grow in a sustainable manner, making informed, consistent decisions.

Risk management is an activity integral to each and every process of the Soltec Group, where all departments of the Group companies collaborate in the daily control of risks. In addition, in a second line of control, there is a risk management department, with regular committees, which effectively monitors and systematises the activity.
As a third line of control, there is an internal audit department to ensure that the Group's companies operate correctly.
In the fiscal area, in 2021 the company obtained renewal of its certification by Aenor for compliance with the UNE 19602 standard, so that risk control in fiscal matters is optimal.
In addition, the company has also renewed its certification in 2021 for compliance with the UNE 19601 standard on the prevention of criminal risks.

E.2. Identify the company bodies responsible for the development and implementation of the financial and non-financial Risk Management and Control System, fiscal included.

Board of Directors: In accordance with the provisions of the LSC, risk management is a non-delegable matter attributed to the full board.
Audit Committee: Pursuant to article 14.4 (ii) of the Rules governing the Board of Directors, risk management is a responsibility of the audit committee.
Risk Management Committee: The Risk Management Committee is a permanent internal body of an informative and executive nature that will discuss and reach agreements concerning risk management and insurance at corporate, bidding and project levels, as well as other strategic issues in relation to risk management with the objective of ensuring the sustainability of Soltec. In addition, it will ensure the creation of mechanisms to promote risk management in all company processes in order to guarantee Soltec's sustainability and solvency.
Investment Committee: The Investment Committee is a permanent internal body of an informative and executive nature that will discuss and reach agreements in relation to investment initiatives at corporate level, with the objective of achieving profitable growth for the company. In addition, it will ensure that mechanisms are put in place to ensure that investment decision-making processes are backed by policies and procedures geared towards achieving Soltec's strategic objectives.
Security Committee: Among others, risk management for security issues.
Business Development Committee: Among others, risk management related to business development issues. Operations
Committee: Among others, risk management related to ongoing project issues.
Talent Committee: Among others, HR-related risk management.
Created within the framework of the tax compliance programme, it is formed of three members from the fiscal and financial departments of the company, and its objective is to ensure and monitor compliance with the company's fiscal obligations.

E.3. Indicate the main risks, financial and non-financial, including those fiscal and, insofar as significant, those arising from corruption (the latter understood within the scope of Royal Decree Law 18/2017), which may affect the achievement of the business objectives.

During 2021, the main operational, strategic and regulatory risks affecting the Group were identified and analysed.
Specifically, an inventory of 200 risks has been identified (446 risks to be assessed and replicated by affiliates), and which were assessed through a series of interviews and surveys with each of the "owners" of each risk.
Upon identification and assessment, the main risks affecting the Group are linked to the uncertainty in the demand for products and services in a changing environment, affected by the Covid-19 global pandemic, the difficulty of adapting
to the different regulatory environments together with political and social uncertainties, as well as potential regulatory changes, an increasingly competitive PV industry, particularly in respect of solar trackers, all of which impact on the falling price of solar trackers, potential regulatory breaches at the operational level, information security linked to product R&D, potential problems arising from system failures and/or supply interruptions (e.g. price increases on raw materials and transport), as well as potential problems arising from natural disasters, system failures and/or supply disruptions.

In relation to financial risks, the main risks identified during 2021 would be linked to market risks (exchange rate and interest rate), liquidity, customer credit and obtaining the necessary guarantees to be able to contract for and execute projects
The risks arising from corruption are properly controlled through a legal and fiscal compliance risk management system.

E.4. Identify whether the entity has risk tolerance levels, including for fiscal risk.

Yes, risk management quantifies all business risks by defining tolerance levels, including fiscal risk as well as operational, strategic, regulatory, ESG and environmental risks affecting the Group
During the financial year 2021, the company updated its risk map, which will define this point more precisely once it has been approved by the Group in early 2022.

In addition, SOLTEC is defining the following actions:

•Definition of the acceptable tolerance level for SOLTEC;
•Analysis of the insurance market to produce risk transfer to the insurance market where possible;
•Definition and implementation of controls for the identified risks in order to mitigate them and thus reduce their likelihood and impact;
•Definition of treatment plans, in addition to controls, to reduce the likelihood of the various risks manifesting and their impact in the event of materialising.

The Group's risk management is based on a system of continuous improvement implemented during 2021 based on the following pillars:

o Systematic activity for identifying, assessing and addressing risks
o Redefinition of risks
o Introduction of new risks on the inventory
o Adaptation to changes that may affect the organisation.
o Reallocation of risks
o Review at least once every six months.
o Risk Management Committee (RMC).
o Ongoing support from SOLTEC's top management.
o Review of contracts before signing
o Follow-up during project implementation (lessons learned)

E.5. Indicate which risks, financial and non-financial (fiscal included), have materialised during the year.

During 2021, the following risks have materialised:
1. Uncertainty associated with demand for products and services in a changing and pandemic-affected environment
2. Potential problems resulting from system failures and/or supply disruptions
3. An increasingly competitive industry
4. Drop in solar tracker prices
5. Security of information linked to product R&D
6. Potential for non-compliance at the operational level and/or increased costs.
7. Liquidity
8. Customer credit
9. Obtaining guarantees necessary for contracting/implementing projects
10. Market (exchange rate/interest rate)

E.6. Explain the response and monitoring plans for the entity's main risks, including fiscal risks, as well as the procedures followed by the company to ensure that the board of directors responds to new challenges as they arise.

Operation of the control systems for each of the risks listed in the previous paragraph:

1.Appropriate. These include, among others, the following control systems: commercial follow-up of major customers; prospecting for new customers; follow-up of opportunities for regulatory changes and budget allocation; and local presence in key countries.
2. Appropriate. These include, inter alia, the following control systems: diversification of suppliers both in terms of companies and geographically; local presence in key countries.
3. Appropriate. These include, inter alia, the following control systems investment in R&D&I; diversification with new products; study of synergies and new business lines; continuous improvement systems; local presence in key countries; agreements with key players within the industry, establishment of internal treatment plans for market price volatility analysis, establishment of internal treatment plan for logistic analysis.

4. Appropriate. These include, inter alia, the following control systems: local presence in key countries; optimisation of supplier prices; optimisation of design through investment in R&D&I; establishment of framework agreements with suppliers; monitoring of fluctuating raw material prices; negotiation with the customer to introduce contractual mechanisms to be able to revise prices once offers have been fulfilled and the customer has not issued the order to proceed, establishment of internal processing plans for market price volatility analysis, establishment of internal processing plan for logistic analysis

5. Appropriate. These include, inter alia, the following control systems: ISO 27001 certification; appointment of a security officer; implementation of access control at headquarters; conducting a security audit; non-competition agreements for key personnel.
6. Appropriate. These include, inter alia, the following control systems: local presence in key countries; local legal and local fiscal advice; monitoring of local design regulation updates; transfer to client with regulation of law change clauses and variations; requirement of clear project specifications from clients, legal security analysis in the countries where we conduct business.
7. Appropriate. These include, inter alia, the following control systems: framework agreements with financing entities; review of new financing formulas; framework agreements with suppliers/customers; review of the cash flow of projects prior to contract signature, in accordance with the payment conditions of the client and suppliers; analysis of the maximum risk of non-payment; monitoring of the cash flow of projects in execution.
8. Appropriate. These include, inter alia, the following control systems: transfer to the insurance/financial market; transfer to clients requesting the issuance of letters of credit/other types of guarantees; review of the cash flow of projects prior to contract signature, according to the payment conditions of the client and suppliers; analysis of the maximum risk of non-payment; monitoring of cash flow of ongoing projects.
9. Appropriate. These include, inter alia, the following control systems: framework agreements with institutions; financial/insurance companies; active monitoring of the status of guarantees issued and of the overall position; negotiation with customers; strengthening of the balance sheet.
10. Appropriate. These include, inter alia, the following control systems: hedging contracts; monitoring of rate fluctuations; agreements with suppliers in the same currency as the main contract; framework agreements with financing entities.

F. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS (ICFR)

Describe the mechanisms forming part of the control and risk management systems in relation to the financial reporting process (ICFR) of the entity.

F.1. Entity's control environment.

Report, indicating at least the main characteristics of:

F.1.1 Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) its implementation; and (iii) its oversight.

The Internal Control over Financial Reporting (ICFR) system forms part of Soltec Power Holdings' internal control system and is defined as a system designed to provide reasonable assurance regarding the reliability of financial information.
The group's ICFR was designed during the 2020 financial year and the December 2020 accounting close was the first to be performed under the quality standards required for the design of Soltec's ICFR. During 2021 the ICFR has been deployed in the different affiliates of the group and its level of implementation and efficiency has been reviewed in the affiliates included in the 2021 internal audit plan.
The ICFR responsibility model of Soltec Power Holding is articulated through the following bodies and/or functions that develop, maintain and supervise the process of preparing the Group's financial information:
- The Board of Directors is responsible for determining the risk control and management policy, including fiscal risks, and the supervision of internal information and control systems, as set out in article 5.4 (xii) of the Rules governing the Board of Directors. Being ultimately responsible for ensuring an internal control environment conducive to producing reliable, complete and timely financial information. These functions have been delegated to the Audit Committee under article 14.5(ii) of the Rules governing the Board of Directors.
- The Audit Committee's responsibilities include supervising the effectiveness of the internal control of the Company and its group, the internal audit and risk management systems, both financial and non-financial (including operational, technological, legal, social, environmental, political, reputational and corruption-related risks), ensuring that established internal control policies and systems are effectively implemented in practice, and discussing with the statutory auditor any significant weaknesses in the internal control system identified in the course of the audit, without compromising the auditor's independence.
Likewise, to supervise the process for preparing and the integrity of the financial information about the Company and, where appropriate, the group, reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria as established in Article 14.5(ix) of the Board of Directors' Regulations
In order to carry out these functions, the Audit Committee has an Internal Audit Department.
- The Finance Department is responsible for the design, implementation, execution and monitoring of the ICFR.
- Internal Audit, which reports to the Audit Committee, is responsible for evaluating and improving the efficiency of processes and monitoring internal control within the organisation. As one of the main functions of Internal Audit is to ensure the proper functioning of the ICFR, it will:
o Carry out periodic reviews to ensure that documentation is kept up to date in accordance with the Annual Audit Plan
o Design and execute, based on the scope of review agreed in the audit planning phase, tests on general controls, technological controls and process controls.
o Issue reports on the reviews carried out on the ICFR, in accordance with the Annual Audit Plan.
o Verify the correct implementation of the identified corrective actions on the ICFR in accordance with the Annual Audit Plan

The objectives, management, review and other particularities of the ICFR are covered by three internal policies:
o Soltec Group ICFR Policy
o ICFR monitoring procedure
o ICFR risk management procedure

F.1.2 Whether the following elements exist, especially with regard to the financial reporting process:

· Responsible departments and/or mechanisms: (i) the design and review of the organisational structure; (ii) clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) the existence of sufficient procedures for their correct dissemination within the entity:

The design and review of the organisational structure, as well as the definition of the lines of responsibility of the Group's Organisation Management, which defines the distribution lines for tasks and organisational functions of the Group.

Likewise, the board of directors, through the Appointments and Remuneration Committee, as established in the various sections of article 15 of the Rules governing the Board of Directors, is responsible for assessing the skills, knowledge, availability and experience required on the board of directors, submitting to the board of directors proposals for the appointment of independent directors and proposing to the board of directors the remuneration policy for directors and general managers or those who perform their duties as executive personnel reporting directly to the board of directors, executive committees or managing directors, as well as the individual remuneration and other contractual conditions of executive directors, verifying and monitoring compliance therewith.

- Code of conduct, approving body, level of dissemination and instruction, principles and values included (indicating whether there are specific mentions of the recording of transactions and preparation of financial information), body responsible for analysing breaches and proposing corrective actions and sanctions:

The purpose of the Code of Conduct of SOLTEC POWER HOLDINGS S.A. is to establish the directives and guidelines for all its administrators, managers and workers in their daily performance, with regard to the relations it maintains with all its stakeholders, with a transparent, efficient and effective management of resources, being honest with customers, suppliers, institutions, and being socially and environmentally responsible.
This Code of Conduct forms part of and is the basis for the Corporate Compliance Programme implemented in the Group to prevent, avoid and detect the criminal offences being committed in the corporate sphere in line with the provisions of the Criminal Code and the Tax Compliance programme. The Group's Code of Conduct is based on the definition of the Group's Mission, Vision, Values and Principles, and stands as a guide for action to ensure that its employees act appropriately in their professional conduct, adapting and adhering to the legislation in force in the country where the Group pursues its activities, as well as to the Internal Policies and Protocols.
In 2021 Soltec renewed the UNE 19601 certifications for the Criminal Compliance Management System, which includes Soltec's code of conduct

- Whistle-blowing channel, which allows for the communication to the audit committee of irregularities of a financial and accounting nature, in addition to possible breaches of the code of conduct and irregular activities in the organisation, informing, where appropriate, whether it is of a confidential nature and whether it allows for anonymous communications, respecting the rights of the whistle-blower and the reported party.

There is a whistle-blowing channel open to all employees, or anyone who has dealings with the company, which allows them, in a confidential manner, to bring any irregularity or breach of the code of conduct to the attention of the Compliance Body. Communication is by e-mail. In the event of an irregularity being found of an accounting or financial nature, the compliance body would bring this to the attention of the audit committee.

- Regular training and refresher programmes for staff involved in the preparation and review of financial information, and in ICFR assessment, covering at least accounting standards, auditing, internal control and risk management:

The HR department, which reports to the Organisation Management, is in charge of managing and planning all matters concerning training programmes and other support elements to cover the training needs of employees. In coordination with the departments reporting to the Finance Department, Human Resources identifies and analyses the specific training needs of staff involved in preparing and reviewing financial information, considering as the main subjects those related to accounting, internal control and risk management. The Finance Directorate has a budget to allocate for training depending on the needs, regulatory changes and accounting updates that arise.
In addition, Soltec is a member of the Institute of Internal Auditors, where members of the Internal Audit team take part in courses, sector meetings and conferences aimed at the continuous training of the team.

F.2. Risk evaluation of financial information.

Reporting, at least, on:

F.2.1 Main characteristics of the risk identification process, including those of error or fraud, in terms of:

- Whether the process exists and is documented:

The risk identification process is documented in the Global Risk Management Policy whose main function is to identify, determine and quantify all business risks for the purpose of applying the optimal mitigating measures to eliminate or reduce the probability and/or severity of the identified threats, as well as to take advantage of the opportunities, allowing the Soltec Group to develop its activity and grow in a sustainable manner, making informed, consistent decisions.
There is also a Risk Committee which is a permanent internal body of an informative and executive nature that will discuss and reach agreements in relation to risk management and insurance at corporate, bidding and project levels, as well as other strategic issues in relation to risk management with the objective of ensuring the sustainability of Soltec. In addition, it will ensure that mechanisms are created for promoting risk management across all company processes in order to guarantee Soltec's sustainability and solvency. This committee is formed of members of Company senior management.
Soltec has implemented a risk procedure in the analysis of bids which establishes the obligation to carry out a risk analysis of the potential contracts of Soltec Power Holdings SA and its subsidiaries in the bidding and/or negotiation phase.
Soltec is in the process of obtaining a standardised and functional risk map that will be regularly updated and will include all financial and operational risks.
The management of ICFR risks is documented in the ICFR Risk Management Procedure
Internal Audit works closely with the risk area incorporating a continuous exchange of information and accommodating the requirements of the risk area in the annual audit plan.

· Whether the process covers the full range of financial reporting objectives (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), whether it is updated and how often:

The risk management process is reviewed annually while the bid risk management process identifies, monitors and ultimately mitigates risks that are identified in each of the bids submitted by Soltec to its customers.
All risks related to financial reporting processes have controls in place to ensure that financial information adequately meets the existence, occurrence, completeness, valuation, presentation, disclosure and comparability requirements for which the ICFR was designed. These controls are regularly updated to keep pace with evolving and changing risks.

· The existence of a process for identifying the scope of consolidation, taking into account, among other aspects, the possible existence of complex corporate structures, special purpose vehicles or entities:

The consolidation perimeter of the Soltec Group is reviewed at each monthly closing. The Administration Department is responsible for analysing the companies that join and those that leave the scope of this perimeter. The incorporation, acquisition, sale and dissolution of companies are all subject to internal authorisation processes that clearly identify all entries and exits from the consolidation perimeter.

· Should the process take into account the effects of other types of risks (operational, technological, financial, legal, fiscal, reputational, environmental, etc.) insofar as they affect the financial statements:

The objective is to obtain a comprehensive overview of them, designing an efficient response system aligned with the company's business objectives, which is fulfilled by reviewing the risks on offer that involve the most significant risks for the company.
The risk map drawn up in 2021, due for approval in early 2022, will increase the control, scope, monitoring and visibility of corporate risks at group level, always based on the continuous improvement process as indicated in section E4.

· Which governing body of the entity oversees the process:

The Board of Directors has ultimate responsibility for the process of preparing financial information. In addition, the Risk

Department reports directly to the Audit Committee.

F.3. Control activities.

Report, indicating its main characteristics, whether it has at least the following:

F.3.1 Procedures for the review and authorisation of the financial information and the description of the ICFR, to be published in the securities markets, indicating those responsible, as well as documentation describing the flows of activities and controls (including those relating to fraud risk) of different types of transactions which may materially affect the financial statements, including the procedure for closing the accounts and the specific review of relevant judgements, estimates, assessments and projections.

In accordance with the Rules governing the Board of Directors, the Audit Committee is responsible, among others, for reviewing the annual accounts and the periodic information to be supplied by the Board of Directors to the markets and their supervisory bodies, ensuring at all times compliance with legal requirements and the correct application of generally accepted accounting principles in their preparation.
The Regulations also state that the Audit Committee shall meet quarterly to review the periodic financial information to be submitted to the stock exchange authorities along with information for approval by the Board of Directors and to be included in its public documentation.
The Group also maintains various accounting policies and procedures to ensure the reliability of financial information. Such policies include:
o Accounts Payable Procedures
o Accounts Receivable Procedure
o Accounting Manual on Capital Assets
o Accounting Manual on Fixed Assets
o Leasing Manual
o Asset Impairment Manual
o On-Site Administrative Control Procedure
o Closing of accounting periods procedure
o Treasury Policy
o Guarantee Management policy
o Project Cash-flow Policy
o Supplier Financial Management Procedure.
o Exchange Rate Risk Management Procedure
All ICFR-related matters are covered by various policies and procedures:
o Soltec Group ICFR Policy
o ICFR monitoring procedure
o ICFR risk management procedure

F.3.2 Internal control policies and procedures on information systems (including access security, change control, system operation, business continuity and segregation of duties) that support the relevant processes of the entity for preparing and publishing financial information.

Information systems play a relevant role and are a supporting element in the processes of preparing the financial information to be reported externally, which is why they are included within the scope of action and configuration of the ICFR, thus defining a specific matrix of controls for IT processes.
The Group has an IT department whose aim is to protect the security of all IT processes through daily user support, system maintenance, development of improvements and independent system testing. Soltec also has an Information Security Policy applicable to the entire group.
In 2020, Soltec's IT department was granted the ISO 27001:2013 Information Security Standard certification, valid for three years.

The Group in place contingency mechanisms and procedures, both technical and operational, to be able to guarantee the recovery of the information systems in the event of failure or unavailability both in the central offices and in any of the Group's regional offices.

F.3.3 Internal control policies and procedures to monitor the management of outsourced activities, together with aspects of evaluation, calculation or valuation entrusted to independent experts, which may have a material effect on the financial statements.

Special attention is given to activities outsourced to third parties that could have a significant impact on the financial statements in order to ensure that, in key processes that could be outsourced, there is the maximum guarantee of control in relation to the security standards and preparation of financial information required at Group level.
For this reason, there are different policies and procedures for governing and safeguarding the contracting process and quality control of third party suppliers:
- Soltec General Terms and Conditions of Purchase
- Supplier Approval Procedure
- Sourcing Procedure
- On-site Purchasing Procedure
- Product Validation Procedure

Likewise, the Purchasing department has in place a series of model documents agreed with its suppliers, such as the NDAs that define the confidential relationship for the handling of sensitive technical information by our suppliers.
When the services of independent experts are contracted for work that supports valuations, judgements or accounting calculations, it is ensured that they are firms of recognised prestige in the aspects consulted

F.4. Information and communication

Report, indicating its main characteristics, whether it has at least the following:

F.4.1 A specific function in charge of defining, keeping accounting policies up to date (accounting policy area or department) and resolving doubts or disputes arising in their interpretation, maintaining fluid communication with those responsible for operations within the organisation, as well as an accounting policy manual that is updated and provided to units that the entity operates through.

The Finance Department, with its Administration, FP&A and Tax departments, is responsible for keeping the accounting policies up to date and transmitting them to the staff involved in the preparation of financial information.
For this purpose, there is a set of accounting policies, procedures and manuals (see point F.3.1) available to all employees on the group's intranet, which serve as reference guidelines for accounting records, financial statements and annual accounts.

F.4.2 Mechanisms for collecting and preparing financial information using standard formats, applicable and adopted by all units of the entity or group, which support the main financial statements and the notes, as well as the information detailed on the ICFR.

All of the entities forming part of the Soltec Power Holding Group use the same financial information reporting tools and applications, regardless of the information systems used for the maintenance of accounting records. These tools are continuously reviewed by the IT department.

F.5. Operational monitoring of the system.

Report, as a minimum, and indicating its main characteristics, on:

F.5.1 The ICFR monitoring activities performed by the audit committee and whether the entity has an internal audit function whose responsibilities include supporting the committee in its oversight of the internal control system, including ICFR. Also advises on the scope of the ICFR assessment performed in the year and the procedure by which the assessor reports the results of the assessment, if the entity has in place an action plan listing any corrective measures, and whether their impact on financial reporting has been considered.

The Soltec Group maintains a proactive attitude in order to guarantee an updated model that is aligned with the actual circumstances of the business and the best regulatory practices. This analysis and constant monitoring of the ICFR, detecting possible improvements and making the corresponding changes, is conducted by means of the following actions:
- Regular evaluation of the design and effectiveness of controls
- Verification and auditing, in accordance with the Audit Plan agreed for the year, where the review of the implementation of ICFR controls is a significant point within its scope.
- Supervision by the Audit Committee, in relation to the ultimate control over the ICFR model, delegated by the Board of Directors and implemented through the Internal Audit functions.
- Reporting of the weaknesses identified, creating action plans to resolve them, establishing the mechanisms for follow-up and assigning the necessary resources for their fulfilment.

To ensure appropriate coverage of the ICFR review, an Annual Internal Audit Plan is drawn up, which is approved and supervised by the Audit Committee and includes the review thereof.

F.5.2 Whether it has a discussion procedure whereby the auditor (in accordance with the provisions of the AAS), the internal audit function and other experts can communicate to senior management and the audit committee or directors of the entity significant weaknesses in internal control identified during the review of the annual accounts or others entrusted to them. It will also report on whether it has an action plan that seeks to correct or mitigate the weaknesses observed.

The Internal Audit function regularly communicates to senior management and the Audit Committee the internal control weaknesses identified in the process reviews carried out by means of reports issued at the end of each audit. These reports include action plans established for mitigating each weakness identified.
The Group's auditor has direct access to the Board of Directors through the Group's Audit Committee and holds regular meetings to report any control weaknesses found in the course of its work. On a yearly basis, the external auditors present a report to management and the Audit Committee detailing the internal control weaknesses identified in the course of their work.

F.6. Other relevant information.

The 2021 financial year saw the first deployment and implementation of the Internal Control over Financial Reporting System for Soltec and its affiliates

F.7. External auditor's report.

It reports on:

F.7.1 Whether the ICFR information disclosed to the markets has been reviewed by the external auditor, in which case the entity should include the relevant report as an annex. Otherwise, reasons ought to be provided.

The 2021 financial year saw the first deployment and implementation of the Internal Control over Financial Reporting System for Soltec and its subsidiaries and has therefore not been subject to a specific review by the external auditor.

G. DEGREE TO WHICH CORPORATE GOVERNANCE RECOMMENDATIONS ARE FOLLOWED

Indicate the company's degree of compliance with the recommendations of the Good Governance Code of Listed Companies.

Where a recommendation is not followed or only partially followed, a detailed explanation of the reasons should be included so that shareholders, investors and the market in general have sufficient information to assess the company's actions. General explanations will not be acceptable.

1. The articles of association of listed companies should not limit the maximum number of votes that may be cast by a single shareholder, nor contain other restrictions that make it difficult to take control of the company by acquiring its shares on the market.

   Complies [X]   Explain [ ]

2. When the listed company is controlled, under the terms of Article 42 of the Commercial Code, by another entity, whether listed or not, and has, directly or through its subsidiaries, business relations with that entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them, it should publicly disclose specifically the following:

   a) The respective areas of activity and any business relationships between, on the one hand, the listed company or its subsidiaries and, on the other hand, the parent company or its subsidiaries.

   b) The mechanisms in place for resolving potential conflicts of interest that may arise.

   Complies [ ]   Partially complies [ ]   Explain [ ]   Not applicable [X]

3. During the ordinary general meeting, to supplement the written release of the annual corporate governance report, the chairman of the board of directors should verbally inform shareholders, in appropriate detail, of the most significant aspects of the company's corporate governance and, in particular:

   a) Changes occurring since the previous AGM.

   b) Specific reasons why the company does not follow any of the recommendations of the Corporate Governance Code and, where they exist, the alternative rules it applies in this area.

   Complies [X]   Partially complies [ ]   Explain [ ]

4. The company should define and promote a policy on communication and contact with shareholders and institutional investors in the context of their involvement with the company, as well as with proxy advisors; a policy that fully complies with the rules against market abuse and treats shareholders in the same position on an equal footing. The company should also make this policy public through its website, including information on how it has been put into practice and identifying the interlocutors or those responsible for implementing it.

   And that, without prejudice to the legal obligations to disclose inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it deems appropriate (media, social networks or other channels), enabling it to maximise the dissemination and quality of the information available to the market, investors and other stakeholders.

   Complies [X]   Partially complies [ ]   Explain [ ]

5. The board of directors should not submit to the general meeting a proposal to delegate powers to issue shares or convertible securities, excluding pre-emptive subscription rights, for an amount exceeding 20% of the capital at the time of delegation.

   And when the board of directors approves any issue of shares or convertible securities with exclusion of pre-emptive subscription rights, the company should immediately publish on its website the reports on such exclusion referred to in commercial legislation.

   Complies [X]   Partially complies [ ]   Explain [ ]

6. Listed companies that produce the reports listed below, whether on a mandatory or voluntary basis, should publish them on their website in good time ahead of the ordinary general meeting, even where dissemination is not mandatory:

   a) Report on the independence of the auditor.

   b) Reports on the functioning of the audit, appointments and remuneration committees.

   c) Audit committee report on related-party transactions.

   Complies [X]   Partially complies [ ]   Explain [ ]

7. The company should broadcast the general shareholders meetings live on its website.

   And that the company should have mechanisms that enable proxy voting and voting by telematic means and even, in the case of large cap companies and to the extent proportionate, attendance and active participation in the General Meeting.

   Complies [X]   Partially complies [ ]   Explain [ ]

8. The audit committee should ensure that the annual accounts submitted by the board of directors to the general shareholders meeting are drawn up in accordance with accounting regulations. And in cases where the auditor has included a qualification in its audit report, the chairman of the audit committee should clearly explain to the general meeting the audit committee's opinion on its content and scope, and make available to shareholders, at the time of publication of the notice convening the meeting, a summary of the board's opinion, together with the rest of the board's proposals and reports.

   Complies [X]   Partially complies [ ]   Explain [ ]

9. The company should publish on its website, on a permanent basis, the requirements and procedures it will accept for accrediting ownership of shares, the right to attend the general shareholders meeting and the exercise or delegation of voting rights.

   And that such requirements and procedures are conducive to the attendance and exercising of shareholders' rights and are applied in a non-discriminatory manner.

   Complies [X]   Partially complies [ ]   Explain [ ]

10. That when any shareholder entitled to do so has exercised, prior to the holding of the general shareholders meeting, the right to add to the agenda or to submit new proposals for resolutions, the company should:

    a) Immediately circulate such additional points and new proposals for agreement.

    b) Make public a sample attendance card or proxy or remote voting form with the necessary modifications so that new items on the agenda and alternative proposals for resolutions may be voted on subject to the same terms as those proposed by the board of directors.

    c) Put all such alternative items or proposals to the vote and apply the same voting rules to them as to those made by the board of directors, including, in particular, presumptions or deductions as to the direction of the vote.

    d) After the general shareholders meeting, communicate the breakdown of the vote on such supplementary items or alternative proposals.

    Complies [X]   Partially complies [ ]   Explain [ ]   Not applicable [ ]

Articles 9.5, 9.6 in conjunction with Article 30. 5 paragraphs (i) and (ii) of the Regulations of the General Shareholders Meeting. The presumptions or deductions as to how the vote was taken vary only according to whether or not the item put to the vote had been published before the General Shareholders Meeting was held.In any case, the supplements to the Notice of Meeting requested in due time and form by the shareholders entitled to do so must be published in accordance with arts. 9.5 and 9.6 of the Rules governing the General Shareholders Meeting.

11. If the company intends to pay attendance fees for the general shareholders meeting, it should establish, in advance, a general policy on such fees and that this policy should be consistent.

    Complies [ ]   Partially complies [ ]   Explain [ ]   Not applicable [X]

12. The board of directors should perform its duties with unity of purpose and independence of judgement, treat all shareholders in the same position equally, and be guided by the corporate interest, understood as the achievement of a profitable and sustainable business in the long term, which promotes its continued existence and growth of the economic value of the company.

    And that in the pursuit of the public interest, in addition to respect for laws and regulations and behaviour based on good faith, ethics and respect for commonly accepted customs and good practices, it should seek to reconcile its own corporate interest with, as appropriate, the legitimate interests of its employees, its suppliers, its customers and other stakeholders that may be affected, as well as the impact of the company's activities on the community as a whole and on the environment.

    Complies [X]   Partially complies [ ]   Explain [ ]

13. The board of directors should be of a suitable size to ensure that is run effectively and inclusively, which means that it is advisable for it to have between five and fifteen members.

    Complies [X]   Explain [ ]

14. The board of directors should adopt a policy aimed at encouraging an appropriate composition of the board of directors and which should:

    a) Be concrete and verifiable.

    b) Ensures that proposals for appointment or reappointment are based on a prior analysis of the competencies required by the board; and

    c) Encourage diversity of knowledge, experience, age and gender. For these purposes, measures that encourage the company to have a significant number of female senior managers are considered to be conducive to gender diversity.

    The result of the prior analysis of the competencies required by the board of directors should be included in the appointments committee's report published when convening the general shareholders meeting to which the ratification, appointment or re-election of each director is submitted.

    Compliance with this policy will be verified annually by the appointments committee and reported in the annual corporate governance report.

    Complies [X]   Partially complies [ ]   Explain [ ]

15. Proprietary and independent directors should constitute an ample majority of the board of directors and the number of executive directors should be the minimum necessary, taking into account the complexity of the corporate group and the percentage interest held by executive directors in the company's share capital.

    And that the number of female directors should account for at least 40% of the members of the board of directors by the end of 2022 and thereafter, but no less than 30% beforehand.

    Complies [X] Partially complies [ ] Explain [ ]

16. The percentage of proprietary directors out of the total number of non-executive directors should not be greater than the proportion between the capital of the company represented by such directors and the rest of the capital.

    This criterion may be relaxed:

    a) In large-cap companies in which there are few shareholdings that are legally considered to be significant.

    b) In the case of companies with a plurality of shareholders represented on the board of directors and they are not related to each other.

    Complies [X] Explain [ ]

17. The number of independent directors should represent at least half of the total number of directors.

    However, when the company is not a large-cap company or when, even if it is a large-cap company, it has one or more shareholders acting in concert who control more than 30% of the share capital, the number of independent directors should represent at least one third of the total number of directors.

    Complies [X] Explain [ ]

18. Companies should publish the following information about their directors on their website and keep it up to date:

    a) Professional and biographical profile.

    b) Other boards of directors to which they belong, whether or not they are listed companies, as well as other remunerated activities of any kind.

    c) Indication of the category of director to which they belong, stating, in the case of proprietary directors, the shareholder they represent or with whom they are linked.

    d) Date of his first appointment as a director of the company, as well as subsequent re-elections.

    e) Company shares, and options thereon, held by them.

    Complies [X] Partially complies [ ] Explain [ ]

19. The annual corporate governance report, after verification by the appointments committee, should explain the reasons why proprietary directors have been appointed at the request of shareholders whose shareholding is less than 3% of the share capital; and explain the reasons why, where applicable, formal requests for a presence on the board from shareholders whose shareholding is equal to or greater than that of others at whose request proprietary directors would have been appointed have been ignored.

    Complies [ ] Partially complies [ ] Explain [ ] Not applicable [X]

20. Proprietary directors should tender their resignation when the shareholder they represent transfers their entire shareholding. They should also do so, to the relevant number, when such shareholder reduces its shareholding to a level that requires a reduction in the number of its proprietary directors.

    Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

21. The board of directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the articles of association, except where the board finds just cause, based on a report from the appointments committee. In particular, just cause shall be deemed to exist when the director takes up new posts or acquires new obligations that prevent him from devoting the necessary time to the performance of the duties inherent to the post of director, fails to fulfil the duties inherent to his post or incurs in any of the circumstances that diminish his independent status, in line with the provisions of the applicable legislation.

    The removal of independent directors may also be proposed as a result of takeover bids, mergers or other similar corporate operations resulting in a change to the capital structure of the company, when such changes in the structure of the board of directors are prompted by the proportionality criterion set out in Recommendation 16.

    Complies [X] Explain [ ]

22. Companies should establish rules obliging directors to report and, where appropriate, resign when situations arise that affect them, whether or not related to their actions in the company itself, and which could damage the prestige and reputation of the company; and, in particular, oblige them to inform the board of any criminal proceedings in which they are under investigation, as well as any procedural developments.

And, having been informed or having otherwise become aware of any of the situations mentioned in the preceding paragraph, the board should examine the case as soon as possible and, in view of the specific circumstances, decide, after a report from the Appointments and Remunerations Committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the director or proposing his or her removal. And to report thereon in the annual corporate governance report, unless there are special circumstances that justify otherwise, and which must be recorded in the minutes. This without prejudice to the information to be disclosed by the company, where appropriate, at such a time when the corresponding measures are adopted.

Complies [X] Partially complies [ ] Explain [ ]

23. All directors should clearly express their opposition when they consider that any proposed decision submitted to the board may be contrary to the company's interests. In particular, independent and other directors who are not affected by the potential conflict of interest should do the same in the case of decisions that may be detrimental to shareholders not represented on the board.

And that when the board of directors adopts significant or reiterated decisions about which the director has expressed serious reservations, the director draws the appropriate conclusions and, if he/she chooses to resign, explains the reasons in the letter referred to in the following recommendation.

This recommendation also applies to the secretary of the board of directors, even if he/she is not a director.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

24. When, either by resignation or by resolution of the general meeting, a director leaves office before the end of his or her term of office, he or she should offer a full explanation of the reasons for his or her resignation or, in the case of non-executive directors, their views on the reasons for the removal by the board, in a letter that will be sent to all board members.

And, without prejudice to the disclosure of all of the above in the annual corporate governance report, insofar as it is relevant for investors, the company should publish the resignation as soon as possible, making proper reference to the reasons or circumstances provided by the director.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

25. The appointments committee should ensure that non-executive directors have sufficient time at their disposal for the proper performance of their duties.

    And that the Rules governing the Board of Directors should establish the maximum number of company boards on which its directors may sit.

    Complies [X]   Partially complies [ ]   Explain [ ]

26. The board of directors should meet with the necessary frequency to perform its duties effectively and at least eight times a year, following the schedule of dates and matters established at the beginning of the year, with each director being able to propose other items on the agenda that were not initially foreseen.

    Complies [X]   Partially complies [ ]   Explain [ ]

27. Director absences should be kept to an absolute minimum and quantified in the annual corporate governance report. And that, when they are to be produced, representation is granted with instructions.

    Complies [X]   Partially complies [ ]   Explain [ ]

28. When directors or the secretary express concerns about a proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the board meeting, a record should be made of them in the minutes, at the request of the person expressing them.

    Complies [X]   Partially complies [ ]   Explain [ ]   Not applicable [ ]

29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, including, if circumstances so require, external advice at the company's expense.

    Complies [X]   Partially complies [ ]   Explain [ ]

30. Regardless of the expertise required of directors for the performance of their duties, companies should also offer directors refresher programmes as the situation requires.

    Complies [X]   Explain [ ]   Not applicable [ ]

31. The agenda for board meetings should clearly indicate the points on which the board is to adopt a decision or resolution, so that directors can study or obtain the information necessary for its adoption beforehand.

    When, exceptionally, for reasons of urgency, the chairman wishes to submit to the board of directors for approval decisions or resolutions not included on the agenda, prior express consent will be required from a majority of directors present, to be duly recorded in the minutes.

    Complies [X]   Partially complies [ ]   Explain [ ]

32. Directors should be kept regularly informed of movements in shareholdings and of the views of significant shareholders, investors and rating agencies on the company and its group.

    Complies [X]   Partially complies [ ]   Explain [ ]

33. The chairman, as the person responsible for the proper steering of the board of directors, in addition to the duties assigned by law and the company's articles of association, should prepare and submit to the board of directors a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive; be responsible for managing the board of directors and its effective functioning; ensure that sufficient discussion time is devoted to strategic issues; and agree on and review refresher programmes for each director, as circumstances dictate.

    Complies [X]   Partially complies [ ]   Explain [ ]

34. When there is a coordinating director, the articles of association or Rules governing the Board of Directors should grant him or her the following powers in addition to those conferred by law to: chair the board of directors in the absence of the chairman and vice-chairmen, if any; reflect the concerns of non-executive directors; liaise with investors and shareholders to ascertain their views in order to form an opinion on their concerns, in particular in relation to the corporate governance of the company; and coordinate the chairman's succession plan.

    Complies [X]   Partially complies [ ]   Explain [ ]   Not applicable [ ]

35. The secretary of the board of directors should take special care to ensure that in its actions and decisions the board of directors takes into account the recommendations on good governance contained in this Code of Good Governance which are applicable to the company.

    Complies [X]   Explain [ ]

36. The full board of directors should assess once a year and adopt, where appropriate, an action plan to correct any deficiencies identified with respect to:

    a) The quality and efficiency in how the board of directors functions.

    b) The functioning and composition of its committees.

    c) Diversity of composition and competence within the board of directors.

    d) The performance of the chairman of the board of directors and the chief executive of the company.

    e) The performance and contribution of each director, paying special attention to the heads of the various board committees.

    The evaluation of the various committees will be based on the report they submit to the board of directors, and for the evaluation of the board of directors, on the report submitted by the appointments committee.

    Every three years, the board of directors will be assisted in its evaluation by an external consultant, whose independence shall be verified by the appointments committee.

    Business relationships existing between the consultant or any company in their group and the company or any company in its group should be disclosed in the annual corporate governance report.

    The process and areas assessed will be described in the annual corporate governance report.

    Complies [X]   Partially complies [ ]   Explain [ ]

37. When there is an executive committee, at least two non-executive directors should sit on it, at least one of whom should be independent; its secretary should be the secretary of the board of directors.

    Complies [ ]   Partially complies [ ]   Explain [ ]   Not applicable [X]

38. The board of directors should always be informed of the business transacted and decisions taken by the executive committee and all members of the board of directors should receive a copy of the minutes of the meetings of the executive committee.

    Complies [ ]   Partially complies [ ]   Explain [ ]   Not applicable [X]

39. The members of the audit committee as a whole, and in particular its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management, both financial and non-financial.

    Complies [X]   Partially complies [ ]   Explain [ ]

40. Under the supervision of the audit committee, there should be an internal audit unit to ensure the effective functioning of internal control and information systems, reporting functionally to the non-executive chairman of the board or the chairman of the audit committee.

Complies [X] Partially complies [ ] Explain [ ]

41. The head of the unit that takes on the internal auditing duties should present its annual work plan to the audit committee for approval by the latter or by the board, report directly to it on its implementation, including any incidents and limitations on scope that may arise in its development, the results and follow-up of its recommendations, and submit an activities report to it at the end of each year.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

42. That, in addition to those provided for by law, the following functions correspond to the audit committee:

1. In relation to internal control and information systems:

a) Supervising and assessing the preparation process and the integrity of financial and non-financial information, as well as the control and management systems for financial and non-financial risks relating to the company and, where appropriate, the group, including operational, technological, legal, social, environmental, political, reputational and corruption-related risks, reviewing compliance with regulatory requirements, properly defining the perimeter of consolidation and the correct application of accounting criteria.

b) Ensuring the independence of the unit that takes on the internal auditing duties; proposing the selection, appointment and dismissal of the head of the internal audit service; proposing the budget of the internal audit service; approving or proposing approval to the board of the annual internal audit orientation and work plan, ensuring that its activity is primarily focused on relevant risks (including reputational risks); receiving regular information on its activities; and verifying that senior management takes into account the findings and recommendations of its reports.

c) Establishing and overseeing a mechanism to enable employees and other persons connected with the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report potentially significant irregularities, including financial and accounting irregularities, or those of any other nature relating to the company which come to their attention within the company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases where communications can be made anonymously, respecting the rights of the whistle-blower and the party subject of complaint.

d) Ensuring overall that the established internal control policies and systems are effectively implemented in practice.

2. In relation to the external auditor:

a) In the event of resignation of the external auditor, looking at the circumstances leading to the resignation.

b) Ensuring that the external auditor's remuneration does not compromise the quality or independence of his or her work.

c) Monitoring that the company notifies the CNMV of the change of auditor and supports this with a statement on the possible existence of any disagreements with the outgoing auditor and their substance.

d) Ensuring that the external auditor holds an annual meeting with the full board of directors to report to it on the work performed and on developments in the company's accounting and risk situation.

e) Ensuring that the company and the external auditor comply with existing rules on the provision of non-audit services, limits on the concentration of the auditor's business and, in general, other rules on auditor independence.

Complies [X]   Partially complies [ ]   Explain [ ]

43. The audit committee should be able to call on any employee or manager of the company, and even arrange for them to appear without the presence of any other senior management.

Complies [X]   Partially complies [ ]   Explain [ ]

44. The audit committee should be informed of the structural and corporate modifications that the company plans to implement for its analysis and prior report to the board of directors on their economic conditions and accounting impact and, in particular, where appropriate, on the proposed exchange ratio.

Complies [X]   Partially complies [ ]   Explain [ ]   Not applicable [ ]

45. The risk control and management policy should identify or determine at least the following:

a) The different types of financial and non-financial risks (including operational, technological, legal, social, environmental, environmental, political and reputational risks, including those related to corruption) faced by the company, including financial or economic risks, contingent liabilities and other off-balance sheet risks.

b) A tiered risk management and control model, including a specialised risk committee where sectoral rules so provide or where the company deems it appropriate.

c) The level of risk deemed acceptable by society.

d) The measures in place for mitigating the impact of the risks identified, should they materialise.

e) The internal control and information systems to be used to monitor and manage such risks, including contingent liabilities or off-balance sheet risks.

Complies [X]   Partially complies [ ]   Explain [ ]

46. Under the direct supervision of the audit committee or, as the case may be, a specialised committee of the board of directors, there should be an internal risk control and management function exercised by an internal unit or department of the company with the following duties expressly assigned to it:

a) Ensuring the proper functioning of risk management and control systems and, in particular, that all significant risks affecting the company are adequately identified, managed and quantified.

b) Actively participating in the development of risk strategy and major risk management decisions.

c) Ensuring that risk management and control systems adequately mitigate risks within the framework of the policy defined by the board of directors.

Complies [X]   Partially complies [ ]   Explain [ ]

47. The members of the appointments and remuneration committee – or of the appointments committee and the remuneration committee, if they are separate – should be appointed as having the proper knowledge, skills and experience for the duties they are called upon to perform, and the majority of such members should be independent directors.

Complies [X]   Partially complies [ ]   Explain [ ]

48. Large-cap companies should have a separate appointments committee and a separate remuneration committee.

Complies [ ]   Explain [ ]   Not applicable [X]

49. The appointments committee should consult with the chairman of the board of directors and the chief executive of the company, especially on matters relating to executive directors.

And that any director may request the appointments committee to consider potential candidates to fill vacancies on the board, should they consider them suitable.

Complies [X]   Partially complies [ ]   Explain [ ]

50. The remuneration committee should exercise its functions independently and, in addition to the functions attributed to it by law, it should have the following functions:

a) Proposing to the Board of Directors the basic terms and conditions of senior management contracts.

b) Verifying compliance with the remuneration policy established by the company.

c) Periodically reviewing the remuneration policy applied to directors and senior management, including share-based remuneration schemes and their implementation, and ensuring that their individual remuneration is proportionate to that paid to other directors and senior management of the company.

d) Ensuring that any conflicts of interest do not impair the independence of the external advice given to the committee.

e) Verifying the information on directors' and senior management remuneration contained in the various corporate documents, including the annual report on directors' remuneration.

Complies [X]   Partially complies [ ]   Explain [ ]

51. The remuneration committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors and senior management.

Complies [X]   Partially complies [ ]   Explain [ ]

52. The rules for the formation and functioning of the supervisory and control committees should feature in the Rules governing the Board of Directors and be consistent with those applicable to legally mandatory committees under the above recommendations, stipulating that:

    a) They are composed exclusively of non-executive directors, with a majority of independent directors.

    b) Their chairs should be independent directors.

    c) The board of directors should appoint the members of these committees, taking into account the knowledge, skills and experience of the directors and the duties of each committee, deliberate on their proposals and reports, and report on their activities at the first board plenary following their meetings, and be accountable for the work carried out.

    d) The committees may seek external advice when they deem it necessary for performing their duties.

    e) Minutes of its meetings should be taken and made available to all directors.

    Complies [X]   Partially complies [ ]   Explain [ ]   Not applicable [ ]

53. The supervision of compliance with the company's environmental, social and corporate governance policies and rules, as well as internal codes of conduct, should be attributed to one or more committees of the board of directors, which may be the audit committee, the Appointments committee, a committee specialising in sustainability or corporate social responsibility, or another special committee that the board of directors, in the exercise of its powers of self-organisation, has decided to create. And such a committee should be composed solely of non-executive directors, with the majority being independent and given specific minimum functions as set out in the following recommendation.

    Complies [X]   Partially complies [ ]   Explain [ ]

54. The minimum functions referred to in the above recommendation are as follows:

a) Overseeing compliance with the company's corporate governance rules and internal codes of conduct, and ensuring that the corporate culture is aligned with its purpose and core values.

b) Overseeing the implementation of the general policy on financial, non-financial and corporate reporting as well as communication with shareholders and investors, proxy advisors and other stakeholders. The way in which the institution communicates and relates to small and medium-sized shareholders will also be monitored.

c) The evaluation and periodic review of the corporate governance system and of the company's environmental and social policy, in order that they fulfil their mission of promoting the social interest and take into account, as appropriate, the legitimate interests of other stakeholders.

d) Monitoring that the company's environmental and social practices are in line with the strategy and policy set.

e) Monitoring and evaluation of stakeholder engagement processes.

Complies [X]   Partially complies [ ]   Explain [ ]

55. Sustainability policies on environmental and social issues should at least identify and include:

a) The principles, commitments, objectives and strategy with regard to shareholders, employees, customers, suppliers, social issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of corruption and other illegal practices.

b) Methods or systems for monitoring compliance with policies, associated risks and their management.

c) The mechanisms for monitoring non-financial risk, including those related to ethical and business conduct issues.

d) The channels of communication, participation and dialogue with stakeholders.

e) Responsible communication practices that prevent manipulation of information and protect integrity and honour.

Complies [X]   Partially complies [ ]   Explain [ ]

56. Directors' remuneration should be sufficient to attract and retain directors of the desired profile and to reward the dedication, qualification and responsibility that the post requires, but not so high as to influence the independent judgement of non-executive directors.

Complies [X]   Explain [ ]

57. Variable remuneration linked to the company's performance and personal performance, as well as remuneration in the form of shares, options or rights over company stock or instruments indexed to the value of the share and long-term savings schemes such as pension plans, retirement schemes or other social welfare systems, should be reserved for executive directors.

    The provision of shares as remuneration to non-executive directors may be considered on the condition of holding them until they cease to be directors. The foregoing will not apply to shares which the director needs to dispose of, where applicable, in order to meet the costs related to their acquisition.

    Complies [X] Partially complies [ ] Explain [ ]

58. In the case of variable remuneration, remuneration policies should include limits and technical safeguards to ensure that such remuneration reflects the professional performance of the beneficiaries and not merely general changes in the market or the company's sector of activity or other similar circumstances.

    And, in particular, that the variable components of remuneration:

    a) Are linked to predetermined, measurable performance criteria, which take into account the risk assumed in order to achieve an outcome.

    b) Promote the sustainability of the company and include non-financial criteria that are appropriate for long-term value creation, such as compliance with the company's internal rules and procedures and its policies for risk control and management.

    c) Are configured on the basis of a balance between meeting short-, medium- and long-term objectives, allowing performance to be rewarded for sustained performance over a period of time long enough to appreciate their contribution to sustainable value creation, so that the performance measures are not solely based on one-off, occasional or extraordinary events.

    Complies [ ] Partially complies [X] Explain [ ] Not applicable [ ]

In 2021, the Long-Term Incentive Plan included pre-determined and measurable performance criteria such as EBITDA, total shareholder return and Free Cash Flow.
The Long-Term Incentive Plan did not include non-financial or sustainability criteria in 2021, but there are plans to include them in 2022.
Although the vesting period of the Incentive Plan is set to be long-term, the calculation periods are annual and include short-term targets.

59. The payment of variable components of remuneration is subject to proper verification that the performance or other conditions set out above have actually been met. Entities will include in the annual directors' remuneration report the criteria for the time required and methods for such verification depending on the nature and characteristics of each variable component.

In addition, institutions should consider the establishment of a malus clause based on the deferral for a sufficient period of time of the payment of a part of the variable components that implies their total or partial loss in the event that, prior to the time of payment, some event occurs that makes it advisable to do so.

Complies [ ] Partially complies [X] Explain [ ] Not applicable [ ]

No bonus malus is foreseen in the configuration of the Long-Term Incentive, but a grace period of one year is established at the end of each Vesting Period and prior to the payment of the incentive, in which compliance with the established objectives is checked. Since the objectives set in 2021 are financial in nature, their fulfilment must be verified during the Exclusion Period by the Audit Committee, the External Auditor and the Appointments and Remuneration Committee.

60. Remuneration linked to the company's results should take into account any qualifications stated in the external auditor's report and reduce those results accordingly.

Complies [ ] Partially complies [ ] Explain [X] Not applicable [ ]

This point is not foreseen in the Long-Term Incentive Plan in force in 2021 but it is the Company's intention to include specific clauses to cover this eventuality.

61. A relevant percentage of the variable remuneration of executive directors should be linked to the delivery of shares or financial instruments referenced to their value.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

The Incentive Plan rules stipulate that incentives are paid through the delivery of shares in the Company, and include some cases in which it is possible to deliver the incentive in cash, but such cases are isolated and duly justified:

- where the Company does not have sufficient treasury shares to deliver Scheme Shares to Participants under the Plan;
- in the event of the winding up of the Company
- if the Company determines (acting reasonably) that delivering some or all of the Scheme Shares to any Participant on any relevant date is materially prejudicial to the Company for any reason, including as a result of any applicable law preventing the delivery of Ordinary Shares on that date or if the delivery of Ordinary Shares to such Participant would result in (i) such Participant being required to make a tender offer for all of the Company's securities in accordance with applicable Spanish securities tender offer regulations, or (ii) a breach of the applicable Spanish regulations on takeover bids, or (iii) a breach of the circulars, operating instructions and other internal regulations of the Spanish Stock Exchanges, in which case the Company will pay in cash some or all of the undelivered Scheme Shares due to such Participant under the Plan.

62. Once the shares, options or financial instruments corresponding to the remuneration systems have been allocated, executive directors may not transfer ownership or exercise them until a period of at least three years has elapsed.

An exception is made where the director maintains, at the time of the transfer or exercise, a net economic exposure to changes in the share price of a market value equivalent to an amount of at least twice his annual fixed remuneration through the ownership of shares, options or other financial instruments.

The foregoing will not apply to shares that the director needs to dispose of in order to meet the costs related to their acquisition or, subject to the favourable opinion of the appointments and remuneration committee, in order to deal with extraordinary circumstances that so require.

Complies [ ] Partially complies [ ] Explain [X] Not applicable [ ]

No provision is made for this. The Executive Director's variable remuneration system, which is based on shares, has an extended vesting period of two years for each of the two tranches of which it is composed, plus a vesting period of one year prior to the delivery of shares, and is therefore configured as a long-term remuneration, and hence it was not considered necessary to include an additional lock-up period.

63. Contractual arrangements should include a clause allowing the company to claim reimbursement of variable components of remuneration where payment has not been in line with performance conditions or where they have been paid on the basis of data subsequently found to be inaccurate.

Complies [ ] Partially complies [ ] Explain [X] Not applicable [ ]

Clauses to cover these scenarios are expected to be implemented during the 2022 financial year.

64. Payments for termination or expiry of the contract should not exceed an amount equivalent to two years of the total annual remuneration and should not be paid until the company has been able to verify that the director has complied with the criteria or conditions established for receiving them.

For the purposes of this recommendation, termination or contractual termination payments include any payments whose accrual or payment obligation arises as a result of or in connection with the termination of the director's contractual relationship with the company, including amounts not previously vested in long-term savings schemes and amounts paid under post-contractual non-competition agreements.

Complies [X] Partially complies [ ] Explain [ ] Not applicable [ ]

Article 6.4.v of the remuneration policy:
"Termination of the Executive Director's contract for the reasons set out in (iii) or (v) above shall entitle the Executive Director to receive a severance payment equal to twice the last total annual remuneration received (including fixed remuneration, annual variable remuneration and long-term incentive plans)."

H. OTHER INFORMATION OF INTEREST

1. If there are any relevant aspects of corporate governance in the company or in the entities of the group that have not been included in the other sections of this report, but which it is necessary to include in order to provide fuller and reasoned information on the structure and practices of governance in the company or its group, briefly describe them.

2. This section may also include any other information, clarification or specification related to the previous sections of the report to the extent that they are relevant and not reiterative.

   Specifically, indicate whether the company is subject to corporate governance legislation other than Spanish law and, if so, include the information that it is obliged to provide and which differs from that required in this report.

3. The company may also indicate whether it has voluntarily adhered to other international, sectoral or other codes of ethical principles or best practices. Where applicable, identify the code in question and the date of accession. In particular, it will be noted whether it has adhered to the Code of Good Tax Practices of 20 July 2010:

The company has an interest in augmenting its internal voluntary compliance. In 2021, there was an opportunity to enhance and improve the degree of compliance with the recommendations and the development of corporate governance through the approval of various policies outlined in this report and the enhanced activity and powers of the governing bodies, especially in comparison to 2020, when the time for compliance with the recommendations and guidelines was limited to the short listing period of two months. It is the Company's wish to continue in this line of improvement and development over the coming years.

This annual corporate governance report was approved by the board of directors of the company at its meeting held on this date:

22/03/2021

Indicate whether any directors voted against or abstained from voting on the approval of this report.

[ ] Yes
[√] No

ISSUER IDENTIFICATION DATA

End date of the reporting period: 31/12/2021

Tax number (CIF): A05556733

Company name:

SOLTEC POWER HOLDINGS, S.A.

Registered office:

(MOLINA DE SEGURA MURCIA)

A. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A.1.1 Explain the current director remuneration policy applicable to the current year. Insofar as it is relevant, certain information may be included by reference to the remuneration policy approved by the General Shareholders Meeting, provided that the inclusion is clear, specific and concrete.

A description must be given of the specific determinations for the current year, both of the remuneration of directors for their status as such and for the performance of executive duties, which have been made by the board in accordance with the provisions of the contracts entered into with the executive directors and the remuneration policy approved by the general meeting.

In any case, at least the following aspects must be reported:

a) Description of the procedures and bodies of the company involved in determining, approving and applying the remuneration policy and its conditions.

b) Indicate and, where applicable, explain whether comparable companies have been taken into account to establish the company's remuneration policy.

c) Information on whether any external advisers have been involved and, if so, their identities

d) Procedures under the existing directors' remuneration policy for applying temporary exceptions to the policy, the conditions under which such exceptions may be used and the components that may be subject to exception under the policy.

For the Company, the transparency and correct management of remuneration is a key element in relation to the remuneration of the members of the board of directors. This is recognised in our internal regulations, both in article 17 of the Articles of Association and in article 25 of the Board Regulations, which sets the criterion of remuneration for the position of director.
The current Remuneration Policy was approved on 6 October 2020 by the Company's General Shareholders Meeting, at the proposal of its Board of Directors, and came into force at the time of admission to trading of the Company's shares on the stock exchanges. This Policy will remain in force for the financial years 2021, 2022 and 2023.
The Remuneration Policy has been prepared taking into account the importance of the Company, its economic situation, market standards for comparable companies and the dedication of the directors to the Company. The remuneration established maintains a suitable proportion

and promotes the long-term profitability and sustainability of the Company, incorporating the necessary precautions to avoid excessive risk-taking or rewarding unfavourable results and ensuring that the interests of the directors are aligned with those of the

Company and its shareholders, without compromising the Directors' independence.
In short, the purpose of the Remuneration Policy is to define and control the remuneration practices of the Company in relation to its

directors, contributing to the sustainable creation of value for its shareholders over the long term.
The Remuneration Policy has been drafted with the assistance of external advisers, specifically the law firm Uría Menéndez, which provided references on the usual practice of comparable companies.
No exceptions to the Remuneration Policy are provided for in the Remuneration Policy.

A.1.2 Relative importance of variable remuneration items with respect to fixed remuneration items (remuneration mix) and what criteria and targets have been taken into account in their determination and to ensure an appropriate balance between the fixed and variable components of remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and align it with the long-term targets, values and interests of the company, including, where appropriate, a reference to measures envisaged to ensure that the remuneration policy addresses the long-term performance of the company, measures taken in relation to those categories of personnel whose professional activities have a material impact on the company's risk profile and the measures in place to avoid conflicts of interest.

Also state whether the company has established any vesting or consolidation period for certain variable remuneration items, in cash, shares or other financial instruments, a deferral period for the payment of amounts or delivery of financial instruments already vested and consolidated, or if any clause has been agreed to reduce deferred remuneration that has not yet vested or obliges the director to repay any remuneration received, where such remuneration was based on data that is subsequently demonstrably inaccurate.

On the Board of Directors, only the Company's CEO receives variable components in his/her remuneration. His/her remuneration has taken into account the necessary balance between his/her fixed remuneration and the variable component, consisting of his/her participation in the ILP.
The organisation's senior management also participates in the ILP and, in particular, certain profiles have been excluded from the ILP because they carry out tasks related to risk management or internal audits.
With respect to said ILP, the Remuneration Policy provides for the possibility for the Company's General Shareholders Meeting to establish share-based remuneration schemes, involving the delivery of shares in the Company or remuneration schemes consisting of stock options. It also provides that the resolution of the General Meeting shall determine, where appropriate, the maximum number of shares that may be allocated in each financial year to said remuneration system, the exercise price or system for calculating the exercise price of the share options, the value of the shares that, where appropriate, is taken as a reference and the duration of the plan.
The variable remuneration crystallised in this ILP is based on the principles of the Remuneration Policy, which are as follows, and which have been taken into account in its design:
1.- Ensuring independence of judgement
Remuneration shall be structured in such a way as not to compromise the independent judgement of external directors. 2.- Attracting and retaining the best people
Remuneration shall be competitive so as to attract and retain talent that contributes to the creation of value for the Company and the achievement of its strategic targets.
3.- Long-term profitability and sustainability
Remuneration must promote the long-term profitability and sustainability of the Company and be consistent with the Company's long-term interests and strategy, values and targets. Care will also be taken to avoid excessive risk-taking and unfavourable outcomes. In particular, the remuneration system shall set the necessary limits and safeguards to ensure that variable remuneration is linked to the professional performance of the beneficiaries and does not derive solely from the general evolution of the markets or the sector.
4.- Transparency
The Remuneration Policy and the specific rules for determining remuneration shall be clear and known. 5.- Fairness and proportionality of remuneration
Remuneration must be set taking into account the dedication, qualifications and responsibility required for the position, as well as the experience, functions and duties performed by each director. In addition, remuneration must maintain a balance between market competitiveness and internal equity.

In the case of the executive director, 54% of the remuneration is made up of variable items (ILP) and the remaining 45% is a fixed salary.
This reflects the importance given by the Company to the achievement of its long-term targets, with the remuneration linked to this achievement outweighing the fixed remuneration. The conditions of this ILP will be explained in the following sections, but it must be noted that it includes a variable remuneration consisting of the delivery of shares in the Company, provided that the targets set annually by the Board of Directors have been met. After each vesting period (of two years) there is a one-year grace period where the Company verifies that the targets have been met and proceeds to deliver the incentive in the form of shares. There is no specific provision requiring the restitution of shares if the data on the basis of which delivery has been decided are inaccurate, but such a provision is envisaged.

A.1.3 Amount and nature of the fixed components expected to accrue to directors in their capacity as such during the year.

The maximum annual remuneration to be received by the members of the board of directors in their capacity as such amounts to 309,000 euros.

This maximum amount shall remain the same until the General Shareholders Meeting determines otherwise.
This limit does not include: (a) any salary, compensation of any nature or payment otherwise made to executive directors for the performance of their executive duties, in accordance with the Articles of Association and their respective contracts with the Company; [(b) payments of premiums for liability insurance taken out by the Company for its directors; and (c) any reimbursement of out-of-pocket expenses incurred by the directors when attending meetings of the board of directors or of any of its committees. However, the Company has not yet approved the Directors' per diem policy. Given that most sessions have not required

travel by Directors, the Company has directly arranged transport and accommodation for Directors rather than pocketing the costs. The Board's per diem policy is expected to be adopted in 2022.
The board of directors is responsible for distributing the maximum annual amount among its members and shall thus establish the criteria for determining the amounts corresponding to each director, taking into account the following, in addition to any other target circumstances it deems relevant:
- The category of the director.
- The role played by the director on the board of directors and on any of its committees.
- The specific tasks and responsibilities undertaken during the year.
- The experience and knowledge required to perform these tasks.
- The amount of time and dedication required for fulfilment.

Specifically, of the amount referred to above (309,000 euros), the board of directors has decided on the following amounts to be paid as an annual fixed allocation:
a) Allowance for membership of the Board of Directors: 30,000 euros.
b) Additional allowance for the position of co-ordinating director: 10,000 euros.
c) Additional allowance for chairing the Audit Committee: 30,000 euros.
d) Allowance for membership of the Audit Committee: 5,000 euros.
e) Additional allowance for chairing the Appointments and Remuneration Committee: 30,000 euros.
f) Allowance for membership of the Appointments and Remuneration Committee: 5,000 euros.
g) Additional allocation for chairing the Sustainable Development Committee: 20,000 euros.
h) Allowance for membership of the Sustainable Development Committee: 3,000 euros.

309,000 is expected to accrue in 2022 in remuneration to Directors for their status as such, as well as for the items indicated above (membership or chair of Committees, status of coordinating director).

A.1.4 Amount and nature of the fixed components that will be accrued during the year for the performance of senior management functions by executive directors.

The annual fixed remuneration to be accrued in the financial year 2022 will be EUR 190,083 in accordance with the Chief Executive Officer Agreement.

A.1.5 Amount and nature of any component of remuneration in kind that will accrue in the year including, but not limited to, insurance premiums paid on behalf of the director.

Only the Chief Executive Officer receives remuneration in kind. The following amounts are expected to accrue in 2022 for the following items:

Company car €20,530.44
Life insurance €2,097.66
Pension plan €8,000
Medical insurance €666.96

A.1.6 Amount and nature of the variable components, differentiating between short- and long-term. Financial and non-financial parameters, including social, environmental and climate change parameters, selected to determine variable remuneration in the current financial year, explaining the extent to which such parameters are related to the performance of both the director and the company and its risk profile, and the methodology, timeframe and techniques foreseen to be able to determine them, at the end of the financial year, the effective degree of compliance with the parameters used in the design of variable remuneration, explaining the criteria and factors applied in terms of the time required and methods for verifying that the performance or other conditions to which the vesting and consolidation of each component of variable remuneration was linked have been effectively met.

Indicate the range in monetary terms of the different variable components according to the degree of compliance with the established targets and parameters, and if there is any maximum monetary amount in absolute terms.

The only variable components are the aforementioned Long Term Incentive Plan (ILP or LTIP), a long-term variable remuneration plan consisting of the delivery of shares in the Company as long as the pre-set targets are met.

Within the Board of Directors, only the Chief Executive Officer is beneficiary of this plan.

This plan operates as a long-term variable remuneration plan, as the payout periods occur in year 3 and 5 of the plan, but incorporates targets set annually. The targets set out in the plan consist of a target linked to consolidated EBITDA (25% weight), a target linked to shareholder return (50%) and a target linked to free cash flow (25%).
It is envisaged that in 2022 the categories of the Incentive Plan will be modified to include a non-financial criterion: in particular, it is anticipated that the target linked to free cash flow will be replaced by a target related to the maintenance or achievement of improved ESG ratings awarded to the company in 2021. These ratings are prepared by independent agencies, which ensures their objectivity, independence and transparency, and include criteria linked to environmental impact, sustainability, social aspects and corporate governance. It is envisaged to allocate a weight of 25% to this target, replacing the free cash flow.

The Incentive Plan, which came into force on 1 January 2021, has two vesting periods, the first from 1 January 2021 to 2 January 2023, and the second from 3 January 2023 to 4 January 2015. After each vesting period, a 1-year grace period begins, during which the Company will check whether or not the established targets have been met.
The characteristics of the scheme are set out in more detail in section B.
If the targets are met in 2022, the CEO will be entitled to receive, after the end of the vesting period, the amount of €228,764 in the form of shares in the Company, this being the maximum amount to be received.

A.1.7 Main features of long-term savings schemes. Among other information, it shall indicate the contingencies covered by the system, whether it is a contribution or defined benefit system, the annual contribution to be made to the defined contribution systems, the benefit to which the beneficiaries are entitled in the case of defined benefit systems, the conditions for consolidation of the economic rights in favour of the directors and their compatibility with any type of payment or compensation for early termination or severance, or derived from the termination of the contractual relationship, under the terms provided, between the company and the director.

It must indicate whether the vesting or consolidation of any of the long-term savings plans is linked to the achievement of certain targets or benchmarks related to the director's short- and long-term performance.

Savings Insurance

•Main features
a. Policyholder: Soltec Power Holdings
b. Insured Party: CEO
Duration: From 00:00 hours on 24/3/2021 until the death of the Insured or until the Policyholder decides to terminate the contract

d. Risk and sums insured:
i. A capital sum equal to the market value of the units in which the investment is distributed if the insured party is alive at the time SPH decides to terminate the contract.
ii. In the event of the death of the Insured, and provided that this occurs before the policyholder decides to terminate the contract, Allianz Seguros will pay the designated Beneficiaries the market value of the investment, at the opening of the death claim in the Company, with the value date depending on the funds contracted and according to the attached table. The market value of the units of the policy funds will be increased by €300.
e. Redemption: From the second month onwards, once the premiums have been collected and valued, partial/full surrender of the premiums and outstanding contributions can be made. The redemption amount will be equal to the value of the accumulated fund according to the net asset value of the investment determined by the market value of the units in the chosen funds, without penalty.
f. Modification: from the third month, the periodicity of the premium payment, the periodic amount to be paid and the suspension, inclusion or modification of the annual revaluation of the premium may be modified.
g. Under the policy, the policy is not linked to the achievement of certain targets or benchmarks related to the short- and long-term performance of the director.
h. Total capital contributed by SPH during 2021: €6,666.66
i. Monthly contribution from Soltec Power Holdings: €666.66

A.1.8 Any type of payment or indemnity for early termination or termination resulting from the termination of the contractual relationship under the terms provided between the company and the director, whether the termination is at the will of the company or of the director, as well as any type of agreed covenants, such as exclusivity, non-exclusivity or post-contractual non-competition and permanence or loyalty, which entitle the director to any type of payment.

In accordance with the remuneration policy they are as follows:
(iii) Commitment to minimum period of tenure: the contract must remain in force for at least 4 years from the date of admission to

trading of the company's shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Spanish Stock Exchange Interconnection

System (SIBE). In this respect, if the CEO terminates his/her Contract with the Company without just cause before the end

of such minimum period of tenure, the Company shall be entitled to receive from him/her compensation equal to the gross fixed remuneration to which the CEO would have been entitled during the remainder of the minimum period of tenure.
If before the end of the minimum period of tenure the CEO is removed as Chief Executive Officer of the Company

or his/her contract is terminated by the Company, the CEO shall be entitled to receive compensation equal to the gross fixed remuneration he/she would have been entitled to receive during the remaining period of his/her tenure, with a minimum of two years' remuneration calculated as twice the last total annual remuneration received (including fixed remuneration and long-term incentive plans). This amount shall reduce euro for euro the termination compensation set out for this case in paragraph (v) below. This compensation would not apply in the case of dismissal or termination on fair grounds.
(v) Causes for termination and indemnities: the CEO's contract may be terminated for the following reasons: (i) by mutual agreement; (ii) by unilateral decision of the CEO with three months' notice, on pain of indemnifying the Company, in the event of non-compliance, with an amount equivalent to his/her fixed remuneration for the current year corresponding to the unfulfilled notice period; (iii) the

wish of the Company for any reason whatsoever, including those set out in the Articles of Association, without it being related to a serious or negligent breach

of the CEO's duties; (iv) a decision by the Company as a result of grossly wrongful and culpable conduct in the performance of the CEO's duties; and (v) a structural change or change of control.
Termination of the CEO's employment for the reasons set out in (iii) or (v) above shall entitle the CEO to receive a severance payment equal to twice the last total

annual remuneration received (including fixed remuneration, annual variable remuneration and long-term incentive plans).

A.1.9 Indicate the conditions to be fulfilled in the contracts of those who exercise senior management functions as executive directors. Among others, information shall be provided on the duration, limits on the amounts of compensation, permanence clauses, notice periods, as well as payment in lieu of notice periods, and any other clauses relating to contract premiums, as well as compensation or golden parachutes in the event of early rescission or termination of the contractual relationship between the company and the executive director. Include, among others, non-competition, exclusivity, permanence or loyalty and post-contractual non-competition covenants or agreements, unless they have been explained in the previous section.

(i) Duration: open-ended, being extinguished in accordance with the provisions of commercial legislation, the Articles of Association and section (v) below.
(ii) Remuneration:
•Fixed remuneration: the CEO shall be entitled to receive the amount of 190,038 euros as fixed annual remuneration.
•Multi-year remuneration: the CEO shall be entitled to participate in the LTIP and in the medium and long-term incentive plans that may be established from time to time by the board of directors of the Company for the Company's management team.
•Remuneration in kind: company car, pension plan, life insurance policy and a private medical insurance policy.

(iii) Commitment to minimum period of tenure: the contract must remain in force for at least 4 years from the date on which the company's shares are admitted to trading on the Madrid, Barcelona, Bilbao and Valencia stock exchanges. In this respect,

if the CEO terminates his/her contract with the Company without just cause before the end of such minimum period of tenure, the Company shall be entitled to receive from him/her compensation equal to the gross fixed remuneration to which the CEO would have been entitled

for the remainder of the minimum period of residence.
If before the end of the minimum period of tenure the CEO is removed as Chief Executive Officer of the Company

or his/her contract is terminated by the Company, the CEO shall be entitled to receive compensation equal to the gross fixed remuneration he/she would have been entitled to receive during the remaining period of his/her tenure, with a minimum of two years' remuneration calculated as twice the last total annual remuneration received (including fixed remuneration and long-term incentive plans). This amount shall reduce euro for euro the termination compensation set out for this case in paragraph (v) below. This compensation would not apply in the case of dismissal or termination on fair grounds.
(iv) Exclusivity pact: the CEO must provide his/her services exclusively for the Company, such that he/she may not provide any kind of services, directly or

indirectly, under any kind of legal relationship, for third parties, nor on their own account, even when the activities they perform are not concurrent with those of

the Company. Exceptions to this rule are the activities of holding management positions in companies controlled or participated by the CEO that do not require

significant dedication or concur with the Company's business.

(i) However, this exclusivity commitment shall not prevent the Chief Executive Officer from (a) continuing to serve as a non-executive director of Powertis, S.A., (b) continuing to serve as a non-executive director of other companies (up to a maximum of ten) provided that the Chief Executive Officer obtains the express consent of the Board of Directors of the Company, and (c) continuing to serve as an executive director of its holding companies and performing the relevant functions in those companies, provided that none of the foregoing (i) interferes with the

responsibilities of the Chief Executive Officer to the Company, nor (ii) breach his/her commitment not to compete with the Company.
(v) Grounds for termination and indemnities: the CEO's contract may be terminated for the following reasons: (i) by mutual agreement; (ii) by unilateral decision of the CEO with three months' notice, on pain of indemnifying the Company, in the event of non-compliance, with an amount equivalent to his/her fixed remuneration for the current year corresponding to the period of notice not given; (iii) the

wish of the Company for any reason whatsoever, including those set out in the Articles of Association, without it being related to a serious or negligent breach

of the CEO's duties; (iv) a decision by the Company as a result of grossly wrongful and culpable conduct in the performance of the CEO's duties; and (v) a structural change or change of control.
Termination of the CEO's contract for the reasons set out in (iii) or (v) above shall entitle the CEO to receive a severance payment equal to twice

the last total annual remuneration received (including fixed remuneration,

annual variable remuneration and long-term incentive plans).
(vi) Covenant not to solicit clients and employees: during the term of the CEO's contract and for a period of two years after the termination of the contract, the CEO may not, without the prior written consent of the Company, directly or indirectly,
(i) solicit, induce or otherwise attempt to persuade any customer or potential customer of the Company or of the Group

of companies of which the Company is the parent to terminate its relationship or potential relationship with the Company, or (ii) hire or solicit, recruit, induce, persuade, influence or encourage any employee of the Company or of the group of companies of which the Company is the parent to resign from

his/her position.
(vii) Post-contractual non-competition agreement: during the term of his/her contract, the CEO, and for a period of one year after the termination of his/her contract,

the CEO, may not directly or indirectly compete with the business or activities carried on or to be carried on by the Company.

A.1.10 The nature and estimated amount of any other supplementary remuneration that will accrue to directors in the current financial year in consideration for services rendered other than those inherent to their office.

Not anticipated

A.1.11 Other items of remuneration such as those derived, where applicable, from the company granting the director advances, loans and guarantees and other remuneration.

Not anticipated

A.1.12 The nature and estimated amount of any other expected additional remuneration not included in the preceding paragraphs, whether paid by the entity or another group entity, that will accrue to directors in the current financial year.

Not anticipated

A.2. Explain any relevant changes to the remuneration policy applicable in the current financial year arising from:

a) A new policy or a modification of the policy already approved by the Board.

b) Significant changes in the specific determinations established by the board for the current year in the current remuneration policy compared to those applied in the previous year.

c) Proposals that the board of directors would have resolved to submit to the General Shareholders Meeting to which this annual report will be submitted and which are proposed to be applicable to the current financial year.

No such modifications are anticipated.

A.3. Identify the direct link to the document that contains the company's current remuneration policy, which should be available on the company's website.

https://soltecpowerholdings.com/wp-content/uploads/2021/04/Politica-de-remuneraciones.pdf

A.4. Taking into account the data provided in section B.4, explain how the vote of the shareholders at the general meeting at which the annual remuneration report for the previous year was put to a consultative vote was taken into account.

The annual remuneration report for the previous year was approved by a large majority of 97.84% of the votes cast.

B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE YEAR ENDED

B.1.1 Explain the process followed to implement the remuneration policy and determine individual remuneration as reflected in section C of this report. This information shall include the role played by the remuneration committee, the decisions taken by the board of directors and, where applicable, the identity and role of external advisers whose services have been used in the process of implementing the remuneration policy in the financial year for which the financial year ended.

The annual remuneration reflected in section C of the IARC has been determined by application of section 5 of the Remuneration Policy, which was approved by resolution of the Board on 6 October 2020. This article establishes the amounts corresponding to the following items of remuneration: membership of the board, membership of committees, chair of committees and status of coordinating director.
The amounts in section C have been determined by direct application of section 5 of the Remuneration Policy, with each Director being paid the amounts set out therein. In the case of fixed amounts, no involvement of the CNR, the board or external advisers has been necessary for their determination.

B.1.2 Explain any deviations from the established procedure for the application of the remuneration policy that occurred during the financial year.

No deviation has occurred.

B.1.3 Indicate whether any temporary exceptions to the remuneration policy have been applied and, if applied, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity considers that these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Also quantify the impact that the application of these exceptions has had on the remuneration of each director during the year.

There have been no exceptions.

B.2. Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and aligning it with the company's long-term targets, values and interests, including a reference to the measures that have been taken to ensure that accrued remuneration has addressed the company's long-term performance and achieved the company's long-term targets an appropriate balance between fixed and variable components of remuneration, what measures have been taken in relation to those categories of staff whose professional activities have a material impact on the institution's risk profile, and what measures have been taken to avoid conflicts of interest, if any.

The main measures taken by the Company in 2201 consisted basically of the direct application of the Remuneration Policy to determine the concepts and amounts of remuneration for Directors. With respect to the Long-Term Incentive Plan, the plan came into effect in 2021 with a number of targets set by the Board for the 2021 calculation period, with the CEO being the only Board member to benefit from the plan. In the spirit of the provisions of the Remuneration Policy, we consider that the remuneration of the directors adequately responds to the company's targets, maintaining a competitive level of remuneration that does not compromise the economic interests of the company or its results, nor is it susceptible to generating conflicts of interest. On the other hand, we consider that in the case of the CEO, an adequate balance is maintained between fixed and variable remuneration, the latter being able to reach 54% of the total remuneration of the CEO if the targets set are fully met.
It should be noted that since the targets set by the Board of Directors for 2021, the first calculation period of the long-term incentive plan, have not been met, no remuneration has accrued under this plan in 2021 for either the CEO or the management team. These targets set EBITDA, free cash flow and shareholder return levels that have not been achieved.

This reflects the Company's willingness to link the CEO's remuneration (in which the long-term incentive constitutes 54% of total remuneration as indicated above) to the Company's performance in both the long and short term.

B.3. Explain how the remuneration accrued and consolidated in the financial year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the long-term and sustainable performance of the company.

Also report on the relationship between the remuneration obtained by the directors and the results or other short- and long-term performance measures of the company, explaining, where applicable, how variations in the company's performance have had an impact on the variation of the directors' remuneration,
including accruals for which payment has been deferred, and how they contribute to the company's short and long-term results.

Pursuant to article 5 of the Remuneration Policy, the Board of Directors has decided, for payment as a fixed allowance, that the following shall be paid to the Board of Directors
annual amounts for the benefit of its members, as follows:
a) Allowance for membership of the Board of Directors: 30,000 euros.
b) Additional allowance for the position of co-ordinating director: 10,000 euros.
c) Additional allowance for chairing the Audit Committee: 30,000 euros.
d) Allowance for membership of the Audit Committee: 5,000 euros.
e) Additional allowance for chairing the Appointments and Remuneration Committee: 30,000 euros.
f) Allowance for membership of the Appointments and Remuneration Committee: 5,000 euros.
g) Additional allocation for chairing the Sustainable Development Committee: 20,000 euros.
h) Allowance for membership of the Sustainable Development Committee: 3,000 euros.

Thus, in application of the above, the remuneration accrued by the Company's directors amounted to 309,000 euros.

The indicated remuneration is obtained by direct application of Art. 5 of the Remuneration Policy, which sets out the annual remuneration amounts. This remuneration is fixed and has therefore not been affected by the company's results and performance.

The variable remuneration of the CEO consists of the implementation of the long-term incentive plan. As explained in the previous section, no amount has accrued under the ILP in 2021 as the fixed targets have not been met. As the Company's performance has not reached the thresholds that were set by the Board of Directors for 2021, the variable remuneration earned by the CEO in 2021 is reduced to 0.

B.4. Report on the result of the consultative vote of the general meeting on the annual report on remuneration for the previous year, indicating the number of abstentions, blank votes and votes cast for or against:

	Number	% of total
Votes cast	77,100,174	100.00

	Number	% of issued
Votes against	1,519,663	1.97
Votes for	75,435,152	97.84
Blank votes		0.00
Abstentions	145,359	0.19

Remarks

B.5. Explain how the fixed components accrued and consolidated during the year by the directors in their capacity as such have been determined, their relative proportion for each director and how they have varied with respect to the previous year.

As indicated in the preceding sections, the fixed components of directors' remuneration for their status as directors are obtained by direct application of article 5 of the remuneration policy, which establishes the annual amounts for these items.
The remuneration of directors in their capacity as such only includes these fixed items.

B.6. Explain how the salaries accrued and consolidated during the year ended for each of the executive directors for the performance of management duties have been determined, and how they have varied with respect to the previous year.

In accordance with the provisions of the Remuneration Policy, as annual fixed remuneration, the CEO shall be entitled to receive the amount of €190,038. In addition, as a multi-year remuneration, the CEO participates in the LTIP.
In addition, as remuneration in kind, he/she will receive: a company car (including the cost of leasing, etc., insurance, repairs and vehicle maintenance), a pension plan, a life insurance policy and a private medical insurance policy.
Accordingly, in application of the above, the salaries accrued and consolidated by the executive director during the financial year 2021 amounted to €190,038 for the fixed salary, €6,666.66 for the pension plan contribution, €2,097.66 for the life insurance premium, €666.96 for the medical insurance and €21,043.70 for the company car, with €0 in variable remuneration within the ILP.
Therefore, there is a slight increase in the fixed salary compared to 2020, the inclusion of the aforementioned in-kind remuneration items and the inclusion in the long-term incentive plan, even though the plan has not accrued any amount in 2021.

B.7. Explain the nature and main features of the variable components of the remuneration systems vested and consolidated in the financial year ended.

In particular:

a) Identify each of the remuneration plans that have determined the different variable remuneration accrued by each of the directors during the year ended, including information on their scope, date of approval, date of implementation, vesting conditions, if any, vesting periods and term, criteria used to assess performance and how this has impacted on setting the variable amount accrued, as well as the measurement criteria
used and the time required to be able to adequately measure all the conditions and criteria stipulated, explaining in detail the criteria and factors applied in terms of the time required and methods to verify that the performance conditions or any other type of conditions to which the accrual and consolidation of each component of the variable remuneration was linked have been effectively fulfilled.

b) In the case of stock option plans or other financial instruments, the general features of each plan shall include information on the conditions both for unconditional vesting and for the exercise of such options or financial instruments, including the exercise price and the exercise period.

c) Each of the directors, and their category (executive directors, external proprietary directors, external independent directors or other external directors), who are beneficiaries of remuneration systems or plans that incorporate variable remuneration.

d) Where applicable, information shall be given on the accrual or deferral periods that have been applied and/or the periods of withholding/non-disposal of shares or other financial instruments, if any.

Explain the short-term variable components of remuneration systems:

There is no short-term variable for any of the Directors

Explain the long-term variable components of remuneration systems:

The only director included in the LTIP is the executive director.
The Plan aims to compensate and motivate Participants by enabling them to be part of the Company's value creation by establishing a link between their

remuneration and the performance of the Scheme Shares over the long term. The award of Scheme Shares or participation in the Scheme shall not entitle the

Participant to future incentive awards or to participate in any other scheme approved

by the Company if the right to do so is not expressly granted by Soltec.
The Plan entered into force on 1 January 2021.
Scheme Shares will be vested and may be delivered to Participants only at the end of the following two consecutive periods (the

"Vesting Periods")
- The first Vesting Period shall begin on 1 January 2021 and end on 2 January 2023.
- The second Vesting Period shall begin on 3 January 2023 and end on 4 January 2025.

Shares in the Plan will only vest when the vesting conditions and criteria, as determined by the Board of Directors and described

below, are met at the expiry of each Vesting Period (the "Vesting Date"):
A) Condition of permanence in employment
In the event of the termination of the employment or service contract (as applicable) of any Participant prior to the end of the relevant Vesting Period, such

Participant shall not be entitled to any Incentive under the Plan in respect of any Vesting Period

terminating after such finalisation. This is irrespective of the cause of termination of the employment or commercial relationship.
As an exception to the foregoing, if the termination of the relationship of the Unit-holder with the Company is due to death, permanent absolute incapacity,

retirement or dismissal recognised or declared unfair by a final court decision, the Participant shall be entitled to receive the Scheme Shares to which he/she may be entitled as if his/her relationship with the Company had continued until the end of the Vesting Period following such termination. In such exceptional cases, the Participant or the Participant's heirs, as applicable,

shall not be subject to any Grace Period (as defined below) and shall be entitled to the delivery of the Scheme Shares on maturity of the relevant Vesting Period, provided that all other conditions required by the Plan for their receipt are fulfilled. Accordingly, the performance conditions shall remain fully in force and shall apply, with the sole exception of the

performance appraisal (as defined below), which will no longer be applicable as a performance condition.
B) Performance conditions
The number of Scheme Shares that will actually be delivered to each Participant at the end of each Vesting Period, subject to compliance

of the continuity of employment condition described above, will depend on the fulfilment of the following three performance conditions:
1. The Participant achieves a minimum rating of "B2" in the performance appraisal conducted in each Performance Period (the "performance appraisal"); and

2. The Participant achieves 75% of the annual individual and area targets set by his/her direct superior in each Performance Period in the framework of the "Target Based Appraisal"; and
3. Annual compliance with three performance criteria: "Total Shareholder Return", "Adjusted EBITDA" and "Free Cash Flow" (set out below) calculated over a period from 1 January of each year to 31 December of the same year for the two years included in each Vesting Period (the "Calculation Period").

The number of Scheme Shares to be actually delivered to each Participant at the end of each Vesting Period shall be:
(i) Zero if the Participant does not pass the Performance Appraisal; or does not achieve 75% of the individual and area targets.
(ii) Equal to 100% of the maximum Scheme Shares granted to such Participant during such vesting period on the date of approval of the Plan multiplied by a rate

(the "Global Allocation Rate") equal to the weighted average of the "Total Shareholder Return Allocation Rate"

(50%), the "Adjusted EBITDA Allocation Rate" (25%) and the "Free Cash Flow Allocation Rate" (25%), defined below and calculated annually on the basis of Total Shareholder Return, Adjusted EBITDA and Free

Cash Flow, respectively, in accordance with the following rules.
Number of shares to be delivered at the end of each vesting period: Maximum shares of the vesting period x Overall Allocation Rate
Overall allocation rate = (50% x "Total Shareholder Return Allocation Rate") + (25% x "Adjusted EBITDA Allocation Rate")

+ (25% x "Free Cash Flow Allocation Rate")
The overall allocation rate may in no case exceed 100%.
Total Shareholder Return Allocation Rate: This performance criterion corresponds to an average achievement of Total Shareholder Return against the Total Return Target over the entire Calculation Period. "Total Shareholder Return" is the return to shareholders over a specific Calculation Period (as defined below) equivalent to the sum of
(i) the change in the closing price of the Company's ordinary shares on the Spanish Stock Exchanges at the close of trading of the Company's shares on the

commencement and finalisation date of the applicable Calculation Period less the net proceeds of any issue of ordinary shares

during such Calculation Period; and (ii) the total dividends (or any other form of remuneration or distribution to shareholders) paid in such Calculation Period (the combined total of (i) and (ii)).
"Total Shareholder Return Target" means the Total Shareholder Return set as a target by the Board of Directors and which shall vary from Calculation Period to Calculation Period and shall be approved by the Board of Directors at the beginning of each Calculation Period. The Total Shareholder Return Target for the first Calculation Period has been approved and set by the Board of Directors at 10% per annum.
For each Calculation Period in the Vesting Period, the percentage of (i) actual Total Shareholder Return over the (ii) Target Total Shareholder Return (as an annual rate, the "RTA Annual Achievement Rate") will be calculated.
At the end of the Vesting Period, the arithmetic mean of the Annual RTA Achievement Rates for each Calculation Period in the Vesting Period (the

"RTA Achievement Rate" or "R") shall be calculated and the Board of Directors of the Company shall determine the Total Return Allocation Rate

for Shareholders corresponding to such RTA Achievement Ratio, as follows:
If R is less than 85% 0%
If R equals 85% but less than 95% 50%
If R is equal to or greater than 95% but less than 100% 75%
If R is equal to or greater than 100% but less than 110%
100% If R is equal to or greater than 110% 110%
Adjusted EBITDA Achievement Rate: This performance criterion corresponds to an average achievement of Adjusted EBITDA against the Adjusted EBITDA Target over the entire Calculation Period.
"Adjusted EBITDA" is the result of EBITDA + Losses, impairment and changes in provisions for trading operations - Allocation to provisions

for guarantees.
In turn, EBITDA is defined as:
Net margin + Other operating income + Work performed by the Group on its assets - Losses, impairment losses and changes in provisions due to

commercial operations + Allocation to provisions for guarantees.
"Adjusted EBITDA Target" means the Adjusted EBITDA set as a target by the Board of Directors and which will vary from one Calculation Period to the next

and shall be approved by the Board of Directors at the beginning of each Calculation Period. The Adjusted EBITDA Target for the first Calculation

Period has been approved and set by the Board of Directors at €30.8 million.
For each Calculation Period in the Vesting Period, the percentage of (i) actual Adjusted EBITDA over the (ii) Adjusted EBITDA Target (as an annual rate, the "ADJUSTED EBITDA Annual Achievement Rate") shall be calculated.
At the end of the Vesting Period, the arithmetic mean of the Adjusted Annual EBITDA Achievement Rate for each Calculation Period in the Vesting

Period (the "Adjusted EBITDA Achievement Rate" or "E") shall be calculated and the Board of Directors shall determine the EBITDA Allocation Rate

Adjusted corresponding to said Adjusted EBITDA Achievement Rate, as follows: If E is less than 85%
0%
If E equals 85% but less than 95% 50%
If E is equal to or greater than 95% but less than 100% 75%
If E is equal to or greater than 100% but less than 110% 100%

If E is equal to or greater than 110% 110%
Free Cash Flow Achievement Rate: This performance criterion corresponds to an average Free Cash Flow achievement against the Free Cash Flow Target over the entire Calculation Period.
"Free Cash Flow" represents the cash a company generates after accounting for cash outflows to support operations and

maintain its capital assets, calculated as follows:
EBIT = operating profit or loss derived from the income statement for the calculation period.
EBIT x (1- tax rate) Current Profit and Loss Statement
+ Depreciation and amortisation Current profit and loss statement
– Changes in Working Capital Previous and current balance sheet: current assets and current liabilities accounts
– Capital Expenditure (CAPEX) Past and current balance sheets: property, plant and equipment
"Free Cash Flow Target" means the Free Cash Flow target set by the Board of Directors, which shall vary from Calculation Period to Calculation Period and shall be approved by the Board of Directors at the beginning of each Calculation Period. The Free Cash Flow Target for the

the first Calculation Period has been approved and set by the Board of Directors at €13.7 million.
For each Calculation Period in the Vesting Period, the percentage of (i) Actual Free Cash Flow over (ii) Target Free Cash Flow (as an annual rate, the "Annual FEL Achievement Rate") will be calculated.
At the end of the Vesting Period, the arithmetic mean of the Annual FEL Achievement Rate for each Calculation Period in the Vesting Period (the "FEL

Achievement Rate" or "C") shall be calculated and the Board of Directors shall determine the corresponding Free Cash Flow Allocation Rate

for said FEL Achievement Rate, as follows:
If C is less than 85% 0%
If C equals 85% but less than 95% 50%
If C is equal to or greater than 95% but less than 100% 75%
If C is equal to or greater than 100% but less than 110%
100% If C is equal to or greater than 110% 110%
Global Allocation Rate: For each Vesting Period, the Overall Allocation Rate is the weighted average of the Total Shareholder Return Allocation Rate (50%), the Adjusted EBITDA Allocation Rate (25%), and the Free Cash Flow Allocation Rate (25%).

At the end of each Vesting Period, the Board of Directors shall determine whether or not the performance conditions for the Vesting Period have been met

by successively setting: (i) the Performance Appraisal for each Participant; (ii) the Individual and Area Targets Appraisal for each Participant; (iii) the Total

Shareholder Return Allocation Ratio; (iv) the Adjusted EBITDA Allocation Ratio; and

(v) the Free Cash Flow Allocation Rate.
If, for a given Participant, the multiplication of the number of Scheme Shares initially granted by the Global Allotment Rate for the Vesting Period results in a fractional number of Scheme Shares to be delivered, such number shall be rounded down to the whole number.
In any event, the maximum number of Scheme Shares to be delivered may not exceed the maximum number of Scheme Shares

initially granted at the date of approval of the Plan, subject to the adjustments set out below.
CALCULATION AND DELIVERY OF THE ACTIONS OF THE PLAN
The financial department of the Company, headed by the Chief Financial Officer, and the Chief Organisation Officer, shall make the relevant calculations of the Scheme Shares to be delivered in each Vesting Period under the Plan upon receipt of the

auditors' report on the latest unqualified calculation period
These calculations shall be submitted to the Appointments and Remuneration Committee, which shall review them and, if deemed appropriate, submit them to the Board of Directors for approval.
The Board of Directors shall approve the Incentive payable under the Plan.
The Shares will be delivered at the end of a 365-day vesting period commencing on the day after the expiry of each applicable Vesting Period (the "Vesting Period").
The Board of Directors shall make all arrangements to deliver Scheme Shares, if any, to Participants as soon as practicable thereafter and may use, subject to the required approvals, any of the procedures and mechanisms available in

law to complete such delivery, including without limitation, issuing new ordinary shares, purchasing treasury shares or entering into agreements with third

parties.
The Board of Directors may elect to pay all or part of the Incentive under this Plan in the form of a cash payment instead of through the delivery of Plan Actions, if: (i) the Company does not hold sufficient treasury shares to deliver Scheme Shares to Participants under the Plan; or (ii) there is Winding-up of the Company (as defined below).
Such cash payment in case (i) above shall be equal to the amount which would be required (after deduction of any tax applicable

thereto) to subscribe for the relevant number of newly issued Scheme Shares or to acquire existing Scheme Shares of the Company. In this regard, the Company will put in place the necessary arrangements to ensure that Participants subscribe for the relevant number of newly issued Scheme Shares or acquire existing Scheme Shares from the Company.
The share price used to determine this cash payment shall be the closing price of the Company's ordinary shares on the

Spanish Stock Exchanges at the close of trading on the expiry date of the applicable Vesting Period.
The delivery of Scheme Shares will be communicated through the publication of a notice of other relevant information with the CNMV.

IMPLEMENTATION IN 2021
The plan described above came into effect on 1 January 2021 with the targets detailed above.
However, due to various reasons, in particular the economic situation resulting from Covid-19, these targets were not achieved in 2021. Accordingly, in the 2021 calculation period of the Incentive Plan, no variable remuneration accrued (or was paid) to the Chief Executive Officer (or any other director) under the plan.

B.8. Indicate whether certain accrued variable components have been reduced or claimed back when, in the first case, the payment of unconsolidated amounts has been deferred or, in the second case, consolidated and paid, on the basis of data whose inaccuracy has subsequently been manifestly demonstrated. Describe the amounts reduced or refunded by the application of malus or clawback clauses, why they have been applied and the financial years to which they relate.

Not applicable

B.9. Explain the main characteristics of the long-term savings systems whose amount or equivalent annual cost is shown in the tables in Section C, including retirement and any other survival benefits, which are financed partially or totally by the company, whether internally or externally endowed, indicating the type of plan, whether it is a contribution or defined benefit plan, the contingencies it covers, the conditions of consolidation of the economic rights in favour of the directors and its compatibility with any type of compensation for early termination or rescission of the contractual relationship between the company and the director.

Savings Insurance

•Main features
a. Policyholder: Soltec Power Holdings
b. Insured Party: CEO
c. Duration: From 00:00 hours on 24/3/2021 until the death of the Insured or until the Policyholder decides to terminate the contract

d. Risk and sums insured:
i. A capital sum equal to the market value of the units in which the investment is distributed if the insured party is alive at the time SPH decides to terminate the contract.
ii. In the event of the death of the Insured, and provided that this occurs before the policyholder decides to terminate the contract, Allianz Seguros will pay the designated Beneficiaries the market value of the investment, at the opening of the death claim in the Company, with the value date depending on the funds contracted and according to the attached table. The market value of the units of the policy funds will be increased by €300.
e. Redemption: From the second month onwards, once the premiums have been collected and valued, partial/full surrender of the premiums and outstanding contributions can be made. The redemption amount will be equal to the value of the accumulated fund according to the net asset value of the investment determined by the market value of the units in the chosen funds, without penalty.
f. Modification: from the third month, the periodicity of the premium payment, the periodic amount to be paid and the suspension, inclusion or modification of the annual revaluation of the premium may be modified.
g. Under the policy, the policy is not linked to the achievement of certain targets or benchmarks related to the short- and long-term performance of the director.
h. Total capital contributed by SPH during 2021: €6,666.66
i. Monthly contribution from Soltec Power Holdings: €666.66

B.10. Explain, where applicable, the indemnities or any other type of payment derived from early termination, whether the termination is the wish of the company or of the director, or from the termination of the contract, in the terms provided therein, accrued and/or received by the directors during the financial year ended.

Not applicable

B.11. Indicate whether there have been any significant changes in the contracts of those exercising senior management functions as executive directors and, if so, explain them. Also explain the main conditions of new contracts signed with executive directors during the year, unless they are explained in section A.1.

Not applicable

B.12. Explain any additional remuneration accrued to directors in consideration for services rendered other than those inherent to their position.

None exist

B.13. Explain any remuneration derived from the granting of advances, loans and guarantees, indicating the interest rate, their essential characteristics and any amounts repaid, as well as the obligations assumed on their behalf by way of security.

None have occurred

B.14. Give details of the remuneration in kind earned by directors during the year, explaining briefly the nature of the different salary components.

Only the Chief Executive Officer receives remuneration in kind. The following amounts have been accrued and paid in 2021 for the following items:

Company car €21,043.70
Life insurance €2,097.66
Pension plan €6,666.67
Medical insurance €666.96

B.15. Explain the remuneration accrued by the director by virtue of payments made by the listed company to a third-party entity in which the director provides services, when such payments are intended to remunerate the director's services in the company.

Not applicable

B.16. Explain and list the amounts accrued during the year in relation to any other remuneration item other than those listed above, whatever its nature or the group entity paying it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true and fair view of the total remuneration accrued by the director, explaining the amount granted or pending payment, the nature of the consideration received and the reasons why it would have been considered, where appropriate, that it does not constitute remuneration to the director in his/her capacity as such or in consideration for the performance of his/her executive duties, and whether or not it has been considered appropriate to include it among the amounts accrued in the "other items" heading of section C.

Not applicable

C. DETAILS OF THE INDIVIDUAL REMUNERATION CORRESPONDING TO EACH DIRECTOR

Name	Type	Vesting period 2021
Mr FERNANDO CABALLERO DE LA SEN	Coordinating Director	From 01/01/2021 to 31/12/2021
Mr RAÚL MORALES TORRES	Chief Executive Officer	From 01/01/2021 to 31/12/2021
Mr JOSÉ FRANCISCO MORALES TORRES	Proprietary Director	From 01/01/2021 to 31/12/2021
Mr MARCOS SÁEZ NICOLÁS	Proprietary Director	From 01/01/2021 to 31/12/2021
Ms NURIA ALIÑO PÉREZ	Independent Director	From 01/01/2021 to 31/12/2021
Ms MARÍA SICILIA SALVADORES	Independent Director	From 01/01/2021 to 31/12/2021
Ms MARINA MORENO DÓLERA	Proprietary Director	From 01/01/2021 to 31/12/2021

C.1. Complete the following tables regarding the individual remuneration of each of the directors (including remuneration for the exercise of executive functions) accrued during the financial year.

a) Remuneration of the company that is the subject of this report:

i) Remuneration accrued in cash (thousands of €)

Name	Fixed remuneration	Per diems	Remuneration for membership of Board Committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other concepts	Total financial year 2021	Total financial year 2020
Mr FERNANDO CABALLERO DE LA SEN	40		40						80	18
Mr RAÚL MORALES TORRES				190					190	183
Mr JOSÉ FRANCISCO MORALES TORRES	30		5						35	8
Mr MARCOS SÁEZ NICOLÁS	30								30	7
Ms NURIA ALIÑO PÉREZ	30		33						63	14

Name	Fixed remuneration	Per diems	Remuneration for membership of Board Committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other concepts	Total financial year 2021	Total financial year 2020
Ms MARÍA SICILIA SALVADORES	30		38						68	15
Ms MARINA MORENO DÓLERA	30		3						33	7

Remarks

ii) Table of movements of share-based remuneration schemes and gross benefits from consolidated shares or financial instruments.

Name	Name of the Plan	Financial instruments at the beginning of the financial year 2021		Financial instruments granted during the financial year 2021		Consolidated financial instruments during the year				Expired and unexercised instruments	Financial instruments at the end of the financial year 2021	
		No. of instruments	No. Equivalent shares	No. of instruments	No. Equivalent shares	No. of instruments	No. Equivalent/vested shares	Consolidated share price	Gross profit from consolidated shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	No. Equivalent shares
Mr FERNANDO CABALLERO DE LA SEN	Scheme							0.00				
Mr RAÚL MORALES TORRES	LTIP	17,903,520						0.00			17,903,520	
Mr JOSÉ FRANCISCO MORALES TORRES	Scheme	8,298						0.00			8,298	
Mr MARCOS SÁEZ NICOLÁS	Scheme	4,149						0.00			4,149	
Ms NURIA ALIÑO PÉREZ	Scheme							0.00				

Name	Name of the Plan	Financial instruments at the beginning of the financial year 2021		Financial instruments granted during the financial year 2021		Consolidated financial instruments during the year				Expired and unexercised instruments	Financial instruments at the end of the financial year 2021	
		No. of instruments	No. Equivalent shares	No. of instruments	No. Equivalent shares	No. of instruments	No. Equivalent/vested shares	Consolidated share price	Gross profit from consolidated shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	No. Equivalent shares
Ms MARÍA SICILIA SALVADORES	Scheme							0.00				
Ms MARINA MORENO DÓLERA	Scheme							0.00				

Remarks

iii) Long-term savings schemes.

Name	Remuneration for vesting of rights to savings schemes
Mr FERNANDO CABALLERO DE LA SEN	
Mr RAÚL MORALES TORRES	7
Mr JOSÉ FRANCISCO MORALES TORRES	
Mr MARCOS SÁEZ NICOLÁS	
Ms NURIA ALIÑO PÉREZ	
Ms MARÍA SICILIA SALVADORES	
Ms MARINA MORENO DÓLERA	

	Company contribution for the year (thousands of €)				Amount of accumulated funds (thousands of €)			
Name	Savings schemes with vested economic rights		Savings schemes with unvested economic rights		Savings schemes with vested economic rights		Savings schemes with unvested economic rights	
	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020
Mr FERNANDO CABALLERO DE LA SEN								
Mr RAÚL MORALES TORRES			7				7	
Mr JOSÉ FRANCISCO MORALES TORRES								
Mr MARCOS SÁEZ NICOLÁS								
Ms NURIA ALIÑO PÉREZ								
Ms MARÍA SICILIA SALVADORES								
Ms MARINA MORENO DÓLERA								

Remarks

iv) Details of other items

Name	Concept	Amount of remuneration
Mr FERNANDO CABALLERO DE LA SEN	Concept	
Mr RAÚL MORALES TORRES	Company car, life insurance and medical insurance	24

Name	Concept	Amount of remuneration
Mr JOSÉ FRANCISCO MORALES TORRES	Concept	
Mr MARCOS SÁEZ NICOLÁS	Concept	
Ms NURIA ALIÑO PÉREZ	Concept	
Ms MARÍA SICILIA SALVADORES	Concept	
Ms MARINA MORENO DÓLERA	Concept	

Remarks

b) Remuneration of directors of the listed company for their membership of the administrative bodies of its subsidiaries:

i) Remuneration accrued in cash (thousands of €)

Name	Fixed remuneration	Per diems	Remuneration for membership of Board Committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other concepts	Total financial year 2021	Total financial year 2020
Mr FERNANDO CABALLERO DE LA SEN										
Mr RAÚL MORALES TORRES										
Mr JOSÉ FRANCISCO MORALES TORRES										
Mr MARCOS SÁEZ NICOLÁS										
Ms NURIA ALIÑO PÉREZ										
Ms MARÍA SICILIA SALVADORES										

Name	Fixed remuneration	Per diems	Remuneration for membership of Board Committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other concepts	Total financial year 2021	Total financial year 2020
Ms MARINA MORENO DÓLERA										

Remarks

ii) Table of movements of share-based remuneration schemes and gross benefits from consolidated shares or financial instruments.

Name	Name of the Plan	Financial instruments at the beginning of the financial year 2021		Financial instruments granted during the financial year 2021		Consolidated financial instruments during the year				Expired and unexercised instruments	Financial instruments at the end of the financial year 2021	
		No. of instruments	No. Equivalent shares	No. of instruments	No. Equivalent shares	No. of instruments	No. Equivalent/vested shares	Consolidated share price	Gross profit from consolidated shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	No. Equivalent shares
Mr FERNANDO CABALLERO DE LA SEN	Scheme							0.00				
Mr RAÚL MORALES TORRES	Scheme							0.00				

Name	Name of the Plan	Financial instruments at the beginning of the financial year 2021		Financial instruments granted during the financial year 2021		Consolidated financial instruments during the year				Expired and unexercised instruments	Financial instruments at the end of the financial year 2021	
		No. of instruments	No. Equivalent shares	No. of instruments	No. Equivalent shares	No. of instruments	No. Equivalent/vested shares	Consolidated share price	Gross profit from consolidated shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	No. Equivalent shares
Mr JOSÉ FRANCISCO MORALES TORRES	Scheme							0.00				
Mr MARCOS SÁEZ NICOLÁS	Scheme							0.00				
Ms NURIA ALIÑO PÉREZ	Scheme							0.00				
Ms MARÍA SICILIA SALVADORES	Scheme							0.00				
Ms MARINA MORENO DÓLERA	Scheme							0.00				

Remarks

iii) Long-term savings schemes.

Name	Remuneration for vesting of rights to savings schemes
Mr FERNANDO CABALLERO DE LA SEN	
Mr RAÚL MORALES TORRES	
Mr JOSÉ FRANCISCO MORALES TORRES	
Mr MARCOS SÁEZ NICOLÁS	
Ms NURIA ALIÑO PÉREZ	
Ms MARÍA SICILIA SALVADORES	
Ms MARINA MORENO DÓLERA	

	Company contribution for the year (thousands of €)				Amount of accumulated funds (thousands of €)			
Name	Savings schemes with vested economic rights		Savings schemes with unvested economic rights		Savings schemes with vested economic rights		Savings schemes with unvested economic rights	
	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020
Mr FERNANDO CABALLERO DE LA SEN								
Mr RAÚL MORALES TORRES								
Mr JOSÉ FRANCISCO MORALES TORRES								
Mr MARCOS SÁEZ NICOLÁS								
Ms NURIA ALIÑO PÉREZ								
Ms MARÍA SICILIA SALVADORES								

Name	Company contribution for the year (thousands of €)				Amount of accumulated funds (thousands of €)			
	Savings schemes with vested economic rights		Savings schemes with unvested economic rights		Savings schemes with vested economic rights		Savings schemes with unvested economic rights	
	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020	Financial year 2021	Financial year 2020
Ms MARINA MORENO DÓLERA								

Remarks

iv) Details of other items

Name	Concept	Amount of remuneration
Mr FERNANDO CABALLERO DE LA SEN	Concept	
Mr RAÚL MORALES TORRES	Concept	
Mr JOSÉ FRANCISCO MORALES TORRES	Concept	
Mr MARCOS SÁEZ NICOLÁS	Concept	
Ms NURIA ALIÑO PÉREZ	Concept	
Ms MARÍA SICILIA SALVADORES	Concept	
Ms MARINA MORENO DÓLERA	Concept	

Remarks

c) Summary of remuneration (thousands of €):

The amounts corresponding to all the remuneration items included in this report that have been accrued by the director should be included in the summary, in thousands of euros.

	Remuneration accrued in the Company					Remuneration accrued in group companies					
Name	Total Cash remuneration	Gross profit from consolidated shares or financial instruments	Remuneration by savings schemes	Remuneration by other items	Total financial year 2021 company	Total Cash remuneration	Gross profit from consolidated shares or financial instruments	Remuneration by savings schemes	Remuneration by other items	Total financial year 2021 group	Total financial year 2021 company + group
Mr FERNANDO CABALLERO DE LA SEN	80				80						80
Mr RAÚL MORALES TORRES	190		7	24	221						221
Mr JOSÉ FRANCISCO MORALES TORRES	35				35						35
Mr MARCOS SÁEZ NICOLÁS	30				30						30
Ms NURIA ALIÑO PÉREZ	63				63						63
Ms MARÍA SICILIA SALVADORES	68				68						68

	Remuneration accrued in the Company					Remuneration accrued in group companies					
Name	Total Cash remuneration	Gross profit from consolidated shares or financial instruments	Remuneration by savings schemes	Remuneration by other items	Total financial year 2021 company	Total Cash remuneration	Gross profit from consolidated shares or financial instruments	Remuneration by savings schemes	Remuneration by other items	Total financial year 2021 group	Total financial year 2021 company + group
Ms MARINA MORENO DÓLERA	33				33						33
TOTAL	499		7	24	530						530

Remarks

C.2. Indicate the changes over the last five years in the amount and percentage change in the remuneration earned by each of the listed company's directors during the year, in the consolidated results of the company and in the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and % annual change								
	Financial year 2021	% Change 2021/2020	Financial year 2020	% Change 2020/2019	Financial year 2019	% Change 2019/2018	Financial year 2018	% Change 2018/2017	Financial year 2017
Executive Directors									
Mr RAÚL MORALES TORRES	218	19.13	183	0.00	183	-	0	-	0
External Directors									
Mr FERNANDO CABALLERO DE LA SEN	80	344.44	18	-	0	-	0	-	0

	Total amounts accrued and % annual change								
	Financial year 2021	% Change 2021/2020	Financial year 2020	% Change 2020/2019	Financial year 2019	% Change 2019/2018	Financial year 2018	% Change 2018/2017	Financial year 2017
Mr JOSÉ FRANCISCO MORALES TORRES	35	337.50	8	-	0	-	0	-	0
Mr MARCOS SÁEZ NICOLÁS	30	328.57	7	-	0	-	0	-	0
Ms MARÍA SICILIA SALVADORES	68	353.33	15	-	0	-	0	-	0
Ms MARINA MORENO DÓLERA	33	371.43	7	-	0	-	0	-	0
Ms NURIA ALIÑO PÉREZ	63	350.00	14	-	0	-	0	-	0
CONSOLIDATED RESULTS of the COMPANY									
	-1,167	76.32	-4,928	-	1,340	-	0	-	0
Average remuneration of employees									
	83	40.68	59	-	0	-	0	-	0

Remarks

The company was incorporated in 2019 and listed at the end of October 2020. The Board of Directors was appointed on 6 October 2020 so that their remuneration in 2020 will only be paid for three months

D. OTHER INFORMATION OF INTEREST

If there is any relevant aspect regarding directors' remuneration that has not been included in the other sections of this report, but which it is necessary to include in order to provide more complete and reasoned information on the company's remuneration structure and practices in relation to its directors, briefly describe them.

Nothing worthy of mention

This annual remuneration report was approved by the board of directors of the company at its meeting held on this date:

22/03/2022

Indicate whether any directors voted against or abstained from voting on the approval of this report.

[ ] Yes
[√] No

Consolidated non-financial statement 2021

Consolidated directors' report

Soltec Power Holdings, S.A. and subsidiaries

Contents

Introduction

Law 11/2018, of 28 December, came into effect on 1 January 2018, amending the Commercial Code, the consolidated text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on the auditing of accounts in relation to non-financial information and diversity (Law 11/2018). This replaced Royal Decree Law 18/ 2017, of 24 November, which transposed Directive 2014/95/EU, of the European Parliament and of the Council, into Spain's legal system, with regard to disclosure of non-financial and diversity information.

Under Law 11/2018, some companies, including Soltec Power Holdings, S.A. (the "Parent company") and its subsidiaries ("Soltec Power Holdings" or the "Group") must prepare a non-financial statement and include it in the consolidated directors' report, or a separate report for the same period that includes the same content and meets the same requirements. This report must provide the information needed to understand: the Group's performance, results and situation; the impact of its activity on environmental and social issues; its respect for human rights; its contribution to the fight against corruption and bribery; and personnel issues. It must include the measures adopted to foster the principle of equal treatment and opportunities for women and men, non-discrimination, inclusion of people with disabilities and universal accessibility.

The Parent Company includes the consolidated non-financial statement in the Group's consolidated directors' report, which accompanies the consolidated annual accounts for the period ending 31 December 2021.

This non-financial statement has been prepared in accordance with the provisions of current commercial regulations, following the criteria for each subject in the "Contents of the non-financial statement table" and, to the extent possible, in the selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI standards), applying the principles of comparability, reliability, materiality and relevance set out in the law on non-financial disclosure.

Our business

Business model

Soltec Power Holdings, S.A. and its subsidiaries form a vertically integrated consolidated group that is involved in the solar photovoltaic energy sector.

The Parent Company was incorporated on 2 December 2019. On 23 December 2019, it received non-monetary contributions for 100% of the shares of Soltec Energías Renovables, S.L.U. and 100% of the shares of Powertis, S.A.U., companies which were both the heads of their respective groups.

The shares of Soltec Power Holdings, S.A. have been admitted to trading on the stock exchanges of Barcelona, Bilbao, Madrid and Valencia, through the stock market interconnection system (continuous market), since 28 October 2020. Its share capital is set at 22,846,679.25 euros, divided into 91,386,717 ordinary shares with par value of 0.25 euros each. All of the shares are of the same class and have the same voting and dividend rights. Admission to the continuous market took place through an initial public offering (IPO) through the issuance and circulation of new ordinary shares. The purpose of this was to raise capital to finance its business plan, reinforce its balance sheet and position itself for the expected growth in the photovoltaic industry.

Soltec Power Holdings is a vertically integrated company offering solutions in the photovoltaic sector. It has two business divisions:

- Soltec Industrial (Soltec Renewable Energies, S.L.U. and subsidiaries)
- Powertis (Powertis, S.A.U. and subsidiaries)

Soltec Industrial is a global leader in the manufacturing and supply of solar tracking equipment for photovoltaic plants. It is involved in the design, manufacture and installation of solar tracking services and the development of solar photovoltaic projects.

The Group has over 16 years' experience and is active in 24 countries. It has successfully supplied solar trackers for photovoltaic projects with total installed capacity of 11.8 GW in Latin America, Europe, North America, the Middle East and Africa. Soltec Power Holdings is in third position worldwide, first place in Latin America and second place in the Spanish market.

The Group has another very important area of activity under the Powertis brand. This is responsible for developing projects for the production of solar photovoltaic energy through sale, transmission and/or acquisition on its own behalf of shares and/or participations in special purpose vehicles, with or without their own legal personality, and the administration and management of these holdings. It is currently active in six countries (Spain, Italy, Brazil, Colombia, Denmark and the United States), with a 10.3 GW portfolio of solar photovoltaic energy projects at various stages of development. Powertis applies a flexible asset rotation strategy to optimise returns on the capital employed, adapting its portfolio to its capital structure at all times.

The highest decision-making body of Soltec Power Holdings is the board of directors of the Parent Company, which assesses the performance of each project individually, grouping the activities into these two segments for management purposes. This assessment is performed on the basis of internal information on the Group's projects, which provides the basis for regular reviews, discussion and evaluation in the decision-making process.

The corporate information on the subsidiaries of Soltec Energías Renovables, S.L.U. and Powertis, S.A.U. included in this non-financial statement is set out in Annex I "Subsidiaries forming part of the scope of consolidation" of the Group's consolidated report.

The information in this consolidated non-financial statement covers all the subsidiaries, activities and countries in the Group's consolidated annual accounts during the years ended 31 December 2021 and 2020. Corresponding information is not included on companies over which the Group does not have significant control, as these do not have significant risks (Annex II of the Group's consolidated report).

The Group's main facilities in Spain are in Molina de Segura in Murcia and in Madrid. It also performs activities in facilities in Chile, the United States, Brazil, Peru, Mexico, Argentina, Australia, India, Italy, France, Denmark, China, Colombia and the United Arab Emirates.

The Group's international diversification is a major challenge for the company that enables it to avoid specific risks in certain regions, while being in a position to exploit the expected growth in the photovoltaic industry globally. This is enabling the entire Group to grow globally in a sustainable manner.

At year-end 2021, the net turnover of Soltec Power Holdings was up by 47% at 346 million euros (235 million euros in 2020). This was generated in Spain, Brazil, North America (the USA and Mexico), South America (Argentina, Chile, Colombia and Peru), APAC (Australia and India) and Italy.

Soltec Power Holdings' purpose is to create a cleaner, more sustainable and fairer world through energy. To achieve this purpose, the Group's governing bodies foster a commitment to excellence with customers, suppliers and partners, taking responsibility for their objectives and needs, and also promotes a governance and control model.

Mission

- To develop comprehensive and sustainable solar energy solutions.

Vision

- To be an international benchmark for sustainable solar energy, providing comprehensive and innovative solutions throughout the value chain.

Values

- Customer focus
- Adaptation to change
- Integrity
- Commitment
- Quality and continuous improvement
- Diversity

Soltec Power Holdings is built on three core pillars:

- Vertical integration
- Commitment to sustainability
- Innovation

The Group is firmly committed to the generation of renewable energy and caring for the environment. It focuses on product development and research to offer cutting-edge technology for the sector at this time of energy transition, minimising its environmental impact as far possible while fostering the development of local economies, the societies in which it is active and its own personnel.

Stakeholders

Stakeholders have increasingly demanding expectations about the performance of the organisations with which they interact, and can affect their results and long-term sustainability through their decisions. Creating relationships of trust with them and addressing their needs is, therefore, at the heart of Soltec Power Holdings' sustainability management.

Soltec Power Holdings undertakes a range of processes to identify its most important stakeholders, analysing their importance for its activity and its impacts on them. The company has set up channels to ensure ongoing dialogue with its stakeholders, understanding their expectations and defining the most appropriate ways to respond to them.

Interacting with stakeholders is a key tool for understanding their concerns and enables the company to improve its reputation and build trust, identify new risks and opportunities, and innovate to open up new business opportunities.

Expectativas y canales de comunicación en los grupos de interés de Soltec

Grupo de interés	Principales ámbitos de interés	Canales de comunicación existentes
Mercado Financiero	• Información transparente y veraz • Estabilidad y robustez financiera • Gestión adecuada de los recursos • Inclusión de la sostenibilidad dentro de los procesos de la compañía • Comportamiento ético y respeto a la legalidad/ normativa vigente • Sostenibilidad y medio ambiente	• Junta de Accionistas • Atención al accionista/ inversor • Encuentros one-on-one • Corporate Access • Página Web de accionistas • Webinars • Comunicaciones CNMV • Publicaciones financieras
Empleados	• Lenguaje claro y transparente • Conciliación laboral-personal • Estabilidad laboral y formación • Nóminas y retenciones del IRPF • Disponibilidad de recursos necesarios para la consecución de proyectos • Igualdad y diversidad • Seguridad y salud	• Reuniones formales e informales • Solnews • Solpeople • Yammer y Jira • Mensajería instantánea • Redes sociales
Regulador	• Cumplimiento de las políticas y regulaciones • Comportamiento ético y responsable • Información transparente	• Web corporativa • Comunicaciones y publicaciones corporativas
Clientes	• Desarrollo de productos sostenibles • Control de calidad • Relación calidad-precio • Posición global y cuota de mercado • Responsabilidad Social Corporativa y comportamiento ético y legal • Seguridad de las instalaciones • Condiciones de contratación	• Ferias y conferencias • Mensajería instantánea • Redes sociales • Videoconferencias • Sistema de Jira

Expectativas y canales de comunicación en los grupos de interés de Soltec		
Grupo de interés	**Principales ámbitos de interés**	**Canales de comunicación existentes**
Proveedores	• Desarrollo de colaboraciones y proyectos conjuntos • Compromiso ético • Condiciones de contratación • Continuidad del suministro a través de acuerdos que permitan su crecimiento • Procesos de homologación • Gestión de pagos y cobros puntual • Compartir conocimiento e información	• Concursos privados y/o públicos • Ferias/ Congresos / Conferencias • Sistema Jira • Visitas a las instalaciones • Procesos de homologación, negociación y gestión de pagos.
Sociedad	• Creación de empleo y contribución al desarrollo social • Comportamiento ético y responsable • Creación de productos ambientalmente responsables • Suministro de energía limpia • Acciones de voluntariado e impacto a la comunidad • Lenguaje claro y transparente • Gestión eficiente de los recursos	• Conferencias • Diálogos sociales • Medios de comunicación • Redes sociales

Materiality

Soltec Power Holdings assesses materiality issues considering the importance of its business results, the distribution of its operations and geographical presence, its relations with its stakeholders, and its commitment to social and environmental issues.

It regards all aspects that are likely to generate financial, environmental and social impacts - whether positive or negative - on the environment and its stakeholders as being material. The materiality of these aspects is higher when:

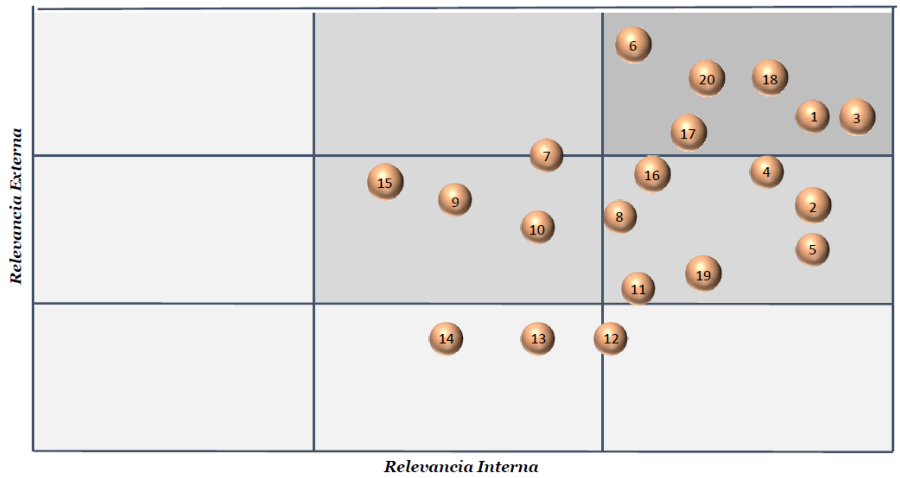
- the greater the impact on the company's ability to perform its strategy and operations (horizontal axis of the matrix)
- the greater influence they have on stakeholders' decisions and assessments about the company (vertical axis of the matrix).

The analysis was based on the list of aspects in Law 11/2018, on non-financial information and diversity, complemented by the requirements of the Global Reporting Initiative (GRI), where appropriate. Other important aspects for the company and its stakeholders were identified from the sources considered in the analysis (such as benchmarking against companies in the sector, internal interviews, analysis of the media, sustainability index requirements and analysis of internal documents) and included in the analysis.

The materiality of each sustainability aspect relevant to Soltec Power Holdings was assessed and the results were included in a materiality matrix with two axes:

- horizontal axis: the importance each aspect could have on Soltec's ability to perform its strategy and operations.
- vertical axis: the importance each aspect could have in stakeholders' decisions and assessments of the company.

The following figure shows the aspects with the highest materiality for Soltec Power Holdings, based on this analysis and applying a medium- and long-term vision:



Nº	Aspecto
1	Contribución a la transición energética y al despliegue de las energías renovables
2	Apuesta continua por la innovación en los productos y las soluciones proporcionadas a nuestros clientes
3	Entorno regulatorio y nuevas normativas
4	Modelo de negocio diferencial
5	Atracción, desarrollo y retención del capital humano
6	Contribución al desarrollo de las comunidades locales
7	Ética e integridad en nuestras operaciones
8	Buen gobierno y transparencia
9	Salud y seguridad de los empleados
10	Incremento de la visibilidad ante el mercado y transmisión a los inversores del plan de negocio
11	Excelencia en nuestros productos y servicios
12	Alianzas estratégicas para apoyar el desarrollo del negocio y el crecimiento de la compañía
13	Gestión de los ciclos de conversión de efectivo
14	Colaboración con nuevos clientes que aporten valor al negocio
15	Diversidad e igualdad de oportunidades
16	Reducción de la huella de carbono en nuestras operaciones
17	Fomento de la economía circular y gestión eficiente de los recursos
18	Minimización de impactos sobre el terreno y la biodiversidad
19	Gestión responsable de la cadena de suministro
20	Financiación

Leyenda

Aspectos críticos

Aspectos relevantes

Otros aspectos relevantes

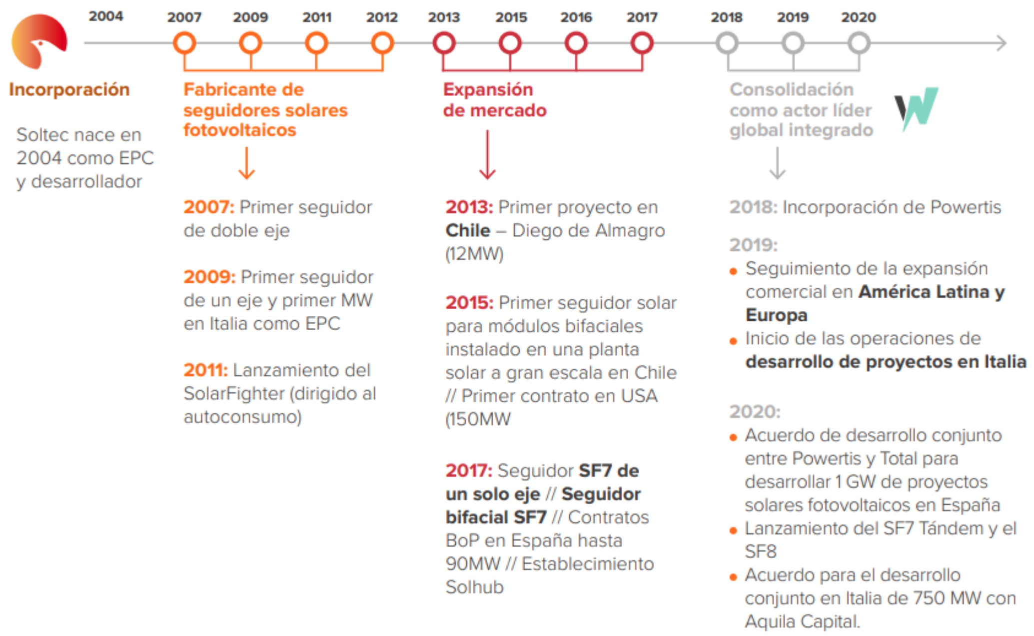
- Regulatory environment and new regulations: capacity to adapt to a changing framework, identification of regulatory risks and new regulations applicable to photovoltaic parks.
- Contribution to the energy transition and the development of renewable energies:

  approval of policies and agreements at the national and international level to promote the energy transition, contribution of companies in the photovoltaic sector to achieving the objectives of these policies and expansion of the generating output distributed, and the importance of having a presence in key markets for the solar tracker sector in the coming years, such as Spain, Australia, Brazil, Mexico and the United Arab Emirates.
- Minimisation of impact on land and biodiversity: compliance with the legal requirements for operations, including environmental impact studies, compliance with environmental clauses required by customers, and reducing the ecological footprint and biodiversity impact of our projects.
- Financing: long-term financing mechanisms, cost of the financing mechanisms used and those potentially available, and alternative financing models and mechanisms.
- Promotion of the circular economy and efficient resource management: use of raw materials with a high percentage of reuse (steel), reuse of excess construction materials (wood and cardboard) from projects, and extension of the useful life of assets.
- Contribution to the development of local communities: contribution to development of the rural areas where the projects are performed. This involves: hiring and training people and raising the awareness of local communities about the importance of renewable energies; the concept of ecovoltaics; active listening to the needs of local communities in Soltec's areas of operation; fostering corporate volunteering initiatives to support local communities (such as improving the local environment and meeting needs); setting up a Foundation to channel all CSR initiatives; and commitment to promotion of, and education about, renewable energies.
- Ceaseless commitment to innovation in the products and solutions offered to our customers: this has set Soltec apart since the company was created, enabling its survival and current success, through Soltec Innovations (IDEAE), which channels the company's investment in R&D&i for the development of new solutions and the digital transformation of the company and its processes.
- A business model that sets us apart: we have an integrated and long-term sustainable business model offering services throughout the value chain, the presence of local teams in the geographical areas where we operate, development of tailored solutions for customers, economies of scale and promotion of vertical integration.
- Attraction, development and retention of human capital: updating the recruitment process to foster the onboarding of new profiles; the existence of internal bodies that oversee employee training and involvement; development of our own scholarships that encourage the attraction of young talent; establishment of positive impact programmes that increase employee satisfaction (well-being programme); existence of multiple internal communication channels for employees; promotion of work-life balance; and development of employee performance assessment programmes.

- Responsible supply chain management: inclusion of environmental and social clauses in contracts with suppliers, supplier monitoring procedures to ensure they are respecting Soltec's strategy, and breaks and delays in the supply chain at the global level.
- Reducing the carbon footprint of our operations: initiatives to foster more sustainable management of energy consumption in our operations (consumption of renewable energy and energy efficiency measures) and promotion of electric mobility.
- Ethics and integrity in our operations: scrupulous compliance with legislation; development of a compliance management system based on the most demanding standards in the market for criminal and tax issues; communication mechanisms for reporting incidents; and specific risk analysis at the level of each country with development of mitigation policies.
- Good governance and transparency: development of the governance model to meet the requirements of investors and the market, with reporting on the company's ESG performance being key to enhancing the transparency of our activities.
- Health and safety of employees: fostering a culture of prevention among our employees, with technical and practical training for workers and campaigns to prevent issues and improve health and health management, implementation of numerous actions to prevent the impact of COVID-19 on our employees and operations.
- Increased visibility in the market and communication of the business plan to investors: communication about the company's strategic plans, dialogue with significant players in the market to explain the company's situation and put it in context, and the tools available for mitigating any impacts, holding investor roadshows, increasing the number of analysts who cover the company and increased visibility as a key player in the sector.
- Excellence in our products and services: product performance to meet customer criteria, existence of quality certification for the product portfolio, supervision of the development process for products commissioned from third parties to ensure their quality, information accessibility and transparency, measurement of customer satisfaction through surveys and understanding of the main requirements of our customers through a range of communication channels.
- Diversity and equal opportunities: development of specific policies, plans and committees to address this issue, economic assessment of posts to ensure non-discrimination, existence of a trained equality officer in the workforce, and women on company committees and bodies.
- Strategic alliances to support business development and the company's growth: involvement in national and international forums relevant to the company's activity, development of partnerships for the integration of products, involvement in sector organisations to contribute actively to upholding the interests of the sector and promoting the company's position in the development of public policies.
- Management of cash-conversion cycles: control of working capital, ability to honour payment commitments and involvement in projects with positive cash flows from the outset.
- Partnerships with new customers that add value for the business: creation of robust alliances with key agents in the sector, generation of value through large-scale projects and increased presence in other countries.

This consolidated non-financial statement collects all the aspects identified as being material, in line with the requirements of Law 11/2018 on non-financial information.

SOLTEC POWER HOLDINGS: A COMPANY WITH A PAST, PRESENT AND, ABOVE ALL, FUTURE.



The following significant events occurred during the year ended 31 December 2021:

- ✓ Launch of a new solar tracker, the SFOne, with a double-row 1P configuration, bolstering the portfolio of flexible and versatile products.
- ✓ Launch of the Solarfighter, the first all-in-one kit designed for distributed-generation photovoltaic projects of up to 12 MW
- ✓ Launch of Ecovoltaica for construction of more sustainable solar plants
- ✓ Start up of Aurora, an accelerator for technological projects to combat climate change
- ✓ Setting up of AHMUR, the Green Hydrogen Association for the Murcia region.

Business areas

The Group has two main activities: 1) design, manufacture and supply of solar trackers; and 2) performance of installation projects for production of solar photovoltaic electricity:

Design, manufacture and supply of solar trackers

Soltec manufactures, supplies and offers other construction services associated with solar tracking equipment designed to withstand extreme conditions. Solar trackers generate between 15% and 25% more electricity than fixed installations, so they are a very attractive value proposition under current circumstances.

Innovation has been at the heart of Soltec's activity since it was created. This innovative philosophy and a constant focus on searching for new solutions to the challenges raised by the market has been essential for maintaining the company's continuity during difficult times and contributing to its success.

Continuous innovation in solar trackers is preferentially manifested through the launch of new, more economically and operationally efficient products with significant advantages over alternatives on the market.

Soltec Industrial's most important products and services are the trackers and related construction services. As part of its value proposition, the Group also offers:

- Project engineering: design always focusing on performance. The engineers have the experience and dedication needed to optimise the performance of each project. This enables the Group to develop the most profitable solar tracking solution, enabling the highest return on investment for the project. Every project is unique. Therefore, the project engineers work with the customer to meet their needs, offering the most innovative and profitable solutions. The project engineering services include optimised design to maximise the performance and profitability of each project and minimise earth-moving and environmental impact, and dedicated engineering teams throughout the project, both in the office and on site.
- On-site services: including guidance, logistics, training, commissioning, installation and O&M. The onsite advisory plan service is the most profitable for many customers. The engineers help with the installation of the plant, acting as guides in organising the logistics, work on the plant and procurement, leaving the installers freed to supervise, manage and direct the work.
  The teams of specialists dedicated exclusively to supporting the installation, whether onsite or remotely, provide guidance and support during each step in the project to ensure optimum organisation and installation while meeting deadlines. The Group's *pullout tests* are unusual among providers of trackers but have become a common choice for customers, to reduce the risk of the investment and meet due diligence criteria during the pre-construction phase.

- Solhub: the standard factory service includes the innovative Solhub storage and logistics system, which delivers the tracker components to the project altogether, within the agreed deadlines and without intermediary transport companies.
  Stock inventory and shipping activities between factory warehouses are synchronised with regional operations and project schedules to ensure the optimum customer experience in terms of reliable delivery times.
  Combined with the Group's annual manufacturing capacity, Solhub meets customers' supply needs for large-scale solar tracking projects.

- Training: the Group's training service connects the experience gained in more than 15 years of solar manufacturing and construction with the needs of each customer's projects to ensure they meet their deadlines and achieve the highest quality standards.
  Our factory experts offer onsite and remote training services that resolve problems preventively and when urgent responses are needed. The Solteach and Solteach Pro training programmes are particularly important in this regard.
- Commissioning: The Group offers its own plant commissioning service. This includes the start-up of the plant and implementation of monitoring of the project's solar trackers by specialist engineers. The Group commissions 5 MW per day, which can be expanded to 10 MW/day, enabling the most efficient start-up.
- Installation: customer demand for contracting and installation varies from market to market. The Group provides turnkey delivery of the equipment which, together with its regional stock capacity, has demonstrated it can meet the most demanding timeframes in the market.
  In addition to ensuring the success of its customers, the Group is also strongly committed to improving the local economies in which it works. The Group hires and trains local people to join its team, providing each project with the resources it needs.

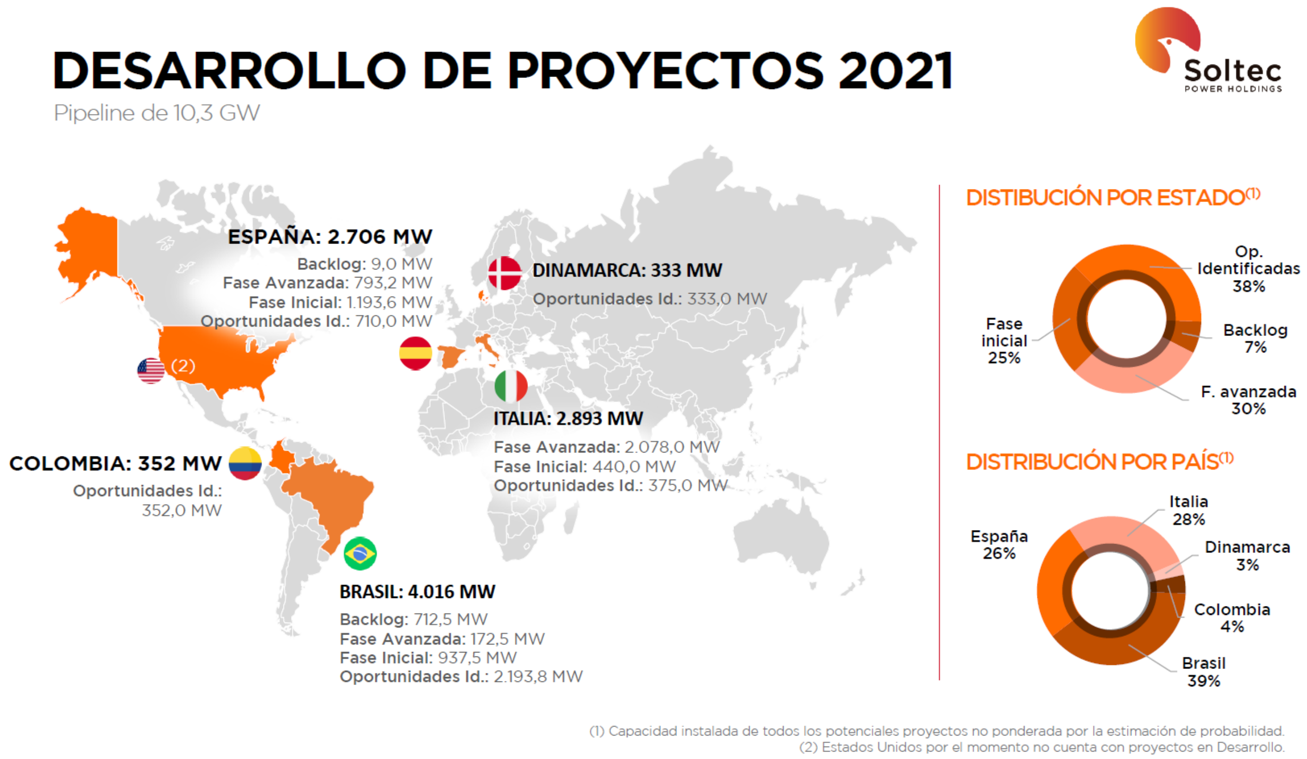
- After-sales service: Solmate is the Group's new customer service solution. This platform offers customers the best response, care, operation and maintenance. The Group guarantees the best and fastest response to operating incidents, through local infrastructure in countries including Mexico, the United States, Brazil, Spain, Chile and Australia, and Solhub warehouses in various countries, to enable rapid management of spare parts.

The Group has continued to strengthen its position as one of the world leaders in the sector, being among the best manufacturers of trackers.

Implementation of installation projects for production of solar photovoltaic electricity

Powertis is our business line for development of photovoltaic projects. This is a core part of the company's strategy, offering comprehensive solutions including development, structuring and obtaining power purchase agreements (PPAs), financing, construction and operation of photovoltaic parks in Europe (Spain and Italy) and Latin America (Brazil). Powertis focuses on developing project from inception (or greenfield) and occasionally buys projects developed by third parties. These projects are developed with Soltec's solar trackers in mind, which Soltec builds when it is time for their implementation. The company's mission is to deliver reliable and sustainable projects through the use of advanced technology, maximising profits for owners and investors.

Powertis pursues objectives such as solar development, prioritising values such as efficiency, excellence, respect for the environment, integration of local communities and job creation in the plants' production. Powertis concentrates on medium and large plants that reduce the price of solar infrastructure as far as possible using the latest technology. It also employs sophisticated forms of contracting, with the ultimate goal of achieving guaranteed and sustainable returns on investment over time. Since it was founded in 2018, Powertis has started development of more than 10.3 GW of company projects in various countries.



Main figures

346

Turnover (€ million)

2.495

Employees

250

Backlog of Soltec projects (M€)

722

Backlog of Powertis projects (MW)

1.672

Pipeline of Soltec (>50%) projects (€ million)

10,3

Pipeline of Powertis projects (GW)

19%

Female

81%

Male

2,732 TnCO2eq

Scope 1 CO_2 emissions

10 TnCO2eq

Scope 2 CO_2 emissions

COVID-19

We have all been living through the extraordinary situation caused by the start of a global pandemic in 2020. This has affected every sector of activity to a greater or lesser extent. COVID-19 has caused a slowdown in the growth of the industry for Soltec Power Holdings, delaying the commissioning of some projects. However, it has also made it increasingly clear that renewable energies are playing and will increasingly play an essential role at the global level in the coming years.

Preventing infection among our employees has been a priority since day one, with extensive efforts being made. The Group has also focused on this area when supporting the local communities where it is active, and will continue to do so in 2022, as it considers itself part of society and believes that its success depends largely on the success of society. The Group is, therefore, continuing its commitment to society by developing initiatives that directly impact the community. Many of these have been aimed at mitigating the COVID-19 health crisis. These include partnering with soup kitchens (in which the entire management team has been involved) and other associations, and donations to NGOs.

The main impacts of COVID-19 and the post-pandemic situation in 2020 and 2021 globally and at the level of Soltec Power Holdings were as follows:

- Postponement of project performance worldwide due to the effects of COVID-19
- Higher prices for, and shortages of, solar modules
- Higher raw material prices
- Higher personnel costs in projects due to the need to allocate more resources to minimise the impact of the pandemic and ensure compliance with customer commitments
- Higher transport costs due to the restrictions resulting from the pandemic and fewer available routes, and a shortage of international containers

The directors and management of Soltec Power Holdings have assessed the current situation based on the best information available. The current circumstances have not led Soltec Power Holdings to rethink any of the main features of its business model. They have set up working groups and established specific procedures for monitoring and managing the development of its operations at all times to minimise the impact of COVID-19. Protocols have been developed and implemented for subcontractors, personnel and offices to ensure compliance with the regulations in each of the countries where the Group operates.

In relation to ESG objectives, the main strategic lines in the Group's sustainability master plan - good governance, reducing direct and indirect emissions from the Group's activity, caring for people, contributing to the improvement of society in the countries where it operates and fostering innovation - were not affected significantly in 2021.

Lastly, it should be noted that the Group's Board of Directors and management are constantly monitoring the evolution of the situation, to successfully deal with any possible impacts, both financial and non-financial, that may arise.

Sustainable development

Corporate governance and risk management

Soltec Power Holdings' governance model has been designed based on current best practices. This is very important for instilling confidence in the company's investors and other stakeholders.

Soltec Power Holdings' governance model comprises its board of directors, with 43% of the directors being independent and women. The board currently comprises the CEO, who is also the chairman, and three members (one woman and three men). There are also three independent directors (two women and one man), one of whom acts as the independent lead director.

Soltec Power Holdings' board has three committees: the Audit Committee, the Appointments and Remuneration Committee and the Sustainability Committee. These committees are chaired by the independent directors and have defined functions, as set out below:

Comisión de Auditoría	Comité de Nombramientos y Retribuciones	Comisión de Desarrollo Sostenible
Su principal propósito consiste en supervisar el proceso de elaboración y presentación de informes financieros, el proceso de auditoría interna y los sistemas de gestión de riesgos, proponer a los auditores de cuentas, supervisar los sistemas de información y control interno, velar por la correcta elaboración de las cuentas anuales y demás funciones descritas en el Reglamento del Consejo.	Centra su actividad en ayudar al Consejo de Administración a desarrollar y gestionar un procedimiento justo y transparente para establecer políticas sobre el nombramiento de consejeros y la remuneración de estos, evaluando las competencias, conocimientos y experiencia necesarios en el Consejo, analizando el resto de las ocupaciones de los consejeros, gestionando la sucesión del presidente del consejo de administración, o estableciendo objetivos de representación, entre otras funciones.	Entre sus responsabilidades se encuentra la supervisión del cumplimiento de las reglas de gobierno corporativo y de los códigos internos de conducta, la evaluación y revisión del sistema de gobierno corporativo y la política medioambiental o la supervisión de la aplicación de la política general relativa a la comunicación de información económico-financiera, no financiera y corporativa, además de la comunicación con accionistas e inversores, asesores de voto y otros grupos de interés, entre otras funciones.

Soltec Power Holdings has designed its governance model based on current best practices. Therefore, and in accordance with its regulatory compliance strategy, its governing bodies act in accordance with the recommendations in the Unified Code of Good Governance for Listed Companies approved by the CNMV, subject to the principle of "comply or explain". The company pays particular attention to compliance with sustainability requirements. As explained in the corporate sustainability policy, Soltec Power Holdings complies with the recommendations for approval of sustainability policies, supervision of compliance and disclosure of corporate social responsibility information to the market.

The board of directors and Audit Committee of Soltec Power Holdings regard risk management a core pillar of the organisation's internal control system and, therefore, its strategy. The Risk Management area, which was set up with its own staff in 2019, is responsible for leading the implementation of risk mitigation and control mechanisms, and for providing support to all of the departments in the first line of risk management and monitoring in the system.

Soltec Power Holdings' global risk management policy was approved in 2020, providing guidance for setting the guidelines of the overall risk management system. This system ensures the management and regular monitoring of the risks identified, enabling exploitation of the opportunities identified.

The Group also has a standing Executive Risk Management Committee, which is responsible for reaching agreement about risk management and insurance at the business level in bids and in projects, and other strategic matters. This committee also oversees the creation of mechanisms that foster risk management in all of the company processes. A specific internal procedure was defined in 2020 to regulate the functioning of this body.

The main objective of risk management is to identify, define and quantify all risks to the business, in order to apply the optimum mitigating measures to eliminate or reduce the probability and/or severity of the threats identified, and to take advantage of the opportunities that arise, enabling the Group to develop its activity and grow sustainably, based on well-founded and consistent decisions.

Risk management is built into all of Soltec Power Holdings' processes. The Group has, therefore, set up a three-line risk management model. The first line is the daily monitoring and control of the risks carried out by all the departments with the support of policies and procedures specific to their activity. Additionally, in a second line, there is the aforementioned risk management department, with periodic committees, which carry out an effective monitoring and systematisation of the activity. Finally, as a third line, there is an Internal Audit department to ensure the proper functioning of Soltec Power Holdings' companies, and to provide objective independent advice to the Risk department. The Internal Audit department considers financial aspects and also defines the scope of each audit based on the risk assessment carried out in the planning phase, considering both financial and operational risks (logistics, purchasing, human resources and projects). In 2020, this area developed a strategy for the operation of the department and an audit plan for 2021, which has been approved by the Audit Committee. 2021 was the first year of implementation and operation of the Internal Control over Financial Reporting (ICFR) system for the Group's subsidiaries.

In risk management, the Group has opted for a system that enables the entire organisation to carry out appropriate and effective management from the first line of risk management. This system is based on three pillars:

Appropriate risk management is directly related to generating trust among stakeholders. The company's ability to react due to appropriate risk management enables it to reduce uncertainty and generate confidence about the sustainability of Soltec's future.

The main operational, strategic and regulatory risks the Group faces relate to: uncertainty about demand for its products and services in a changing environment affected by the global COVID-19 pandemic; difficulties in adapting to different regulatory environments, together with political and social instabilities and potential regulatory changes; increasing competition in the photovoltaic industry, particularly for solar trackers, resulting in lower prices; potential regulatory breaches at the operational level; information security related to product R&D; and potential problems stemming from natural disasters, system failures and interruptions to supply.

The main financial risks relate to market (exchange rate and interest rate) and liquidity risks, and obtaining the guarantees needed to be able to contract and perform projects and extend credit to customers.

Corruption risks are controlled through a risk management system for legal and fiscal compliance.

In general, Soltec Power Holdings has been reviewing and refining its risk map to adapt and integrate it at the corporate level. Specific management measures have been defined for each of the main risks:

Identified risk	Risk management strategies
Operating risks	
Uncertainty associated with the demand for products and services in a changing and pandemic-affected environment.	• Sizing of resources to address all delayed projects • Commercial follow-up with main customers • Seeking out new customers • Follow-up of opportunities from regulatory changes and budget allocation • Local presence in key countries
Potential problems arising from natural disasters	• Transfer to the insurance market • Transfer of ownership and risk to customers • Local presence in key countries • Analysis of country risk
Potential problems resulting from system failures and/or power outages	• Diversification of suppliers in terms of companies and geographically • Local presence in key countries • Transfer to the insurance market • Establishment of contractual mechanisms to enable price reviews once the validity of the offers has expired without the customer having issued an order to proceed • Establishment of processing plans for analysis of market price volatility • Establishment of a processing plan for analysis of logistics
Strategic operational risks	
Difficulties in adapting to different regulatory environments	• Local presence in key countries • Local legal and tax advice • Monitoring of updates to local design regulations • Transfer to the customer with regulation of clauses for changes to the law and variations • Analysis of regulatory risk in the country
Political and social instabilities	• Local presence in key countries • Local legal and tax advice • Transfer to the insurance market • Travel policy with monitoring of the situation in each country • Analysis of country risk
Growing competitiveness of the industry	• Investment in R&D&I. • New products. • Study of synergies and new lines of business. • Continuous improvement systems. • Local presence in key countries. • Agreements with key players in the industry • Establishment of treatment plans for analysis of estimates and project costs and performance times

Identified risk	Risk management strategies
Reduction of solar tracker prices	• Local presence in key countries • Supplier price optimisation • Design optimisation through investment in R&D&i. • Establishment of framework agreements with suppliers • Monitoring of price fluctuations for raw materials: analysis of market trends • Establishment of contractual mechanisms to enable price reviews once the validity of the offers has expired without the customer having issued an order to proceed • Establishment of treatment plans for analysis of estimates and project costs and performance times
Security of information linked to product R&D	• ISO 27001 certification • Designation of a safety officer • Implementation of access control at the headquarters • Performance of a security audit • Non-competition agreements for key personnel
Regulatory risks	
Adaptation to potential regulatory changes	• Local presence in key countries • Local legal and tax advice • Monitoring of updates to local design regulations • Transfer to the customer with regulation of clauses for changes to the law and variations • Analysis of country risk
Potential non-compliance at the operational level	• Local presence in key countries • Local legal and tax advice • Monitoring of updates to local design regulations • Transfer to the customer with regulation of clauses for changes to the law and variations • Requirement for clear specification of projects by customers, transfer of risks of errors or lack of information in the specifications to customers • Establishment of controls to analyse whether the customer's definition of the specifications is correct
Financial risks	
Liquidity	• Framework agreements with financial entities • Review of new financing formulas. • Framework agreements with suppliers/customers • Review of project cash flow before signing contracts, according to the payment conditions of the customer and suppliers • Analysis of the maximum risk of default • Cash flow monitoring for projects underway

Identified risk	Risk management strategies
Customer credit	• Transfer to the insurance/financial market. • Transfer to customers requesting the issuance of letters of credit or other types of guarantees • Review of project cash flow before signing contracts, according to the payment conditions of the customer and suppliers • Analysis of the maximum risk of default • Cash flow monitoring for projects underway
Obtaining the guarantees required to be able to contract/implement projects.	• Framework agreements with financial/insurance entities • Active monitoring of the guarantees issued and the overall position • Negotiation with customers • Strengthening of the balance sheet
Market (exchange and interest rate)	• Contracting hedges • Monitoring of changes in rates. • Supplier agreements in the same currency as the main contract. • Framework agreements with financial entities

Soltec Power Holdings has designed its governance model paying careful attention to compliance with best practices relating to sustainability. As set out in the corporate sustainability policy, it complies with recommendations 53, 54 and 55, on the approval of a sustainability policy, oversight of its compliance (organisation of an ESG area with its own structure), and disclosure of corporate social responsibility information to the market (sustainability report).

Contribution to sustainable development

Soltec Power Holdings bases its commitment to sustainability on the positive impact that its activity generates for its stakeholders. The products and projects implemented by the company provide its customers with efficient and innovative energy solutions that have a positive impact on the communities where Soltec operates and on the rest of society.

In 2021, Soltec Power Holdings announced a new way of building solar plants, under the ecovoltaic concept. This term focuses on sustainable development of photovoltaic plants based on specific criteria, maximising their positive impact on the environment. For plants to be considered ecovoltaic, they must guarantee a positive impact on the environment and the economy of the societies where they are installed.

Among other innovations involving ecovoltaics, Soltec has increased the role of the locations of its projects, so that people in the vicinity of the photovoltaic plants are the first to benefit from their construction. This involves compensating neighbours living within a 1-2 kilometre radius of the photovoltaic plants with up to 1% of the energy produced by ecovoltaic plants, through the self-consumption or bonus formulas. It has also undertaken to reinvest the entire ICIO bonus + 1,000 euros per MW in associations of neighbours of plants built using ecovoltaic criteria.

Soltec is also seeking to foster socio-economic excellence through its ecovoltaic plants, as they represent an opportunity for growth and development for local towns and their communities by stimulating local employment and as catalysts for economic activity. Under the ecovoltaic criteria, Soltec undertakes to: create local jobs, paying particular attention to groups with difficulties accessing the labour market; prioritise the purchase of local goods and services, except when they are not under market conditions, using national components and services for at least 50% of the total cost of the project; prioritise local and regional suppliers; and domicile the vehicle companies in the towns where the projects are being performed.

Soltec also promotes the circular economy in the areas where it develops ecovoltaic plants. It will do this through: smart management of raw materials, using an environmental monitoring plan to minimise and control waste and avoid ground and water pollution; and an expanded responsibility system for recycling the materials already used.

Biodiversity is another area covered by the concept of ecovoltaics. In addition to minimising the impact of its solar park installations on the environment, Soltec seeks to make these plants opportunities for fauna and flora to recover. To achieve this, its installations must be located so that they do not interfere with protected areas, and they must only be considered after in-depth assessment of the potential individual impact of the installation, as well as its combined impact with other projects in the same area. Its plants are designed to minimise the area they occupy and their visual impact and impact on the area, in order to respect the natural vegetation in the area. This criterion also applies to its layout and connection lines. The needs of local fauna and flora are also considered during construction of the plants.

Photovoltaic facilities that meet the ecovoltaic criteria must also obtain an emission-neutral project seal from the Ministry for Ecological Transition and the Demographic Challenge (Miteco), to be classified as projects that offset the carbon footprint at the national level.

In previous years, Soltec Power Holdings approved a corporate sustainability policy under which it undertakes to promote the sustained creation of value for its employees, customers, suppliers and the Company as a whole through its activities. Compliance with and supervision of this policy is driven by the company administrative body through the Sustainability Committee, which was set up in 2020.

The management approach for this area has been complemented by the creation of an ESG Committee responsible for monitoring compliance with the Sustainability Policy and the strategy in this area and its integration into all activities. This committee comprises the heads of the Investor Relations, Legal, Environment, Marketing, Strategy, Talent and Innovation departments, inviting the Risk team and Internal Audit to attend from time to time, depending on the matters being discussed.

Another milestone for sustainability was the creation of the ESG Master Plan. This plan sets out the main lines of action and specific measures put in place to foster a sustainable business model. The main strategic lines in this plan are:

1	2	3	4	5
Net Zero	**Economías locales**	**Our Energy is our people**	**Buen gobierno y transparencia**	**Innovamos e impulsar la transformación energética**
Buscamos un medio ambiente positivo	Las personas, nuestro máximo compromiso	Nuestra gente es la clave	Buenas prácticas como ejemplo	Impulsando proyectos innovadores y diferenciadores en la transición energética
		Reporting corporativo		

Creation of value in society in terms of sustainability is a priority for Soltec Power Holdings. The products and projects developed by the company contribute to avoiding CO2 emission and offering job opportunities to local people. Soltec actively pursues multiple actions to meet the needs of the areas where it operates.

Cooperation with external initiatives is another approach through which Soltec Power Holdings seeks to deepen its commitment to sustainability and the adoption of ESG best practices. In 2020, it became a signatory of the United Nations Global Compact, through which it has committed to complying with the ten principles of the Compact and to demonstrating its progress in this area annually. In line with another of the major trends in the corporate world, Soltec has reaffirmed its commitment to compliance with the 17 Sustainable Development Goals (SDGs), particularly those most directly related to its activity. Soltec Power Holdings performs at least one initiative every year for each of the SDGs.

Soltec's contributions to the SDGs include those to: SDG 7, generation of non-polluting electricity through development of solar photovoltaic energy projects; SDG 8, the projects performed directly impact the communities in which it operates, through the hiring and training of local people, and promoting human and employment rights in all its operations and throughout its value chain; SDG 9, launching new products that are more economically and operationally efficient; SDG 13, promoting sustainable transport for employee movements, guaranteeing the renewable source of the energy consumed and creation of carbon sinks; and SDG 17, membership of the Ready for Africa initiative promoted by Botanicae.

Sustainable finance taxonomy

Regulation (EU) 2020/852, also known as the Taxonomy Regulation, came into force in July 2020. Under this Regulation, particularly its article 8, companies obliged to publish non-financial information under Directive 2014/95/EU (NFRD) and its transposition into Spanish law under Law 11/2018 must include in their Non-Financial Statement (NFS) information on the manner and extent to which the company's activities are associated with economic activities considered environmentally sustainable under the taxonomy system it establishes.

In order to develop and refine the reporting obligation under the article 8 taxonomy, in July 2021 the Commission adopted Delegated Act (EU) 2021/2178, article 10.1 of which imposes a different reporting obligation for 2022 compared to that for 2023 and subsequent years.

Therefore, in accordance with the disclosure obligation under article 8 of Regulation (EU) 2020/852 and the specifications of Delegated Act (EU) 2021/2178, Soltec will disclose the following for the 2022 taxonomy report (based on 2021 data): the proportion of eligible and ineligible economic activities according to the taxonomy in its turnover, its fixed asset investments and its operating expenses, and the qualitative information set out in section 1.2 of Annex I of Delegated Act (EU) 2021/2178.

Qualitative information under section 1.2 of Annex I of Delegated Act (EU) 2021/2178

Accounting policies

Soltec's accounting policies are set out in note 2 to the consolidated report for the year ended 31 December 2021. The Group's consolidated annual accounts have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU, hereinafter "IFRS"), the IFRIC interpretations current at 31 December 2021 and the commercial legislation applicable to entities that prepare financial information in accordance with IFRS, such that they show a faithful image of the consolidated equity and financial situation of the Group at 31 December 2021, the consolidated results of its operations, and changes in its consolidated net equity and consolidated cash flows for the year then ended.

The figures in the documents in the consolidated annual accounts, the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated equity, the consolidated statement of cash flows and the report are, unless indicated otherwise, rounded to the nearest thousand and expressed in thousands of euros, which is the functional and presentation currency of the Parent Company. The use of rounding may, in some cases, lead to insignificant rounding differences in totals and differences.

Preparation of the consolidated annual accounts in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the application of the Group's accounting policies. Note 2 to the consolidated report presents information on the areas involving the greatest degree of judgement or complexity, and those in which the assumptions and estimates are significant for the consolidated annual accounts.

As a non-financial company that applies IFRS, the categories assigned for business volume, CAPEX (investments in fixed assets) and OPEX (operating expenses) in Soltec are as follows:

- Turnover: the figures correspond to the definition in article 2.5 of Directive 2013/34/EU. This includes revenue recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82.a), adopted by Commission Regulation (EC) No. 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council (OJ L 320, 29.11,2008, p. 1)).

- Investment in fixed assets: includes costs accounted for in accordance with:

a) IAS 16 Property, Plant and Equipment, paragraph 73.e), items i) and iii);

b) IAS 38 Intangible Assets, paragraph 118.e), item i);

c) IFRS 16 Leases, paragraph 53.h).

- Operating expenses: this includes non-capitalised direct costs related to research and development, building renovation, short-term leases, maintenance and repairs, and other direct costs related to day-to-day maintenance of property, plant and equipment by the company or a third party to which such activities are subcontracted, and which are necessary to ensure the continued and efficient operation of the assets.

A number of mechanisms have been implemented to ensure double counting is avoided. Application of these financial accounting standards makes it possible to guarantee that figures associated with a particular account are not consolidated into two different indicators.

The figures associated with lines for the elimination of intragroup operations have been reduced to zero, with their amounts transferred to the original lines that generated those amounts.

Information on the assessment of compliance with Regulation (EU) 2020/852

The main activity of Soltec Power Holding and its subsidiaries is the design, manufacture, supply, installation, operation and maintenance of solar photovoltaic trackers, and the development of installation projects for generation of solar photovoltaic electricity.

Considering the activities contained in annexes I and II of Delegated Act (EU) 2021/2139, which was introduced to develop objectives one (mitigation of climate change) and two (adaptation to climate change) of Regulation (EU) 2020/852, the Group considers the following eligible:

- 3.1. Manufacture of renewable energy technologies
- 4.1. Generation of electricity through photovoltaic technology
- 7.6. Installation, maintenance and repair of renewable energy technologies
- 9.1. (Annex I) and 9.2. (Annex II) Research, development and innovation close to the market

Specification of key performance indicators

Following the classification explained in the previous section, the economic indicators used in this document were calculated (the proportion of turnover, total fixed assets and operating expenses related to assets or processes associated with economic activities eligible under the Taxonomy) as the numerator divided by the denominator as established in points 1.1.2.1. and 1.1.2.2 of Annex I of Delegated Act (EU) 2021/2178, using the following methodology:

<u>Turnover indicator</u>

Numerator: the numerator is the portion of net turnover included in the denominator associated with eligible economic activities under the taxonomy (those classified as the eligible activities listed above).

Denominator: this Includes the net amount of the Group's total turnover recognised under International Accounting Standard (IAS) 1, paragraph 82.a), adopted by Commission Regulation (EC) No. 1126/2008.

<u>CAPEX indicator</u>

Numerator: the numerator is the portion of investment in fixed assets included in the denominator related to assets or processes associated with eligible economic activities under the taxonomy (those classified as the eligible activities listed above).

Denominator: includes additions to tangible and intangible assets in the year before depreciation, amortisation and any new measurement, including those resulting from re-measurement and impairment, for the year, excluding changes in fair value. The denominator also includes any additions to tangible and intangible assets resulting from business combinations.

The data for the denominator includes the following items included in the 2021 consolidated annual accounts:

- Note 6: additions to intangible fixed assets: 11,058 thousand euros
- Note 7: additions to property, plant and equipment: 84,524 thousand euros
- Note 8: addition of leases: 1,682 thousand euros

OPEX indicator

Numerator: the numerator includes the portion of operating expenses included in the denominator related to assets or processes associated with eligible economic activities under the taxonomy (those classified as the eligible activities listed above).

Denominator: this includes non-capitalised direct costs related to research and development, building renovation, short-term leases, maintenance and repairs, and other direct costs related to day-to-day maintenance of property, plant and equipment by the company or a third party to which such activities are subcontracted, and which are necessary to ensure the continued and efficient operation of the assets.

The data for the denominator corresponds to the consolidated figure in the 2021 consolidated annual accounts of 11,526 thousand euros, relating to "Leases and fees" and "Repairs and maintenance" under "External services".

Contribution to multiple objectives

In response to section 1.2.2.2 of Annex I of Delegated Act 2021/2178, all of the activities identified as eligible for Soltec are included in both Annex I (the climate change mitigation objective) and Annex II (the adaptation to climate change objective) of Delegated Act (EU) 2021/2139. Therefore, the final economic indicators expressed in this document indicating the proportion of eligible economic activities in investments in the company's fixed assets and operating expenses relate to activities that can potentially contribute to both objective a), mitigation of change, and objective b), adaptation to climate change, of article 9 of Regulation 2020/852.

Quantitative economic indicators for the 2022 taxonomy report (based on 2021 data):

	Thousands of euros	Eligible	Not eligible
Turnover	346,514	100%	-
CAPEX	97,264	100%	-
OPEX	11,526	55%	45%

Environmental commitment

Environmental aspects

Soltec Power Holdings is fully committed to respecting and caring for the environment and is aware of the commitment it makes to its customers and to society in general, leading to constant and recurring work to minimise the impact of its activities thereon. In this regard, it has developed a series of internal mechanisms that lay the foundations for its commitment to the environment, notably the quality, environment and health and safety management system stands out as a central framework, as well as the existence of a specific department in health, safety and environmental matters that supervises compliance with all environmental measures.

For the management and coordination of all the Group's environmental actions, linked to the design, manufacture and assembly of solar trackers, the environmental management system implemented at the Group's sites in Spain, Mexico, Brazil and Chile is periodically monitored, based on the ISO-14001:2015.

The Group's quality, environmental and health and safety policy establishes the following principles that must be applied therein:

- Ensure that the services comply with the applicable specifications, standards and codes, and applicable legislation and regulations regarding quality, environment and work safety.
- Establish actions and programmes aimed at continuous improvement, the prevention of pollution and of damage and the deterioration of health, both in the quality of services and in respect for and the protection of the environment and the safety of people.
- Incorporate into services, management based on the minimisation or elimination of environmental impacts and reconcile this objective with the rational use and consumption of raw materials, energy and natural resources.
- Increase customer satisfaction, assuming the concepts of quality and respect for the environment and commitment to safety at work.
- Maintain permanent communication with the interested parties, to be able to collaborate jointly in the improvement of benefits, both in technical aspects, such as quality and the prevention of occupational and environmental risks.
- Stimulate and motivate staff, through the necessary training and awareness, in order to enhance their integration in the management and development of the quality, environment and occupational health and safety system.
- Establish mechanisms that encourage the participation of workers to improve health and safety at the workplace.

In addition to the framework established by that policy, in order to carry out the strategic planning of the environmental management system, the Group's Health and Safety and Environment department (HSE) is responsible for identifying those environmental aspects and determining the areas that may have a significant impact on the environment.

Within Soltec Power Holdings' processes, we should highlight the internal processes for the environmental management of the organisation itself and also the environmental management plans designed for implementation in the solar tracker installation projects, which are adapted to the specific environmental legislation in the countries in which they are performed.

To identify the main impacts and risks in the environmental area, the different stages of the life cycle of the Group's products and services are taken into consideration.

The main environmental risks to be taken into account by Soltec Power Holdings are the use of raw materials, the generation of waste, noise pollution and atmospheric emissions derived from energy consumption.

As a result of the environmental management plan and the main risks identified, environmental monitoring plans are drawn up for the projects, the objective of which is to establish a mechanism that ensures, at the same time, compliance with the proposed protective and corrective measures and the detection of unforeseen alterations.

As one more line of environmental risk control, the control of the applicable legal requirements is implemented at international, state, regional and local levels, thanks to which, no breaches occurred during the period covered by this non-financial statement.

Additionally, regular internal audits are carried out by the Health and Safety and Environment department, the scope of which covers both the central offices and subsidiaries, as well as the design, manufacturing and installation projects of photovoltaic plants currently in progress.

Finally, it is worth mentioning the awareness and training actions for all Soltec Power Holdings employees, the objective of which is to make them aware of the importance of saving resources in their work environment and of reducing the environmental impacts derived from daily activities to help reduce their ecological footprint. In this context, the Group's manual of good environmental practices serves as a basis for the training and awareness of its employees.

Pollution

Soltec Power Holdings has modelled economic growth based on respect for the environment through the innovation and optimisation of photovoltaic technology.

Thanks to its cutting-edge technology, the Group continues to strengthen its position in the photovoltaic solar energy market with revolutionary products such as its monofacial and bifacial solar trackers. The function of solar trackers is to make the photovoltaic module rotate around its axis following the direction of the sun, therefore generating more energy. During the 2021 financial year, projects with an accumulated capacity of 4,475 MW were completed, which have allowed the estimated reduction of 3,580,197 emissions of tons of CO2. During the 2020 financial year, projects with an accumulated capacity of 1,752 MW were completed, which allowed the estimated reduction of 1,402,008 emissions of tons of CO2.

On the other hand, the standard factory service includes the innovative Solhub storage and logistics system, which delivers within the agreed deadlines without intermediary transport companies. In addition to providing the best service, this enables total control throughout the process, managing CO_2 emissions, having appropriate control over waste management and, ultimately, being responsible for environmental sustainability.

At the same time, Soltec Power Holdings is responsible for implementing measures to reduce its significant environmental aspects. They control that the carbon emissions derived from the combustion of their vehicles have passed all regulatory controls and the speed of circulation is limited by work, guaranteeing lower gas emissions.

Similarly, noise control measures are carried out in the projects through the use of noise reduction systems in machinery and construction vehicles, the verification of the conformity certificates of the machinery manufacturers, the use of compressors and low-sonic level drills, periodic noise measurements and periodic reviews of machinery and silencers.

Circular economy: waste prevention and management

Soltec Power Holdings understands that the transition from a linear economy to a circular one is a key step in improving and caring for the environment, since it entails a considerable reduction in waste through the optimal use of available resources.

Soltec Power Holdings ensures that it follows a methodology to adequately manage the waste generated throughout the Group and to transmit it both to the workers and to the people responsible for its internal or external management.

Training sessions are carried out periodically, both for employees and subcontractors, in which good practices are shared, and the importance of correctly segregating waste to be recycled is emphasised.

The Group's activity generates different types of waste, non-hazardous and hazardous, due to the diverse operations carried out at its work centres, arising from office, logistics, manufacturing, installation and maintenance activities.

The amount of hazardous waste, mainly oils, and non-hazardous waste, mainly plastic, paper and cardboard and wood, generated in 2021 and 2020, is presented in the following table:

	Tons	
	2021	2020
Hazardous	7	13
Non-hazardous	1,359	1,400

Waste generation is measured in all projects, developing different alternatives in relation to them, with regard to which reuse within the projects themselves or recycling activities involving cardboard or wood stand out.

The Group has contracted external companies as authorised managers to provide the service for the collection and management of hazardous and non-hazardous waste, in accordance with the provisions of current legislation.

All waste is correctly labelled, allowing it to be rapidly identified, and the associated risk to be informed upon, both to users and managers. In addition, all Group work centres that generate waste have a duly marked storage place.

The waste storage area has a size and characteristics in accordance with the volume of waste generated at the workplace. The Health and Safety and Environment Department carries out regular reviews of the state of the waste warehouses, to detect anomalies, possible improvements and to verify correct internal waste management.

Also, in Spain, Soltec Power Holdings files all its production centres in the General Directorate of the Environment registry of small waste producers, keeping each registry updated in accordance with the regulations published by the relevant regional authorities. In relation to the aforementioned area, each country takes into consideration the local legislation in this regard.

Sustainable use of resources

Soltec Power Holdings aims to be able to integrate sustainability in business management in decision-making in line with the United Nations Sustainable Development Goals, while allowing value to be generated both for society and for the company.

Its purpose is to be able to meet current needs without compromising the ability of future generations to meet theirs, guaranteeing a balance between economic growth, care for the environment and social welfare.

All products are designed with performance in mind to achieve this. The Group's engineers have the experience and dedication to optimise the performance of each project, enabling them to develop the most profitable, efficient and sustainable solar-tracking solution. The trackers manufactured enable the generation of more energy per hectare occupied and better use of the space.

To foster the saving of limited resources, the Group has created ten commandments of good practices for its employees, placing particular emphasis on saving energy and water. Reducing paper usage is also encouraged.

Through new technologies, the Group has developed a digital transformation process for all its activities and the way they relate to stakeholders. The Group has set up a digital intranet for the entire organisation. This ensures that all communications to its employees are always available, using digital means, such as e-mail, whenever possible, and using the internet and other digital channels for promotion and marketing, eliminating advertising brochures, for example.

Raw materials

The main raw materials used in 2021 and 2020 were:

	Tons	
	2021	2020
Steel	167,338	73,079
Other components	29,197	8,671

The increase in consumption of raw materials during the year ended 31 December 2021 is mainly due to the increase in the total installed capacity of the projects.

The raw material procurement model we have implemented includes a system of hubs which means we can meet demand in an efficient and globally distributed manner. This gives us a range of supply solutions to provide a global supply chain that optimises the transport of raw materials.

Energy

All of our employees are involved in caring for the environment. That is why Soltec Power Holdings runs several training and awareness campaigns every year emphasising responsible resource usage, especially of energy. This knowledge is regularly refreshed through training modules, with measures such as posters on noticeboards and labels on taps and switches.

Total electricity consumption in 2021 and 2020 is shown in the table below:

	kWh	
	2021	2020
Electricity	526,125	398,972

The energy consumed in Spain during the year ended 31 December 2021, accounting for approximately 85% of the Group's total (two thirds of the Group's total in 2020), was all from renewable sources, contributing to the protection of the environment.

The increase in the Group's electricity consumption in the year ended 31 December 2021 was mainly due to the reduction in working from home in response to the COVID-19 pandemic.

Consumption of diesel and petrol by the Group in the years ended 31 December 2021 and 2020 is shown in the table below:

	Litres	
	2021	2020
Diesel	1,010,968	569,117
Petrol	110,908	70,394

The increased consumption of fossil fuels by the Group in the year ended 31 December 2021 was mainly due to greater use of machinery as a result of increased activity.

Climate change

Soltec Power Holdings is committed to the fight against climate change, aiming to be a long-term greenhouse gas (GHG) neutral company, with a progressive reduction in emissions being planned in the short and medium term.

To this end, in the case of Spain, the Group only works with electricity suppliers with an electricity mix that do not generate CO2 or other GHG emissions due to their electricity consumption, and it undertakes not to vary this selection criterion. In addition, from the paradigm of sustainability, the Group is committed to progressively reducing its electricity consumption, carrying out control campaigns, raising awareness, changing equipment for more efficient items, etc.

Furthermore, in Spain, the Group has implemented a plan to reduce its carbon footprint, in which its emissions are continuously monitored, and it undertakes to reduce them year after year. Soltec Power Holdings' carbon footprint is very small considering the size of the organisation. Even so, Soltec Power Holdings is pursuing excellence through even lower emissions and is committed to achieving this.

Emissions in 2021 and 2020, calculated based on the total energy consumption for Soltec indicated in the "Energy" section, and considering the energy emission factor applicable in each country where the Group operates, for each type of energy consumption, are:

	Tons of CO2	
	2021	2020
Scope 1	2,732	1,419
Scope 2	10	20

Scope 1 includes all emissions from direct sources of combustion, mainly diesel and petrol. Scope 2 includes emissions deriving from electricity consumption, considering that all of the electricity consumed in Spain is from renewable sources.

Soltec Power Holdings is currently identifying the relevant activities and metrics related to emissions with a scope corresponding to other indirect emissions including, among other aspects, travel for work trips using external resources, and transportation of raw materials and products produced by third parties.

The Group uses the Solhub solution to reduce its emissions from logistics. This delivers tracker components to projects without using intermediary transport companies, assessing environmental aspects related to transport and packaging in the supplier approval process.

Precautionary principle

As far as the precautionary principle is concerned, the Group's activities do not generate impacts that could be associated with serious or irreversible damage to the environment.

Biodiversity

Soltec Power Holdings has an environmental management plan that serves as support during the construction process for photovoltaic facilities using the Company's products. The environmental management plan envisages the control of potential effects on flora and fauna, among other aspects. In this way, biodiversity protection mechanisms are foreseen in operations in which there could be some type of impact, beyond the operations that are usually carried out in industrial areas that do not present risks of impacting biodiversity.

Effects on fauna

The recommendations include: installing hunting fences with rectangular plates to prevent bird strikes; planning of activities so as not to affect fauna, surveys to identify nests and wildlife refuges; and following the rescue protocol for managing fauna that might be affected by the work.

The recommendations also include: not carrying out beating to scare away mammals and birds in the area of action; cleaning the work area and avoiding litter; limiting noise levels, vibrations and dust generation, especially during breeding seasons and nesting; limiting the maximum speed inside the project to 20 km/h; exhaustively following the environmental surveillance plan, observe if the execution of the works alters the surrounding fauna habitats and acting accordingly; and restoring an area as an ecological corridor of approximately 8 ha to create an ecotone suitable for the birdlife in the area.

Effects on flora

Measures include: planning activities so as not to affect flora; limiting the area of action, including access roads and auxiliary facilities; irrigating vegetation in the event of significant accumulations of dust; not stockpiling materials, even temporarily, in areas of natural vegetation; and informing site personnel about important and protected species and communities.

Use of herbicides and pesticides is forbidden, as is clearing vegetation outside the project area. Operational areas must be equipped with fire-extinguishing equipment as per the regulations, to protect the area and surroundings from fire. The maximum speed inside project areas is limited to 20 km/h. Ecological corridors are restored where they exist.

Effects on local ecology

Activities must be carefully planned to minimise effects on nearby ecological heritage, with special monitoring of earthworks in sensitive areas. Information and plans must be compiled by the competent bodies, identifying and signposting the most sensitive areas and prohibiting access for heavy machinery.

Commitment to our people

Social and personnel issues

The people forming Soltec Power Holdings are the basis for the growth and development of the organisation. The secret of the success of Soltec Power Holdings lies in its employees, their passion for its products, teamwork and their relationship with customers in order to offer a quality service.

The Group trusts in the capabilities of its employees, in the diversity of talent and in the desire to grow, which is why they always understand professional relationships as a long-term alliance in which everyone benefits. In this context, the Group offers employees job security, stable contracts and a motivating professional project, in which they can continuously develop and learn in an environment of generational diversity.

For this reason, one of the Group's main objectives is the creation of an inclusive organisational culture that welcomes and encourages diversity to lead all the professionals forming said Group to reach their maximum potential. This implies the need for employment management with a vision of the future, bearing in mind that the current market requires professionals capable of working in a collaborative, dynamic, diverse and flexible environment.

The team of professionals at Soltec Power Holdings is made up of people with a high level of commitment, with a passion for doing things well and for exceeding customer expectations at all times. At the organisation, creativity and the contribution of new approaches and different points of view by any team member are always welcome.

In line with the above, Soltec Power Holdings is very aware that leadership is the key to success in its past history and also in its future goals, as is the commitment of 2,495 employees at the end of 2021 (1,207 employees at the end of 2020). For this reason, human resources management is based on a leadership model that provides each person with the necessary tools for their professional development, allowing employees to tread their own path, that of their colleagues and that of the Group as a whole.

The global human resources policy of Soltec Power Holdings is based on this idea, believing in people and betting on their talent to be competent and in continuous growth. The Group's international presence is a challenge that drives and motivates employees to develop global practices and procedures that are transversal and applicable in all countries in which they are present. Hence, they ensure that sustainability is not limited to Spain and the central offices, rather that the entire Group grows globally in a sustainable manner.

Among the most significant risks that could affect the organisation in the employment area are those of equal treatment and opportunities between women and men, discrimination and the inclusion of people with disabilities and universal accessibility. Soltec Power Holdings, in the performance of its activities, has the firm will to operate within the framework of a management model based on the assumption of business ethics. In the aforementioned context and as a commitment linked to the Group's values and rules of conduct, a code of conduct was implemented in the previous year, which includes, among other aspects: the general principles defining the benchmark values on which the Group's activities are based, the action guidelines that must be respected by the entire organisation and the monitoring mechanisms to control compliance with the aforementioned code and its ongoing improvement.

Attracting, developing and retaining talented candidates and employees is a key objective at Soltec Power Holdings. The Group is convinced that, through people development, it will increasingly become an efficient, productive and competitive organisation, consolidating the leadership of Soltec Power Holdings, based on the value and contribution made by each of the employees.

In previous years, Soltec Power Holdings launched the "Soltec Wellbeing" programme, a well-being programme promoted for members of the entire team. This programme seeks to generate a greater sense of company, improving horizontal and vertical relationships thereat, as well as the work environment, promoting communication, integration, a good working environment and the motivation of employees, reducing the risk of exclusion in the workplace and encouraging greater involvement of workers.

To implement a global "Well-being" policy and to continue to promote actions connected with the well-being of employees, in 2021, Soltec Power Holdings decided to implement "Solcare", a digital platform to which all employees have access at global level, in which they can obtain discounts on different services, advice to take care of their mental and physical health, volunteering actions organised by the Soltec Foundation in which they can participate or gain access to flexible remuneration services (health insurance, childcare or training, among others).

In addition, in the current financial year, due to the global pandemic, a training programme called "Soltec Ambassador" was carried out for a selected group of employees to improve the Group's internal communication and to diminish the feeling of uncertainty and fear faced with the current scenario.

Looking ahead to the 2022 financial year, the Group aims to implement seven healthy challenges connected with compliance with the SDGs, to launch a global "Gympass" and to provide psychological assistance by the Company to all those employees who need professional help.

Along these same lines, the Group has internal social networks that facilitate two-way transversal communication between workers, allowing collaborative and conversational work, the visualisation of online documentation, the provision of public information groups and private work groups and immediate participation and communication.

Additionally, the Group has met the objective set for the 2021 financial year of implementing "SAP-Success Factors" as software for human resource management. This solution was implemented in December, allowing a substantial improvement in the management of aspects related to people.

The priorities of Soltec Power Holdings in the area of employment management are as follows:

- Guarantee a safe and healthy work environment, adapting to the requirements of the work, both in general and of the position itself.
- Develop selection and internal promotion processes based on equal opportunities, promoting the training and development of employee skills to improve their experience and performance.
- Commitment to comply with the employment conditions established by law, offering decent wages adapted to each circumstance.

Employment

The total number and distribution of employees by country at 31 December 2021 and 2020 was as follows:

	Number of employees	
	2021	2020
Spain	1,004	603
Brazil	608	200
Chile	415	202
Colombia	313	8
Mexico	97	160
United States	25	14
China	15	-
Italy	10	-
Australia	5	7
Argentina	2	2
Peru	1	11
TOTAL	2,495	1,207

The total number and distribution of employees at 31 December 2021 and 2020 by gender, age and professional classification was as follows:

	2021					
	Number of employees					
	Male	Female	Total	<30	30-49	>49
Department Director	31	7	38	1	27	10
Manager	309	96	405	70	291	44
Technician	284	116	400	165	222	13
Administrative	74	97	171	67	94	10
Operator	1,329	152	1,481	602	705	174
TOTAL	2,027	468	2,495	905	1,339	251

	2020					
	Number of employees					
	Male	Female	Total	<30	30-49	>49
Department Director	22	6	28	1	19	8
Manager	218	60	278	42	209	27
Technician	238	46	284	115	158	11
Administrative	49	78	127	55	66	6
Operator	446	44	490	169	250	71
TOTAL	973	234	1,207	382	702	123

The total number and distribution of employment contracts, by type of contract, gender, age and professional category, at 31 December 2021 and 2020 was:

	2021					
	Number of employees					
	Male	Female	Total	<30	30-49	>49
Permanent	928	307	1,235	377	748	110
Temporary	1,099	161	1,260	528	591	141
TOTAL	2,027	468	2,495	905	1,339	251

	2021		
	Number of employees		
	Permanent	Temporary	Total
Department Director	38	-	38
Manager	331	74	405
Technician	307	93	400
Administrative	117	54	171
Operator	442	1,039	1,481
TOTAL	1,235	1,260	2,495

	2020					
	Number of employees					
	Male	Female	Total	<30	30-49	>49
Permanent	455	143	598	155	386	57
Temporary	518	91	609	227	316	66
TOTAL	973	234	1,207	382	702	123

	2020		
	Number of employees		
	Permanent	Temporary	Total
Department Director	28	-	28
Manager	204	74	278
Technician	181	103	284
Administrative	58	69	127
Operator	127	363	490
TOTAL	598	609	1,207

The annual average number of permanent and temporary contracts during the years ended 31 December 2021 and 2020, by gender, age and professional category, was:

	2021					
	Average number of contracts (%)					
	Male	Female	Total	<30	30-49	>49
Permanent	40%	13%	53%	15%	33%	5%
Temporary	41%	6%	47%	19%	23%	5%
TOTAL	81%	19%	100%	34%	56%	10%

	2021		
	Average number of contracts (%)		
	Permanent	Temporary	Total
Department Director	2%	-	2%
Manager	18%	4%	22%
Technician	16%	5%	21%
Administrative	5%	4%	9%
Operator	12%	34%	46%
TOTAL	53%	47%	100%

	2020					
	Average number of contracts (%)					
	Male	Female	Total	<30	30-49	>49
Permanent	34%	9%	43%	10%	28%	5%
Temporary	51%	6%	57%	21%	28%	8%
TOTAL	85%	15%	100%	31%	56%	13%

	2020		
	Average number of contracts (%)		
	Permanent	Temporary	Total
Department Director	3%	-	3%
Manager	15%	4%	19%
Technician	15%	7%	22%
Administrative	3%	4%	7%
Operator	7%	42%	49%
TOTAL	43%	57%	100%

Total dismissals by gender, age and professional classification, during the years ended 31 December 2021 and 2020 were:

	Number of dismissals					
	Male	Female	Total	<30	30-49	>49
2021	284	50	334	140	166	28
2020	605	66	671	302	344	25

	Number of dismissals	
	2021	2020
Department Director	1	2
Manager	28	35
Technician	20	25
Administrative	19	30
Operator	266	579
TOTAL	334	671

The reduction in the number of dismissals compared to the year ended 31 December 2020 is mainly due to the completion of major projects in Brazil in 2020.

The remuneration model generally applicable to Soltec Power Holdings' workforce mainly involves fixed remuneration, based on applicable collective agreements or the conditions and other agreements in each country, considering levels of responsibility, the functions performed and each employee's professional profile. The principles of internal fairness and the value of the function play a key in total compensation. The award and amount of fixed remuneration is based on objective criteria that are predetermined and non-discretionary.

This model includes variable remuneration in the form of income the receipt and amount of which is subject to fulfilment of particular conditions, usually related to the efficiency of the recipient or recipients. This is implemented through bonuses and commission.

The remuneration system in Soltec Power Holdings also includes flexible remuneration, which enables employees to voluntarily design the composition of their remuneration package based on their personal and family needs, swapping salary in cash for other products and services, such as transport tickets, nurseries, restaurants and medical insurance.

The average remuneration of the Group during the years ended 31 December 2021 and 2020, broken down by gender, age and professional category, was:

	Euros				
	Male	Female	<30	30-49	>49
2021	20,439	20,057	14,977	22,356	27,121
2020	23,633	26,859	18,796	24,835	26,850

	Euros				
	Department Director	Manager	Technician	Administrative	Operator
2021	95,028	31,175	21,263	11,879	12,979
2020	85,030	37,551	24,980	18,384	15,757

The Group's remuneration policy fosters equal treatment of men and women. It does not establish or encourage wage differentiation. The remuneration model rewards levels of responsibility and professional experience, ensuring internal fairness and external competitiveness.

The Group's salary gap is calculated from the average salary of men and women by professional category. This information is conditioned by the following:

i) The professional categories comprise different groups of professional categories depending on the legal and employment framework in each country
ii) The professional categories include different posts with differing remuneration depending on the post
iii) Not every professional category or both genders exist in all of the companies and countries
iv) The salary structures differ in each company and country

Considering these factors, the salary difference for each category is calculated as the difference in average remuneration between men and women divided by the average remuneration for men. This information is used to calculate a weighted average considering the weight of each category in the workforce during the year. These calculations are used to obtain the contribution to the overall salary gap by professional category, which is not identified with the same salary gap for the Group as a whole.

During the years ended 31 December 2021 and 2020, the directors of the Parent Company accrued the following monetary income for all concepts (includes income paid by the Parent Company and by subsidiary companies):

	Thousands of euros	
	2021	2020
Fixed and variable remuneration (*)	530	252
Share-based payments (**)	508	-
TOTAL	1,038	252

(*) average remuneration for female and male directors of 55 thousand and 85 thousand euros, respectively, in 2021 (12 thousand and 54 thousand euros in 2020)
(**) relates to one man

There were no changes in the governing body of the Parent Company in the year ended 31 December 2021. The governing body has seven members, three women and four men, with total remuneration of 164 thousand and 366 thousand, respectively (36 thousand and 216 thousand at 31 December 2020).

They did not earn any amounts classified as income in kind for their work as senior management or directors in addition to those indicated above in any of the periods. However, at 31 December 2021, the remuneration indicated above contains income in kind in the amount of 31 thousand euros for one of the directors for senior management work.

The remuneration of the members of senior management (three women and three men in 2021 and two women and four men in 2020), excluding members of the board of directors (whose remuneration is detailed above) in the years ended 31 December 2021 and 2020, paid by the Parent Company and by subsidiaries, was:

	Thousands of euros	
	2021	2020
Salaries (*)	655	545
Share-based payments (**)	948	-
TOTAL	1,603	252

(*) average remuneration for men and women of 106 thousand and 112 thousand euros, respectively, in 2021 (62 thousand and 108 thousand euros in 2020)
(**) Average remuneration for women and men of 109 thousand and 243 thousand euros, respectively, in 2021

The amount accrued, including the administrative body, in personnel expenses through share-based payments for employees during the year ended 31 December 2021 amounted to 3,007 thousand euros (53 thousand euros in the year ended 31 December 2020).

The ratio between the minimum salary paid by Soltec Power Holdings and the minimum interprofessional salary in the years ended 31 December 2021 and 2020 is higher than one in Spain. In its subsidiaries, the Group is committed to respecting local regulations at the level of collective agreements or local minimum wage agreements.

Organisation of work

The companies in the Soltec Power Holdings Group have the autonomy to organise their working hours based on applicable collective agreements and company agreements regulating the annual working day, and the operational needs in each situation.

In compliance with legal requirements and balanced with the obligations of each of the companies, Soltec Power Holdings promotes flexibility that facilitates the adjustment of working hours for its employees: such as flexible start times, adjustments to meal times depending on start times and working through lunch on Fridays.

The working day in Spain for the years ended 31 December 2021 and 2020 is set in the main collective agreements at 1,760 hours of effective annual work for full-time workers. A percentage reduction is applied for part-time workers, in proportion to their contractually agreed working day.

The annual average for full-time and part-time employees in the years ended 31 December 2021 and 2020, by gender, age and professional category, was:

	2021					
	Annual average employees (%)					
	Male	Female	Total	<30	30-49	>49
Full time	85%	14%	99%	37%	51%	11%
Part time	-	1%	1%	1%	-	-
TOTAL	85%	15%	100%	38%	51%	11%

	2021		
	Annual average employees (%)		
	Full time	Part time	Total
Department Director	1%	-	1%
Manager	12%	-	12%
Technician	12%	1%	13%
Administrative	7%	-	7%
Operator	67%	-	67%
TOTAL	99%	1%	100%

	2020					
	Annual average employees (%)					
	Male	Female	Total	<30	30-49	>49
Full time	87%	12%	99%	36%	53%	10%
Part time	-	1%	1%	1%	-	-
TOTAL	87%	13%	100%	37%	53%	10%

	2020		
	Annual average employees (%)		
	Full time	Part time	Total
Department Director	1%	-	1%
Manager	11%	-	11%
Technician	12%	-	12%
Administrative	5%	1%	6%
Operator	70%	-	70%
TOTAL	99%	1%	100%

There is currently no standard policy for disconnection from work measures for employees. However, the Group tries to facilitate balance between work and family life for the people who work for it, to the extent that this is possible. For example, courses and meetings are held during working hours and all staff have the opportunity to benefit from shorter working hours, on request. As a preventive measure in response to COVID-19, working from home has been encouraged to limit face-to-face working, wherever possible.

During the year ended 31 December 2021, 33 men and 5 women took parental leave (27 men and 3 women in the year ended 31 December 2020). The Group has put in place preventive measures to protect mothers and their children during the pregnancy and breast feeding stages.

Total absenteeism during the year ended 31 December 2021 amounted to 65,392 hours, equivalent to 2% of total equivalent hours (68,521 hours, equivalent to 3% of total equivalent hours in the year ended 31 December 2020).

Health and safety

One of Soltec Power Holdings' core commitments is to comprehensive protection of the health of its workers. Soltec Power Holdings' commitment to occupational health and safety is transmitted to its stakeholders through the policies and systems it has defined, including: the quality, environment and health and safety policy and management system, based on the ISO 45001 and ISO 14001:2015 standards, through which design, manufacturing and assembly activities for solar trackers at locations in Spain, Mexico, Brazil and Chile are certified.

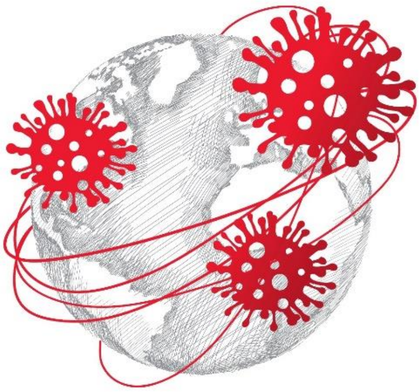
This system focuses sharply on prevention. It is based on identification and advance planning by units that might have health and safety risks for their workers, to ensure work is performed in accordance with the criteria established.

In Spain, the Group has outsourced the prevention service for industrial hygiene and health monitoring specialities, applying a preventive organisational approach. Its in-house prevention service manages safety, ergonomics and applied psychosociology.

Soltec Power Holdings also has its own prevention resources in its EHS department. This is a specific organisational and functional unit that is functionally integrated into the Group's management and reporting structure, and reports directly to the company's senior management. It also provides training to all employees and is responsible for inspections and audits, helping ensure high levels of prevention throughout the Group. The Group also has prevention officers and a Health and Safety Committee.

As the organisation's activity is so geographically dispersed worldwide, the global head of the EHS department is located physically at the HQ in Murcia. There is a person responsible for the EHS department in each of the Group's projects and offices around the world.

During the year ended 31 December 2021, the Group's prevention departments were particularly important due to the coronavirus pandemic. Soltec Power Holdings implemented a range of measures to ensure the health and safety of its workers, customers and suppliers from the beginning, reinforcing its existing preventive measures to ensure the continuity of its operations.



At the start of the pandemic, Soltec Power Holdings defined a procedure for action in the event of coronavirus infections. This has been regularly updated and is available to all workers. Prevention measures have been put in place in all of its facilities for its workers, supplier visits and for loading and unloading at docks. These include: access control, checking temperatures, cleaning measures and reinforcement of cleaning equipment and work, management of PPE and ventilation.

Soltec Power Holdings recognises the importance of working conditions as a determining factor in employee commitment and retaining talent. It cares for the quality of life of its workers, providing them with suitable and comfortable conditions in a stable, high-quality working environment.

There are a number of collective agreements in the countries where Soltec Power Holdings operates, regulating the hiring of employees and, in most cases, specific health and safety conditions to foster and promote safe working.

These conditions cover aspects such as:

- The obligation to provide suitable protection equipment for the work to be performed.
- The need to ensure the training and skills of employees who are engaged in work involving risks.
- The right of employees to stop work when the conditions are not safe.
- The obligation for employees to comply with rules, procedures and guidelines for safe working.
- The obligation for workers to undergo medical examinations for occupational health and safety to ensure their medical aptitude for their work.

The frequency and severity rates for minor accidents at work were 2.36 and 0.03, respectively, during the year ended 31 December 2021 (8.1 and 0.3 for men and 6.3 and 0.3 for women, respectively, during the year ended 31 December 2020). There were seven accidents involving men and none involving women (fifteen accidents involving men and two involving women in the year ended 31 December 2020). No cases of occupational illnesses were declared in the years ended 31 December 2021 and 2020. No high-risk jobs have been identified.

The Group is committed to continuing to reduce accident rates - which are generally already below the national and sector averages - and to rigorous ongoing compliance with the environmental requirements under ISO 14001:2015. Soltec Power Holdings is a signatory to the Luxembourg declaration for workplace health promotion, aiming to maintain and improve the health of all Group personnel.

Soltec Power Holdings continuously strives to look after the health of its employees. An agreement was entered into with a healthy eating company in previous years, reducing staff travel and, therefore, potential traffic accidents, while providing healthy and balanced meals that benefit their health.

Soltec Power Holdings provides a personal trainer for its employees twice a week, encouraging them to develop healthy habits and get involved in sporting activities.

Employment relations

The working conditions and rights of Soltec Power Holdings' employees, such as freedom of association and union representation, are set down in regulations and agreements, which are signed with the workers' representatives where appropriate. Any differences or conflicts in the Group are addressed through dialogue and negotiation. Procedures are in place for consultation with the workers' representatives, with the highest coverage being in Spain, Mexico and Brazil, at 100%, 9% and 97%, respectively, in the year ended 31 December 2021 (100%, 62% and 100%, respectively, in the year ended 31 December 2020). The changes compared to the year ended 31 December 2020 correspond to situations involving relations with unions in current projects in Mexico and Brazil.

The most important collective agreements in Spain are those for the iron and steel industries in the Murcia region and Cáceres and its province, metal industries and services in Albacete, the metal sector in Zaragoza, engineering companies and technical study offices sector, and offices in Murcia and Madrid. All the workers in the Spanish companies are covered by collective agreement. The other subsidiaries are subject to any applicable sector or company collective agreements that have been agreed.

Employees are covered by current employment legislation in countries where there are no collective agreements.

The Group companies recognise the right to join a trade union and non-discrimination due to union membership. It also recognises equal opportunities and treatment, and non-discrimination in remuneration for work of equal value. Application of these rights results in continuous, open and constructive dialogue between the Group and the unions, with a significant number of consultations and negotiations throughout the year. There were no significant conflicts between the social partners.

Training

Training and the motivation of its employees play a key role in Soltec Power Holdings' value creation process. Every year, the Group's companies prepare training plans to meet the team's training, integration and professional and personal development needs, considering the Group's shared objectives and the individual objectives of each employee.

The internal training plans seek to expand the training on offer and the length of the courses to make a wider variety of training available to all staff, addressing not only general aspects (such as languages and office automation) but also specific courses to enhance skills and abilities for the jobs in each area.

The Group's companies encourage their workers to express their objectives and expectations, maintaining ongoing dialogue to understand how to retain and motivate workers by offering attractive and realistic career developments that enables them to develop their skills in the long term. Training needs are analysed at all levels, including the business strategy, operational difficulties and issues such as Individual performance, development and succession, and legal requirements.

The Group makes professional development plans available to all its employees to establish their short-, medium- and long-term professional development objectives. These plans aim to guide and monitor the development of workers' skills and their professional careers to ensure that the intended objectives are achieved. The development plan is fully consistent with the training plan for the employee throughout their career in the organisation.

In the current financial year, the training plan is focused on technical training for certain departments, specific courses for key people in the organisation and a number of universal programmes through platforms such as the "Speexs" tool for learning English. Training programmes, such as the "Leadership School", have been run to provide managers with tools to improve their management of teams and decision-making.

In its ongoing search for the best-prepared professionals to meet the Group's needs, Soltec Power Holdings has launched the Solteach Scholarships to train recent graduate engineers in solar energy. It has also launched the Solteach On-Site training course, which focuses on training in electronics and electricity in the fieldwork needed for installation and operation of photovoltaic plants. These courses comprise various sections that introduce the students to the core aspects of the international photovoltaic market and the processes involved in its products.

During the year ended 31 December 2021, the Group worked with the Monterrey Institute of Technology to launch an MBA in renewable energies. This will be taught online and will focus on employees of offices in Latin America, as this region is expected to experience the fastest business growth in the coming years.

All of these courses meet identified training needs in the workforce. There were 55,661 hours of training during the year ended 31 December 2021, of which 378 were for heads of department, 4,443 for administrative staff, 3,800 for technical personnel, 3,956 for supervisors and 43,084 for operators (41,403 hours during the year ended 31 December 2020, of which 4,151 were for department heads, 3,200 for administrative personnel, 9,701 for technical personnel, 8,737 for supervisors and 15,614 for operators).

The training hours in Brazil, Spain, Chile and Mexico represented 56%, 18%, 11% and 7% of the total training hours in 2021, respectively (25%, 56%, 2% and 10%, respectively, in 2020).

Accessibility

Soltec Power Holdings believes that integration of people with diverse abilities into the employment market is important for both human rights and economic reasons, leading to equal opportunities and higher employment rates.

Soltec Power Holdings works to foster this integration. It establishes action protocols to resolve any issues that arise when health conditions, biological status, disability and other causes lead to particular sensitivity for a worker to the conditions of the work they usually perform.

Soltec Power Holdings guarantees the protection of these workers. For this purpose, it considers these aspects in its risk assessments and adopts the resulting preventive and protective measures required.

At 31 Decembers 2021, the Group employed 10 people with different abilities (11 in 2020). The Group supports employment integration and the inclusion of people with disabilities into the world of work. The distribution by gender and category of the people employed by the Group with a disability greater than or equal to 33% - 10 in Spain at 31 December 2021 (6 in Spain and 5 in Brazil in 2020) - is as follows:

	Number of employees	
	2021	2020
Manager	1	2
Technician	2	1
Administrative	1	2
Operator	6	6
TOTAL	10	11

Equality

The Group is committed to establishing and implementing policies that integrate equal treatment and opportunities for all of its employees, with no discrimination, whether directly or indirectly, for reasons of gender, ideology, race, age or social origin. It is also committed to fostering and developing measures to achieve real equality within the organisation, with the same opportunities for men and women. This is a strategic principle of its corporate and human resources policy, in accordance, in Spain, with Organic Law 3/2007, of 22 March, on effective equality between women and men, RD Law 6/2019, of 1 March, on urgent measures to guarantee equal treatment and opportunities for women and men in employment and occupation, and Royal Decree 902/ 2020, of 13 October, on equal pay for women and men, and to guarantee equal pay and ensure transparency and monitoring of this remuneration system.

The principle of equal opportunities for women and men is enshrined in each and every area of its activity, from hiring to promotion, including its remuneration policy, training, working and employment conditions, occupational health and safety, organisation of working time and the balance between work and private life.

Soltec Power Holdings implements these principles by promoting equality measures and implementing an equality plan, considering current regulations and the following measures:

- Incorporating the principle of equal opportunities into the Group fully and actively.
- Developing specific measures to enhance the employability of women working in the Group and incorporating these into its organisational management.
- Creating working procedures in human resources governed by the principles of equal opportunities in the selection and hiring of personnel.
- Incorporating the gender perspective into all decision-making processes that affect the Group's business and employment.
- Implementing measures to reconcile family life with work from the perspective of equality in the Group's internal structure.
- Fostering and implementing a professional development model based on quality and equal opportunities between women and men in the company.
- Formally committing to promoting equal opportunities in all actions by the Group.

The Group has set up a standing Equal Opportunities Committee with its own regulations and the instruments it needs to identify and correct any discrimination or inequality that might exist in the Group's employment practices or that might arise indirectly.

Soltec Power Holdings recognises the need to prevent harassment at work, preventing its appearance and eradicating any behaviour that could be construed to constitute it in the workplace, by emphasising the unacceptability of any kind harassment at work and proposing preventive measures and sanctions if it does occur.

Respect for dignity and privacy, the fight against all forms of discrimination, promotion of effective equality between men and women, and guaranteed physical and mental health and safety are fundamental rights for all of our workers.

In order to guarantee protection for legally recognised rights of the individual and as part of its commitment to establish an organisational culture of regulations and values that rejects such harassment, Soltec Power Holdings regards the right of workers to receive respectful and dignified treatment to be a basic principle. It is committed to implementing procedures to prevent, detect and eradicate psychosocial risks for workers and to formally establish an action process for conduct that may lead to workplace harassment. It has, therefore, implemented an action protocol against workplace harassment, which establishes the procedures, action and prevention measures, and follow-up and monitoring of any such incidents.

In the year ended 31 December 2021, the entire Equality Committee and some members of the Human Resources department received equality training.

During the years ended 31 December 2021 and 2020, no significant equality risks were identified, with no complaints being received in this area.

Human rights

As a responsible company, Soltec Power Holdings is committed to respecting and complying with all laws, regulations and other legally binding rules that are applicable to it. Thus, Group employees undertake to respect the laws in force in the countries in which they carry out their activities and not to commit any action that could harm Company interests.

Soltec Power Holdings can be declared to be legally liable for any breach of laws and other mandatory regulations, as well as for any other illegal activities by its employees. The Group, therefore, expects all its employees to act lawfully, ethically and professionally in the performance of their duties.

The commitment to comply with legislation in all areas in each of the places in which it conducts its activities is an unavoidable duty and of essential importance for maintaining and improving trust with the public and society.

The Group's employees always strive to do what is legal and the right thing to do, strictly respecting the human rights and freedoms included in the United Nations Universal Declaration of Human Rights.

The Group's suppliers are required to support and respect the protection of human rights, as defined in the United Nations declaration. They are not authorised to take any action that might violate these principles, whether directly or indirectly.

Soltec Power Holdings assumes the following principles from the Global Compact that derive from the United Nations Declaration of Human Rights: employment, the environment and anti-corruption and those about which there is universal consensus:

- Soltec Power Holdings does not use or support the use of child labour.
- Soltec Power Holdings does not use or condone the use of forced labour for employees.
- Soltec Power Holdings establishes a safe and healthy work environment and takes appropriate measures to prevent accidents and injuries. All risks that cannot be avoided are assessed. Actions are planned to eliminate or reduce the risks identified. The facilities are optimised to prevent occupational risks.
- Soltec Power Holdings respects the right of its employees to form unions and to choose a union of their choice. Soltec Power Holdings guarantees that workforce representatives are not discriminated against and have access to the workers in the workplace.
- Soltec Power Holdings does not discriminate or tolerate discrimination based on race, origin, nationality, religion, disability, gender, sexual orientation, union involvement, political or ideological orientation, employment

category or age. Soltec Power Holdings does not permit behaviour, actions or language that offend the dignity or integrity of people.

- Soltec Power Holdings does not use or condone corporal punishment, mental or physical coercion, or verbal abuse.
- Soltec Power Holdings' workers have at least one day off during each seven-day period. Overtime is paid as per the agreement and is always voluntary for both male and female workers.
- The remuneration paid meets the legal minimum wage requirements for each job. Soltec Power Holdings complies with all employment and social security obligations under prevailing legislation.
- Soltec Power Holdings monitors compliance with social, employment and occupational risk prevention regulations by its major suppliers and subcontractors.

Soltec Power Holdings did not identify any significant risks of breaches of human rights in the organisation's activities, whether direct or indirect, in the years ended 31 December 2021 and 2020.

No complaints of human rights violations were received in the years ended 31 December 2021 and 2020.

Ethics and integrity

Fight against corruption and bribery

In every step of the business, from corporate governance to operations and the supply chain, the Group seeks integrity, respecting fundamental responsibilities in terms of human rights, employment, the environment and the fight against corruption. Soltec Power Holdings is committed to zero tolerance of fraud, bribery and corruption in its operations, either by its professionals or by third parties with which it works.

Soltec Power Holdings has management tools that ensure all employees act with integrity, complying with the law and respecting people and human rights. Specifically, the Group has implemented a code of conduct, applicable to Soltec Power Holdings, S.A. and Soltec Energías Renovables, S.L.U., which will be progressively implemented at the remaining companies, to establish the guidelines for action of all of its directors, executives and workers in their daily performance, with regard to relationships with all its stakeholders, with transparent, effective and efficient management of resources, being honest with customers, suppliers and institutions, and being socially and environmentally responsible.

The Group's code of conduct is based on the definition of its mission, vision, values and principles, and stands as a procedural guide to ensure adequate action in the professional performance of its employees, adapting and accommodating the current legislation of the country in which the Group carries out its activities, as well as with internal policies and protocols. Likewise, the Group promotes and encourages the adoption of behavioural guidelines enacted in this code of conduct among its suppliers and partnership companies.

The aforementioned code of conduct is the basis of the corporate compliance programme implemented by Soltec Power Holdings, which has been certified by AENOR according to the UNE 19601 standard, to prevent, avoid and identify the commission of unlawful acts in the business area in compliance with the provisions of the Spanish criminal code, and for which a compliance body has been set up charged with the adequate operational supervision of the programme.

Soltec Power Holdings' crime prevention function has the following strategic objectives:

- To foster a culture of compliance in Soltec Power Holdings and understanding of the rules and regulations for these matters among its members, through advice, communication, training and awareness actions.
- To define and promote the implementation and total commitment of the organisation to risk management frameworks and measures related to compliance issues.

The Group has analysed its activities and internal functioning to identify the crimes to which it might be exposed or of which there is a degree of risk based on its activities.

Soltec Power Holdings has aligned its internal protocols and procedures to prevent or, where appropriate, mitigate criminal acts by its employees when acting on behalf of the Group in performance of their activities. These include its anti-corruption policy and internal regulations on conduct in securities markets.

The corporate compliance model currently covers the following:

- The criminal risks affecting each department and area, and the review of critical activities.
- The general controls and corporate policies to prevent criminal acts.
- The monitoring process for the controls in the criminal risk supervision and monitoring system.
- Appointment of a compliance body as a control body.
- A management system for financial resources.
- A disciplinary system.
- A whistleblowing channel for reporting any breaches.
- Regular employee training.

The Group requires all its employees to comply rigorously with all anti-corruption regulations. Employees are not permitted to offer any benefit or service to customers, partners or any other person or entity, whether directly or indirectly, that has or may have relations with the company in order to illicitly influence such relations.

Group employees may not make or offer any payment in cash, in kind or through any other benefit, whether directly or indirectly, to any public officer with the intention of obtaining or maintaining business or other advantages. Employees may not, under any circumstances, accept gifts, presents, hospitality or other kinds of favours from any person or private entity in the course of their activity, unless such gifts are symbolic and insignificant or mere signs of courtesy.

Soltec Power Holdings has made a whistleblowing channel for reporting possible breaches available to its employees and business partners (canaldenuncia@soltec.com). This channel can be used for reporting well-founded suspicions or information about possible breaches of the code of conduct or general or specific protocols the Group has implemented to ensure corporate compliance.

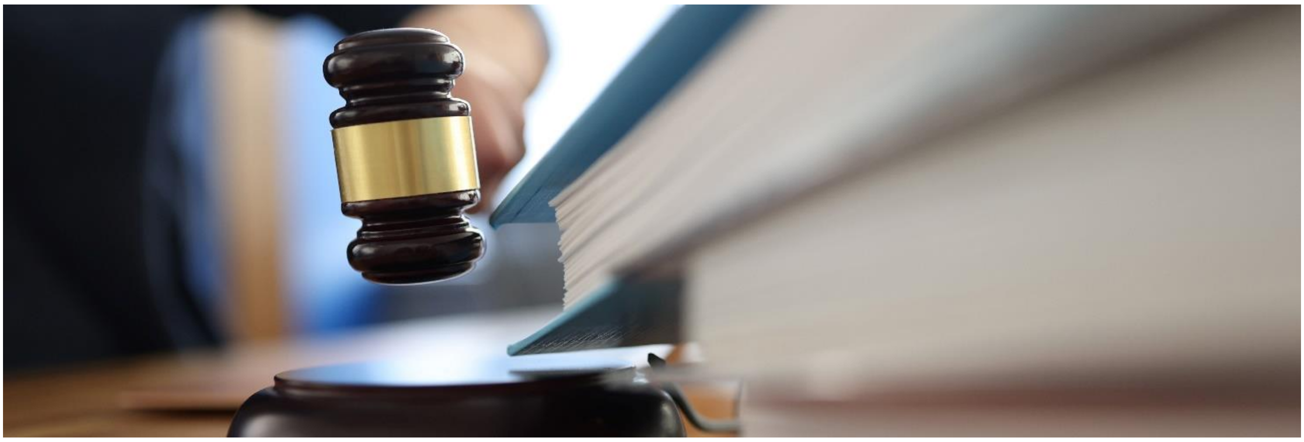
The offence of money laundering has been specifically assessed in the context of Soltec Power Holdings' activities, with no material aspects being identified as a result.

Although it is not an obligated subject due to its activity, Soltec Power Holdings is firmly committed to fighting money laundering and to preventing the financing of terrorism and other illicit activities. It faithfully follows the recommendations of the international Financial Action Task Force. Soltec Power Holdings does not establish commercial relations with persons or entities if they are not compliant with the money laundering and financing of terrorism obligations of each country or do not provide adequate information on such compliance.

All personal data collected, stored or used by the Group is registered and processed in compliance with the Organic Law on Data Protection (prevailing regulations at all times), ensuring the rights recognised in that Law (on information, access and rectification, etc.) are recognised.

Transfers of personal data (whether from customers, suppliers, employees or third parties) to unauthorised persons and improper access to such data (by unauthorised persons or for purposes other than internal work) are strictly prohibited.

During the years ended 31 December 2021 and 2020, there were no material complaints or sanctions in relation to the areas described in this section.



Commitment to society

Cooperation with society

For Soltec Power Holdings, sustainability is understood to be permanence over time, and to achieve it, it is necessary to respond to the expectations of society and the people surrounding the Group. For this reason, the Group pursues economic, environmental and social goals in equal measure.

The Group is committed to the fact that the activity it carries out has a positive impact on the society in which it operates, establishing a good relationship with the environment through various active initiatives for the constant search of these goals that are so important today.

Soltec Power Holdings is committed to all that being socially responsible entails. The activity takes place in an environment that must be respected, in a society to which a large part of what is given each day must be returned, and in a state to which taxes and contributions must be contributed.

The first objective focuses on customer satisfaction, based on the following priorities: (i) the achievement and fulfilment of the specific and temporary expectations raised by the customers, and (ii) the guarantee that said expectations will be adapted to the new demands that both the market and the customers may demand in the future; it is, therefore, a commitment to continuous quality improvement.

With a firm commitment to renewable energies and the environment, Soltec Power Holdings is committed to product development and research to offer cutting-edge technology in the sector, minimising the environmental impact as much as possible while, at the same time, committing to the development of local economies.

This is why the Group highlights the creation of value and the contribution to the well-being of the communities as the main objective of sustainability, which it achieves through actions, such as the creation of employment opportunities and the training of local workers, the carrying out of community training activities or the promotion of collaboration to contribute to the satisfaction of other existing needs in the environment. In addition, Soltec Power Holdings offers long-term hiring opportunities to those workers who have demonstrated a better performance after completing projects in said community.

The Group is fully aware of the socioeconomic development of all the areas in which it is positioned. The commitment to hiring local employment is real, especially when they are in areas depressed by unemployment or other social disasters.

As a consequence of the current health and economic crisis derived from COVID-19, the Group has allocated relevant resources to food banks, with its employees actively collaborating in the Jesús Abandonado dining rooms, and to entities that have needed protective equipment, masks, etc.

Additionally, education is a fundamental pillar in its commitment to local communities. The Group provides theoretical/practical training courses in the communities in which it is based, not only in renewable energies, but also in other trades that can benefit the group it is addressing. These courses are free for local personnel who generally come from very depressed areas due to unemployment, without the possibility of accessing the employment market due to a lack of specific training.

This training is especially valued in developing countries, where unemployment is very high. In this context, training can allow them to significantly improve their quality of life.

Social projects are also developed, in line with the needs of each place, highlighting the Group's commitment and solidarity with people in need by collecting and donating toys to different non-governmental organisations worldwide.

Soltec Power Holdings has a global volunteer service, through which it participates in campaigns aimed at the conservation of flora and fauna, among others, of the communities in which it operates, participating in activities such as the reforestation of "La Asomada" together with ANSE (Association of Naturalists of the Southeast), a project in which a vegetable space has been planted comprising 500 native trees and shrubs from the Region of Murcia. Along these same lines, during the current financial year, the "Irrigate and take care of the Ribera Soltec" initiative was created together with

ANSE, through which the protected area located on the banks of the Segura River in Murcia has been maintained, in which 230 trees of different species were planted.

Another example of the Group's involvement in environmental conservation is reflected in campaigns such as "La Mar de Soles", whose second edition has taken place in the current year (the first edition was in 2019, while in 2020 it was cancelled due to the pandemic), which promotes the cleaning of Mediterranean beaches, or the "Solsiembra" campaign, through which volunteers are given the opportunity to learn to plant, sow, weed, compost, harvest in suitable times and much more about working with plants.

Associations and sponsorships

Aware of the social responsibility that the Group has as an organisation, all means are provided to guarantee the integrity of employees and collaborators.

Soltec Power Holdings participates and collaborates with the community by promoting sports, cultural and solidarity activities. The Group encourages social contribution thanks to collaboration initiatives with non-profit groups or entities with the commitment to assess the potential impacts and inherent risks of the activity that may affect society.

Among the aforementioned actions, it is worth highlighting the initiative set out by the Group for the current financial year to bet on sports, increasing the sponsorship of sporting activities, including the sponsorship of the Soltec Cycling Team, the sponsorship of the Ciudad Molina Basketball team and the sponsorship of the Alcayna-Altorreal cycling club, among others. In addition to its support for sporting actions, during the current year, the Group has participated in a significant number of cultural and sustainable activities, most notably:

- Energy snacks: initiative promoted by Soltec in conjunction with the Murcia Red Cross, through which a daily nutritious snack is provided to 75 children in the region at risk of social exclusion.
- "Your rights at stake" campaign: for the last two years, Soltec has been committed to collecting new toys after the holidays, to donate them to the Red Cross's children's programme.
- "Energy for all" campaign: Soltec collaborates with the Segura Food Bank, through the donation of groceries and basic necessities aimed at combating the precarious situation in which many families live.
- 2nd Edition "Employeah Soltec": On the occasion of Soltec Worker's Day, with the collaboration of the MEMPLEO Association (Molina del Segura entity that ensures the integration of people with mental health problems), the Company surprised its team at the Murcia offices with a Food Truck of handmade sweets made by the aforementioned Association.

The Group actively participates with the following associations:

- UNEF (Spanish Photovoltaic Union)
- APPA (Spanish Association of Renewable Energies)
- SEIA (Solar Energy Industries Association)
- MESIA (Middle East Solar Industry Association)
- SEPA (Smart Electric Power Alliance)
- AREMUR (Murcia Business Association of Renewable Energies and Energy Saving)
- FREMM (Murcia Regional Federation of Metal Entrepreneurs)
- RES4Africa (Renewable Energy Solutions for Africa)
- ABSOLAR (Brazilian Photovoltaic Solar Energy Association)
- Solar Power Europe
- Elettricità Futura
- ENTER Aggregation and Flexibility
- SECARTYS
- ENAE (Murcia Business University Foundation)
- ASECOM (El Segura Association of Entrepreneurs and Traders)
- AERCE (Spanish Professional Association of Purchases, Contracts and Supplies)

- CETENMA (Energy and Environment Technological Centre)
- APD (Association for Management Progress)
- CSR CHAIR University of Murcia

Donations by Soltec Power Holdings in 2021 and 2020 totalled seven thousand and thirty-six thousand euros, respectively, including those made to food banks, the UN Women programme, the Ronald McDonald Foundation and the Mums in Action programme promoted by the ENAE (Murcia Business School).

Subcontracting and suppliers

The purchasing policy strives to create a robust base of approved suppliers to meet customer demands and expectations. The Group continually seeks to identify and mitigate the social and environmental risks in its entire supply chain through efficient and transparent purchasing.

The Group takes a continuous improvement approach to its processes as part of its commitment to strive for added value in its supply chain. This means that its operational processes have been reviewed and adapted to include assessments of the suppliers in its value chain to ensure the quality, safety, ethical compliance and sustainability of their practices, meeting the increasing concern of stakeholders about the sources of raw materials. The Group strives to ensure its logistics providers are efficient and reduce their environmental impact.

Management of supplier relationships also includes the added value that the human aspects of business can bring to operations, based on open and effective two-way communication, mutual respect and openness to the needs and opinions of the other party, impartiality in negotiations, building trust so the Group can find innovative ways of working and solving problems, and flexibility to meet the needs of both parties.

The success of Soltec Power Holdings' projects depends largely on the performance of the suppliers who supply tracker components or provide on-site installation services. These suppliers are, therefore, subject to a rigorous approval and supervision process.

To ensure more responsible management of its supply chain that adds value for both customers and investors, Soltec Power Holdings implemented a new supplier risk assessment system in the year ended 31 December 2021 to replace the previous approval process. The Group has opted for digitalisation of this process, through implementation of a digital supplier information management platform provided by GoSupply.

This new tool digitalises the purchasing process, making it possible to globalise and standardise the process so that it is applied consistently in all of the Group's subsidiaries, creating a fair and transparent procedure for all Soltec suppliers, regardless of the country. This ensures alignment with the principles of fairness, transparency, objectivity and impartiality in supplier management that govern acquisition processes.

This new platform categorises suppliers based on their risk level, which can be low, medium, medium-high or high. This risk level is obtained from the assessment obtained by analysing five variables (relating to financial, operational, compliance, sustainability and cybersecurity factors) and any alerts identified in the aforementioned assessment process. Suppliers are assessed differently in two areas - technical and business - to manage these assessments and any alerts. The first comprises a standard form (RFI) that suppliers must complete to provide information on aspects such as their manufacturing process, production capacity and quality systems. The business assessment comprises questionnaires and supporting documents that the supplier must complete and file in the online platform. Public and private information is also used to complement the supplier file. This procedure aims to identify any specific areas in which the supplier represents a risk to the Group, enabling efficient decisions about whether to mitigate, transfer, avoid or accept the risk identified.

Implementation of this new supplier risk assessment platform required redefinition of supplier purchasing families and their categorisation. Soltec Power Holdings' purchasing team has classified its suppliers into three categories, based on the criticality of what they provide:

- 360º suppliers: those related directly to the Group's core business, i.e. strategic suppliers in Soltec Power Holdings' supply chain (such as suppliers of tracker components, raw materials, PV modules, wiring and inverters).
- 180º suppliers: major suppliers that complement the Group's core business. These are mainly subcontractors involved in installing photovoltaic projects (subcontractors for tracker installation and assembly, distributors of important electrical material, hauliers and quality certifiers).
- Elementary suppliers: those involved in functional management of Soltec Power Holdings (such as consultants, auditors and suppliers of consumables and electronic equipment).

This categorisation enables the Procurement department to clearly identify the critical suppliers in Soltec's supply chain so it can invest more resources in understanding and developing them:

Since the end of 2020, the management process for indirect purchases (whether of goods or services) has been digitalised through implementation of the JIRA platform, which can be accessed from Soltec's intranet. In addition to being digitalised, this process has also been centralised in the Procurement area to facilitate traceability of the costs incurred for these items for the Treasury area. This project represents a cultural change in management of the costs of non-operational departments, as each user must provide the information for purchases they wish to make in the new platform, with the order being recorded after an approval flow. This is a big change from the previous procedure, in which each department managed these costs under their own budget, process or protocols.

In line with the digital transformation of Soltec Power Holdings' processes in the last year, the Group has decided to digitalise the invoicing of its suppliers. This is a change towards an electronic invoicing system, which is more sustainable and efficient than the previous version. This automation reduces the costs of this task by improving productivity, while also reducing errors associated with manual data processing.

The digitalisation and automation of this type of process has positive consequences for the environment by drastically reducing use of material resources, with direct results in real terms for our environment. This strengthens Soltec's commitment to adding value to the sustainability of its supply chain. In addition to these advantages in terms of cost savings, electronic invoicing also has advantages at the operational level, such as having a record of the invoices received (acknowledgment of receipt), automatic knowledge of the processing status of invoices (acceptance or rejection) and the possibility of streamlining payment periods.

The purchasing procedures and supply contracts agreed with suppliers require compliance with the provisions in force at the time, particularly with regard to employment, social security and tax issues, and those related to the environment and health and safety. Compliance with these must be demonstrated. This involves requesting available quality certificates (ISO 9001), policies on respecting the environment (ISO 14001), occupational health and safety policies (ISO 18001 and ISO 45001) and policies related to compliance with the guidelines of the International Labor Organization, with regular internal and external audits.

The Group's suppliers are required to support and respect the protection of human rights, as defined in the United Nations' Universal Declaration. They are not authorised to take any action that might violate these principles, whether directly or indirectly.

All contracts for supplies of materials signed by suppliers clearly state that the products supplied do not contain asbestos or other hazardous material or radioactive substance in any form, either in the material itself or the components used in the supply.

The supplier must certify and guarantee that the supplies, including those from their suppliers, do not involve acquiring or contain "conflict minerals", such as tin, tantalum, tungsten or gold from areas affected by conflicts or high risks. In general, suppliers must follow and comply with all applicable laws and regulations related to restrictions on substances, materials and radioactivity.

In 2021, the Group met the objective it set in the previous financial year of being certified under ISO 20400 for sustainable procurement and UNE 15986 for value-added procurement. These certifications identify the procurement function as a strategic area for the Group in meeting its sustainability objectives and the business development objectives of Soltec Power Holdings.

Soltec Power Holdings also supports local growth and economic development in the regions where it operates. It is, therefore, committed to purchasing from local suppliers whenever the type of product allows this. In the year ended 31 December 2021, supplies produced in the countries where it is active accounted for approximately forty-four percent of its purchases: 29% in Spain and Portugal and 15% in Brazil, (50% of purchases in 2020, 45% in Spain and Portugal and 7% in Brazil). The other supplies in the year ended 31 December 2021 came mainly from China and Korea, accounting for 46% and 6%, respectively (29% and 14%, respectively, in 2020).

Customers

Soltec Power Holdings is keenly aware of its commitment to its customers. It has the resources needed to establish a quality, environment and health and safety management system in its organisation certified under the ISO 14001:2015, ISO 9001 and OHSAS 18001:2007 standards. Its objective is to provide its customers with ever more efficient service, believing that the quality, reliability and security or the services provided must constantly be improving.

All the Group's products have guarantees to ensure they function correctly in accordance with the warranty terms, with strict quality controls to meet its customers' specifications and requirements. A FAT certificate is issued compiling all the inspections, trials and tests performed. The objective is to offer the best possible service to customers, accompanying, advising and training each one to ensure the best and fastest technical assistance.

The operation and maintenance plan offers the best service with immediate response, regular instructions, rapid management of problems with regional coverage, onsite and on-line coordination, routine and urgent plant visits, regular reports, dedicated staff, monitoring and on-line administration. Operating procedures have been put in place that establish the requirements for performing the maintenance activities for the trackers, in order to standardise activities during the work, controlling, reducing or eliminating the risk of accidents with injury to people or damage to equipment, facilities and the environment.

Soltec Power Holdings offers its customers its "Solmate" customer service and also has a new on-line platform that is available 24x7 for customers to report problems quickly and track their requests. Soltec Power Holdings guarantees the best and fastest response to operating incidents, through local infrastructure in countries including Mexico, the United States, Brazil, Spain, Chile and Australia. It also has Solhub warehouses in various countries to enable rapid handling of spare parts.

Solmate Care offers customers continuous on-line and onsite technical support and additional support options. Its objective is to help customers throughout the process, with dedicated experts who enable immediate responses, diagnosis of the problem and the fastest possible administration of the solution. Solmate Care offers customers complementary benefits, such as its Tracking Monitoring System, which enables more precise understanding of the operation of the solar trackers, in addition to warranty extensions.

As part of its quality system, the Group has a procedure for identifying and managing non-conformities correctly documented by each project/subsidiary and reported to the central Quality department, on a monthly basis at least, as well as regular satisfaction surveys. Once the necessary actions have been implemented, the causes (source) of the non-conformities are analysed and corrective actions are determined to avoid their repetition.

During the year ended 31 December 2021, six hundred and seventy claims were received from customers (two hundred and eighteen in 2020) and accepted for processing. This is not significant considering the increase in the volume of equipment under warranty. Most of these claimed were resolved by replacing material and/or repairs.

Soltec Power Holdings is not currently subject to any fines or penalties for breaches of consumer health and safety regulations.

Tax information

During the year ended 31 December 2020, Soltec Power Holdings, S.A. and Soltec Energías Renovables, S.L. implemented a corporate tax policy certified by AENOR under the UNE 19602 standard. This reinforces the bases for compliance with tax functions entrusted to the administrative body under applicable regulations and best tax practices.

The main objective of the Group's tax strategy is to ensure compliance with tax regulations and all tax obligations in all of the jurisdictions where it operates, respecting the corporate principles of integrity, transparency and pursuing the company's interests. Soltec Power Holdings is committed to maintaining a cooperative relationship with the public administrations.

Soltec Power Holdings is committed to responsible payment of taxes and respecting all local tax regulations in each of the countries where it operates. The principles that govern the Group's tax strategy and the resulting good practices are:

- Adoption of the measures needed to ensure the reduction of significant tax risks and the prevention of conduct likely to generate them, through a policy of supervision, oversight and control of all activity (tax compliance policy). This policy aims to implement a tax organisation and management model based on control and development of the corporate ethical culture for compliance with tax obligations.
- Implementation of effective tax risk information and internal control systems, including measures to mitigate risks and related internal corporate governance rules, compliance with which may be subject to verification.
- Rejection of using opaque structures for tax purposes.
- Relationships with the tax authorities based on the principles of good faith, collaboration and transparency.
- Cooperation with public administrations in detecting and searching for solutions to any fraudulent tax practices that may be developed in the markets in which it operates.
- Use of all the possibilities offered by the contradictory nature of the inspection procedure, fostering voluntary adjustment of any contingencies, as far as possible.
- Providing information to the Group's administrative body on the tax policies applied and the tax consequences of operations and issues that must be submitted to it for approval when these are material.
- Decision-making about tax matters based on reasonable interpretations of regulations, applying the principles of prudence and responsibility and, where appropriate, avoiding potential differing interpretations through use of instruments provided for this purpose by the tax authorities.
- Fostering a tax culture of compliance and responsibility through effective communication of the tax compliance programme and the resulting obligations, reinforcing the ethically based business culture.

To comply with these guidelines, during the year ended 31 December 2020, the administrative body appointed a tax compliance officer, who is responsible for supervision of the model and will promote the review of the tax policy, introducing the modifications and improvements deemed appropriate in accordance with the prevailing regulations at the time.

During the years ended 31 December 2021 and 2020, the Group did not apply any significant tax deductions, with 2,535 thousand euros being capitalised pending application at 31 December 2021 (1,535 thousand euros at 31 December 2020). At 31 December 2021, CDTI loans amounted to 277 thousand euros (359 thousand euros at 31 December 2020). No amounts were drawn from these loans in the years ended 31 December 2021 and 2020.

At the date of preparation of this consolidated non-financial statement, the subsidiary Soltec Energías Renovables, S.L.U. is subject to an inspection relating to corporation tax and VAT for the years ended 31 December 2017 and 2018. According to their assessment, the directors of the Parent Company do not expect the conclusion of this inspection to have any significant impact on the Group.

The directors of the Parent Company consider that the Group has settled these taxes correctly. Therefore, even in the event of any differences in the interpretation of prevailing regulations about the tax treatment of its operations, any resulting liabilities should have no significant effect on this consolidated non-financial statement.

The distribution of income and corporation tax paid during the years ended 31 December 2021 and 2020, by country, is as follows:

2021

	Thousands of euros			
	Pre-tax profit/loss	Profit/loss after tax	Accrued taxes	Taxes paid (collected)
Spain	(436)	3,893	4,329	(1,264)
Brazil	(8,865)	(9,221)	(356)	-
Mexico	(338)	(344)	(6)	46
Chile	(9,718)	(9,505)	213	(1)
Argentina	(170)	(231)	(61)	78
Peru	3	165	162	2
USA	1,298	796	(502)	-
India	13	28	15	-
Australia	61	50	(11)	76
France	111	111	-	-
Italy	13,824	13,850	26	-
Other	(1,289)	(759)	530	259
TOTAL	(5,506)	(1,167)	4,339	(804)

2020

	Thousands of euros			
	Pre-tax profit/loss	Profit/loss after tax	Accrued taxes	Taxes paid (collected)
Spain	(6,609)	(2,496)	4,113	682
Brazil	(4,333)	(3,498)	835	-
Mexico	484	74	(410)	-
Chile	33	(19)	(52)	-
Argentina	(221)	(193)	28	-
Peru	(34)	(34)	-	-
USA	1,062	1,651	589	-
India	15	10	(5)	-
Australia	209	129	(80)	-
France	(433)	372	805	35
Italy	(909)	(889)	20	-
Other	(34)	(35)	(1)	3
TOTAL	(10,770)	(4,928)	5,842	720

Subsequent events

On 24 February 2022, a war broke out between Russia and Ukraine with uncertain short-, medium- and long-term global geopolitical implications. Based on preliminary analysis, this could cause delays in the supply chain due to problems at factories, delays in logistics services, difficulties in accessing financing and significant fluctuations in the cost of raw materials. This could have a considerable impact on global and, therefore, domestic economic growth. Considering the complex situation in the markets due to their globalisation and the lack of information on the time horizon for the conflict, the consequences for the Group's operations are uncertain and will largely depend on the development and scale of the conflict over the coming months, and on the reaction and capacity to adapt of the economic agents involved.

For all these reasons, at the date of preparation of this consolidated non-financial statement, the management and directors of the Company and the Group have assessed the impacts of the war on the Group with the information available at the time. However, the actual impact will depend on the future development of the conflict and, in particular, its consequences.

To date, the Group has managed to maintain its supply chain for its industrial segment and has been able to continue operating relatively normally for its project implementation segment, so there has currently been no drop in activity, nor is it expected to drop in the coming months, since the Group has signed contracts that are pending execution, as well as ongoing development projects. The Group is not involved in any activities in the countries where the war is concentrated, limiting the impact of the war's consequences.

The Parent's directors have performed a preliminary assessment of the current situation, based on the best information available. Due to the aforementioned considerations, said information may be incomplete or inaccurate.

The changing and unpredictable situation of events could lead to the appearance of a risk of temporary interruption in production/sales or, where appropriate, a specific break in the supply chain. For this reason, the Group has established working groups and specific procedures aimed at monitoring and managing the evolution of its operations at all times, to minimise its impact on its operations. Hence, protocols have been adopted and implemented to guarantee the monitoring of the conflict and the possible impacts on the Group's activity. At the date of this non-financial statement, the Group has continued to perform its operations with almost total normality, maintaining its contracts with international customers and providing services for the essential electricity sector.

In the opinion of the Parent's directors, it is not expected that its activities will be significantly affected by said conflict in the whole of the year. According to the assessment of Group activity by management in the first months of 2022 after the outbreak of the war, to date, the Group has been able to maintain the budgeted projects or backlog without significant delays in the collection of commercial accounts that could affect the Group's liquidity and its operating cycle. Likewise, no significant delays have been observed in the supply of trackers by suppliers, following through with all contracts in force based on previously established conditions.

Lastly, it should be noted that the Group's Board of Directors and management are constantly monitoring the evolution of the situation, to successfully deal with any possible impacts, both financial and non-financial, that may arise.

Annex

Content of the consolidated non-financial statement

Content of the consolidated non-financial statement				
Contents of Law 11/2018 NFS			Standard used	Reference chapter and pages
Business model	Description of the Group's business model	Brief description of the group's business model, including its business environment, its organisation and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that may affect its future development.	GRI 102-2 Activities, brands, products and services GRI 102-4 Location of activities GRI 102-6 Markets served GRI 102-15 Key impacts, risks and opportunities GRI 102-7 Scale of the organisation	Our business (pages 7 and 8, 13 to 17) Sustainable development (pages 20 to 24)
Information on environmental issues	Policies	Policies applied by the group, including the due diligence procedures applied to identify, assess, prevent and mitigate risks and significant impacts, and verification and control, as well as the measures that have been adopted.	GRI 103-2 The management approach and its components GRI 103-3 Assessment of the management approach	Environmental commitment (pages 32 and 33)
	Main risks	Main risks related to these issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products or services that may have negative effects in these areas, and how the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with the national, European or international frameworks of reference for each subject. Information on the impacts that have been detected must be included, offering a breakdown of these, in particular the main risks in the short, medium and long term.	GRI 102-15 Key impacts, risks and opportunities GRI 102-11 Precautionary principle or approach	Environmental commitment (pages 32 and 33) Precautionary principle (page 37)
	General	Current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety	GRI 102-15 Key impacts, risks and opportunities GRI 102-29 Identification and management of economic, environmental and social impacts GRI 102-31 Evaluation of economic, environmental and social issues	Environmental commitment (pages 32 and 33)

Content of the consolidated non-financial statement				
Contents of Law 11/2018 NFS			Standard used	Reference chapter and pages
		Environmental evaluation or certification procedures	GRI 102-11 Precautionary principle or approach GRI 102-29 Identification and management of economic, environmental and social impacts GRI 102-30 Effectiveness of risk management processes	Environmental commitment (pages 32 and 33)
		Resources dedicated to the prevention of environmental risks	GRI 102-29 Identification and management of economic, environmental and social impacts	Environmental commitment (pages 32 and 33)
		Application of the precautionary principle	GRI 102-11 Precautionary principle or approach	Precautionary principle (page 37)
		Provisions and guarantees for environmental risks	GRI 307-1 Non-compliance with environmental laws and regulations (financial statements)	The Group has no provisions or guarantees for environmental risks
	Pollution	Measures to prevent, reduce or repair carbon emissions that seriously affect the environment, taking into account any form of air pollution specific to an activity, including noise and light pollution	GRI 103-2 Management approach (considering GRI 302 and GRI 305) GRI 302-4 Reduction of energy consumption GRI 302-5 Reductions in the energy requirements of products and services GRI 305-5 Reduction of GHG emissions	Pollution (page 33) Sustainable use of resources (pages 35 and 36) Climate change (pages 36 and 37)
	Circular economy and waste prevention and management	Prevention measures, recycling, reuse, other forms of recovery and disposal of waste.	GRI 103-2 Management approach (considering GRI 306)	Circular economy: waste prevention and management (pages 33 and 34

Content of the consolidated non-financial statement				
Contents of Law 11/2018 NFS			Standard used	Reference chapter and pages
		Water consumption and water supply according to local limitations	GRI 303-1 Interaction with water as a shared resource GRI 303-3 Water extraction GRI 303-5 Water consumption	This aspect is not considered material as water consumption is mainly for human use (approximately 2,500 m3 in each year)
	Sustainable use of resources	Consumption of raw materials and the measures adopted to improve the efficiency of their use	GRI 103-2 Management approach (considering GRI 300) GRI 301-3 Reclaimed products and their packaging materials	Sustainable use of resources (page 35)
		Energy: Consumption, direct and indirect; Measures to improve energy efficiency, Use of renewable energies	GRI 102-2 Management approach (considering GRI 302 Energy) GRI 302-1 Energy consumption within the organisation (energy from renewable and non-renewable sources) GRI 302-2 Energy consumption outside the organisation GRI 302-4 Reduction of energy consumption GRI 302-5 Reduction of energy requirements of products and services	Sustainable use of resources (pages 35 and 36) Climate change (pages 36 and 37)

Content of the consolidated non-financial statement				
Contents of Law 11/2018 NFS			Standard used	Reference chapter and pages
	Climate change	Emissions of greenhouse gases	GRI 305-1 Direct GHG emissions (scope 1) GRI 305-2 Indirect GHG emissions when generating energy (scope 2)	Climate change (pages 36 and 37)
		The measures adopted to adapt to the consequences of climate change	GRI 102-15 Main impacts, risks and opportunities GRI 103-2 Management approach (considering GRI 300) GRI 305-5 Reduction of GHG emissions	Sustainable use of resources (pages 35 and 36) Climate change (pages 36 and 37)
		Reduction goals voluntarily established in the medium and long term to reduce GHG emissions and means implemented for this purpose.	GRI 103-2 Management approach (considering GRI 305-5 Reduction of GHG emissions)	Sustainable use of resources (pages 35 and 36) Climate change (pages 36 and 37)
	Sustainable finance taxonomy	Sustainable finance taxonomy: – EU Regulation 2020/852 of the European Parliament – EU taxonomy delegated acts	Company criteria	Sustainable finance taxonomy (pages 27 to 29)
	Biodiversity protection	Measures taken to preserve or restore biodiversity and impacts caused by actions or operations in protected areas	GRI 304 Biodiversity	Biodiversity (pages 37 and 38)
Information on social and personnel matters	Policies	Policies applied by the group, including the due diligence procedures applied to identify, assess, prevent and mitigate risks and significant impacts, and verification and control, as well as the measures that have been adopted.	GRI 103-2 The management approach and its components GRI 103-3 Assessment of the management approach GRI 102-35 Remuneration policies	Commitment to our people (pages 41 to 59)

Content of the consolidated non-financial statement				
Contents of Law 11/2018 NFS			Standard used	Reference chapter and pages
	Main risks	Main risks related to these issues linked to the group's activities, including, when relevant and proportionate, how the group manages said risks, explaining the procedures used to detect and evaluate them in accordance with national, European and international reference frameworks for each issue. Information on the impacts that have been detected must be included, offering a breakdown of these, in particular the main risks in the short, medium and long term.	GRI 102-15 Key impacts, risks and opportunities	Commitment to our people (pages 41 to 59)
	Employment	Total number and distribution of employees by gender, age, country and professional classification	GRI 102-7 Scale of the organisation GRI 102-8 Information on employees and other workers GRI 405-1. b) Employees by job category for each of the categories, gender and age group	Employment (pages 42 and 43)
		Total number and distribution of types of employment contracts	GRI 102-8 Information on employees and other workers	Employment (pages 43 to 45)
		Annual average of permanent, temporary and part-time contracts by gender, age and professional classification	Not included in the GRI: the total number of employees by contract type (permanent/temporary and full/part time) by gender and region, but not the average by age and job classification (recalculation from 102-8).	Employment (pages 43 to 45, 48 and 49)
		Number of dismissals by gender, age and professional classification	GRI 401-1.b) Total number and rate of employee turnover during the reporting period, by age group, gender and region (only relating to layoffs) Not included in the GRI: Number of layoffs by professional classification	Employment (pages 45 and 46)
		Average remuneration and changes by gender, age and professional classification or similar	Report average remuneration by gender, age and professional classification and changes (comparison to the last year). The calculation must consider the total salary items in cash and remuneration in kind. The benefits in GRI 401-2 must, therefore, be taken into account in the calculation.	Employment (pages 46 and 47)

Content of the consolidated non-financial statement				
Contents of Law 11/2018 NFS			Standard used	Reference chapter and pages
		Wage gap	*OECD: the gender pay gap is the difference between the average earnings of men and women relative to the average earnings of men	Employment (pages 46 and 47)
		Remuneration of equal jobs or average for the company	GRI 202-1 Ratio of the standard entry level salary by gender compared to local minimum wage (this indicator is used as various factors may influence each person's remuneration as their career progresses).	Employment (page 48)
		Average remuneration of directors and executives, including variable remuneration, allowances, compensation, contributions to long-term savings systems and other items, disaggregated by gender	GRI 102-35 Remuneration policies GRI 102-36 Process for determining remuneration (for the management approach) GRI 201-3 Defined benefit plan obligations and other retirement plans Not included in the GRI: Information disaggregated by gender.	Employment (page 47)
		Implementation of employment disconnection measures	Not included in the GRI:	Although the Group does not have a policy on disconnection from work, it is committed to respecting the working hours of its workers and to fostering balance with family life
		Employees with disabilities	GRI 405-1.b) Percentage of employees per employee category in each of the following diversity categories (iii. Vulnerable groups).	Accessibility (pages 52 and 53)
	Organisation of work	Organisation of working time	GRI 102-8. c) Total number of employees by employment type (full-time and part-time), by gender.	Organisation of work (pages 48 and 49)

Content of the consolidated non-financial statement				
Contents of Law 11/2018 NFS			Standard used	Reference chapter and pages
		Number of hours of absenteeism	GRI 403-2 Types of accidents and ratios of occupational accidents, professional illnesses, days lost, absenteeism, and number of related deaths (section a) GRI 403-9 Work-related injuries	Organisation of work (pages 48 and 49)
		Measures to facilitate the enjoyment of balance and promoting the joint-responsible exercise of these by both parents	GRI 401-3 Parental leave Not included in the GRI: management approach for other work-life balance measures	Organisation of work (pages 48 and 49)
	Health and safety	Occupational health and safety conditions	GRI 403-1 Occupational health and safety management system GRI 403-2 Hazard identification, risk assessment, and incident investigation 403-3 Occupational health services 403-5 Worker training on occupational health and safety 403-6 Promotion of worker health 403-7 Prevention and mitigation of occupational health and safety impacts directly linked with business relationships	Health and safety (pages 49 to 51)
		Occupational accidents (frequency and seriousness) by gender	GRI 403-2 Types of accidents and ratios of occupational accidents, professional illnesses, days lost, absenteeism, and number of related deaths (section a) GRI 403-3 Workers with a high incidence or high risk of illness related to their activity GRI 403-9 Work-related injuries GRI 403-10 Work-related ill health	Health and safety (page 50)
		Occupational illnesses (frequency and severity) by gender	GRI 403-2 Types of accidents and ratios of occupational accidents, professional illnesses, days lost, absenteeism, and number of related deaths (section a) GRI 403-3 Workers with a high incidence or high risk of illness related to their activity	Health and safety (page 50)

Content of the consolidated non-financial statement				
Contents of Law 11/2018 NFS			Standard used	Reference chapter and pages
	Employment relations	Organisation of in-company dialogue, including procedures for informing and consulting staff and negotiating with them	GRI 102-43 Approach to stakeholder engagement (related to unions and collective bargaining) GRI 403-1 Worker representation on joint health and safety committees	Employment relations (page 51)
		Percentage of employees covered by collective agreements by country	GRI 102-41 Collective bargaining agreements Not included in the GRI: disaggregated by country	Employment relations (page 51)
		Balance of collective agreements, particularly relating to occupational health and safety	GRI 403-1 Worker representation on joint health and safety committees GRI 403-4 Occupational health and safety issues addressed in formal agreements with the legal representatives of workers	Health and safety (pages 49 to 51)
	Training	Policies implemented relating to training	GRI 103-2 Management approach (considering GRI 404 Training and education) GRI 404-2 Programmes to improve employee skills and training programmes	Training (pages 51 and 52)
		Total hours of training by professional category	GRI 404-1 Average hours of training per employee per year Not included in the GRI: total training hours.	Training (p.52)
	Accessibility	Universal accessibility for people with disabilities	GRI 103-2 Management approach (considering GRI 405 Diversity and equal opportunities and GRI 406 Non-discrimination)	Accessibility (pages 52 and 53)
	Equality	Measures adopted to promote equal treatment and opportunities for men and women	GRI 103-2 Management approach (considering GRI 405 Diversity and equal opportunities)	Equality (pages 53 and 54)

Content of the consolidated non-financial statement				
Contents of Law 11/2018 NFS			Standard used	Reference chapter and pages
		Equal opportunities plans	GRI 103-2 Management approach (considering GRI 405 Diversity and equal opportunities and GRI 406 Non-discrimination)	Equality (pages 53 and 54)
		Measures taken to promote employment	GRI 103-2 Management approach (considering GRI 401 Employment) GRI 404-2 Programmes to improve employee skills and transition assistance programs	Equality (pages 53 and 54)
		Protocols against sexual and gender-based harassment	GRI 103-2 Management approach (considering GRI 405 Diversity and equal opportunities and GRI 406 Non-discrimination)	Equality (pages 53 and 54)
		Integration and universal accessibility for people with disabilities	GRI 103-2 Management approach (considering GRI 405 Diversity and equal opportunities and GRI 406 Non-discrimination)	Accessibility (pages 52 and 53) Equality (pages 53 and 54)
		Policy against all forms of discrimination and, where appropriate, on diversity management	GRI 103-2 Management approach (considering GRI 405 Diversity and equal opportunities and GRI 406 Non-discrimination) GRI 406-1 Incidents of discrimination and corrective actions taken	Equality (pages 53 and 54)
Information on respect for human rights	Policies	Policies applied by the group, including the due diligence procedures applied to identify, assess, prevent and mitigate risks and significant impacts, and verification and control, as well as the measures that have been adopted.	GRI 103-2 The management approach and its components GRI 103-3 Assessment of the management approach GRI 412-2 Employee training on human rights policies or procedures	Human rights (pages 54 and 55)
	Human rights	Application of due diligence procedures relating to human rights	GRI 103-2 Management approach (considering GRI 412 Human rights assessments)	Human rights (pages 54 and 55)
		Prevention of risks of violation of human rights and, where appropriate, measures to mitigate, manage and repair any abuses	GRI 103-2 Management approach (considering GRI 412 Human rights assessments)	Human rights (pages 54 and 55)

Content of the consolidated non-financial statement				
Contents of Law 11/2018 NFS			Standard used	Reference chapter and pages
		Complaints of human rights violations	GRI 102-17 Mechanisms for advice and concerns about ethics (complaints received and resolution) GRI 103-2 Management approach (considering GRI 412 Human rights assessments) GRI 419-1 Non-compliance with laws and regulations in the social and economic area	Human rights (pages 54 and 55)
		Promotion and compliance with the provisions of the core ILO conventions in relation to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labour and the effective abolition of child labour	GRI 103-2 Management approach (considering GRI 406 Non-discrimination; GRI 407 Freedom of association and collective bargaining; GRI 408 Child labour; GRI 409 Forced or compulsory labour; and GRI 412 Human rights assessment)	Employment relations (page 51) Human rights (pages 54 and 55)
Information related to the fight against corruption and bribery	Policies	Policies applied by the group, including the due diligence procedures applied to identify, assess, prevent and mitigate risks and significant impacts, and verification and control, as well as the measures that have been adopted.	GRI 103-2 The management approach and its components GRI 103-3 Assessment of the management approach GRI 205-2 Communication and training about anti-corruption policies and procedures	Fight against corruption and bribery (pages 58 and 59)
	Main risks	Main risks related to these issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products or services that may have negative effects in these areas, and how the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with the national, European or international frameworks of reference for each subject. Information on the impacts that have been detected must be included, offering a breakdown of these, in particular the main risks in the short, medium and long term.	GRI 102-15 Key impacts, risks and opportunities GRI 102-30 Effectiveness of risk management processes	Fight against corruption and bribery (pages 58 and 59)
	Corruption and bribery	Measures adopted to prevent corruption and bribery	GRI 103-2 Management approach (considering GRI 205 Anti-corruption)	Fight against corruption and bribery (pages 58 and 59)

Content of the consolidated non-financial statement				
Contents of Law 11/2018 NFS			Standard used	Reference chapter and pages
		Measures to combat money laundering	GRI 103-2 Management approach (considering GRI 205 Anti-corruption)	Fight against corruption and bribery (p. 59)
		Contributions to foundations and non-profit entities	GRI 103-2 Management approach (considering GRI 205 Anti-corruption)	Associations and sponsorships (pages 53 and 54)
Information about the company	Policies	Policies applied by the group, including the due diligence procedures applied to identify, assess, prevent and mitigate risks and significant impacts, and verification and control, as well as the measures that have been adopted.	GRI 103-2 The management approach and its components GRI 103-3 Assessment of the management approach	Cooperation with society (pages 62 and 63)
	Main risks	Main risks related to these issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products or services that may have negative effects in these areas, and how the group manages these risks, explaining the procedures used to detect and evaluate them in accordance with the national, European or international frameworks of reference for each subject. Information on the impacts that have been detected must be included, offering a breakdown of these, in particular the main risks in the short, medium and long term.	GRI 102-15 Key impacts, risks and opportunities	Cooperation with society (pages 62 to 67)
		Impact of the company's activity on employment and local development	GRI 203-2 Significant indirect economic impacts GRI 413-1 Operations with local community engagement, impact assessments and development programmes	Cooperation with society (pages 62 and 63)
		Impact of the company's activity on local populations and the area	GRI 203-2 Significant indirect economic impacts GRI 413-1 Operations with local community engagement, impact assessments and development programmes	Cooperation with society (pages 62 and 63)
		Relations with local community actors and forms of dialogue with these	GRI 102-43 Approach to stakeholder engagement (related to the community) GRI 413-1 Operations with local community engagement, impact assessments and development programmes	Cooperation with society (pages 62 and 63)

Content of the consolidated non-financial statement				
Contents of Law 11/2018 NFS			Standard used	Reference chapter and pages
		Association actions and sponsorship	GRI 102-12 External initiatives	Associations and sponsorships (pages 63 and 64)
	Subcontracting and suppliers	Inclusion of social, gender equality and environmental issues in the purchasing policy	GRI 103-3 Management approach (considering GRI 308 and GRI 414)	Subcontracting and suppliers (pages 64 to 66)
		Consideration of social and environmental responsibility in relations with suppliers and subcontractors	GRI 102-9 Supply chain GRI 103-3 Management approach (considering GRI 308 and GRI 414) GRI 414-1 New suppliers that were screened using social criteria GRI 414-2 Negative social impacts in the supply chain and actions taken	Subcontracting and suppliers (pages 64 to 66)
		Supervision systems and audits, and their results	GRI 414-2 Negative social impacts in the value chain and actions taken	Subcontracting and suppliers (pages 64 to 66)
	Consumers	Measures for the health and safety of consumers	GRI 103-2 Management approach (considering GRI 416 Customer health and safety) GRI 416-1 Assessment of the health and safety impacts of product and service categories GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Customers (pages 66 and 67)
		Claim systems, complaints received and their resolution	GRI 102-17 Mechanisms for advice and concerns about ethics (complaints received and resolution) GRI 103-2 Management approach (considering GRI 416 Customer health and safety) GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data.	Customers (pages 66 and 67)

Content of the consolidated non-financial statement				
Contents of Law 11/2018 NFS			Standard used	Reference chapter and pages
	Tax information	Profits by country	GRI 207-1 Approach to tax	Tax information (pages 67 to 69)
		Corporation tax paid	GRI 207-1 Approach to tax	Tax information (pages 67 to 69)
		Public subsidies received	GRI 201-4 Financial assistance received from government	Tax information (pages 67 to 69)

FORMULATION OF THE ANNUAL ACCOUNTS AND MANAGEMENT REPORT

The Board of Directors of Soltec Power Holdings, S.A. (hereinafter, the Company), in compliance with current commercial regulations, has prepared on March 22, 2022 the consolidated annual accounts and the consolidated management report of the Company for the year 2021 following the format requirements established in the EU Delegated Regulation 2019/815 of the European Commission.

The members that make up the Company's board of directors hereby declare signed the aforementioned consolidated annual accounts and the consolidated management report for the year 2021 formulated unanimously, with a view to their verification by the auditors and subsequent approval by the General Shareholders' Meeting.

Mr Raúl Morales Torres Chairman	Mr Fernando Caballero de la Sen Director
Ms Nuria Alino Perez Director	Ms María Sicilia Salvadores Director
Mr José Francisco Morales Torres Director	Ms Marina Moreno Dolera Director
Mr Marcos Saez Nicolas Director	Ms Silvia Díaz de Laspra Morales Non-Director Secretary